



## **THE ROYAL VETERINARY COLLEGE**

### **ANNUAL REPORT AND FINANCIAL STATEMENTS 2013**

# The Royal Veterinary College

## ANNUAL REPORT and FINANCIAL STATEMENTS 2013

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## GOVERNORS AND ADVISORS

### MEMBERS OF THE COUNCIL OF THE ROYAL VETERINARY COLLEGE

#### Independent Members

The Baron Curry of Kirkharle	<i>(Chairman from 1 August 2012) - First term from 1 August 2012 – 31 July 2016 +*</i>
Mr P Orchard-Lisle	<i>(Vice-Chairman from 1 January 2009) – Second term from 1 August 2010 – 31 July 2013 +*</i>
Mr C Perrin	<i>(Honorary Treasurer from 1 July 2010) – First term from 1 July 2010 – 31 July 2014 +*</i>
Mr E Barnett	<i>First term from 1 April 2013 – 31 July 2017 +</i>
Mr D Danson	<i>Second term from 1 August 2012 – 31 July 2016) +</i>
The Rt Hon Frank Dobson, MP	<i>Second term from 1 August 2012 – 31 July 2016</i>
Mr J Grosvenor	<i>First term from 1 August 2011 – 31 July 2015 #*</i>
Professor J C Milne	<i>Second term from 1 August 2011 to 31 July 2015 #</i>
Professor E Simpson	<i>First term from 1 August 2012 – 31 July 2016</i>
Professor Dame Lesley Southgate	<i>First term from 1 August 2009 – 31 July 2013, reappointed to 31<sup>st</sup> July 2017 #</i>
Mr J Walmsley	<i>First term from 1 August 2009 – 31 July 2013, reappointed to 31<sup>st</sup> July 2017 #</i>

#### Members Elected by the Academic Board

Professor A Boswood	<i>First term from 1 August 2011 – 31 July 2015</i>
Professor C Wheeler-Jones	<i>Second term from 1 August 2012 – 31 July 2016</i>

#### President of the Students' Union

Miss C Parker (2012/13)

#### Principal (*ex-officio*)

Professor SWJ Reid

#### Vice-Principals (*ex-officio*)

Professor DB Church (V-P Learning and Student Experience)  
Professor J Elliott (V-P Research & Innovation)  
Professor S May (Deputy Principal)

**Secretary to Council (in attendance):** Vice-Principal Elaine Acaster

The members of Council are considered to be the Trustees.

#### Members of Council Committees

+ Finance and General Purposes Committee      # Audit Committee      \* Remuneration Committee

**Registered Office**      Royal College Street      London  
NW1 0TU

**Bankers**      Royal Bank of Scotland  
London

**Auditors**      KPMG LLP  
Chartered Accountants and Statutory Auditors  
London

**CHAIRMAN'S INTRODUCTION**  
for the year ended 31 July 2013

Once again, I am delighted to introduce the Annual Accounts of the Royal Veterinary College. As will be clear from the pages that follow, RVC has had a very successful year and I count myself fortunate in having inherited an organisation that is as respectful of its heritage as it is excited by the opportunities that lie ahead.

The landscape of Higher Education continues to change and I commend to you this review that describes how RVC meets current challenges and prepares itself - its staff and students - to meet new ones. Success lies in robust foundations as well as in careful planning and one should be greatly assured both are in evidence at RVC.

To my fellow Councillors, I take this opportunity of saying thank you for their personal dedication and commitment to the College. I am particularly grateful for their insights and expertise as we have worked with the Principal and his senior colleagues through the cycle of College business and in developing the new strategic plan that will chart RVC's course over the coming years.

My first year as Chair of Council has been most enjoyable, and I am particularly grateful to the Principal, Stuart Reid, and his team for their support and dedication.

A handwritten signature in blue ink that reads "Curry of Kirkharle". The signature is written in a cursive style with a large initial 'C'.

Lord Curry of Kirkharle

**PRINCIPAL'S REPORT**  
for the year ended 31 July 2013

The Royal Veterinary College has a history that is populated with “firsts” and, in welcoming you to this report, I am delighted that the last 12 months provide evidence that this tradition of leadership and innovation remains at our core.

Most importantly in a financial summary, it is a pleasure to describe another successful year for the College as a business, a year in which both historic challenges have persisted and new emerged. The combination of these challenges has required us to make appropriate provision but the robust performance of our student recruitment, our buoyant research activities and the critical income in support of our mission from our clinical endeavours have allowed us to address matters with confidence. The modernisation of our systems and processes continues apace and I am reassured that, even in testing times, for the third consecutive year we return a surplus in line with our budgeted contribution. Of course, with changes in government policy and the new funding arrangements now working their way through, we will need to redouble our efforts to create the resources that will allow us to invest in our future, a future for which we have big plans.

As ever, financial sustainability is but one measure of success and I return to my opening statement regarding “firsts”. RVC became the first and currently only UK school to gain accreditation from the European Association of Establishments for Veterinary Education; we became the first UK school to succeed in meeting the standards of the American Veterinary Medical Association for the third time and we are the first and only school worldwide to have full accreditation in the UK (RCVS), Europe (EAEVE), North America (AVMA) and Australasia (AVBC); we are the only veterinary school with accreditation from the Society of Biology; we are the first veterinary school to host a European Research Council Advanced Grant; and we are the first school to offer particular surgical interventions, in what is the largest hospital of its kind in Europe. It is most certainly of note that this year saw another significant first for RVC in the appointment of a female Vice Principal – Elaine Acaster, the first, long overdue, in a 222 year history.

Underpinning all of this has been the hard work and commitment of our staff and students. Without their efforts there would be no College, no Camden, no Hawkshead, nor any of our satellite operations. For me, the real measure of the family we have at RVC is not how we celebrate our successes but how we rally together when times are more difficult. Regardless of circumstances, it is this aspect of life at RVC that continues to impress me and the *esprit d’corps* that ensures our continued vitality and desire to make a good thing better. Central to this will be the launch of our next strategic plan in the coming year that builds on the successes and foundations of which you will read in the ensuing pages.

With the support of the Council, under the chairmanship of Lord Curry, we are fortunate to count on the *pro bono* advice of gifted individuals who bring to the College a wealth of experience from their professional and personal lives. In particular, I offer the College’s thanks to Paul Orchard-Lisle who stands down following signal contributions to all of our governance committees, most recently as deputy and acting Chair of Council. I and my colleagues owe him a debt of gratitude that simply cannot be captured in so many words.

Our strength lies in this team. Together, I am confident that the animals that are committed to our care and the young people who seek education and training at RVC are assured of the best experience the sector has to offer. We owe it to them.



Professor Stuart WJ Reid

## **OPERATING AND FINANCIAL REVIEW** for the year ended 31 July 2013

The Operating and Financial Review considers the College's activities in the year 2012-13 in the context of the challenges and risks within which it operates.

### **Context and risk analysis**

The Royal Veterinary College (RVC), founded in 1791, was the first of its kind in the UK and remains the only independent Higher Education Institution for teaching and research in the veterinary and allied sciences. The RVC has the largest range of veterinary, para-veterinary and animal science undergraduate and postgraduate courses of any veterinary school in the world, and is one of the largest veterinary schools in Europe. The College is a constituent college of the federal University of London.

The key strategic objectives of the College are set out within its Corporate Plan 2009-2013. At the heart of this Corporate Plan is the provision of leadership in veterinary education, research and clinical endeavour. Developing and enhancing excellence across all of the College's activities is paramount.

The College has adopted a range of Key Performance Indicators to assess its overall strength and progress against the Corporate Plan. Areas covered include: student recruitment, retention and employability; improving the student experience in both educational and social terms; financial performance against budgets and longer-term sustainability; quality of research outputs and funding success; growth in clinical caseload driven by targeted investment in services and facilities.

Risk awareness and management is well embedded within the College. The Corporate risk register sets out the key risks facing the College. Risks are identified through a combination of 'bottom-up' and 'top-down' processes and are discussed by the senior managers, Audit Committee and at Council. The current register has been updated following the exercises undertaken by Council and the senior managers to review risk, and assess the strength of mitigation actions.

Financial risks continue to dominate the risk register, although, where appropriate, their impacts have been gradually downgraded during the year as uncertainties in the external environment, particularly student funding and student recruitment, have become clearer. On-going scrutiny ensures the College meets and provides for its historical and current obligations. Other significant risks include those impacting on the College's reputation, including performance in the National Student Survey and league tables.

Compared to other Higher Education Institutions, the College derives a relatively large proportion of its income from commercial activities. These are primarily through veterinary fees generated by our veterinary hospitals, first opinion practices and diagnostic laboratories. In addition, the College's wholly owned subsidiary, the London BioScience Innovation Centre, provides laboratory and office space to small biotech and related industry companies. These areas of the College's operations are subject to very different market and competitive conditions when compared to teaching and research activities; appropriately, different leadership, management and risk analyses are in place.

### **Academic review**

#### *Learning and the student experience*

The College's taught undergraduate programmes aim to provide education to the whole of the veterinary team as well as to students interested in biomedical research.

Despite the second year of increased student fees, interest in the BVetMed programme continues to be strong. This year again we averaged approximately 8.5 applicants per place for our five-year programme and similar or higher interest in both the Graduate and Gateway entry paths. Regardless of the entry pathway the BVetMed programme provides the education, skills and knowledge required to practice as a veterinary surgeon. As the only course currently validated by the RVCS, the AVMA, the AVBC and the EAEVA, graduates are effectively able to practice as a veterinary surgeon anywhere in the world.

## **OPERATING AND FINANCIAL REVIEW** for the year ended 31 July 2013

The College remains committed to supporting the concept of the “veterinary team” as the future of veterinary practice and this belief underpins the College’s involvement in the training and educational programmes we offer. The College is unique in offering a suite of programmes in veterinary nursing including a Foundation Degree (FdSc) and an “in parallel” BSc together with a Graduate Diploma in Practical And Clinical Veterinary Nursing, all of which recruited to target this year. Interest is very high with approximately 10.8 applicants per place.

Interest in the College’s BSc in Bioveterinary Science continues to increase and recruitment to target was achieved and we believe there are real opportunities to increase the appeal of this course through modification of the entry requirements, diversification of modules and also offering a combined Bachelors and Masters degree.

During the year opportunities have been identified to expand the range of options for post-graduate study by both refreshing existing material and also developing new programmes. It was pleasing to see validation of both the MSc in One Health and Professional Doctorates as well as an encouraging uplift in the number of students recruited to the MSc in Veterinary Education.

The College takes extremely seriously the views of its students, many of which are expressed through the National Student Survey (NSS). This year the College managed to achieve the highest participation of any HEI in the country. Again this year, of all the animal science courses in the UK, the RVC's courses are rated first for overall satisfaction. At the same time the BVetMed had increased satisfaction in nine of the 22 categories and an overall satisfaction of 88%.

The RVC is committed to providing an all-encompassing student experience of the highest quality. After a number of years of performing less well than its peer veterinary schools in the Times Higher Education survey, the College was awarded the Most Improved Student Experience on the back of a 37 place improvement in the student satisfaction league table for 2011. The College has improved a further 45 positions in the 2012 rankings.

### *Research and innovation*

Research activity across the College continues to deliver. During the year the focus has been on finalising the Research Excellence Framework (REF) return for REF 2014. Opportunities have been taken to appoint new scientists in the areas of chromosome evolution and genetics, flight biomechanics and bone biology, all of whom have brought externally funded research programmes and two of whom are personally funded by external fellowships.

It was extremely pleasing for the College to secure its first two grants from the European Research Council (ERC), a senior investigator award and a starter award. Both are for 5 years and are testament to the quality of science we are undertaking as the success rates for these awards are usually less than 10% with only the highest quality of science being funded.

We continue to publish in the top journals with three more papers published in Nature from our Structure and Motion laboratory and one in Science from our Epidemiology and Public Health group addressing the important issue of antimicrobial resistance. Two of our new appointments also bring with them papers in Science and Nature.

Grant applications and awards in the year continue to be competitive. In addition to the two ERC successes we are in the top 30 institutes funded by BBSRC and have been awarded 10 project grants from Research Councils in 2013 valued at £3.3m, which suggests Research Councils UK will continue to be our major research funder over the coming financial years. Although funding from the Wellcome Trust has reduced year on year for the last three years with their change in policy towards fewer larger and longer grants made to the elite scientists (investigator awards), we have been able to secure a grant worth just under £1m this year as a strategic award, and our success in securing EU Government funding has more than made up for the fall off in UK Charity funding.

## **OPERATING AND FINANCIAL REVIEW** for the year ended 31 July 2013

The College's future success in research is in part driven by the number of PhD studentships and completion rates. PhD student numbers also drive one aspect of HEFCE's research funding allocation. The target is to have 120 active PhD students, and the College remains very close to achieving this. Funding PhD students is becoming more difficult, and with the move away from BBSRC awarding Doctoral Training Grants to departments and small institutions it funds to the multi-institutional model of doctoral training partnerships, the competition for Industrial CASE students through BBSRC has intensified. The College has been able to use a University of London endowment fund to increase the number of internally funded scholarships it can offer so numbers of PhD students have remained stable within this financial year. The challenge will be to find new external funders of block grants to support PhD students in the coming years.

### *Clinical Services*

As one of the largest veterinary teaching hospitals and referral centres in Europe, RVC is pre-eminent in leading cutting edge clinical care development in an educational yet commercial environment. With record numbers of patients and clinical and related earnings of £8.5m, small animal referrals through the Queen Mother Hospital for Animals contribute significantly to the income of the College, a revenue augmented by equine clinical services and diagnostic laboratory services. Mindful that these activities only occur because the College is educating students, the commercial efficiencies of these operations will be pivotal in RVC's future. A strong clinical base underpins both research and training and the performance over the last year has demonstrated once more that RVC leads the field in pioneering approaches to the treatment of animal disease. Of particular note in the last 12 months four small animal patients have received continuous renal replacement therapy (dialysis), as part of their care at the RVC, the only centre in the UK where this procedure can be carried out.

### **Corporate responsibility**

#### *Staff*

The College recognises that its success depends on the talent and commitment of all its staff. As such the College offers a broad range of personal, professional and skills based development opportunities through a structured annual programme including leadership and management, IT, health and safety and wellbeing. There are specific programmes in support of Early Career Researchers, Mentoring and Teaching Observation schemes. Probationary Lecturers are required to complete the College's PgCert in veterinary Education and encouraged to take up membership of the Higher Education Academy on completion. All staff development is underpinned through personal development objectives agreed via the annual appraisal process.

Employment strategy is considered by the Council, through the Finance and General Purposes Committee and the Remuneration Committee. In addition regular meetings are held between the College's management and the Recognised Trade Unions (RTUs). The College strives to work as collaboratively and constructively as possible with the RTUs locally, and contributes nationally to the aims and objectives of the Universities & Colleges Employers Association through participation in annual consultations about national pay award negotiations and other matters.

Staff wellbeing is very important to the College. This is supported through encouraging open communication between staff and their managers, access to an occupational health service and a telephone advice line available at no cost to all employees. Flexible working is encouraged where this is operationally viable.

The scientific nature of the College's work means that certain staff are exposed to conditions for which strict health and safety measures must be in place. The College has a well-established risk assessment process, training programme and set of standard operating procedures in place in these instances, thereby limiting the number of incidents that occur. The Safety Committee review policy and procedure and any incidents and these are reported directly to the College Council.

#### *Equality and diversity*

Equality and diversity are widely promoted across the College. There is an Equality Strategy Group responsible for developing strategy and policy and monitoring compliance. The Group's remit covers both staff and students, ensuring an integrated approach is taken in this important area.

All staff are required to undertake online equality and diversity awareness training as part of their induction and cannot be confirmed in post until this has been successfully completed.



**OPERATING AND FINANCIAL REVIEW**  
for the year ended 31 July 2013

Given demographic trends in the veterinary profession and the composition of its own staff and student bodies, an area of particular importance to the College is women's career and personal development. The College has made a commitment to attaining the Athena Swan Bronze Award which promotes the development of women in STEM subjects. The development of women working in other areas of the College will be addressed through the Springboard Programme which enables women to take more control over their own lives by identifying the clear, practical and realistic steps to develop their skills and self-confidence.

**Financial**

The financial statements have been prepared in accordance with the SORP 2007: Accounting for Further and Higher Education, and the relevant accounting standards. The consolidated financial statements cover the activities of the College, the Animal Care Trust (ACT), the London BioScience Innovation Centre Limited (LBIC), RVC Developments Limited, and Royal Veterinary College (Hong Kong) Limited.

CONSOLIDATED RESULTS FOR THE YEAR TO 31 JULY

	2013 £000	2012 £000
Income	73,842	71,900
Expenditure	71,791	69,722
Surplus on Continuing Operations	2,051	2,178
Transfer (to)/from specific endowments	(28)	372
Surplus retained within General Reserves	2,023	2,550
Investment in Fixed Assets	1,734	4,577
Borrowings	24,349	24,627
Short-term cash and deposits	19,599	14,180
Net cash flow from operating activities	7,863	9,089
Net Liquidity days	107	81

*Income and expenditure*

The Group achieved a surplus of £2,023,000 which, despite the noted provisions, was better than originally budgeted due to improved income from HEFCE, student fees and clinical services.

From 2012-13 the balance of funding the teaching of students shifted away from public funds towards contributions directly from students. However, HEFCE continue to provide important funding for students studying in high-cost subject areas, which covers the vast majority of the College's students, and are predominantly funded by student loans.

Recruitment figures for the 2012-13 were higher than budgeted. Fortunately the College was not adversely impacted by the introduction of the Student Number Cap (SNC) as a large number of the College's UK and EU students fall into the unrestricted ABB or better category. An increase in home recruitment offset a small reduction in international numbers.

*Capital Investment*

The College continues to invest in its physical infrastructure. During the year, investment has been made to enhance farm and production animal teaching and research facilities at the Hawkshead campus and teaching and lecture facilities in Camden. Social and sporting facilities remain a high priority for capital investment and during the year improvements were made to the gym at Hawkshead. A project of £3m to create a new sports hall at the Hawkshead campus has been approved for 2013-14.

This was the first full year of operation of the new student residences and short-let accommodation at the Hawkshead campus, costing £18m.

**OPERATING AND FINANCIAL REVIEW (continued)**  
for the year ended 31 July 2013

*Capital structure*

The College has a borrowing ratio (borrowings: total income) of 33%. This is a measure used by HEFCE in assessing debt levels and compares to a sector average of 25%. While above the sector average, all of the College's debt has been used to fund activities with a specific on-going income stream, principally student residences. The debt is with the Royal Bank of Scotland and is at fixed rates of interest, thereby giving certainty over future cash flows. The maximum duration of any loan is 25 years.

*Treasury policy and investments*

The College's treasury policy seeks to ensure an appropriate return on investments at a level of risk agreed by the College Council.

The College has a long-standing engagement with BlackRock Asset Management to administer and advise on appropriate funding opportunities for surplus cash and liquid assets over and above those needed for routine working capital purposes. £12,172,000 was held in BlackRock's Institutional Liquidity Fund (ILF). The ILF is used for surplus short term cash and offers attractive returns compared to alternative instant access accounts. In addition, at 31 July 2013, the College held a total of £10,824,000 across eight BlackRock funds. The majority of these investments represent endowment assets.

Overall, the College's investments produced a positive return for the year to 31 July 2013, reflecting an improvement in market conditions. Since the year-end, the Finance and General Purposes Committee has reviewed the requirements and terms of the College's investment management, and following an appropriate selection process Ruffer LLP has been appointed with effect from October 2013.

The investment of working capital funds is monitored by the Finance and General Purposes Committee and we have a robust treasury policy to seek to maximize returns while protecting against counterparty risks.

*Cash flows*

Cash generation has been identified as a requirement if the College is to fund all of its priorities and maintain a sustainable position. The College reported an increase in cash of £3,022,000 (2012: outflow of £6,800,000).

Over the last years the College has been discussing indicators which would assess financial sustainability and has agreed that sustainability should primarily be measured against cash generation and utilisable cash balances. It is pleasing therefore to note that there has been an improvement in the College's liquidity days to 107 days (2012: 81 days).

*Pension funds*

Staff at the College are entitled to join either the Universities Superannuation Scheme (USS) or the Superannuation Scheme of the University of London (SAUL). Both schemes were formally valued on 31 March 2011 and the funding positions of both were below the level required by The Pensions Regulator. Formal action plans to address the funding gap have been prepared for approval by The Pensions Regulator.

*Financial outlook*

Recruitment figures for the autumn 2013 intake indicate that the College has met its overall targets, and has recruited within the Student Number Cap required by HEFCE. International recruitment has been successful in exceeding target for undergraduate places, which is a welcome return to growth. The College continues to invest in its access programme both in the UK and internationally.

**OPERATING AND FINANCIAL REVIEW (continued)**  
for the year ended 31 July 2013

Early indications are that Research income will meet target, as the success rates for Research Council applications (BBSRC primarily) have been high in recent months, with 7 project grants funded from submissions in to date, and newly recruited researchers are transferring 3 responsive mode BBSRC project grants to the College in 2013.

The College generates over 20% of its annual income from its clinical activities and has arguably some of the best equipped and resourced referral hospitals in the UK. While this marketplace is becoming increasingly competitive, new service areas continue to be developed and launched successfully, and further strategic partnership arrangements are being considered for their contribution both to the College's services and teaching resources.

It is expected that the cost base of the College in its day-to-day operations will remain stable in the medium term. During 2012-13 the College benefited from a purchasing review of utilities which reduced costs from key suppliers, however it is anticipated that there will be renewed pressure on fuel costs in 2014. Staff costs are expected to be higher in 2013-14 due to the rise in staff numbers during the prior year. These expenses have been modelled into financial forecasts.

Overall, the College is pleased to report another successful result. We are on track to deliver our 2013-14 budget, including the commencement of a significant capital investment programme, and we are appropriately positioned to support financially the future development of the College in its teaching, research and clinical objectives.

## **CHARITABLE STATUS AND PUBLIC BENEFIT STATEMENT**

for the year ended 31 July 2013

The College is an exempt charity under the terms of the Charities Act 20011. It is monitored by HEFCE as Principal Regulator in accordance with the Charities Act 2011.

In setting and reviewing the College's objectives and activities, Council has had due regard to the Charity Commission's guidance on the reporting of public benefit and particularly to its supplementary public benefit guidance on the advancement of education. Attention is also paid to guidance issued by HEFCE in its role as principal regulator on behalf of the Charities Commission.

### **General principles of public benefit**

The main principles of public benefit in the Charities Act 2006 are as follows:

Principle 1: There must be an identifiable benefit or benefits

- It must be clear what the benefits are.
- The benefits must be related to the aims.
- Benefits must be balanced against any detriment or harm.

Principle 2: Benefit must be to the public, or a section of the public

- The beneficiaries must be appropriate to the aims.
- Where benefit is to a section of the public, the opportunity to benefit must not be unreasonably restricted:
  - by geographical or other restrictions; or
  - by ability to pay any fees charged.
- People in poverty must not be excluded from the opportunity to benefit.
- Any private benefits must be incidental.

### **Delivery of public benefit from the mission and strategic aims**

The mission and aims, approved by Council for the Corporate Plan 2009-2013 state this directly:

Mission:

We will enhance our global reputation as an outstanding independent veterinary college by:

- Improving the quality of the student experience educationally and socially;
- Delivering excellent education through the best methods and progressive practice;
- Undertaking research of international quality in focused areas of global significance for animal and human health;
- Improving animal health and welfare by the provision of outstanding clinical activity across animal species;
- Engaging with the business community and exploiting our novel ideas;
- Promoting public health and supporting society through the study of the relationships between people, animals and food;
- Engaging fully with local, national and international communities and all our stakeholders.

Strategic aims:

The strategic aims of the College have all been set to promote and enhance excellence across its activities. These are set out in the College's Corporate Plan 2009-2013, which can be accessed at <http://www.rvc.ac.uk/corporateplan/index.cfm>

### **Delivery of public benefit through education and training**

The provision of higher education remains one of the College's core activities. The beneficiaries are the students who participate in higher education at the College. Ultimately higher education provides a skilled population that can contribute to the enhancement of society and the economy through productive careers. In 2012-13, over four-hundred and fifty students of the College graduated from programmes of undergraduate, postgraduate and research study. As part of this process, graduates of the College's main undergraduate degree, the Bachelor of Veterinary Medicine, were also admitted into membership of the Royal College of Veterinary Surgeons and many of them go on to work in veterinary practices to provide expert advice and treatment for the benefit of both animals and their owners. The College recognises the growing relevance to society and the economy of the veterinary profession's contribution to food production, the control of disease and animal welfare, and has re-profiled some of its academic activities in response to this.

The College is also the largest supplier of veterinary Continuing Professional Development (CPD), and postgraduate professional certificates accredited by the Royal College of Veterinary Surgeons. It therefore contributes substantially to the public good through state-of-the-art veterinary services.

**CHARITABLE STATUS AND PUBLIC BENEFIT STATEMENT (continued)**  
for the year ended 31 July 2013

Since the internet is a publicly available resource, educational providers have recognised the opportunities for distance learning. In recent years the College has been developing better pedagogical expertise and technical capacity to support distance education courses at both undergraduate and postgraduate levels. Distance learning programmes allow students to study at their own pace from any location globally. In some of the College's highly specialised areas, distance learning allows a critical cohort mass of students to be achieved thereby supporting the sustainable sharing of knowledge. The knowledge gained, especially by those from developing countries, is used directly to influence key decisions in the veterinary profession in those countries.

The College also has a unique Centre for Excellence in Teaching and Learning that develops materials for the College's own curricula, and supplies them (free of charge) to other educational institutions, as well as making computer-aided learning packages available via the internet, wikivet, social media the RVC website, etc.

**Delivery of public benefit through research**

Researchers at the College are actively engaged in enhancing understanding in the basic biomedical sciences as well as in veterinary sciences. The vast majority of this research is undertaken for publication (often this is a condition of the research funder) and thus the outcomes of research activities add to the publicly available knowledge in these areas. Research is undertaken so that it has the potential to enhance or change society for the better through increasing understanding, influencing behaviours and stimulating economic opportunities.

Increasingly, the outcomes of research into improving animal health and wellbeing are applicable to understanding and improving human as well as animal health (e.g. research into antimicrobial resistance, arthritis, neuromuscular disorders, tendon disease, type II diabetes, effect of dietary factors on vascular function, immune regulation and cancer). The College is actively involved in this 'one health' agenda. The findings of both areas of this work are being used to inform researchers working on these conditions in humans. A One Health approach is also taken by the College in its research which addresses infectious disease problems that cross between wild and domestic animals and humans (e.g. Avian Influenza, Brucellosis, Ecoli 0157, Campylobacter infections and antimicrobial resistance).

We participate with four other colleges of the University of London in jointly funding the London International Development Centre (LIDC) whose focus is on cross-disciplinary research, training and building local capacity for the developing world. The College is involved, through LIDC, in a number of interdisciplinary projects in which animal, medical and social science researchers are operating collaboratively, the ultimate goal of which is to improve the health and welfare of both humans and animals in developing countries.

**Delivery of public benefit through outstanding clinical activity**

During the year over 30,000 cases passed through the College's various clinical facilities, which are staffed and equipped to cater for companion animal species from rodents, through dogs and cats, to horses and alpacas, as well as production animals from farms in the region. The clinical teams in the College's hospitals offer a broad range of diagnostic techniques and treatment options to optimise care, whether cases are presented for primary care directly by their owners, or at the request of professional colleagues for secondary and tertiary services. Our capabilities range from the provision of routine clinical examinations and basic health care for all species to near unique procedures such as standing MRI and CT investigations in horses that avoid the need for general anaesthesia, and interventional radiological techniques in dogs and cats that facilitate advanced treatment of cardiac and respiratory disease, enabling access to appropriate care at many different levels. The College's clinical staff are also regular attendees at external events, such as shows and professional exhibitions, delivering lectures and workshops to audiences including the general public and farmers, as well as veterinary surgeons.

**Access to Opportunity**

The College actively encourages applications from all those with the academic ability to succeed, regardless of their background. A key element of this access to opportunity is through the College's Gateway programme, which is a one-year preparatory course for non-traditional students to provide a route into studying veterinary medicine. The programme is offered to non-selective state school students whose parents have not been to university and who satisfy strict requirements regarding levels of parental income. To encourage participation the College offers a generous bursary to Gateway students, which not only covers the cost of their tuition fees, but also contributes to their living expenses. Bursaries can be made available to all students on undergraduate programmes to encourage potential students from a wide range of socio-economic backgrounds to apply to study. It is felt that these measures contribute to widening participation and ensure the opportunity to participate is not unreasonably restricted by the ability to pay fees.

**CHARITABLE STATUS AND PUBLIC BENEFIT STATEMENT (continued)**  
for the year ended 31 July 2013

The College has an education liaison team which continues to enhance the College's widening participation activities. The College offers a weekly "Afternoon Anatomy" session to school children, giving them the opportunity to engage with and learn basic elements of anatomy in an informed and fun environment. Easter and Summer Schools are in place to give potential applicants an introduction to life at the College. In 2012-13 48% of attendees went on to apply to the College. RVC worked in partnership with a range of other HEIs and networks in London and the South East to extend our outreach activity regionally and nationally with over 568 individual events or activities. The academic staff and the student ambassadors have once again demonstrated their commitment to Widening Participation and the high quality of their work is recognized throughout the sector; we have over 100 registered and trained ambassadors. Overall in 2012-13 the College's widening participation activities reached 6,102 school and college students.

In regard to the College's clinical activities the Beaumont Sainsbury Animals' Hospital in Camden operates as a first opinion practice for the local community, offering very competitive rates for treatment, and also undertakes particular charitable services for Dogs Trust and other charities in neutering animals before re-homing.

**Public and community engagement**

The 'Farming for All' project held at the College's farm in Potters Bar continues to provide opportunities for those from a wide socio-economic background to engage with rural and veterinary activities. The Farm Project involving disadvantaged young adults continued to enhance the lives of the participants from Hertfordshire.

Outward engagement occurs on both of the College's campuses in Camden and in Hertfordshire and embraces the whole age spectrum in that College members work with both children and adults. 2012-13 saw the development of RVC Lates, a major public event to introduce the general adult public to the research undertaken at the College. This is now an annual event. The College's Anatomy Museum is a great educational resource, housed as it is within a building of architectural significance. Throughout the year adult groups, particularly in the age range 55+ visit and, just like the younger students, are introduced to the study of Anatomy and Animal Welfare. As part of its belief in a liberal education, the College has also played host to adult classes wishing to view the building architecturally and also to those who wish to study Art and Anatomy and who come to draw the many skeletal exhibits on show.

**Sustainability**

The College has been in existence for two-hundred and twenty years and throughout that time has strived to be a socially responsible organisation which contributes to social and economic development through knowledge exchange, often through active partnerships, to wider audiences.

The College recognises the direct and indirect impact its activities have on the local, regional and global environment. The College has developed solutions to reduce these impacts through the creation of an environmental policy which is focused on travel and transport; energy; waste management and recycling; and water consumption.

The Council has approved a Carbon Management Plan which sets out a strategy to achieve a 20% reduction in emissions by 2018. Energy consumption during the year has been improved through the use of solar thermal panels on the roofs of new student residences, voltage optimization technologies, more efficient gas heating systems and an ongoing campaign of raising awareness by the environmental staff team. The College offers a free shuttle bus service to staff and students at its Hawkshead campus in Hertfordshire, which has greatly reduced the extent of private vehicle travel to and from the campus.

The operation of the College's estate is an example of the need to balance the benefits against any detriment or harm. These are considered during the decision making processes of the College and it is felt that the benefits gained from delivering education, training, research and clinical activities at the College's campuses outweigh the environmental impacts of these activities.

## **RESPONSIBILITIES OF THE COLLEGE COUNCIL**

for the year ended 31 July 2013

The Council is required to present audited financial statements for each financial year. The Council is responsible for the maintenance and integrity of the College's corporate and financial information included on the College's website.

### **RECORD KEEPING AND ACCOUNTING**

The Council is responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the College and enable it to ensure that the financial statements are prepared in accordance with the College's Charter, the Statement of Recommended Practice on Accounting for Further and Higher Education 2007 and other relevant accounting standards.

### **FINANCIAL STATEMENTS**

Financial statements are prepared in accordance with the College's Charter. Guided by the College's Statement of Primary Responsibilities, Council ensures the establishment and monitoring of systems of control and accountability, including financial and operational controls and risk assessment. During preparation of these financial statements, the Council has ensured:

- that financial statements are prepared on the going concern basis. The Council is satisfied that the College 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;
- that funds from HEFCE are used only for the purposes for which they have been given and in accordance with the Financial Memoranda with the College and any other conditions which the Funding Council may from time to time prescribe;
- that there are appropriate financial and management controls in place to safeguard public funds and funds from other sources.

### **INTERNAL CONTROLS**

The College's system of internal control, which is designed to discharge the responsibilities set out above, includes the following:

- clear definitions of the responsibilities and delegated authority of heads of academic and administrative departments;
- a comprehensive medium and short-term planning process, supplemented by detailed annual income, expenditure, capital and cash flow budgets;
- clearly defined and formalised requirements for approval and control of expenditure; investment decisions are subject to formal appraisal and review according to approval limits set by the Council;
- detailed Financial Regulations of financial controls and procedures are approved by the Audit Committee and Council; and
- a professional Internal Audit team, provided by an external firm, whose annual programme is approved by the Audit Committee, and endorsed by the Council and whose head provides the Council with a report on internal audit activity within the College, and the adequacy and effectiveness of the College's system of internal control, including internal financial control.

The Audit Committee, on behalf of the Council, has reviewed the effectiveness of the College's system of internal controls, and found it provides reasonable assurance against material misstatement or loss.

**CORPORATE GOVERNANCE**  
for the year ended 31 July 2013

The governing body of the College is its Council. In accordance with the Charter and Statutes, Council is responsible for determining the strategic direction, educational character and mission of the College while ensuring the efficient and effective use of resources, its solvency and the safeguarding of its assets.

The College is committed to exhibiting best practice in all aspects of corporate governance. Throughout the year ended 31 July 2013, the College has been in compliance with the *Guide for Members of Governing Bodies of Universities and Colleges in England and Wales* that was issued by the Committee of University Chairmen (CUC) in 2004 and revised in 2009.

The Council of the College recognizes that there is an on-going process for identifying, evaluating and managing the College's significant risks and that this process has been in place for the year ending 31 July 2013 and up to the date of the Council's approval of the Annual Report and Accounts. The Risk Register is available to Council Members at every meeting and the process for risk management mentioned above accords with the internal control guidance of the CUC (cf. 1 above).

The College can trace its history as a corporate body back to 1791 and is an independent corporation, whose legal status derives from its Royal Charter. Its objects, powers and framework of governance are set out in this Charter and its supporting Statutes, which were most recently revised in 2010.

The Charter and Statutes require that the governance of the College shall be vested in the Council, which, as the governing body, is collectively responsible for overseeing the institution's activities, determining its future direction and fostering an environment to achieve the institutional mission. The Council has a majority of members from outside the College (known as independent members and numbering 11 out of 18 Council Members) from whom the Chairman, Vice-Chairman and Hon Treasurer are elected. None of the independent members receives any payment for the work done for the College, apart from the reimbursement of expenses if claimed.

The Statutes also require that there shall be an Academic Board, members of which are the Professors of the College and representatives of the teaching staff and of which the Principal is Chairman. The Board advises the Council on all academic matters.

The Principal is the Chief Executive of the College, who, under the Statutes, is responsible for the conduct of the College and exercises considerable influence on the development of institutional strategy, the identification and planning of new developments and the shaping of institutional ethos. In these aspects of the Principal's portfolio of responsibilities, senior staff contribute collaboratively. Under the terms of the formal Financial Memorandum between the College and the Higher Education Funding Council for England, the Principal is the Accountable Officer of the College and in that capacity can be summoned to appear before the Public Accounts Committee of the House of Commons.

Although the Council ordinarily meets four times a year, much of its detailed work is initially discussed at its Committees. All Council Committees are formally constituted with terms of reference and specified membership and report to the Council.

The Finance and General Purposes Committee meets four times a year and inter alia recommends to Council the College's annual budgets and monitors performance in relation to the approved budgets. The Remuneration Committee meets annually to determine the remuneration of the most senior staff, including the Principal.

The Audit Committee meets four times a year (with the College's external / internal auditors in attendance as appropriate) and considers detailed audit reports, together with recommendations for the improvement of the College's systems of internal control and management's response thereto. It also receives and considers reports from the Higher Education Funding Council for England as they affect the College's business and monitors adherence to regulatory requirements. The Council receives reports on risk and control from the Audit Committee, whose emphasis is on ensuring that the relevant degree of assurance is provided and is not merely reporting by exception. The Council itself also receives regular reports from the Safety Committee which include recommendations for improvement and the Audit Committee's role in this area is confined to a high level review of the arrangements for internal control. Whilst some senior staff attend Audit Committee meetings when necessary, they are not members of the Committee. The Audit Committee does have the opportunity to meet without members of staff being present.



**CORPORATE GOVERNANCE (continued)**  
for the year ended 31 July 2013

The Principal and the College's senior managers receive reports setting out key risk indicators and consider possible control issues. The Risk Register is regularly reviewed and amended as appropriate. Good progress has been made in implementing the risk management process at the College, however, it is recognised that there is still further work needed to ensure that the process is fully embedded at all levels within the organisation.

In compliance with the Charity Commission [ [www.charitycommission.gov.uk](http://www.charitycommission.gov.uk) ], the College maintains a Register of Interests of members of the Council. Any enquiries about the constitution and governance of the College should be addressed to the Secretary to the Council.

After making appropriate enquiries the Council has a reasonable expectation that the College has adequate resources to continue in operational existence for the foreseeable future. For this reason, it continues to adopt the *going concern* basis in preparing the accounts.

The Council has reviewed the College's system of internal financial control. Any system of internal financial control can, however, only provide reasonable but not absolute assurance against material misstatement or loss.

The Council noted some areas of potential exposure in recognising some pension and HMRC liabilities and are satisfied that necessary steps have been taken to provide for these liabilities where relevant, clarification sought where appropriate and improvements in procedures implemented where necessary.

## INDEPENDENT AUDITOR'S REPORT TO THE COUNCIL OF THE ROYAL VETERINARY COLLEGE

We have audited the Group and College financial statements ('the financial statements') of the Royal Veterinary College for the year ended 31 July 2013 which comprise the Consolidated Income and Expenditure Account, the Consolidated and College Balance Sheets, the Consolidated Cash Flow Statement, the Statement of Consolidated Total Recognised Gains and Losses, the Accounting Policies and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the Council, in accordance with the Charters and Statutes of the College. Our audit work has been undertaken so that we might state to the Council those matters we are required to state to it in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Council for our audit work, for this report, or for the opinions we have formed.

### Respective responsibilities of the Council and auditor

As explained more fully in the Responsibilities of the Council set out on page 15 the Council is responsible for the preparation of financial statements which give a true and fair view. Our responsibility is to audit, and express an opinion, on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

### Scope of the audit of the financial statements

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

### Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the affairs of the Group and College as at 31 July 2013 and of the Group's income and expenditure, recognised gains and losses and cash flows for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the Statement of Recommended Practice – Accounting for Further and Higher Education.

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

In our opinion, in all material respects:

- funds from whatever source administered by the College for specific purposes have been properly applied to those purposes
- funds provided by HEFCE have been applied in accordance with the Financial Memorandum and any other terms and conditions attached to them.

### Matters on which we are required to report by exception

We have nothing to report in respect of the following matter where the HEFCE Audit Code of Practice issued under the Further and Higher Education Act 1992 requires us to report to you if, in our opinion the statement of internal control included as part of the Corporate Governance Statement is inconsistent with our knowledge of the College and group.



**Neil Thomas**

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

Chartered Accountants

15 Canada Square

London E14 5GL

November 2013

Note:

Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

**CONSOLIDATED INCOME AND EXPENDITURE ACCOUNT**  
for the year ended 31 July 2013

		Year ended 31 July 2013	Year ended 31 July 2012
	Note	Consolidated £000	Consolidated £000
<b>INCOME</b>			
Funding body grants	1	25,519	26,775
Tuition fees and education contracts	2	12,947	10,053
Research grants and contracts	3	12,479	14,325
Clinical and related earnings		17,219	16,225
Other income	4	5,168	4,104
Endowment and investment income	5	510	418
<b>TOTAL INCOME</b>		<b>73,842</b>	71,900
<b>EXPENDITURE</b>			
Staff costs	6	38,125	36,564
Other operating expenses	9	27,365	26,595
Depreciation	11	4,950	5,138
Interest and other finance costs	7	1,351	1,425
<b>TOTAL EXPENDITURE</b>	8	<b>71,791</b>	69,722
<b>Surplus after depreciation of tangible fixed assets</b>		<b>2,051</b>	2,178
Taxation		-	-
<b>Surplus on continuing operations after depreciation of assets, disposal of assets and tax</b>		<b>2,051</b>	2,178
Transfer (to)/from accumulated income in endowment funds	19	(28)	372
<b>SURPLUS RETAINED WITHIN GENERAL RESERVES</b>	21	<b>2,023</b>	2,550

The consolidated income and expenditure relates wholly to continuing operations.

There is no difference between the result in each year and their historical cost equivalents.

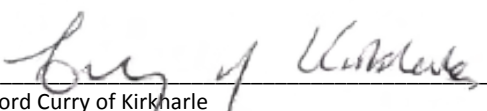
**CONSOLIDATED STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES**  
for the year ended 31 July 2013

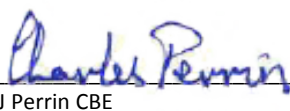
		Year ended 31 July 2013	Year ended 31 July 2012
	Note	Consolidated £000	Consolidated £000
<b>Surplus on continuing operations after depreciation of assets and disposal of assets and tax</b>		<b>2,051</b>	2,178
Increase/(decrease) in market value of investments	19	<b>897</b>	(111)
New Endowments	19	<b>487</b>	442
Endowments transferred to deferred capital grants	19	<b>(138)</b>	(177)
<b>TOTAL RECOGNISED GAINS RELATING TO THE YEAR</b>		<b>3,297</b>	2,332
<b>Reconciliation</b>			
Opening reserves and endowments		<b>35,868</b>	33,536
Total recognised gains relating to the year		<b>3,297</b>	2,332
<b>CLOSING RESERVES AND ENDOWMENTS</b>		<b>39,165</b>	35,868

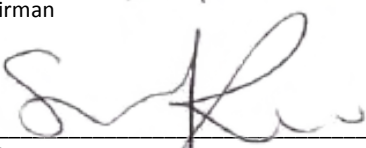
**BALANCE SHEETS**  
as at 31 July 2013

	Note	Year ended 31 July 2013		Year ended 31 July 2012	
		Consolidated £000	College £000	Consolidated £000	College £000
<b>FIXED ASSETS</b>					
Tangible assets	11	75,723	74,697	78,939	77,665
Investments	10	98	123	132	142
		<b>75,821</b>	<b>74,820</b>	79,071	77,807
Endowment asset investments	12	10,982	9,498	10,029	8,768
<b>CURRENT ASSETS</b>					
Stocks	13	811	800	812	802
Debtors – amounts falling due within one year	14	5,746	6,461	5,977	7,926
Debtors – amounts falling due after more than one year	14	-	1,206	-	1,377
Short term deposits	18	14,971	14,778	12,403	12,034
Cash at bank and in hand		4,628	2,596	1,777	595
		<b>26,156</b>	<b>25,841</b>	20,969	22,734
Creditors – amounts falling due within one year	15	(17,079)	(17,021)	(17,035)	(18,945)
Short term provisions	16	(4,526)	(4,526)	(2,601)	(2,601)
<b>Net current assets</b>		<b>4,551</b>	<b>4,294</b>	1,333	1,188
<b>Total assets less current liabilities</b>		<b>91,354</b>	<b>88,612</b>	90,433	87,763
Creditors – amounts falling due after more than one year	17	(23,234)	(23,234)	(24,211)	(24,211)
<b>TOTAL NET ASSETS</b>		<b>68,120</b>	<b>65,378</b>	66,222	63,552
Deferred Capital Grants	20	28,955	28,396	30,354	29,722
<b>Endowments</b>					
Expendable	19	3,121	1,693	2,703	1,498
Permanent	19	7,861	7,805	7,326	7,270
		<b>10,982</b>	<b>9,498</b>	10,029	8,768
<b>General Reserve</b>	21	<b>28,183</b>	<b>27,484</b>	25,839	25,062
<b>TOTAL FUNDS</b>		<b>68,120</b>	<b>65,378</b>	66,222	63,552

The financial statements on pages 19 to 44 were approved by the Council on 26 November 2013 and signed on its behalf on that date by:

  
Lord Curry of Kirkharle  
Chairman

  
Mr C J Perrin CBE  
Honorary Treasurer

  
Professor Stuart JW Reid  
Principal

**CASH FLOW STATEMENT**  
for the year ended 31 July 2013

		Year ended 31 July 2013	Year ended 31 July 2012
	Note	Consolidated £000	Consolidated £000
Net cash inflow from operating activities	22	7,863	9,089
Returns on investments and servicing of finance	23	(841)	(1,007)
Capital expenditure and financial investment	24	(1,154)	(3,600)
<b>Cash inflow/(outflow) before liquid resources and financing</b>		<b>5,868</b>	<b>4,482</b>
Management of liquid resources – short-term deposits		(2,568)	(11,237)
Financing	25	(278)	(45)
<b>INCREASE/(DECREASE) IN CASH IN THE YEAR</b>		<b>3,022</b>	<b>(6,800)</b>

**RECONCILIATION OF CASH FLOW TO MOVEMENT IN NET FUNDS**

		Year ended 31 July 2013	Year ended 31 July 2012
		Consolidated £000	Consolidated £000
<b>Increase/(decrease) in cash in the period</b>		<b>3,022</b>	<b>(6,800)</b>
Change in short term deposits		2,568	11,237
Change in debt		416	373
New loans		(138)	(328)
<b>Change in debt</b>		<b>5,868</b>	<b>4,482</b>
Net funds at 1 August		(9,914)	(14,396)
<b>NET (DEBT) AT 31 JULY</b>		<b>(4,046)</b>	<b>(9,914)</b>

**STATEMENT OF PRINCIPAL ACCOUNTING POLICIES**  
for the year ended 31 July 2013

**1. BASIS OF PREPARATION**

These financial statements have been prepared in accordance with the Statement of Recommended Practice (SORP): Accounting for Further and Higher Education 2007 and in accordance with applicable accounting standards. The financial statements are prepared in accordance with historical cost convention modified by the revaluation of certain fixed assets.

**2. GOING CONCERN**

The College's activities, together with the factors likely to affect its future development, performance and position are set out in the Operating and Financial Review. The financial position of the College, its cash flows, liquidity position and borrowing facilities are also described in the Operating and Financial Review. The College has considerable financial resources. As a consequence, the College Council believe that the College is well placed to manage its business risks successfully despite the current uncertain economic outlook. The Council has a reasonable expectation that the College has adequate resources to continue in operational existence for the foreseeable future. Thus they continue to adopt the going concern basis of accounting in preparing the annual financial statements.

**3. BASIS OF CONSOLIDATION**

The financial statements consolidate the results of the College and the Animal Care Trust, a separate registered charity, The London BioScience Innovation Centre Limited, RVC Developments Limited and Royal Veterinary College (Hong Kong) Limited. The subsidiaries have the same year end as the College. The consolidated financial statements do not include those of the Student Union Society because the College does not control those activities, nor do they include those of Westhouse Medical Services plc or Tecrea Limited as the results of these companies are considered immaterial.

**4. RECOGNITION OF INCOME**

Funding council block grants are accounted for in the period to which they relate.

Fee income is stated gross and credited to the income and expenditure account over the period in which students are studying. Bursaries and scholarships are accounted for gross as expenditure and not deducted from income.

Recurrent income from grants, contracts and other services rendered are accounted for on an accruals basis and included to the extent of the completion of the contract or service concerned; any payments received in advance of such performance are recognised on the balance sheet as liabilities.

Donations with restrictions are recognised when relevant conditions have been met; in many cases recognition is directly related to expenditure incurred on specific purposes. Donations which are to be retained for the benefit of the institution are recognised in the statement of total recognised gains and losses and in endowments; other donations are recognised by inclusion as other income in the income and expenditure account.

Non-recurrent grants received in respect of the acquisition or construction of fixed assets are treated as deferred capital grants. Such grants are credited to deferred capital grants and an annual transfer made to the income and expenditure account over the useful economic life of the asset, at the same rate as the depreciation charge on the asset for which the grant was awarded.

Income from the sale of goods or services is credited to the income and expenditure account when the goods or services are supplied to the external customers or the terms of the contract have been satisfied.

Endowment and investment income is credited to the income and expenditure account on a receivable basis. Income from restricted endowments not expended in accordance with the restrictions of the endowment, is transferred from the income and expenditure account to restricted endowments. Any realised gains or losses from dealing in the related assets are retained within the endowment in the balance sheet. Increases or decreases in value arising on the revaluation or disposal of endowment assets i.e. the appreciation or depreciation of endowment assets, is added to or subtracted from the funds concerned and accounted for through the balance sheet by debiting or crediting the endowment asset, crediting or debiting the endowment fund and is reported in the statement of total recognised gains and losses.

**STATEMENT OF PRINCIPAL ACCOUNTING POLICIES (continued)**  
for the year ended 31 July 2013

**5. TAXATION STATUS**

The College is an exempt charity within the meaning of Schedule 2 of the Charities Act 1993 and as such is a charity within the meaning of section 506(1) of the Income and Corporation Taxes Act 1988 (ICTA 1988). Accordingly, the College is potentially exempt from taxation in respect of income or capital gains received within categories covered by section 505 of the ICTA 1988 or section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied to exclusively charitable purposes.

The College receives no similar exemption in respect of Value Added Tax. Irrecoverable VAT on inputs is included in the costs of such inputs. Any irrecoverable VAT in relation to tangible fixed assets is included in their cost.

**6. LAND AND BUILDINGS**

Land and buildings are stated at historical cost. Costs incurred in relation to a tangible fixed asset, after its initial purchase or production, are capitalised to the extent that they increase the expected future benefits to the institution from the existing tangible fixed asset beyond its previously assessed standard of performance; the cost of any such enhancements are added to the gross carrying amount of the tangible fixed asset concerned.

**6(a) Depreciation**

Freehold land is not depreciated. Buildings are depreciated over their expected useful economic lives to the College of between 20 and 25 years on the amount at which the tangible fixed asset is included in the balance sheet. No depreciation is charged on assets in the course of construction.

**6(b) Repairs and maintenance**

Expenditure to ensure that a tangible fixed asset maintains its previously recognised standard of performance is recognised in the income and expenditure account in the period it is incurred. The College has a planned maintenance programme, which is reviewed on an annual basis.

**6(c) Heritage Assets**

Works of art and other valuable artefacts (heritage assets) and valued at over £5,000 have been capitalised and recognised, based on valuations carried out by specialist valuers. Heritage assets are not depreciated since their long economic life and high residual value mean any depreciation would not be material. The historic library collection was valued, independently, in 2011 by Mr Norman Comben, an expert on antiquarian veterinary books, prints and ephemera.

Works of art classified as Heritage Assets are formally revalued every 3 years. All other classes of Heritage Asset, which are less material in value, are reviewed periodically, not more than 5 years from the previous review, to determine whether a formal revaluation is required.

**7. EQUIPMENT**

Equipment and furniture costing less than £5,000 per individual item and which is not part of a bigger piece of equipment, is written off to the income and expenditure account in the period of acquisition. All other equipment is capitalised at cost. All assets are depreciated over their useful economic lives to the College of between 3 and 7 years.

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

**8. INVESTMENTS**

Listed investments held as fixed assets or endowment assets are shown at market value. Investments in subsidiary undertakings are shown at the lower of cost or net realisable value.

**9. STOCK**

The stock comprises stores held by clinics, farm livestock, produce and consumables. The farm stocks are professionally valued; other stocks are stated at the lower of their cost and net realisable value.



**STATEMENT OF PRINCIPAL ACCOUNTING POLICIES (continued)**  
for the year ended 31 July 2013

**10. CASH FLOWS AND LIQUID RESOURCES**

Cash flows comprise increases and decreases in cash. Cash includes cash in hand, cash at bank and deposits repayable on demand. Deposits are repayable on demand if they are available within 24 hours without penalty.

Liquid resources comprise assets held as readily disposable store of value. They include term deposits but exclude any such assets held as endowment asset investments.

**11. FOREIGN CURRENCY TRANSLATIONS**

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

**12. ACCOUNTING FOR RESEARCH AND DEVELOPMENT**

Expenditure on pure and applied research is treated as part of the continuing activities of the College. Expenditure on development activities is carried forward and amortised over the period expected to benefit where there is a clearly defined project, the related expenditure is separately identifiable and the outcome of the project has been assessed to be reasonably certain.

**13. INTRA-GROUP TRANSACTIONS**

Gains and losses on any intra-group transactions are eliminated in full. Amounts in relation to debts and claims between undertakings included in the consolidation are also eliminated.

**14. ACCOUNTING FOR CHARITABLE DONATIONS**

**14(a) Unrestricted donations**

Charitable donations are recognised in the accounts when the charitable donation has been received or if, before receipt, there is sufficient evidence to provide the necessary certainty that the donation will be received and the value of the incoming resources can be measured with sufficient reliability.

**14(b) Endowment funds**

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

1. Unrestricted permanent endowments – the donor has specified that the fund is to be permanently invested to generate an income stream for the benefit of the institution.
2. Restricted expendable endowments – the donor has specified a particular objective other than the purchase or construction of tangible fixed assets, and the institution can convert the donated sum into income.
3. Restricted permanent endowments – the donor has specified that the fund is to be permanently invested to generate an income stream to be applied to a particular objective.

**14(c) Donations for fixed assets**

Donations received to be applied to the cost of a tangible fixed asset are shown on the balance sheet as a deferred capital grant. The deferred capital grant is released to the income and expenditure account over the same estimated useful life that is used to determine the depreciation charge associated with the tangible fixed asset.

**15. ACCOUNTING FOR RETIREMENT BENEFITS**

The College contributes to the Universities Superannuation Scheme (USS) and the Superannuation Arrangements for the University of London (SAUL). Both schemes are defined benefit schemes and because of the mutual nature of the schemes, the schemes' assets are not hypothecated to individual institutions and scheme-wide contribution rates are set. The institution is therefore exposed to actuarial risks associated with other institutions' employees and is unable to identify its share of the underlying assets and liabilities of the schemes on a consistent and reasonable basis. In accordance with FRS 17 these schemes are accounted for on a defined contribution basis and contributions to these schemes are included as expenditure in the period in which they are payable.

**STATEMENT OF PRINCIPAL ACCOUNTING POLICIES (continued)**  
for the year ended 31 July 2013

**16. PROVISIONS AND CONTINGENT LIABILITIES**

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

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

**NOTES TO THE ACCOUNTS**  
for the year ended 31 July 2013

		Year ended 31 July 2013	Year ended 31 July 2012
	Note	Consolidated £000	Consolidated £000
<b>1. FUNDING BODY GRANTS – HEFCE</b>			
Recurrent grants		24,195	24,805
Specific grants			
Higher Education Innovation Fund		155	820
Deferred Capital Grants released in year:			
Buildings	20	1,020	1,001
Equipment	20	149	149
		<b>25,519</b>	<b>26,775</b>
<b>2. TUITION FEES AND EDUCATION CONTRACTS</b>			
<b>Home and EU students</b>			
Full time undergraduate		6,392	4,465
Full time postgraduate		1,138	748
Part time undergraduate		48	43
Part time postgraduate		77	82
<b>Overseas (non EU) students</b>			
Overseas students		4,496	3,895
<b>Sub-Total HE course fees</b>		<b>12,151</b>	<b>9,233</b>
Research training support grants		51	51
Short Course Fees		745	769
		<b>12,947</b>	<b>10,053</b>
<b>3. RESEARCH GRANTS AND CONTRACTS</b>			
Research councils		4,383	6,031
UK based charities		1,900	2,446
UK central government, local, health and hospital authorities		1,158	1,800
UK industry, commerce, public corporations		1,406	1,955
EU government bodies		2,184	492
EU other		810	907
Other overseas		629	680
Other		9	14
		<b>12,479</b>	<b>14,325</b>
<b>4. OTHER INCOME</b>			
Residences, catering and conference		2,546	2,055
Release from deferred capital grant	20	1,012	1,084
Rent and other income		1,105	396
Donations, gifts and legacies received		505	569
		<b>5,168</b>	<b>4,104</b>
<b>5. ENDOWMENT AND INVESTMENT INCOME</b>			
Income from expendable endowments	19	321	70
Income from permanent endowments	19	73	260
Income from short-term investments		116	88
		<b>510</b>	<b>418</b>

**NOTES TO THE ACCOUNTS (continued)**  
for the year ended 31 July 2013

		Year ended 31 July 2013	Year ended 31 July 2012
	Note	Consolidated £000	Consolidated £000
<b>6. STAFF COSTS</b>			
Wages and salaries		31,914	30,972
Social security costs		2,377	2,169
Pension costs	31	3,600	3,423
Restructuring and redundancy costs		234	-
		<b>38,125</b>	<b>36,564</b>

		12 months	12 months
Emoluments of the Principal: Professor S Reid			
Salary		258	237
USS Pension Contributions		37	34
Benefit in kind		-	-
		<b>295</b>	<b>271</b>

The College's pension contribution for the Principal is paid at the same rate as for other academic staff.

Remuneration of other higher paid staff, excluding employers' pension contributions:

	Number	Number
£100,001 to £110,000	1	6
£110,001 to £120,000	2	4
£120,001 to £130,000	2	1
£130,001 to £140,000	2	2
£140,001 to £150,000	1	3
£160,001 to £170,000	-	2
	<b>8</b>	<b>18</b>

	Number	Number
Average staff numbers by major category:		
Teaching and Research Departments	317	330
Academic Support Services	147	144
Administration and Central Services	42	42
Premises	77	76
Clinical and related services	202	172
	<b>785</b>	<b>764</b>

Both staff costs and numbers include temporary staff and staff employed by agents. Prior year numbers have been amended to reflect current departmental allocations.

**NOTES TO THE ACCOUNTS (continued)**  
for the year ended 31 July 2013

	<b>Year ended 31 July 2013</b>	Year ended 31 July 2012
	<b>Consolidated £000</b>	Consolidated £000
<b>7. INTEREST AND OTHER FINANCE COSTS</b>		
Interest on bank loans not wholly repayable within 5 years	1,351	1,425
<hr/>		
<b>8. ANALYSIS OF TOTAL EXPENDITURE BY ACTIVITY</b>		
Academic departments	14,707	15,749
Academic services	7,080	5,373
Research grants and contracts	8,857	10,898
Residences and catering	2,371	1,842
Premises and maintenance	11,351	10,637
Administration	9,631	7,858
Clinical and other services – College	15,458	15,057
Clinical and other services – Subsidiaries	2,336	2,308
	<b>71,791</b>	<b>69,722</b>
<hr/>		
<b>9. OTHER OPERATING EXPENSES</b>		
Catering provisions	486	518
Consumables and laboratory expenses	4,988	5,094
Stationery and publications	1,464	1,428
Student and educational expenditure	3,614	3,729
Rent, rates, cleaning and insurance	1,739	1,607
Electricity, gas, oil and water	1,616	1,586
Small equipment and repairs	1,924	2,588
Minor works and maintenance	1,546	1,409
External auditors' remuneration – audit services	44	50
External auditors' remuneration – non-audit services	1	14
Internal audit	45	58
Legal and other outside consultancy	4,115	2,661
Travelling subsistence	2,187	2,114
Telephone, fax and postage	387	415
Miscellaneous expenses	3,209	3,324
	<b>27,365</b>	<b>26,595</b>

\*Included in audit services is the external audit fee for the College of £34,122 (2012: £36,023)

The total expenses paid to or on behalf of 11 trustees was £4,667 (2012: £2,133 to 10 trustees).

**NOTES TO THE ACCOUNTS (continued)**  
for the year ended 31 July 2013

10. FIXED ASSET INVESTMENTS	Year ended 31 July 2013		Year ended 31 July 2012	
	Consolidated £000	College £000	Consolidated £000	College £000
Opening Balance as at 1 August				
Subsidiary Companies	-	142	-	142
UK Equities	132	-	114	-
Additions	-	23	18	-
Disposals	(42)	(42)		
Cumulative Market Value Adjustment	8	-		
<b>Closing Balance as at 31 July</b>	<b>98</b>	<b>123</b>		
Subsidiary Companies	-	123	-	142
UK Equities	98	-	132	-

The College's subsidiaries and its percentage shareholding in each are as follows:

	Nature of Business	Country of Registration	Shareholding	No. of Shares
			<b>£1 Ord Shares</b>	
London BioScience Innovation Centre Limited	Establishment and operation of biotechnology innovation centre	England and Wales	100%	123,000
RVC Developments Ltd	Provision of Construction Services	England and Wales	100%	2
Royal Veterinary College (Hong Kong) Limited	Education	Hong Kong	100%	2
<b>Other shareholdings:</b>				
Westhouse Medical Services plc	Stem Cell Technology	England and Wales	£0.15 Ordinary Shares	132,000 0.1%
Tecrea Limited	Cell Delivery Technology	England and Wales	£0.01 Ordinary Shares	20 20%

The College consolidated the results of the Animal Care Trust.

**NOTES TO THE ACCOUNTS (continued)**

for the year ended 31 July 2013

**11. TANGIBLE FIXED ASSETS**

	Freehold Properties	Furniture and Equipment	Assets in the course of construction	Heritage Assets	Total
Consolidated	£000	£000	£000	£000	£000
<b>COST</b>					
At 1 August 2012	104,272	4,911	304	3,607	<b>113,094</b>
Additions	217	526	991	-	<b>1,734</b>
Transfers	368	-	(368)	-	-
<b>At 31 July 2013</b>	<b>104,857</b>	<b>5,437</b>	<b>927</b>	<b>3,607</b>	<b>114,828</b>
<b>DEPRECIATION</b>					
At 1 August 2012	(31,337)	(2,818)	-	-	<b>(34,155)</b>
Charge in the year	(4,235)	(715)	-	-	<b>(4,950)</b>
<b>At 31 July 2013</b>	<b>(35,572)</b>	<b>(3,533)</b>	-	-	<b>(39,105)</b>
<b>Net Book Value at 31 July 2013</b>	<b>69,285</b>	<b>1,904</b>	<b>927</b>	<b>3,607</b>	<b>75,723</b>
Net Book Value at 31 July 2012	72,935	2,093	304	3,607	78,939

**College**

<b>COST</b>					
At 1 August 2012	100,814	4,846	304	3,607	<b>109,571</b>
Additions	217	526	991	-	<b>1,734</b>
Transfers	368	-	(368)	-	-
<b>At 31 July 2013</b>	<b>101,399</b>	<b>5,372</b>	<b>927</b>	<b>3,607</b>	<b>111,305</b>
<b>DEPRECIATION</b>					
At 1 August 2012	(29,144)	(2,762)	-	-	<b>(31,906)</b>
Charge for the year	(3,994)	(708)	-	-	<b>(4,702)</b>
<b>At 31 July 2013</b>	<b>(33,138)</b>	<b>(3,470)</b>	-	-	<b>(36,608)</b>
<b>Net Book Value at 31 July 2013</b>	<b>68,261</b>	<b>1,902</b>	<b>927</b>	<b>3,607</b>	<b>74,697</b>
Net Book Value at 31 July 2012	71,670	2,084	304	3,607	77,665

Included in the above are assets with a net book value of £28,955,000 (2012: £30,352,000) funded by capital grants (note 20).

Assets in the course of construction once capitalised and subsequently added to Freehold properties will be depreciated over specific life periods. Only at point of completion will the assets in the course of construction be re-classified.

Heritage assets are held for their contribution to knowledge and culture. The assets recognised as such are principally works of art and illustrations of the racehorse Eclipse (the post-mortem examination of Eclipse in 1789 was in effect the beginning of the veterinary profession in the UK) and a collection of historic veterinary books and articles dating from the 18<sup>th</sup> Century. Works of art are stated at their insurance valuation. These assets are formally re-valued every 3 years. The most recent valuation was undertaken for the year ended 31 July 2011.

**NOTES TO THE ACCOUNTS (continued)**  
for the year ended 31 July 2013

	Year ended 31 July 2013		Year ended 31 July 2012	
	Consolidated £000	College £000	Consolidated £000	College £000
<b>12. ENDOWMENT ASSET INVESTMENT</b>				
Historical Cost at 1 August	10,264	6,331	11,128	7,096
Market Value Adjustment at 1 August	(235)	2,437	1,724	4,394
<b>Market Value at 1 August</b>	<b>10,029</b>	<b>8,768</b>	12,852	11,490
Additions	600	600	9,101	9,101
Disposals	(89)	(89)	(8,343)	(8,343)
Transfer to Reserves	(315)	(315)	(2,605)	(2,605)
Market Value Adjustment	897	888	(112)	(110)
Cash Movement	(140)	(354)	(864)	(765)
<b>Market Value at 31 July</b>	<b>10,982</b>	<b>9,498</b>	10,029	8,768
Represented by:				
Fixed Interest Funds	2,315	2,024	3,215	2,487
UK Equities	4,498	3,933	3,801	3,801
Overseas Equities	3,091	2,703	2,480	2,480
Property Unit Trusts	374	327	-	-
Cash at Bank	704	511	533	-
<b>Total endowment assets</b>	<b>10,982</b>	<b>9,498</b>	10,029	8,768
<b>13. STOCK</b>				
Consumables	579	568	582	572
Farm Stocks	232	232	230	230
	<b>811</b>	<b>800</b>	812	802
<b>14. DEBTORS</b>				
AMOUNTS FALLING DUE WITHIN ONE YEAR:				
Trade Debtors	2,668	2,259	3,462	3,160
Research grant debtors	2,257	2,257	1,810	1,810
Subsidiary companies	-	1,309	-	2,528
Taxes receivable	-	-	185	-
Other debtors	81	81	55	55
Prepaid expenses and accrued income	740	555	465	373
<b>Sub total</b>	<b>5,746</b>	<b>6,461</b>	5,977	7,926
AMOUNTS FALLING DUE AFTER ONE YEAR:				
Subsidiaries	-	1,206	-	1,377
	<b>5,746</b>	<b>7,667</b>	5,977	9,303

The total debt with The London BioScience Innovation Centre Ltd comprises a loan of £2,427,000 (2012: £2,589,000), less a provision made of £1,620,000 (2012: £1,620,000). The loan is not expected to be repaid until 2024.



**NOTES TO THE ACCOUNTS (continued)**  
for the year ended 31 July 2013

	Year ended 31 July 2013		Year ended 31 July 2012	
	Consolidated £000	College £000	Consolidated £000	College £000
<b>15. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR</b>				
Unsecured loans	1,115	1,115	416	416
Trade creditors	2,359	2,277	2,446	4,326
Amounts owed to subsidiary undertakings	-	-	-	1,387
Research grants creditors	9,492	9,492	8,189	8,189
Social Security and other taxation payable	1,010	1,158	1,631	1,586
Other creditors	684	681	732	732
Accruals and deferred income	2,419	2,298	3,621	2,309
	<b>17,079</b>	<b>17,021</b>	17,035	18,945

**16. PROVISIONS FOR LIABILITIES AND CHARGES**

Balance at 1 August	2,601	2,601	-	-
Additions	2,025	2,025	2,601	2,601
Utilised	(65)	(65)	-	-
Released to income and expenditure account	(35)	(35)	-	-
Balance at 31 July	<b>4,526</b>	<b>4,526</b>	2,601	2,601

**17. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR**

Analysis of unsecured loans:				
Due within 1 year	1,115	1,115	416	416
Due between 1 and 2 years	1,352	1,352	1,081	1,081
Due between 2 and 5 years	4,209	4,209	3,919	3,919
Due in 5 or more years	17,673	17,673	19,211	19,211
	<b>24,349</b>	<b>24,349</b>	24,627	24,627
Due within 1 year	(1,115)	(1,115)	(416)	(416)
Due after more than one year	<b>23,234</b>	<b>23,234</b>	24,211	24,211
Unsecured loans	<b>23,234</b>	<b>23,234</b>	24,211	24,211

	Amount £000	Term	Interest Rate %
Included in the loans are the following:			
<b>Lender</b>			
Royal Bank of Scotland	1,762	Jan 2026	5.64
Royal Bank of Scotland	1,799	Jan 2026	5.64
Royal Bank of Scotland	2,427	Mar 2024	5.24
Royal Bank of Scotland	18,000	Nov 2034	5.88
Salix	119	Sep 2015	-
HEFCE (Revolving Green Fund)	242	May 2015	-
	<b>24,349</b>		

All loans are in the name of the College.

**18. SHORT TERM DEPOSITS AND CASH**

On consolidation, £1,484,000 (2012: £1,262,050) was moved from short term deposits and cash to endowment asset investments to cover the funds held by the College on behalf of the Animal Care Trust.

**NOTES TO THE ACCOUNTS (continued)**  
for the year ended 31 July 2013

19. ENDOWMENTS	Unrestricted Permanent £000	Restricted Permanent £000	Total Permanent £000	Restricted Expendable £000	2013 Total £000	2012 Total £000
<b>Consolidated</b>						
<b>Balances as at 1 August 2012</b>						
Capital	449	4,188	4,637	8,427	<b>13,064</b>	14,497
Accumulated income	582	2,107	2,689	(5,724)	<b>(3,035)</b>	(1,645)
	<b>1,031</b>	<b>6,295</b>	<b>7,326</b>	<b>2,703</b>	<b>10,029</b>	<b>12,852</b>
New endowments	-	-	-	487	<b>487</b>	442
Investment income	27	242	269	125	<b>394</b>	330
Expenditure	-	(18)	(18)	(348)	<b>(366)</b>	(702)
	27	224	251	(223)	<b>28</b>	(372)
Transfers between funds	-	-	-	(6)	<b>(6)</b>	(2,605)
Increase/(decrease) in market value of investments	114	623	737	160	<b>897</b>	(111)
Transfers to reserve	(315)	-	(315)	-	<b>(315)</b>	(177)
Transfers to deferred capital grants	-	(138)	(138)	-	<b>(138)</b>	-
<b>At 31 July 2013</b>	<b>857</b>	<b>7,004</b>	<b>7,861</b>	<b>3,121</b>	<b>10,982</b>	10,029
<b>Represented by:</b>						
Capital	563	4,673	5,236	9,074	<b>14,310</b>	13,064
Accumulated income	294	2,331	2,625	(5,953)	<b>(3,328)</b>	(3,035)
	<b>857</b>	<b>7,004</b>	<b>7,861</b>	<b>3,121</b>	<b>10,982</b>	10,029
<b>College</b>						
<b>Balances as at 1 August 2012</b>						
Capital						
Accumulated income	513	3,916	4,429	1,816	<b>6,245</b>	8,195
	610	2,231	2,841	(318)	<b>2,523</b>	3,295
	<b>1,123</b>	<b>6,147</b>	<b>7,270</b>	<b>1,498</b>	<b>8,768</b>	11,490
New endowments	-	-	-	54	<b>54</b>	34
Investment income	27	242	269	73	<b>342</b>	320
Expenditure	-	(18)	(18)	(78)	<b>(96)</b>	(286)
	27	224	251	(5)	<b>246</b>	34
Transfers between funds	-	-	-	(6)	<b>(6)</b>	(2,605)
Increase/(decrease) in market value of investments	114	623	737	152	<b>889</b>	(110)
Transfers to reserve	(315)	-	(315)	-	<b>(315)</b>	(75)
Transfers to deferred capital grants	-	(138)	(138)	-	<b>(138)</b>	-
<b>At 31 July 2013</b>	<b>949</b>	<b>6,856</b>	<b>7,805</b>	<b>1,693</b>	<b>9,498</b>	8,768
<b>Represented by:</b>						
Capital	626	4,401	5,027	2,022	<b>7,049</b>	6,245
Accumulated income	323	2,455	2,778	(329)	<b>2,449</b>	2,523
	<b>949</b>	<b>6,856</b>	<b>7,805</b>	<b>1,693</b>	<b>9,498</b>	8,768

**NOTES TO THE ACCOUNTS (continued)**  
for the year ended 31 July 2013

**19. ENDOWMENTS (continued)**

The most significant funds by value:

Fund name	Purpose/restrictions	Balance at 1 August 2012 £000	Movement in year £000	Balance at 31 July 2013 £000
Mellon	Equine research	2,942	(28)	2,914
Beaumont Animal Hospital	Enhancement of Beaumont Sainsbury Animal Hospital facilities	1,493	54	1,547
Bastable scholarship	Undergraduate student merit scholarships	1,343	52	1,395

**20. DEFERRED CAPITAL GRANT**

	Funding Council £000	Other Donors £000	2013 Total £000	2012 Total £000
<b>Consolidated</b>				
<b>At 1 August</b>				
Buildings	18,054	11,497	29,551	30,377
Equipment	439	364	803	1,026
<b>Total</b>	<b>18,493</b>	<b>11,861</b>	<b>30,354</b>	<b>31,403</b>
<b>Cash receivable</b>				
Buildings	643	-	643	1,061
Equipment	-	138	138	124
<b>Total</b>	<b>643</b>	<b>138</b>	<b>781</b>	<b>1,185</b>
<b>Released to income and expenditure account</b>				
Buildings	(1,019)	(812)	(1,831)	(1,887)
Equipment	(149)	(200)	(349)	(347)
<b>Total</b>	<b>(1,168)</b>	<b>(1,012)</b>	<b>(2,180)</b>	<b>(2,234)</b>
<b>At 31 July</b>				
Buildings	17,678	10,685	28,363	29,551
Equipment	290	302	592	803
<b>Total</b>	<b>17,968</b>	<b>10,987</b>	<b>28,955</b>	<b>30,354</b>

**NOTES TO THE ACCOUNTS (continued)**  
for the year ended 31 July 2013

**20. DEFERRED CAPITAL GRANT (continued)**

	Funding Council £000	Other Donors £000	<b>2013 Total £000</b>	2012 Total £000
<b>College</b>				
<b>At 1 August</b>				
Buildings	18,054	10,866	<b>28,920</b>	29,680
Equipment	439	363	<b>802</b>	1,025
<b>Total</b>	<b>18,493</b>	<b>11,229</b>	<b>29,722</b>	30,705
<b>Cash receivable</b>				
Buildings	643	-	<b>643</b>	1,057
Equipment	-	139	<b>139</b>	124
<b>Total</b>	<b>643</b>	<b>139</b>	<b>782</b>	1,181
<b>Released to income and expenditure account</b>				
Buildings	(1,020)	(739)	<b>(1,759)</b>	(1,817)
Equipment	(149)	(200)	<b>(349)</b>	(347)
<b>Total</b>	<b>(1,169)</b>	<b>(939)</b>	<b>(2,108)</b>	(2,164)
<b>At 31 July</b>				
Buildings	17,677	10,127	<b>27,804</b>	28,920
Equipment	290	302	<b>592</b>	802
<b>Total</b>	<b>17,967</b>	<b>10,429</b>	<b>28,396</b>	29,722

**21. RESERVES**

	Year ended 31 July 2013		Year ended 31 July 2012	
	Consolidated £000	College £000	Consolidated £000	College £000
<b>Income and expenditure reserve</b>				
At 1 August	<b>25,839</b>	<b>25,062</b>	20,684	19,484
Write back of subsidiary loan	-	-	-	427
Transfers from endowments	<b>321</b>	<b>321</b>	2,605	2,605
Surplus/(Deficit) retained for the year	<b>2,023</b>	<b>2,101</b>	2,550	2,546
<b>At 31 July</b>	<b>28,183</b>	<b>27,484</b>	25,839	25,062

**NOTES TO THE ACCOUNTS (continued)**  
for the year ended 31 July 2013

**22. RECONCILIATION OF SURPLUS/(DEFICIT) BEFORE TAX AND PROFIT ON DISPOSAL OF ASSETS TO NET CASH FLOW FROM OPERATIONS**

		Year ended 31 July 2013	Year ended 31 July 2012
	Note	Consolidated £000	Consolidated £000
Surplus/(Deficit) after depreciation of tangible fixed assets at valuation and before tax		2,051	2,178
Depreciation	11	4,950	5,138
Deferred capital grants released to income	20	(2,180)	(2,235)
Investment income	5	(510)	(88)
Interest payable	7	1,351	1,425
Decrease / (increase) in stocks	13	1	(129)
Decrease / (increase) in debtors	14	231	695
Increase / (decrease) in creditors	15	44	(496)
Increase in provisions	16	1,925	2,601
<b>Net cash inflow from operating activities</b>		<b>7,863</b>	<b>9,089</b>

**23. RETURNS ON INVESTMENTS AND SERVICING OF FINANCE**

Income from endowments	5	394	330
Other interest received	5	116	88
Interest paid	7	(1,351)	(1,425)
		<b>(841)</b>	<b>(1,007)</b>

**24. CAPITAL EXPENDITURE AND FINANCIAL INVESTMENT**

Payments made to acquire fixed assets	11	(1,734)	(4,469)
Payment for endowment assets	12	(600)	(9,101)
Total fixed and endowment assets acquired		<b>(2,334)</b>	<b>(13,570)</b>
Proceeds from sales of endowment assets	12	89	8,343
Deferred capital grants received		604	1,185
New endowments received	19	487	442
<b>Net cash (outflow) for capital expenditure and financial investment</b>		<b>(1,154)</b>	<b>(3,600)</b>

**NOTES TO THE ACCOUNTS (continued)**  
for the year ended 31 July 2013

**25. FINANCING**

	<b>Year ended 31 July 2013 Consolidated £000</b>	<b>Year ended 31 July 2012 Consolidated £000</b>
New loans	138	328
Repayments of amounts borrowed	(416)	(373)
	<b>(278)</b>	<b>(45)</b>

**26. ANALYSIS OF CHANGES IN NET DEBT**

	<b>At 1 August 2012 £000</b>	<b>Cash Flows £000</b>	<b>Non-Cash Changes £000</b>	<b>At 31 July 2013 £000</b>
Cash at bank and in hand:				
Endowments	533	171	-	<b>704</b>
Other	1,777	2,851	-	<b>4,628</b>
	<b>2,310</b>	3,022	-	<b>5,332</b>
Short-term investments	12,403	2,568	-	<b>14,971</b>
Debts due within one year	(416)	416	(1,115)	<b>(1,115)</b>
Debts due after one year	(24,211)	(138)	1,115	<b>(23,234)</b>
	<b>(9,914)</b>	5,868	-	<b>(4,046)</b>

**27. CAPITAL COMMITMENTS**

Provision has not been made for the following capital commitments at 31 July 2013:

	<b>Year ended 31 July 2013</b>		<b>Year ended 31 July 2012</b>	
	<b>Consolidated £000</b>	<b>College £000</b>	<b>Consolidated £000</b>	<b>College £000</b>
Commitments contracted for	212	212	854	854
Authorised but not contracted for	3,950	3,950	450	450
	<b>4,162</b>	<b>4,162</b>	1,304	1,304

**NOTES TO THE ACCOUNTS (continued)**  
for the year ended 31 July 2013

**28. AMOUNTS DISBURSED AS AGENT**

	Year ended 31 July 2013		Year ended 31 July 2012	
	£000	£000	£000	£000
<b>Hardship funds</b>				
<b>Income</b>				
Fund balance at 1 August	(10)		(10)	
Funding Council grants	31		38	
Interest earned	-		-	
<b>Total Income</b>		<b>21</b>		<b>28</b>
<b>Expenditure</b>				
Disbursed to students	(32)		(38)	
Funding running costs	-		-	
<b>Total expenditure</b>		<b>(32)</b>		<b>(38)</b>
<b>Fund balance at 31 July</b>		<b>(11)</b>		<b>(10)</b>

Funding Council Grants are available solely to assist students; the College acts only as paying agent. The grants and related disbursements are therefore excluded from the income and expenditure account.

**29. DISCLOSURE OF RELATED PARTY TRANSACTIONS**

The College has taken advantage of the exemption conferred by Financial Reporting Standard No.8 'Related Party Disclosures', not to disclose transactions with related parties which are eliminated on consolidation.

**30. SUBSIDIARY UNDERTAKINGS AND TAX STATUS**

London BioScience Innovation Centre Limited (company number 04013123) is a wholly owned subsidiary company registered in England and Wales. Its main business is to facilitate Biotechnology start-up companies. VAT is reclaimable as part of the College VAT group. VAT is reclaimed on a quarterly basis, October, January, April and July. The company has agreed to remit any taxable profits to the College under the Gift Aid scheme.

RVC Developments Limited (company number 07114564) is a wholly owned subsidiary company registered in England and Wales. Its main business is the provision of construction services. VAT was reclaimable on a quarterly basis until August 2011. Thereafter, VAT is reclaimable on a monthly basis. RVC Developments Limited is not part of the RVC VAT group. The company has agreed to remit any taxable profits to the College under the Gift Aid scheme.

The Royal Veterinary College Animal Care Trust (charity 281571), for which the College is the sole Trustee, operates to support the College's activities. The charity is not registered for VAT.

Royal Veterinary College (Hong Kong) Limited (Company Number 1337151) is a wholly owned subsidiary company registered in Hong Kong. Its main business is to facilitate educational activities. The company is subject to applicable taxes in accordance with Hong Kong law.

**NOTES TO THE ACCOUNTS (continued)**  
for the year ended 31 July 2013

**31. PENSION SCHEMES**

The two pension schemes for the College's staff are the Universities Superannuation Scheme (USS) and the Superannuation Arrangements for the University of London (SAUL).

The total pensions cost for the College and its subsidiaries were:

	<b>2013</b>	<b>2012</b>
	<b>£000</b>	<b>£000</b>
USS contribution paid	<b>2,647</b>	2,523
SAUL contribution paid	<b>953</b>	900
Total Consolidated Pension Costs (Note 6)	<b>3,600</b>	3,423

**USS**

The College participates in the Universities Superannuation Scheme (USS), a defined benefit scheme which is contracted out of the State Second Pension (S2P). The assets of the scheme are held in a separate fund administered by the trustee, Universities Superannuation Scheme Limited.

The appointment of directors to the board of the trustee is determined by the trustee company's Articles of Association. Four of the directors are appointed by Universities UK; three are appointed by the University and College Union, of whom at least one must be a USS pensioner member; one is appointed by the Higher Education Funding Councils; and a minimum of two and a maximum of four are co-opted directors appointed by the board. Under the scheme trust deed and rules, the employer contribution rate is determined by the trustee, acting on actuarial advice.

Because of the mutual nature of the scheme, the scheme's assets are not hypothecated to individual institutions and a scheme-wide contribution rate is set. The institution is therefore exposed to actuarial risks associated with other institutions' employees and is unable to identify its share of the underlying assets and liabilities of the scheme on a consistent and reasonable basis and therefore, as required by FRS 17 "Retirement benefits", accounts for the scheme as if it were a defined contribution scheme. As a result, the amount charged to the income and expenditure account represents the contributions payable to the scheme in respect of the accounting period.

The latest triennial actuarial valuation of the scheme was at 31 March 2011. This was the second valuation for USS under the scheme-specific funding regime introduced by the Pensions Act 2004, which requires schemes to adopt a statutory funding objective, which is to have sufficient and appropriate assets to cover their technical provisions. The actuary also carries out regular reviews of the funding levels. In particular, he carried out a review of the funding level each year between triennial valuations and details of his estimate of the funding level at 31 March 2012 are also included in this note.

The triennial valuation was carried out using the projected unit method. The assumptions which have the most significant effect on the result of the valuation are those relating to the rate of return on investments (i.e. the valuation rate of interest), the rates of increase in salary and pensions and the assumed rates of mortality. The financial assumptions were derived from market yields prevailing at the valuation date. An "inflation risk premium" adjustment was also included by deducting 0.3% from the market-implied inflation on account of the historically high level of inflation implied by government bonds (particularly when compared to the Bank of England's target of 2% for CPI which corresponds broadly to 2.75% for RPI per annum).

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

Standard mortality tables were used as follows:

Male members' mortality	S1NA (light) YoB tables – No Age Rating
Female members' mortality	S1NA (light) YoB tables – Rated down 1 year



**NOTES TO THE ACCOUNTS (continued)**  
for the year ended 31 July 2013

**31. PENSION SCHEMES (continued)**

Use of these mortality tables reasonably reflects the actual USS experience but also provides an element of conservatism to allow for further improvements in mortality rates. The assumed life expectations on retirement at age 65 are:

Males (females) currently aged 65	23.7 (25.6) years
Males (females) currently aged 45	25.5 (27.6) years

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

The actuary also valued the scheme on a number of other bases as at the valuation date. On the scheme's historic gilts basis, using a valuation rate of interest in respect of past service liabilities of 4.4% per annum (the expected return on gilts) the funding level was approximately 68%. Under the Pension Protection Fund regulations introduced by the Pensions Act 2004 the Scheme was 93% funded; on a buy-out basis (i.e. assuming the Scheme had discontinued on the valuation date) the assets would have been approximately 57% of the amount necessary to secure all the USS benefits with an insurance company; and using the FRS17 formula as if USS was a single employer scheme, using a AA bond discount rate of 5.5% per annum based on spot yields, the actuary estimated that the funding level at 31 March 2011 was 82%.

As part of this valuation the trustees have determined after consultation with the employers, a recovery plan to pay the shortfall by 31 March 2021. The next formal triennial actuarial valuation is at 31 March 2014. If experience at that date is in line with the assumptions made for this current valuation and contributions are paid at the determined rates or amounts, the shortfall at 31 March 2014 is estimated to be £2.2 billion, equivalent to a funding level of 95%. The contribution rate will be reviewed as part of each valuation and may be reviewed more frequently.

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

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

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

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

*New Entrants*

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

*Normal Pension Age*

The normal pension age was increased for future service and new entrants, to age 65.

*Flexible Retirement*

Flexible retirement options were introduced.

*Member contributions increased*

Contributions were uplifted to 7.5%p.a. and 6.5% p.a. for FS Section members and CRB Section members respectively.

**NOTES TO THE ACCOUNTS (continued)**  
for the year ended 31 July 2013

**31. PENSION SCHEMES (continued)**

*Cost sharing*

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

*Pension increase cap*

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

Since 31 March 2011 global investment markets have continued to fluctuate and following its peak in September 2011 inflation has declined rapidly towards the year end, although the market's assessment of inflation has remained reasonably constant. The actuary has estimated that the funding level as at 31 March 2012 under the scheme specific funding regime had fallen from 92% to 77%. This estimate is based on the results from the valuation at 31 March 2011 allowing primarily for investment returns and changes to market conditions. These are cited as the two most significant factors affecting the funding positions which have been taken into account for the 31 March 2012 estimation.

On the FRS17 basis, using an AA bond discount rate of 4.9% per annum based on spot yields, the actuary calculated that the funding level at 31 March 2012 was 74%. An estimate of the funding level measured on a historic gilts basis at that date was approximately 56%.

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

<i>Assumption</i>	<i>Change in assumption</i>	<i>Impact on shortfall</i>
Investment return	Decrease by 0.5%	Increase by £1.6 billion
The gap between RPI and CPI	Decrease by 0.25%	Increase by £1 billion
Rate of salary growth	Increase by 0.25%	Increase by £0.6 billion
Members live longer than assumed	1 year longer	Increase by £0.8 billion
Equity markets in isolation	Fall by 25%	Increase by £4.6 billion

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

The trustees believe that over the long-term equity investment and investment in selected alternative asset classes will provide superior returns to other investment classes. The management structure and targets set are designed to give the fund a major exposure to equities through portfolios that are diversified both geographically and by sector. The trustee recognises that it would be theoretically possible to select investments producing income flows broadly similar to the estimated liability cash flows. However, in order to meet the long-term funding objective within a level of contributions that it considers the employers would be willing to make, the trustee needs to take on a degree of investment risk relative to the liabilities. This taking of investment risk seeks to target a greater return than the matching assets would provide whilst maintaining a prudent approach to meeting the fund's liabilities. Before deciding what degree of investment risk to take relative to the liabilities, the trustee receives advice from its internal investment team, its investment consultant and the scheme actuary, and considers the views of the employers. The positive cash flow of the scheme means that it is not necessary to realise investments to meet liabilities. The trustee believes that this, together with the ongoing flow of new entrants into the scheme and the strength of covenant of the employers enables it to take a long-term view of its investments. Short-term volatility of returns can be tolerated and need not feed through directly to the contribution rate although the trustee is mindful of the desirability of keeping the funding level on the scheme's technical provisions close to or above 100% thereby minimizing the risk of the introduction

**NOTES TO THE ACCOUNTS (continued)**  
for the year ended 31 July 2013

**31. PENSION SCHEMES (continued)**

of deficit contributions. The actuary has confirmed that the scheme's cash flow is likely to remain positive for the next ten years or more.

At 31 March 2012, USS had over 145,000 active members and the institution had 340 active employers participating in the scheme.

The total pension cost for the College was £2,523,000 (2011: £2,639,000). The contribution rate payable by the College was 16% of pensionable salaries.

**SAUL**

The College participates in the Superannuation Arrangements of the University of London ("SAUL"), which is a centralised defined benefit scheme and is contracted-out of the State Second Pension (S2P). SAUL is a "last man standing" scheme so that in the event of the insolvency of any of the participating employers in SAUL, the amount of any pension funding shortfall (which cannot otherwise be recovered) in respect of that employer will be spread across the remaining participant employers and reflected in the next actuarial valuation. The assets of the scheme are held in a separate fund administered by the trustee, SAUL Trustee Company.

The College has adopted FRS17 for accounting for pension costs. It is not possible to identify the institution's share of the underlying assets and liabilities of SAUL. Therefore contributions are accounted for as if SAUL were a defined contribution scheme and pension costs are based on the amounts actually paid (ie cash amounts) in accordance with paragraphs 8 – 12 of FRS17.

SAUL is subject to triennial valuations by professionally qualified and independent actuaries. The last available valuation was carried out as at 31 March 2011 using the projected unit credit method in which the actuarial liability makes allowance for projected earnings. The main assumptions used to assess the technical provisions were:

<b>Assumption</b>	<b>31 March 2011</b>
Discount Rate	
-pre retirement	6.80% p.a.
-Post retirement	4.70%p.a.
General Salary Increases	3.75% p.a. until 31 March 2014, 4.50% p.a. thereafter
Retail prices Inflation	3.50% p.a.
Consumer price Inflation	2.80% p.a.
Pension Increases in payment (excess over GMP)	2.80 p.a.
Mortality- base table	SAPS Normal (year of birth) tables with an age rating of +0.5years for males and -.04 years for females
Mortality – future improvements	Future improvements in line with CMI 2010 projections with a long term trend rate of 1.25% p.a.

**NOTES TO THE ACCOUNTS (continued)**  
for the year ended 31 July 2013

**31. PENSION SCHEMES (continued)**

The actuarial valuation applies to SAUL as a whole and does not identify surpluses or deficits applicable to individual employers. As a whole, the market value of SAUL's assets was £1,506 million representing 95% of the liability for benefits after allowing for expected future increases in salaries.

Based on the strength of the Employer covenant and the Trustee's long-term investment strategy, the Trustee and the Employers agreed to maintain Employer and Member contributions at 13% of Salaries and 6% of Salaries respectively following the valuation. The above rates will be reviewed when the results of the next formal valuation (as at 31 March 2014) are known.

A comparison of SAUL's assets and liabilities calculated using assumptions consistent with FRS17 revealed SAUL to be in deficit at the last formal valuation date (31 March 2011). As part of this valuation, the Trustee and Employer have agreed that no additional contributions will be required to eliminate the current shortfall.

The more material changes (the introduction of a Career Average Revalued Earnings, or "CARE", benefit structure) to SAUL's benefit structure will apply from 1 July 2012. As a consequence, the cost of benefit accrual is expected to fall as existing final salary members are replaced by new members joining the CARE structure. This will allow an increasing proportion of the expected asset return to be used to eliminate the funding shortfall. Based on conditions as at 31 March 2011, the shortfall is expected to be eliminated by 31 March 2021, which is 10 years from the valuation date.

The Royal Veterinary College  
**UNAUDITED CONSOLIDATED FINANCIAL SUMMARIES**

	<b>2013</b>	<b>2012</b>	<b>2011</b>	<b>2010</b>	<b>2009</b>
	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>
<b>INCOME &amp; EXPENDITURE ACCOUNT</b>					
<b>INCOME</b>					
Funding body grants	25,519	26,775	27,839	29,635	29,420
Tuition fees and education contracts	12,947	10,053	8,969	8,257	6,570
Research grants and contracts	12,479	14,325	12,394	8,820	9,998
Clinical and related earnings	17,219	16,225	15,396	14,707	13,249
Other income	5,168	4,104	3,501	4,007	3,108
Endowment and investment income	510	418	499	406	296
<b>TOTAL INCOME</b>	<b>73,842</b>	<b>71,900</b>	<b>68,598</b>	<b>65,832</b>	<b>62,641</b>
<b>EXPENDITURE</b>					
Staff costs	38,125	36,564	38,394	38,243	35,335
Other operating expenses	27,365	26,595	24,156	24,276	22,043
Depreciation	4,950	5,138	4,265	4,227	3,930
Interest and other finance costs	1,351	1,425	1,433	898	476
<b>TOTAL EXPENDITURE</b>	<b>71,791</b>	<b>69,722</b>	<b>68,248</b>	<b>67,644</b>	<b>61,784</b>
Surplus/(Deficit) after depreciation of tangible assets at valuation and after tax	2,051	2,178	350	(1,812)	857
Surplus/(Deficit) before transfer to specific endowments	2,051	2,178	350	(1,812)	857
Transfer from/(to) specific endowments	(28)	372	429	626	154
<b>SURPLUS/(DEFICIT) RETAINED WITHIN GENERAL RESERVES</b>	<b>2,023</b>	<b>2,550</b>	<b>779</b>	<b>(1,186)</b>	<b>1,011</b>
<b>BALANCE SHEET</b>					
Fixed asset and investments	75,821	79,071	79,614	60,464	54,749
Endowment assets investments	10,982	10,029	12,852	13,050	11,288
Cash at bank and in hand and short term deposits	19,599	14,180	6,367	20,180	7,222
Net non cash current liabilities	(10,522)	(12,847)	(9,526)	(6,025)	(7,229)
Long term loans, creditors and provisions	(27,760)	(24,211)	(24,368)	(24,642)	(6,940)
<b>TOTAL NET ASSETS</b>	<b>68,120</b>	<b>66,222</b>	<b>64,939</b>	<b>63,027</b>	<b>59,090</b>
Deferred capital grants	28,955	30,354	31,403	30,072	26,711
Endowment funds	10,982	10,029	12,852	13,050	11,288
Retained earnings	28,183	25,839	20,684	19,905	21,091
<b>TOTAL FUNDS</b>	<b>68,120</b>	<b>66,222</b>	<b>64,939</b>	<b>63,027</b>	<b>59,090</b>