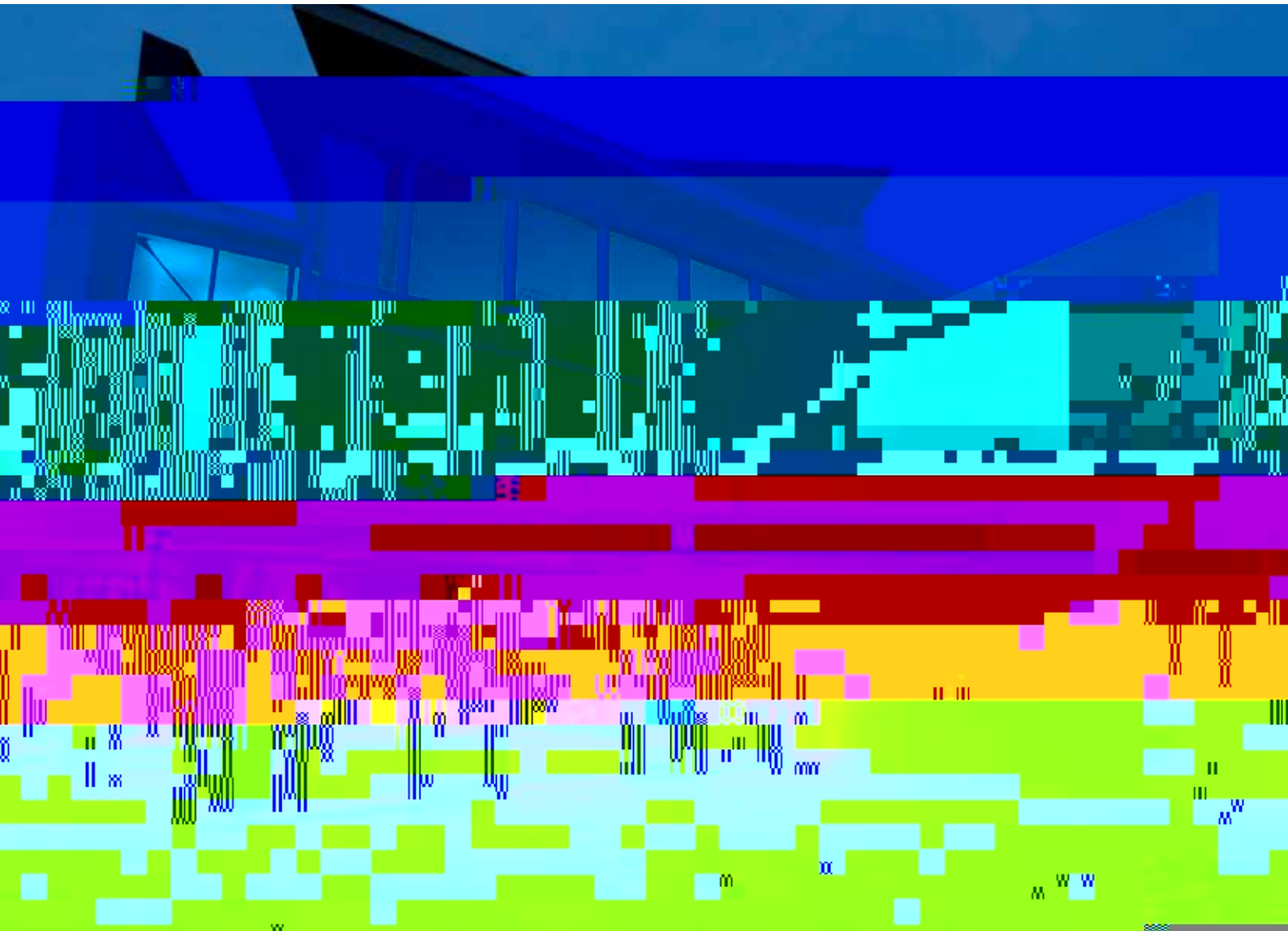


ivers



BOURNEMOUTH UNIVERSITY, HIGHER EDUCATION CORPORATION

BOARD MEMBERS AND ADVISERS

Board Members (External)

Ms Sue Sutherland (appointed Chair Nov 10)  
Mr Alan J Frost (Chair, retired Nov 10)  
Mr Chris Appleton  
Dr Peter Barnwell  
Mr Ian Carter  
Ms Joanna Dawson  
Mr Julian Francis  
Prof Christine Hallett  
Mr David Hines  
Mr Tim Lee  
Ms Hannah McCarthy (resigned Jan 11)  
Ms Fiona McMillan (resigned Jul)

LeF-9.59209(FI56()-0.52

BOURNEMOUTH UNIVERSITY, HIGHER EDUCATION CORPORATION

REPORT OF THE BOARD OF GOVERNORS

Scope and format of the financial statements

We are pleased to present the University's financial statements, including the Operating and Financial Review for 2011. The financial statements comprise the consolidated results of the University and its wholly-owned subsidiaries, Bournemouth

067(i)2.16107(i).7477(e)sic.95512(42183571)(J)-6949(2)-011(e)42.16107(i)2.11059( )-110.2067(i)9(n1(e)309a)3d74724(s0.52d)-123.5-1(1)3( )-

BOURNEMOUTH UNIVERSITY, HIGHER EDUCATION CORPORATION

REPORT OF THE BOARD OF GOVERNORS

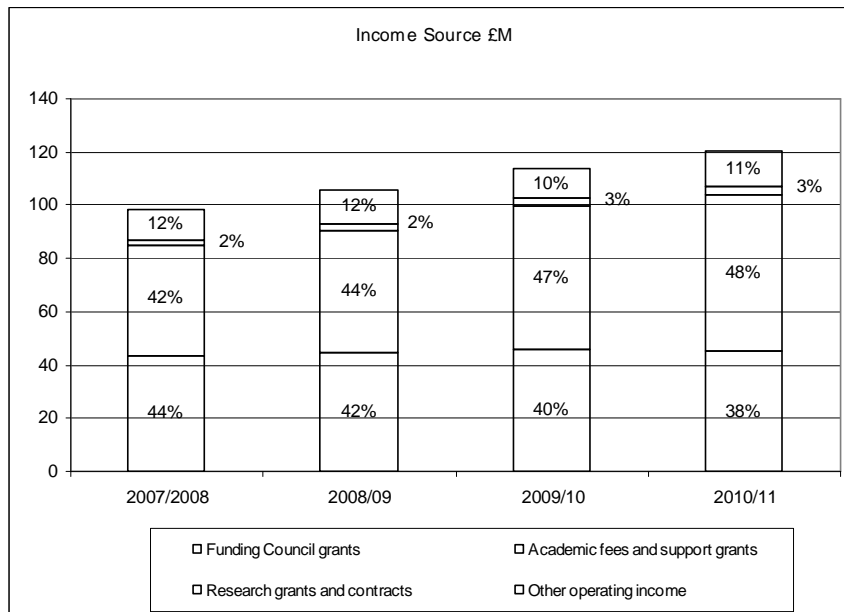
Report of the Board of Governors

Overview

Bournemouth University has achieved so much in ~~our~~ areas of education, research and professional ~~practice~~. Looking forward, we recently published our new Vision & ~~Values~~ BU2018: Creating, Sharing, Inspiring which outlines where we would like to be as an organisation by 2018. ~~In this~~ vision we will strive to create a student and staff experience that is stimulating, challenging and rewarding, in a ~~world~~ class learning community that shares a unique ~~fusion~~ of excellent education, research and professional practice.

During 2011 we have looked to our immediate future

Financial Highlights of the Year (continued)

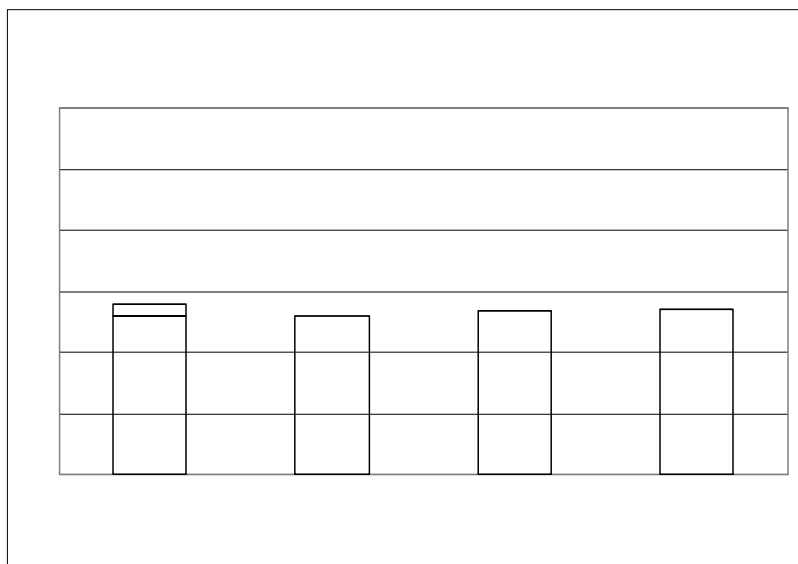


Expenditure

Staff costs increased by £0.6m from £53.4m in 2010 to £54.0m in 2011. Excluding the adjustment for FRSP (Retirement Benefits), staff costs increased by £0.2m.

Other operating expenditure increased by £2.0m from £48.6m in 2010 to £50.6m in 2011, an increase of 4%. Computer and equipment costs increased £0.5m, rent increased £0.4m and library spend increased by £0.4m. Other costs reduced by £0.7m predominately due to under recruit at partner colleges.

Depreciation increased £0.8m whilst interest payable reduced by £0.2m.



BOURNEMOUTH UNIVERSITY, HIGHER EDUCATION CORPORATION

REPORT OF THE BOARD OF GOVERNORS

Financial Performance Indicators

The University achieved all 5 of its financial performance indicators in 2011 as described below.

Surplus before adjustment for FRS17

The University recorded a surplus before adjustment for FRS17 (Accounting for Pension Scheme Liabilities) of £11.1m in 2011 (2010 - £8.2m), this represented 9.2% of turnover (2010 - 7.1%).

Total income

Total income increased by £6m from £115m in 2010 to £121m in 2011, this represented an increase of 5.2% (2010 - 4.1%).

BOURNEMOUTH UNIVERSITY, HIGHER EDUCATION CORPORATION  
REPORT OF THE BOARD OF GOVERNORS

# BOURNEMOUTH UNIVERSITY, HIGHER EDUCATION CORPORATION

## REPORT OF THE BOARD OF GOVERNORS

### Bournemouth University and Public Benefit

Bournemouth University is required to demonstrate it meets the requirement that its activities are 'in the public benefit'. The Board members are aware of their duties with regard to public benefit and are conversant with the Charity Commission guidance in this area.

Bournemouth University is a Higher Education Corporation set up under the Higher & Further Education Act 1992. The University is a Charity under Statute, also known as an 'exempt charity'. Following changes in charity legislation, from 1 June 2010 HEFCE became the 'principal regulator' of Higher Education Institutions (HEIs) in England that are exempt charities.

### Education and Widening Access

At Bournemouth University we are committed to the recruitment of students from our region and to increase the attractiveness to students both nationally and internationally.

We are committed to the development of our students as self-motivated, independent, lifelong learners empowered to make significant contributions in their chosen careers.

As part of its package of fees and support for the new fees regime, BU has set out its plans to invest £3.6m during 2012/13 of which £1.4m is new investment. This will extend the University's ambitions to engage with students who are currently under-represented in higher education.

These new measures will include developing an outreach programme with specific focus on learners from areas which traditionally have low participation rates in higher education, those who are leaving care and students with disabilities.









## BOURNEMOUTH UNIVERSITY, HIGHER EDUCATION CORPORATION

### RESPONSIBILITIES OF THE UNIVERSITY BOARD

The University Board has adopted this Statement as a summary of its responsibilities. The Statement conforms to the model Statement of Responsibilities published by the Council of University Chairmen.

1. To approve the mission and strategic vision of the institution, long-term academic and business plans and key performance indicators, and to ensure that these serve the interests of stakeholders.
2. To delegate authority to the head of the institution (known as the Vice-Chancellor), as chief executive, for the academic, corporate, financial, estate and personnel management of the institution and to establish a system under regular review the 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. The Audit, Risk and Governance Committee receives a report at each of its meetings on the major risks facing the University. Any matters of concern are reported to the Board.
4. To ensure processes are in place to monitor and evaluate the performance and effectiveness of the institution against the plans and approved key performance indicators, which should be, where possible and appropriate, benchmarked against other comparable institutions.
5. To establish processes to monitor and evaluate the performance and effectiveness of the University Board itself. To ensure that similar processes are in place to monitor and evaluate the performance and effectiveness of the Senate.
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 institution.
8. To appoint the Vice-Chancellor as chief executive and to put in place suitable arrangements for monitoring his/her performance.
9. To appoint a Clerk to the University Board and ensure that, if the person appointed has managerial responsibilities in the institution, there is an appropriate separation in the lines of accountability.
10. To be the employing authority for all staff of the institution and to be responsible for establishing a human resources strategy.
11. To be the principal financial and business authority of the institution, to ensure that proper books of account are kept.

BOURNEMOUTH UNIVERSITY, HIGHER EDUCATION CORPORATION

STATEMENT OF PRINCIPAL ACCOUNTING POLICIES

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

This report is made solely to the University's Governors, as a body, in accordance with paragraph 124B of the Education Reform Act 1988. Our audit work has been undertaken so that we might state to the University's Governors those matters we are required to state to them in an audit report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the University and the University's Govern

## BOURNEMOUTH UNIVERSITY, HIGHER EDUCATION CORPORATION

### STATEMENT OF PRINCIPAL ACCOUNTING POLICIES

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the financial statements.

#### 1. Accounting convention

The financial statements have been prepared under the historical cost convention as modified by the revaluation of freehold property and equipment transferred to the University from Dorset County Council upon incorporation and in accordance with both the Statement of Recommended Practice (SORP): Accounting for Further and Higher Education and applicable Accounting Standards.

#### 2. Basis of consolidation

The consolidated financial statements consolidate the financial statements of the University, its wholly owned subsidiaries and those entities it exercises control or significant influence over for their financial years ended 31 July 2011. Intra-group sales and profits are eliminated on consolidation and all income and expenditure figures relate to external transactions only. The consolidated







BOURNEMOUTH UNIVERSITY, HIGHER EDUCATION CORPORATION  
CONSOLIDATED INCOME AND EXPENDITURE ACCOUNT

	Note	<u>2011</u> £000	<u>2010</u> £000
INCOME			

BOURNEMOUTH UNIVERSITY, HIGHER EDUCATION CORPORATION

CONSOLIDATED STATEMENT OF HISTORICAL COST SURPLUSES & DEFICITS FOR THE YEAR ENDED  
31<sup>ST</sup> JULY 2011

	<u>2011</u> £000	<u>2010</u> £000
Surplus for the financial year	9,477	6,847
Difference between historical cost depreciation <del>charge</del> and actual depreciation charge on revalued fixed assets	401	401
	-----	-----
Historical cost surplus after taxation	9,878	7,248
	-----	-----

The notes on pages 21 to 36 form part of these ~~accounts~~ ~~statements~~

## BOURNEMOUTH UNIVERSITY, HIGHER EDUCATION CORPORATION

CONSOLIDATED BALANCE SHEET AS AT 31<sup>ST</sup> JULY 2011

	Note	2011 £000	2010 £000
Fixed assets			
Tangible assets	8	75,838	70,613
Investments	8	117	117
		<u>75,955</u>	<u>70,730</u>
Current assets			
Stocks	9	19	21
Investments	8	63	71
Debtors	10	3,942	4,104
Short-term deposits	18	28,431	23,367
Cash at bank and in hand	18	2,894	1,253
		<u>35,349</u>	<u>28,816</u>
Creditors: Amounts falling due within one year	11	(19,352)	(18,829)
Net current assets		15,997	9,987
Total assets less current liabilities		<u>91,952</u>	<u>80,717</u>
Creditors: Amounts falling due after more than one year	12	(23,121)	(23,047)
Pension liability	21	(24,488)	(21,476)
NET ASSETS		<u>44,343</u>	<u>36,194</u>
Deferred capital grants	13	22,282	22,215
Reserves			
Revaluation	14	6,518	6,919
Revenue excluding pension reserve	21	40,031	28,536
Pension reserve	21	(24,488)	(21,476)
Revenue including pension reserve	15	<u>15,543</u>	<u>7,060</u>
Total reserves		22,061	13,979
TOTAL		<u>44,343</u>	<u>36,194</u>

The notes on pages 21 to 36 form part of these accounts.

Approved and authorised for issue by the University Board on 4 November 2011

MS S SUTHERLAND  
Chair of the Board

PROFESSOR J VINNEY  
Vice-Chancellor and Chief Executive

BOURNEMOUTH UNIVERSITY, HIGHER EDUCATION CORPORATION

UNIVERSITY BALANCE SHEET AS AT 31<sup>ST</sup> JULY 2011

	Note	<u>2011</u> £000	<u>2010</u> £000
Fixed assets			
Tangible assets	8	75,838	70,613
Investments	8	117	117
		<u>75,955</u>	<u>70,730</u>
Current assets			
Stocks	9	19	21
Debtors	10	3,803	4,683
Short-term deposits		28,431	23,367
Cash at bank and in hand		1,708	44
		<u>33,961</u>	<u>28,115</u>
Creditors: Amounts falling due within one year	11	<u>(19,325)</u>	<u>(19,181)</u>
Net current assets		14,636	8,934
Total assets less current liabilities	rt	<u>1.68((-0.(7(t)-0.524389(s)( ))TJ /R11 9 Tf 242.711(8)6</u>	

BOURNEMOUTH UNIVERSITY, HIGHER EDUCATION CORPORATION

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31<sup>ST</sup> JULY 2011

	Note	<u>2011</u> £000	<u>2010</u> £000
Net cash inflow from operating activities	16	14,497	12,772
Returns on investments and servicing of finance			
Interest received		426	197
Interest element of bank loan		(631)	(552)
Interest element of finance lease payment		(1,028)	(1,040)
		<u>(1,233)</u>	<u>(1,395)</u>
Capital expenditure and financial investment			
Purchase of tangible fixed assets (excluding leased assets)		(9,940)	(5,812)
Deferred capital grant received		1,946	3,575
		<u>(7,994)</u>	<u>(2,237)</u>
Cash inflow before use of liquid resources and financing		<u>5,270</u>	<u>9,140</u>
Management of liquid resources	18	(5,064)	(11,308)
Financing	17	246	2,880
Increase in cash [( )-.		<u>246</u>	<u>2,880</u>

BOURNEMOUTH UNIVERSITY, HIGHER EDUCATION CORPORATION

NOTES TO THE ACCOUNTS

	<u>2011</u> £000	<u>2010</u> £000
1. Funding body grants		
Recurrent grant	41,199	43,198
Specific grant	2,366	1,515
Deferred capital grants released (see note 13)		
- Buildings	1,747	1,408
- Equipment	132	192
	<hr/> 45,444	<hr/> 46,313
2. Tuition fees and education contracts		
Full-time students	32,028	31,086
Full-time students charged overseas fees	10,058	5607,
Part-time f(a)-6.95711(42.11221(e)3.74727(a).15(7)-6.95711(,))TJ )3.74		

1e-0[qq.3 -10

BOURNEMOUTH UNIVERSITY, HIGHER EDUCATION CORPORATION

NOTES TO THE ACCOUNTS

5. Staff (continued)

	<u>2011</u> £000	<u>2010</u> £000
· Emoluments of senior post holders		
Remuneration	724	751
Benefits in kind	14	12
Pension contributions	88	83
	<hr/> 826	<hr/> 846

Emoluments of senior post holders related to 6 members of staff in 2011 (2010: 7 members of staff)

	<u>2011</u> Number	<u>2010</u> Number
· Remuneration of other higher paid staff, excluding employer's pension contributions		
£100,000 to £110,000	1	1
£110,000 to £120,000	1	2
£120,000 to £130,000	1	-
£130,000 to £140,000	-	-
£140,000 to £150,000	-	1
£180,000 to £190,000	1	-
	<hr/>	<hr/>
· Average staff numbers employed:		
Academic staff (excluding part-time visiting lecturers)	532	513
Administrative, professional, technical and clerical staff	672	643
Manual and maintenance staff	39	35
	<hr/> 1,243	<hr/> 1,191

6. Other operating expenses

	<u>2011</u> £000	<u>2010</u> £000
Staff development	924	776
External Agencies and staff secondments	4,485	04,31
Other staff costs	530	507
Travel costs	1,546	1,419
Consumables and laboratory costs	1,405	397
Franchise costs paid to partner colleges and other organisations	10,660	11,329
Student union grant	500	437
Student welfare	1,895	2,125
Office expenses	1,348	1,365
Books, periodicals and information services	1,838	,436
Non capitalised equipment	4,365	3,863

BOURNEMOUTH UNIVERSITY, HIGHER EDUCATION CORPORATION

NOTES TO THE ACCOUNTS

6. Other operating expenses (continued)

Within Legal and professional expenses are £211k (2010: £206k) of fees paid to External Auditors for audits other than Audit. Reimbursement to governors for travel and subsistence expenses in attending Board and Committee meetings amounted to £4,340 and related to six governors (2010: £1,665 paid to five governors).

7. Interest payable	<u>2011</u>	<u>2010</u>
	£000	£000
On finance leases	1,028	1,040
Interest payable on bank loans	631	552
Pension finance costs	559	788
	<u>2,218</u>	<u>2,380</u>

8. Tangible assets: Group and University

Tangible Fixed Assets

	Freehold and Leasehold Land and Buildings £000	Leasehold Improve- ments £000	Equipment £000	Assets in course of construction £000	Total £000
Cost/valuation					
At 1 August 2010	91,680	1,891	41,765	4,601	139,937
Additions	-	-	541	9,399	9,940
Transfers	6,439	-	-	(6,439)	-
	<u>98,119</u>	<u>1,891</u>	<u>42,306</u>	<u>7,561</u>	<u>149,877</u>
31 July 2011	98,119	1,891	42,306	7,561	149,877
Depreciation					
Accumulated at 1 August 2010	31,905	377	37,042	-	69,324
Charge for the year	3,044	76	1,595	-	4,715
	<u>34,949</u>	<u>453</u>	<u>38,637</u>	<u>-</u>	<u>74,039</u>
31 July 2011	34,949	453	38,637	-	74,039
Net book value					
31 July 2011	63,170	1,438	3,669	7,561	75,838
31 July 2010	<u>59,775</u>	<u>1,514</u>	<u>4,723</u>	<u>4,601</u>	<u>70,613</u>

As a result of the Education Reform Act 1988 the interests in properties occupied by the University, previously held by Dorset County Council (DCC), were formally transferred, under the direction of the Education Asset Board (EAB), to the University itself with effect from 1<sup>st</sup> April 1989. Similarly, the University also accepted unrestricted title to those moveable assets and office funds previously paid by the DCC.



## NOTES TO THE ACCOUNTS

## 8. Tangible assets (continued)

The cost/valuation of Land and Buildings comprises

	<u>2011</u> £000	<u>2010</u> £000
Freeholds		
Assets inherited upon incorporation:		
Property, valued at depreciated replacement cost	,1707	17,170
Land, valued at transferred debt	122	122
	<hr/> 17,292	<hr/> 17,292
Assets valued on an open market basis in 1990	150	50
Assets stated at cost	71,477	65,038
Assets held under finance leases (short leaseholds)	9,200	9,200
	<hr/> 98,119	<hr/> 91,680

The transitional rules set out in FRS15 Tangible Fixed Assets have been applied on implementing FRS15. Accordingly the book values at the date of implementation have been retained. In July 2011 freehold property was valued by Webb Valuations, who calculated a property Insurance Reinstatement value of £234.9m. Net Book Value of £63.2m

Land and Buildings with a net book value of £63.2m includes assets held under finance leases with a book value of £5,980k (2010: £6,210k), on which £230k depreciation was charged during the year.

## Exchequer Funded Assets

The net book value of exchequer funded assets at balance sheet date was £21m. Where assets are acquired with the aid of Exchequer funded grants, the related grants are treated as deferred capital grants and are amortised over the expected useful life of the assets. (See 13.)

## Investments

	Cost at 31 July 2011	Cost at 31 July 2010
Investments - University	£	£
Shares in group companies	4	8
Shares in CVCP Properties, plc	28,091	28,091
Shares in LeNSE Limited	50,000	50,000
Shares in Talis	37,373	37,373
Shares in AdsFab	1,000	1,000
Shares in Odstock Medical Ltd	1	1
	<hr/> 116,469	<hr/> 116,473

## Group Companies

Southern Educational Enterprises Limited	-	2
BU Innovations Limited	2	2
Bournemouth University Limited	2	2
South Coast Information and Library Services Limited	-	2
	<hr/> 4	<hr/> 8



BOURNEMOUTH UNIVERSITY, HIGHER EDUCATION CORPORATION

NOTES TO THE ACCOUNTS

11. Creditors: amounts falling due within one year

	2011		2010	
	Group £000	University £000	Group £000	University £000
Bank loans and overdrafts	2,045	2,045	793	793
Other loans	125	125	-	-
Obligations under finance leases	237	237	176	176
Trade creditors	4,408	4,396	3,890	4,318
Amounts owed to group companies	-	32	-	-
Other creditors	1,551	1,530	1,168	1,146
Social security and other taxation payable	1,236	1,232	1,247	1,240
Accruals and deferred income	9,750	9,728	11,555	11,501
	<u>19,352</u>	<u>19,325</u>	<u>18,829</u>	<u>19,181</u>

Accruals and deferred income include £6,830k (2010: £6,802k) of income received in advance in connection with teaching and consultancy work.

12. Creditors: amounts falling due after more than one year

Group and University	2011 £000	2010 £000
Bank loans	12,921	13,000
Finance leases	9,687	9,923
Other creditor	200	124
Other loans	313	-
	<u>23,121</u>	<u>23,047</u>

The bank loan is represented by £5m fixed rate loan repayable by 2043 at an interest rate of 5.285% and a £5m fixed rate loan repayable by 2043 at an interest rate of 6.3836%.



BOURNEMOUTH UNIVERSITY, HIGHER EDUCATION CORPORATION

NOTES TO THE ACCOUNTS

15. Revenue reserves (continued)

Group retained surplus for year	£000
University surplus for year	9,169
Surplus generated by subsidiary undertakings	8 30
	<u>9,477</u>

16. Reconciliation of consolidated operating surplus to net cash inflow from operating activities

	<u>2011</u> £000	<u>2010</u> £000
Surplus after taxation	9,477	6,847
Depreciation	4,715	3,948
Deferred capital grants released	(1,879)	(1,600)
Interest receivable	(426)	(197)
Interest payable	2,218	2,380
Pension contribution less amounts charged to surplus	1,058	564
Decrease in stock	2	20
Decrease in debtors	162	2,078
Decrease in creditors	(830)	(1,270)
Decrease/(Increase) on investments	-	2
	<u>14,497</u>	<u>12,772</u>

17. Analysis of changes in consolidated financing during the year

	Finance leases £000	Other loans £000	Bank loans £000	Total £000
At 1 August 2010	10,099	-	13,000	23,099
New leases/loans	-	500	-	500
Capital repayments	(175)	(63)	(16)	(254)
At 31 July 2011	<u>9,924</u>	<u>437</u>	<u>12,984</u>	<u>23,345</u>

18. Analysis of changes in net funds

	At 1 August 2010 £000	Cash Movement £000	Non cash Movement £000	At 31 July 2011 £000
Cash at bank and in hand	1,253	1,641	-	2,894
Bank overdraft	(793)	(1,189)	-	(1,982)
	<u>460</u>	<u>452</u>	<u>-</u>	<u>912</u>
Short-term deposits	23,367	5,064	-	28,431
Debts due within one year	(176)	54	(302)	(424)
Debts due after one year	(22,923)	(300)	302	922
	<u>728</u>	<u>5,270</u>	<u>-</u>	<u>5,998</u>

NOTES TO THE ACCOUNTS

19. Contingent liabilities

Nomination agreements

The University has entered into an arrangement with UNITE for the supply of additional student accommodation in two buildings, Purbeck House a 519 bed accommodation facility and Corfe House, a 308 bed facility. The buildings are owned and managed by UNITE but the University has a nomination agreement in place which guarantees a certain occupation level by its students (for which they pay full costs). If there were insufficient occupants the University would be liable to pay up to the guaranteed amount. To date no such claims have been made.

The University has entered into an arrangement with Spectrum (Signpost Homes Limited) for the supply of additional student accommodation in three buildings, Oxford House a 94 bed accommodation facility, by Regis House, a 400 bed facility and Chesil House, a 120 bed facility. The buildings are owned and managed by Spectrum but the University has a nomination agreement in place such that it guarantees a certain occupation level by its students (for which they pay full costs). If there were insufficient occupants the University would be liable to pay up to the guaranteed amount. To date no claims have been made.

20. Operating lease and Capital commitments

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

2011

BOURNEMOUTH UNIVERSITY, HIGHER EDUCATION CORPORATION

NOTES TO THE ACCOUNTS

NOTES TO THE ACCOUNTS

21. Pensions (continued)

Because of the mutual nature of the scheme, the assets are not hypothecated to individual institutions and a scheme-wide contribution rate is set. The institution is therefore exposed to actuarial risks associated with other institutions' employees and is unable to fully share of the underlying assets and liabilities of the scheme on a consistent and reasonable basis and the as required by FRS17 "Retirement Benefits" for the scheme as if it were a defined contribution scheme. As a result, the amount charged to the expenditure account represents the contribution payable to the scheme in respect of the accounting period.

The latest triennial actuarial valuation of the scheme was at 31 March 2008. The actuary also carried a review of the funding level each year between triennial valuations and details of his estimate of the funding level at 31 March 2011 are also included in this note.

The triennial valuation was carried out using the project unit method. Using the FRS17 formula as if it was a single employer scheme, the actuary estimated that the assets were sufficient to cover 104% of the liabilities which had accrued to members after allowing for expected future increases in earnings.

Since 31 March 2008 global investment markets have continued to fluctuate and as at 31 March 2011 the actuary has estimated that the funding level on the FRS17 basis was 86%. The estimate is based on the funding level at 31

March 2008, adjusted to reflect the fund's actual investment performance over the three years and general market conditions.

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

At 31 March 2011, USS had over 142,000 active members and the institution had 14 active members.

The total pension cost for the institution was £627 (2010: £120,767). This includes £12,115 (2010: £10,055) outstanding contributions at the balance sheet date. The contribution rate payable by the institution was 16% of pensionable salaries.

DCSS

This is a funded defined benefit scheme where contributions payable are held in a trust separately from the University. Full actuarial valuations are carried out triennially, with the last full valuation being at 31 March 2010.

The valuation has been updated to 31 July 2011 by qualified independent actuaries who estimate the present liability as at 31 July 2011 4727(s)2.112(c)3.74889(o)-6.95711(n)-22856(2)-6.6107(l)-2.16107(a)-6.95826(a)3.74727(b)-6.956.997.15949113508(43.47856(4).27(a)3..7453.47856(4)%56.997.15949(h)63.7727(a)3..7413.47856(4).27(a)3..7433.47856a4727(c)4727(t)-2711t)



BOURNEMOUTH UNIVERSITY, HIGHER EDUCATION CORPORATION

NOTES TO THE ACCOUNTS

21. Pensions (continued)

BOURNEMOUTH UNIVERSITY, HIGHER EDUCATION CORPORATION

NOTES TO THE ACCOUNTS

21. Pensions (continued)

Amounts recognised in Statement of Recognised Gains and Losses

	Year to 31 July 2011 £ 000	Year to 31 July 2010 £ 000
Actual return less expected return on pension scheme assets	1,364	3,443
Experience gains and losses	951	-
Changes in assumptions underlying the present value of the scheme liabilities	(3,710)	(2,938)
Actuarial (loss)/gain recognised in the statement of recognised gains and losses	<u>(1,395)</u>	<u>505</u>

In 2010 a one-off actuarial gain on scheme liabilities of £2.7 million was included due to the change in inflation rate used to calculate pension increases from RPI to CPI.

BOURNEMOUTH UNIVERSITY, HIGHER EDUCATION CORPORATION

NOTES TO THE ACCOUNTS

21. Pensions (continued)

Reconciliation of opening & closing balances of the fair value of scheme assets

	Year to 31 July 2011 £ 000	Year to 31 July 2010 £ 000
Opening fair value of scheme assets	37,796	28,859
Expected return on scheme assets	2,693	2,285
Actuarial gain	1,158	3,443
Contributions by employer	2,429	2,499
Contributions by scheme participants	1,201	1,149
Estimated benefits paid (net of transfers in)	(985)	(439)
Fair value of scheme assets at end of period	<u>44,292</u>	<u>37,796</u>

Reconciliation of opening & closing balances of the net pension deficit

	Year to 31 July 2011 £ 000	Year to 31 July 2010 £ 000
Deficit at beginning of the year	(21,476)	(20,629)
Service cost	(3,449)	(2,799)
Employer contributions	2,417	2,487
Unfunded pension payments	12	12
Past Service Costs	-	2,703
Other finance costs	(559)	(788)
Curtailments	(38)	(264)
Actuarial gain	(1,395)	(2,198)
Deficit at end of the year	<u>(24,488)</u>	<u>(21,476)</u>

i\_ Sensitivity analy6.96243( )-3.232133(e)3.7107(t)-0.524389(i)-2.161\_\_

BOURNEMOUTH UNIVERSITY, HIGHER EDUCATION CORPORATION

NOTES TO THE ACCOUNTS

21. Pensions (continued)

Year to

Experience adjustments on  
scheme liabilities

Percentage of liabilities

Experience adjustments on  
scheme assets

Percentage of assets

Cumulative actuarial gain/(loss)

BOURNEMOUTH UNIVERSITY, HIGHER EDUCATION CORPORATION

NOTES TO THE ACCOUNTS

23. Related Party Transactions (continued)

