

British Universities & Colleges Sport Limited

(A COMPANY LIMITED BY GUARANTEE)

(REGISTERED CHARITY NO 1126863)

(REGISTERED CHARITY NO: SC041947)

(COMPANY REGISTRATION NO 06483060)

ANNUAL REPORT AND FINANCIAL STATEMENTS

year ended 31 July 2012

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British Universities & Colleges Sport Limited

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British Universities & Colleges Sport Limited

(A COMPANY LIMITED BY GUARANTEE)
LEGAL AND ADMINISTRATIVE INFORMATION

CHARITY NAME	British Universities and Colleges Sport Limited
PATRON	Her Royal Highness The Princess Royal
PRESIDENT	John Inverdale
CHAIRMAN	Ed Smith
DIRECTORS	Professor John Brewer Jonathan Siddall Philip Attwell Professor Ian Diamond Anne Coleman Jonathan Gleave (Student Director)
CHIEF EXECUTIVE	Karen Rothery
COMPANY SECRETARY	Timothy Nicholls
REGISTERED OFFICE	20-24 King's Bench Street London SE1 0QX
WEBSITE	www.bucs.org.uk
PRINCIPAL BANKERS	Royal Bank of Scotland London City Office 62-63 Threadneedle Street London EC2R 8LA
INDEPENDENT AUDITOR	Baker Tilly UK Audit LLP Lancaster House 7 Elmfield Road Bromley Kent BR1 1LT
SOLICITORS	Ashurst LLP Broadwalk House 5 Appold Street London EC2A 2HA
INVESTMENT MANAGERS	CCLA Investment Management Limited 80 Cheapside London EC2Y 6DZ
COMPANY NUMBER	06483060 (England & Wales)
CHARITY NUMBER	1126863(England & Wales) SC041947 (Scotland)

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The trustees of the charity are also directors under company law and throughout this report are referred to as directors.

The directors present their annual report and the audited financial statements for the period ended 31 July 2012

Reference and Administrative details of the Charity, its Directors and Advisors

Details of the Charity's addresses, its directors and advisors are given on page 1

Objective of the Charitable Group and Principal Activities

The Group's objective is the advancement for the public benefit of physical education among students in Universities and Colleges by promoting standards in sports administration and coaching

In furtherance of this objective the Group develops and arranges for members the following

- Sporting Activities and the organisation of league competitions and events between members
- United Kingdom Representative Championships
- United Kingdom Fixtures and Tours at home and abroad
- British team events organised by the Federation Internationale Du Sport Universitaire (FISU)

The key objectives of the charitable group are

- The promotion of Higher Education Sport in the UK
- The professional development of Higher Education sport staff in the UK
- Improving the quality of the student experience through sport
- Opportunities for more students to play sport

The principal activity of BUCS Trading Limited during the year was to provide support to British Universities and Colleges Sport Limited through commercial activities. Under the terms of Gift Aid, the whole taxable profit made by the company is paid to the charity.

Governing Documentation

British Universities & Colleges Sport Limited is a company limited by guarantee (Company number 06483060) and has charitable status charity number 1126863 and SC041947. The charitable company is governed in accordance with the Memorandum and Articles of Association dated 13 June 2008 and amended 14 June 2009. British Universities & Colleges Sport Limited has a 100% subsidiary, BUCS Trading Limited (Company number 07125529).

Directors

The following Directors have held office during the period

Mr Edward K Smith	(Chairman)
Mr Roger J Finbow	(resigned 12 July 2012)
Professor Ian Diamond	
Mr Colan Leung (Student Director)	(resigned 12 July 2012)
Professor John Brewer	
Mr Philip Attwell	
Ms Anne Coleman	
Mr Jonathan Siddall	(appointed 12 July 2012)
Mr Jonathan Gleave (Student Director)	(appointed 12 July 2012)

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Directors' attendance at Board Meetings during the financial period

Mr Edward K Smith	4/4
Mr Roger J Finbow	4/4
Professor Ian Diamond	3/4
Mr Phillip Attwell	4/4
Mr Colan Leung	2/3
Ms Anne Coleman	3/4
Professor John Brewer	3/4
Mr Jonathan Siddall	1/1
Mr Jonathan Gleave	1/1

Recruitment and Appointment of Directors

The Memorandum and Articles state that the maximum number of Directors is seven and the minimum number four. The Directors shall comprise a Chairman, the Student Director and five persons with specific responsibilities which are determined by a Nominations Committee prior to advertising the vacancies. Directors are appointed for a term of two years and may be reappointed after serving one term. The term of office as a director for the Chairman is 3 years and may serve a maximum of two terms in office. The term of office as a director for the Student Director shall be one year as it is subject to annual election.

The Directors' appointment and re-election, if appropriate, is subject to ratification at the Annual General Meeting by ordinary resolution.

At the AGM held on 12 July 2012 the following Directors stood down: Roger Finbow and Colan Leung. The following directors offered themselves for election and were appointed: Mr Jonathan Siddall and Mr Jonathan Gleave.

Director Induction and Training

The Directors are made aware of and acknowledge annually a Code of Conduct based on the model code developed by the National Council of Voluntary Organisations. The Directors are made aware of the strategies and activities of the company during their induction.

All Directors receive summary information and reports covering all areas of the operation of the company on a quarterly basis. They are given a copy of the Charity Commission's booklet on the responsibility of the trustees and the previous year's accounts.

Organisational Structure

The Strategic direction is decided by the Board in their quarterly meetings; the day to day decision making process has been delegated to the Chief Executive Officer within specific parameters. Ms Karen Rothery was appointed to this role on 13 June 2008.

The CEO is supported by a management committee comprising managers of Finance and Governance, Commercial Media Marketing, Sports Programmes, International Development, Sport Development and Regions and Nations.

The Company prepares an annual budget which is approved by the Board and performance throughout the year is monitored against management accounts and forecasts.

The Board and CEO are advised by the Advisory Group comprising representatives from each region in England and Home Nations (Scotland, Wales & Northern Ireland), in addition to 4 elected non students and 4 elected students.

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Review of the Year

It is impossible to summarise sport in 2011/12 without falling short but stupendous, extraordinary, emotional and exhilarating will do for now. Headed of course by the Olympics, 2012 is a reflection of all that is good about sport in this country and of the investment that has been made. If we all cannot build on these outcomes in creating generations of young sportsmen and women with the investment needed from public and private sources, we will fail the future generations who are there in their thousands to be helped, nurtured and driven to excellence.

British Universities & Colleges Sport (BUCS) is a key player in supporting the Higher Education (HE) sector to deliver its collective talents. We celebrate in particular all those athletes who competed at the highest levels of their sport in 2011/12 and who will have benefitted from their University experience and the wider skills contributed by sport to their lives. We also celebrate our drive in the HE sector to increase participation in sport amongst our 2.3 million students and it is great to see growth yet again in our competitive sports programme entries. It is rewarding also that Active People shows that higher education is the only sector in Sport England's youth directorate, which has evidenced growth. And it is fantastic to celebrate gold at the highest international level in netball and both men's and women's rugby.

A highlight for BUCS members and for our small team of dedicated staff led by the CEO Karen Rothery has to have been the London 2012 Athletics test event in the Olympic Stadium in early May. Record entries, incredible numbers of personal bests, fantastic competition and over 40,000 people watching in an iconic venue. Take nothing away from all the activities which BUCS and our members have delivered in 2011/12 but surely for all of us who were there in Stratford, it has to stand out as the high peak for our sector and one with the wide media coverage for BUCS and members on which the imprint of HE sport is clear. We should also remember the exciting rowing, rugby and football finals as well as national finals in our many other sports and our Championships again at Sheffield which has been such a great location for our multi-sport events.

Members will know that all of this goes alongside a strong and vibrant membership organisation where we focus on sports delivery and development including the greater integration of disability sport and on our financial stability, which enable work on advocacy and investment in our future. You will have equally marvelled at the great sport in the Paralympics and it is our stated ambition to support disabled athletes and participants in sport within the HE Sector. On our finances, colleagues will know from Conference and from our communications that balancing the necessary investment in our future and delivering all that our members ask with increases in fees is something we watch closely. Financial stability and appropriate levels of reserves is an important part of that equation.

We have more to achieve to satisfy ourselves and our members but it is truly heartening to see record numbers at the BUCS conference and awards dinner and a mood of balanced optimism, tinged with concern about continued investment through a period of prolonged austerity. We know investment is essential and is not a free gift, but we can demonstrate the business and societal case for what we do-and we must. We are pleased that our Sports Development team have been funded for a further 3 years and that there are clear indications that Sport England see HE as an important part of their investment in youth sport. We hope that we can create and deliver the same interest in the rest of our Nations.

It remains a privilege to lead and support the great efforts of our staff, our members and our volunteers to develop our sector further and I hope you enjoy reading the 2011/12 review with pride after a year of superlatives and enthusiasm for our future.

Sports Programmes

Sheffield was once again the host for the 5th annual BUCS Championships in March 2012, as eighteen BUCS sport finals took place culminating in a repeat of last year's basketball final as the University of Worcester edged an enthralling contest against Durham University to successfully defend their title.

Over 4,000 students showcased their talents and skills, with 36 BUCS Champions crowned across the five days of competition. It was the University of Durham who topped the medal table with 15 medals in total, including seven BUCS Championship Gold medals.

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The BUCS Netball and men's Basketball Championship finals that were the showcase events this season, with, for the first time ever, both events ticketed for spectators. It is testament to the fantastic venues, with the majority operated by Sheffield International Venues (SIV), that Sheffield boosts that BUCS can grow the event each year and offer spectator opportunities to the top events.

On top of the fantastic sport competitions the BUCS Championships also offered students the opportunity to experience getting involved in other activities through the National Governing Bodies of Sport Practical Showcase. With eight NGBs offering individuals and teams the opportunity to participate and learn about their sport offering and programmes it created a great hub of activity for students to visit outside of the normal competition programmes.

The BUCS Championships would not be a success without the help and support of hundreds of volunteers and officials. As one of the UK's largest multi-sport events the BUCS Championships needs skilled and dedicated volunteers and BUCS is blessed with some of the greatest volunteers in the UK and we are always grateful for their support.

Sport Development

In July this year BUCS received confirmation that Sport England would continue to fund the work of the Sport Development Team beyond our existing funding agreement into 2013 and beyond. This is a genuine demonstration of the strong relationship that has continued to grow between BUCS and Sport England, resulting in a tangible extension to the BUCS service to members. Last year saw the £10m themed funding round, Active Universities support over 40 participation projects in the sector. This year saw the new Sport England investment strategy ring fencing £25m of NGB whole sport plan investment for delivery within the sector as well as mention of a possible Active Universities 2 in 2014. It is clear that the profile of the HE sector within the national sporting landscape is increasing.

BUCS relationship with the FA also continues to deliver additional resource to the sector, with two funded posts within the Sport Development Team delivering football specific support and interventions that complement the other outputs of the department.

Engagement with University Vice Chancellors has been a major success of 2011/12 with the reports produced during UUK Universities Week, demonstrating the broad impact of HE Sport. This profile and engagement led to the Burgess Implementation Steering Group approving a BUCS proposal for the inclusion of Sport within the new Higher Education Achievement Report (HEAR). The HEAR, which details each graduate's achievements (both academic and non-academic) whilst at university, is currently being used by over 80 institutions, and a BUCS task and finish group have produced guidance notes to support them to include sport.

NGB Relationships

2011-12 has seen the sport development relationships with National Governing Bodies (NGBs) continue to develop and flourish, the team are now working extremely closely with 21 NGBs in order to support them, advise them and demonstrate the growth achievable in HE. BUCS Sport Development relationships with NGBs support the strategic planning, development of tools and interventions and the brokering of relationships with institutions to deliver increased participation across the HE sector.

The first ever BUCS NGB Practical Showcase was hosted in Sheffield's Ponds Forge International Sports Centre and witnessed 8 NGBs outline and demonstrate their delivery products and offers for higher education. This event offered Golf, Table Tennis, Volleyball, Rugby Union, Cricket, Tennis, Fencing and Rounders the opportunity to deliver their participation products to an audience of HE staff. The event provided opportunities for institutions and NGBs to develop new relationships to support delivery on university campuses.

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- BUCS NGB Showcase Event – Over 40 new NGB-HEI relationships facilitated
- 5 new NGB products developed in partnership with BUCS and HEIs
- 21 NGBs currently working in partnership with BUCS to grow participation in HE

The Sport Development team also played an instrumental part in the planning stages of NGBs whole sport plans 2013-17, through meetings, feedback and support from colleagues within the HE sector. This engagement has extended the number of NGBs that are prioritising HE within their WSP submission, demonstrating the increasing profile of the HE sector within the national sporting landscape.

This support provided at the planning stages will result in BUCS and higher education institutions (HEIs) being integral partners in the delivery of an increased number of NGB WSPs.

Member Engagement and Support

2011-12 has seen the BUCS Sport Development team increase the level of support available to HEIs around social participation, workforce, intra-mural sport, coaching and volunteering, community partnerships, employability and club development.

The inaugural increasing participation day, held in January 2012 at Sheffield Hallam University was attended by over 80 delegates from 44 institutions. Workshop content included intra-mural sport, engaging international students, NGB participation product demonstrations, community partnerships, the impact of active universities and marketing participation opportunities to students. The event facilitated the sharing of good practice between HEIs allowing delegates to gather new ideas on how to increase participation opportunities at their own institution.

Member institutions have received tailored support to improve development planning, committee training and management of student sports clubs. BUCS has assisted HEIs to increase intra mural provision for students through identifying new partnerships, formats and resources appropriate to the HE sector, such as Mars Just Play. Understanding the diversity of sporting provision across the HE sector has allowed appropriate support and good practice to be identified and shared.

Examples have included the creation of new club development resources, introducing relevant participation products from national partners and assisting Active Universities co-ordinators in establishing social sporting opportunities for students and increasing their workforce capacity.

- 16 HEIs received support and guidance on club development initiatives
- 20 HEIs received support in developing social participation and intra mural sport programmes
- All 42 Active Universities funded programmes have received support from BUCS
- 19 Mars Just Play centres hosted on HEI sites engaging over 1600 participants
- Supported 17 HEI applications to the new FA Small sided development fund for a total of over £50,000

In order to accomplish a greater understanding of the sector's workforce needs BUCS formed a Workforce and Coaching Advisory Group. Members of HEI staff sit on the group with BUCS and representatives from key national partners such as sports coach UK and Skills Active. The group has significantly contributed to shaping BUCS focus areas regarding Workforce Development and have assisted with the planning of the professional development event in February.

The second annual BUCS Coaching and Workforce Development Day was held in February 2012 at Southampton Solent University. Delegates attended workshops that addressed topics including coach competency, official's development pathways and guidance from The John Lewis Partnership on the role of HE sport in enhancing student employability.

Working strategically within 'Focus Counties' BUCS Football Development Team has been successful in developing new robust partnerships between HEIs and County Football Associations which has significantly increased the number of opportunities available to students to play football. In addition coaching and referee

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hubs have been established in each 'Focus County' based on HEI sites which aim to provide student coaches and referees with qualifications, CPD workshops, mentoring and meaningful work placements within community settings. To maximise the impact of the Focus County approach BUCS intends to communicate good practice to the wider HE Sector over the next 12 months.

BUCS has offered and identified opportunities and placements for students to develop their employability and experience. Work placement roles have been built into BUCS Sports Events such as the Surfing event in Newquay and BUCS Championships in Sheffield. The BUCS Football Student Management group established this year offers six students the opportunity to gain knowledge and experience in football development, delivering the inaugural Football Futures Student Conference. Through working with our NGB partners BUCS has assisted with the development of student activator programmes. NGB activators are now deployed across the HE sector impacting the delivery of participation programmes in sports such as Volleyball, Badminton, Cricket and Football.

BUCS continues to support volunteer programmes within institutions and across the HE sector such as the BUCS Football Futures programme now with over 300 registered volunteers nationally. In addition BUCS has supported institutions to develop coach education programmes, access funding for workforce development and broker relationships with national partners.

- 11 HEI's from 7 BUCS regions represented on the Workforce & Coaching Advisory Group
- 14 HEI's received direct support and consultation on their volunteer and workforce development programmes
- BUCS Football Futures Student Conference attended by 60 students, all gaining professional qualification
- 311 students registered on BUCS Football Futures have delivered over 12,000 hours of volunteering

"The experience I have gained through being part of Football Futures was absolutely amazing and it gave me lots to talk about at my recent successful interview with the Kent County FA. I have no doubt what so ever that being part of BUCS Football Futures has really helped me to gain my first full time job in the sport I love"
Dwayne Ellis Coventry University Graduate 2012

Professional Development Events

This year BUCS delivered a comprehensive professional development programme, including a series of events specifically for HEI staff with a sport development remit. This year's calendar was expanded from one sport development event (in 2010/11) to five. New events included the Increasing Participation Development Day, NGB Showcase, Football Development Conference and the Football Futures student conference all added to the previously successful Coaching Development day.

- 300 delegates attended BUCS sport development events, from 70 institutions
- 98% of attendees (81 feedback responses) indicated that they found the event beneficial to their role and development

International

The main focus of 2011/12 was the series of single-sport FISU World University Championships that take place every two years, and the FISU Forum.

This year has also seen the consultation and launch of a new BUCS International Strategy for 2012-15, and a research project will shortly be published *"Placing HE in the Performance Pathway: A Performance Analysis of the Summer Universiade"* as an advocacy and promotional tool for the competition elements.

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World University Championships 2012 (WUCs)

The 2012 series of Championships saw BUCS enter teams representing Great Britain (GB) into 15 sports. The 15 GB teams were made up of 118 students (62 male and 56 female) from 47 BUCS Universities.

The 2012 series of Championships were very successful for the Great Britain teams, two individual and five team medals (to date) represent an amazing 59% of athletes achieving a medal. Highlights included a gold medal winning team performance at the inaugural Netball WUCS, and double gold's in the men's and women's Rugby 7s WUCS. Entries in both sports were the direct result of BUCS led close collaboration between the home nations NGBs.

Other notable successes include a silver medal by Palmer Cup team member David Booth in the Golf, where the men's team also won silver. There was also a silver medal for the 2009 BUCS Sportsman of the Year, Calum Robb in Karate, with the Men's Kata team also collecting a historic first-ever Bronze medal for any representative team from the UK.

The BUCS International Programme is kindly supported by the National Governing Bodies of sport in GB and the Home Nations, TASS, and countless volunteers – all of whom are essential to the successful delivery of these events.

11th FISU Forum – “University Sport a Platform for Sustainable Development”

The biennial FISU Forum welcomed 207 students and professional staff from 59 of the countries in membership of FISU to discuss contemporary issues in University sport, to compare the University sport programmes and provision within different countries, as well as to discuss the role of FISU and its sporting programme.

Great Britain represented by Peter White a student at Sheffield University, Danielle Giles a student sabbatical and Vice President for Sport and healthy living at Bangor University and Bill Thompson Head of sport and leisure at City University London, were amongst the most active and engaged of the national University sports federations in attendance. Danielle was chosen from the student delegates to present to the Forum on the topic of “University sport as fertile ground for leadership development” where she drew upon her experiences as a 2nd-year Sabbatical and member of the BUCS Advisory Group, Bill was also selected from the staff delegates to make a presentation on “Strategic planning for eco-friendly university sport” using City University as a case-study, and Peter led a Forum workshop on the subject of “Sportsmanship as a platform for lifelong development”.

European Universities Sports Association (EUSA)

EUSA (European Universities Sports Association) events are “Champions League” competitions for Universities and allow the top Universities in the BUCS Competitions to compete against the best Universities in Europe.

This year saw the inception of the EUSA Games, a new multi-sport format that will now alternate annually with the programme of single-sport EUSA Championships. The inaugural EUSA Games took place in Cordoba, Spain, 12-23 July, with 2,583 participants in 253 teams from 151 Universities of 32 different countries.

Three British teams qualified through BUCS domestic competition to attend the 2012 BUCS men's Futsal champions Teesside University, University of Nottingham's men's table tennis team and Stirling University's men's Tennis team. The standout performance came from Stirling University who went on to win the Bronze medal at the Games.

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International Representation

BUCS supports a number of International sports representatives in order to contribute to BUCS international profile, our ability to influence policy-making, our wider NGB engagement and in directly supporting the competition programme 'behind the scenes'

Sincere thanks goes to the BUCS International representatives over the 2011/12 period

Regions and Professional Development

Since its inception BUCS's vision has been to 'enhance the student experience through sport' and in 2012 the Olympics, the introduction of fees and the emphasis on employability has guided and influenced the work of Advisory Group and impacted on the agendas of the regions and nations. To support our members we have also offered a range of professional development and networking opportunities in order to share best practice and continue to work with external partners to assist us in achieving our vision

Advisory Group

The Advisory Group is a key link between the BUCS office and the members, comprising of the elected staff and student officers and the staff and student chairs from each of the regions and home nations. The group meets four times per year and outcomes included support for a BUCS Commercial Policy in relation to alcohol sponsorship, recommendation to adopt the Sports Criteria and opportunity for new sports to be considered

Regions & Nations

BUCS members operate under nine English regions, Scotland, Wales and Northern Ireland and the majority are now meeting regularly, providing support and best practice. In 2012 we have committed to improving our support and presence at these meetings and assist with regional engagement and development

Professional Development

'Increasing value from sport' and 'Preparing for 2012' were the themes of the two successful Development Days and the variety of sessions appealed to sabbaticals, administrators and operational staff from university sports departments. Next year our aim is to further develop this offer by working in conjunction with the Sports Development Team at BUCS

BUCS has continued to support the work of the Senior Managers Professional Network feedback from and support for the events, which address the broader influences impacting on the HE sector and sport, has been positive

This year's conference was held at the University of Exeter and established a new benchmark for the event. The newly opened Forum superbly accommodated an extensive and interesting programme and many a delegate regrets not recording the inspirational and thought provoking keynote from the University's Vice Chancellor Professor Sir Steve Smith

In addition we have worked with the Complete University Guide and Times Good University Guide to provide prospective students with updated information on the sporting offer at individual universities in relation to facilities, participation opportunities, competition and performance

Our work with Quest & NBS has continued and will develop further over the next 12 months and we hope that recent developments with the FIA and the support of conference sponsors StarTrac will be the catalyst for the re-emergence of the Health & Fitness Network

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Commercial, Communications and Marketing

The profile of higher education sport over the course of the 2011/12 season has grown significantly both in and out of the sector. The BUCS Visa Outdoor Athletics Championships, as part of the London Prepares series of test events for the Olympic Games, provided a truly global platform for BUCS to showcase the contribution that higher education sport makes to the Olympics. Through working with Universities UK and the Universities Week campaign and investing in PR support, BUCS was able to raise the profile not only of the organisation but importantly the profile of our member institutions. Outside of the 40,000 spectators that cheered on competing institutions, over 62 pieces of positive national coverage were achieved across broadcast, print and online supported by astounding levels of regional, local and social media activity.

Official communications have increased to reflect the growing remit of BUCS. BUCS Sport Business captures the significant amount of activity that takes place on sports development and across our professional networks and has proven popular with over 2000 subscribers in the first year. Readership of all BUCS corporate communications has grown, with social media numbers further reflecting the appetite for news, views, images and video that exist within the sector. Video content has been a particular focus with our partners Red Bull launching the BUCS High Flyers series, delivering viewing figures in the hundreds of thousands.

BUCScore one of the largest fixtures and results platforms in the world provides an excellent digital platform for higher education sport, underpinning www.bucs.org.uk and drawing in nearly 150,000 unique visits to the website a month during peak periods. Yet more work has taken place with BUCScore to integrate financial services, supporting our members through direct communications with students and general upgrades, responding to our members in order to support the on-going growth of student sport.

Record numbers attended the 2011/12 annual conference at the University of Exeter and the BUCS Awards Dinner. The exhibition, as part of the conference, was also attended by more commercial organisations and NGB's than ever before and with Star Trac as conference headline sponsor, Endsleigh associate sponsor and University Business magazine as the media partner, demonstrating the value of the BUCS network coming together in one venue. Commercially the market continues to be a challenging one, however a few new partners have been added and our portfolio of brands and partners, with closer management, have been challenged this season to really help BUCS deliver more for students at key events such as surfing, mountain biking, cricket and football. BUCS also enjoyed a growth in attendance to a number of focus and ticketed events, with marketing reaching more institutions, students and public than ever before.

Additional commercial investment and maintaining the profile of student sport will be the focus for the 2012/13 season.

Scottish Activities

16 of BUCS members are Scottish Universities. They pay BUCS a full normal affiliation fee and entry fees as appropriate, and they have access to all the same member benefits as all other members. They are also members of Scottish Student Sport (SSS), and pay an additional fee to SSS for services delivered only to Scottish members by SSS. BUCS has a formal financial relationship with SSS (until July 31st 2015) whereby it pays an annual "reimbursement" to SSS to enable SSS to deliver some of BUCS services in to Scottish BUCS members on its behalf. These include (but are not limited to) administrative and volunteering support for BUCS events taking place in Scotland, the administration of BUCS leagues and competitions in Scotland, advocacy and representation to Scottish government and governing bodies, support for BUCS marketing and promotional activities in Scotland, the biennial hosting of the BUCS Home Nations event.

Disability

Through funding secured from The Higher Education Funding Council for England, and BUCS own resources, BUCS has employed a Disability Sport officer, based at Nottingham University, whose first year has been spent understanding the provision of disability sport across the UK. A small group of focus universities has been sourced, and a disability steering group convened to direct and advise on the activity of the officer.

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Volunteers

BUCS events could not take place without the support and expertise of our volunteers. Thousands of officials, referees and Sports Advisory Groups volunteers each give up their time to support the BUCS office in delivering high quality events and sporting experiences to our student athletes.

Value in Kind

Donated services were received by BUCS during the period and, where these can be reasonably quantified they have been included in the Statement of Financial Affairs.

There were further donated services from various sponsors relating to hospitality for events and gifts for prizes of nominal value but which it is not possible to reasonably quantify. In particular the BUCS Athletics Championships was held at the Olympic Stadium this year. This acted as the official Athletics Test Event for the Olympic Games as part of the London Prepares Series. Given that the stadium is not available for general hire, it is impossible to quantify the value of this.

Financial Review

Total incoming resources for the group for the period were £2,891,316 (2011 £2,653,601)

Funding is obtained from a wide range of sources reflecting the diversity of the organisation. The principal funding sources are affiliation fees from participating universities and colleges, and entry fees for events, in addition to grants from Sports England, HEFCE, and The FA Youth Trust, and sponsorship from PricewaterhouseCoopers, Kukri and Mars.

Expenditure for the period totalled £2,801,272 (2011 £2,572,885) and was fully applied in accordance with the organisation's primary objective of wide ranging sport development, and participation in higher education.

Funds employed at the balance sheet date totalled £1,236,610 (2011 £1,147,378). £697,625 (2011 £704,892) of these funds is held in a designated property fund with a further £29,509 (2011 £44,407) held in restricted funds. The remaining funds are in general reserves.

Risk Management

The directors and management of BUCS carried out a review of the charity's activities in order to identify the principle opportunities available to the charity and risks to which it is exposed. A risk management strategy has been established to review risks, at least annually, and the establishment of systems and procedures to mitigate those risks identified. The directors are therefore able to report that any major strategic business or operational risks to which the company could be exposed were identified, reviewed and action taken to ensure that these risks are minimised.

Investment Policy and Performance

There are no restrictions on the company's power to invest. The directors set the investment strategy after considering income requirements, risk profile and the investment manager's view of the market prospects when determining investment strategy. Currently the company's stocks and shares are held in income units with the CCLA or COIF, the Charities Organisation Investment Fund, with a policy of low to medium risk with a low to medium return.

The yield achieved on the investments during the period was 5.13% and the capital losses 0.28%, which are in line with expectations. The return on cash deposits was 1.0% which is also in line with current expectations.

Reserves Policy

The underlying reserves policy is linked with the organisation's overall strategic plan and ensuring financial commitments are cleared when due. Based on current activity levels minimum reserves of £900,000 are considered prudent as the company's policy is to continue to maintain reserves which will permit the company to operate for a period of 12 months in the absence of any further income. The level of funds at 31 July 2012 was £1,236,610 (2011 £1,147,378) with the level of unrestricted general funds at the same date being £509,476 (2011 £398,079).

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for the year ended 31 July 2012

Related Party Transactions

Roger Finbow, a director of BUCS, is a consultant and former partner at Ashurst LLP which offered BUCS free legal advice in the period. Professor Ian Diamond is the Principal and Vice Chancellor at Aberdeen University, which is a member of BUCS. Philip Attwell, a director of BUCS is also the Director of Sport and Student Activity at the University of Exeter. Professor John Brewer, a Director of BUCS is also the Director of Sport at the University of Bedfordshire. Jon Siddall, a Director of BUCS, is also a Director of Badminton GB Limited. Ed Smith is Pro-Chancellor and Chair of Council at the University of Birmingham which is a member of BUCS. BUCS do not feel there is a conflict of interest in any of these transactions.

Public Benefit

From the review of the activities the trustees feel that they have demonstrated how they have complied with the duty in s4 of the Charities Act 2011 to have regard to guidance published by the Charity Commission on the operation of the Charity for the Public Benefit.

Plans for the Future

BUCS will deliver and continue to improve the student experience across all sports programmes through reviewing the delivery mechanisms both at events, online and the integration of sponsors activity and marketing support. With large numbers of members already running teams and significant player numbers within higher education BUCS welcomes American Football into the sporting programme for the 2012/13 season. Focus events for BUCS in the 2012/13 season will include two multi-sport events, grouping together individual finals as one and team finals, hosted by a member institution as the other. This concept will bring together around 6,000 students for individual finals making it one of the largest multi-sport events in the world and for team finals this will deliver more spectators and atmosphere than ever before. BUCS will continue to integrate disability sport into the BUCS programme as outlined by the new disability strategy – *Into Inclusion*.

2013 is a World University Games year with Kazan in Russia hosting the summer's event. BUCS will be sending a delegation to represent Team GBR and continue the promotion of the benefits and competitive standards of the games to members and national governing bodies through the launch of an impact report in 2012 – *Placing HE in the Performance Pathway*.

Underpinning the competitive framework is the on-going work of the BUCS Sport Development Team funded by Sport England, funding that has been confirmed for a further three years. Higher education is the only sector in the Community Sport Directorate that has demonstrated measurable growth and BUCS sports development team will work to build on this success into the 2012/13 season. The role of the BUCS sport development team during this new strategy period will be to facilitate a growth in HE student participation through working closely with national governing bodies and members to deliver the best and most suitable offer for students around sport and activity.

The profile of student sport, BUCS and our member institutions hit an all-time high in the 2011/12 season, achieved through delivering high profile events, quality sporting performances and an increased investment in BUCS public relations. BUCS will look to maintain organisational and member profile using the benefits of sport to employability as a template for media engagement, a campaign that will also reflect a BUCS commissioned piece of research.

BUCS will continue its commitment to sourcing and activating commercial partnerships and the value and cash investment that they can provide for student sport. The 2011/12 season benefitted from a wide range of commercial sponsors helping BUCS enhance both student and members experience across sports events and our annual conference. 2012/13 will see the continuation and renewal with commercial partners who have been consistent supporters of student sport and some new additions, whose investment due to the nature of BUCS, as a not for profit business, goes straight back into student sport.

At the heart of our strategic direction are the BUCS Professional Networks. The 2012/13 season BUCS will work more closely with this wide range of professional staff in, growing a stronger dialogue and consultative process whilst enhancing their experience at meetings, conferences and supporting the development of challenging and informative agendas.

British Universities & Colleges Sport Limited

(A COMPANY LIMITED BY GUARANTEE)

REPORT OF THE TRUSTEES

for the year ended 31 July 2012

A project plan has been written which will develop a rating system so that members can demonstrate how effectively they are delivering sport. In addition a specific research project has been commissioned which will allow for the link between HE sport and employability to be demonstrated.

The challenges are clear and the potential significant for the 2012/13 season at BUCS. The aspiration is to continue to improve and develop our membership service with the BUCS mission of *enhancing the student experience through sport* the constant.

Campaigning

As a non political organisation, BUCS does not campaign in the political arena, however, BUCS has re-established a relationship with the National Union of Students, and some areas of joint concern will be debated, with the possibility of joint statements where appropriate. These matters may include initiations and student alcohol matters, Wednesday afternoons and enhancing the student experience through non academic activities, and others.

Statement as to Disclosure of Information to Auditor

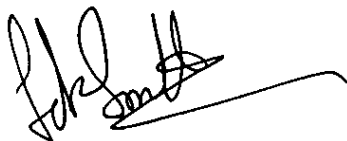
The directors who were in office on the date of the approval of these financial statements have confirmed that as far as they are aware there is no relevant audit information of which the auditors are unaware. Each of the directors has confirmed that they ought to have taken as directors in order to make themselves aware of any relevant audit information and to establish that it has been communicated to the auditor.

Auditor

The auditor, Baker Tilly UK Audit LLP, Chartered Accountants has indicated its willingness to continue in office.

This report is prepared in accordance with the provisions applicable to companies entitled to the small companies exemption.

Approved by the directors on 25 October 12 and signed by



JEK Smith
Chairman

British Universities & Colleges Sport Limited

(A COMPANY LIMITED BY GUARANTEE)

STATEMENT OF TRUSTEES' RESPONSIBILITIES

for the year ended 31 July 2012

The trustees (who are also directors of British Universities & Colleges Sport Limited for the purposes of company law) are responsible for preparing the Trustees Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice)

Company law requires the trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that period

In preparing those financial statements, the trustees are required to

- a select suitable accounting policies and then apply them consistently,
- b observe the methods and principles in the Charities SORP,
- c make judgements and accounting estimates that are reasonable and prudent,
- d state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements,
- e prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business

The trustees are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities

**INDEPENDENT AUDITORS' REPORT TO THE DIRECTORS OF
BRITISH UNIVERSITIES & COLLEGES SPORT LIMITED
FOR THE YEAR ENDED 31 JULY 2012**

We have audited the group and parent charitable company's financial statements of British Universities & Colleges Sport Limited ("the financial statements") for the year ended 31 July 2012 on pages 17 to 41. 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 exclusively to the members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006, and to the charitable company's trustees, as a body, in accordance with section 44(1)(c) of the Charities and Trustee Investment (Scotland) Act 2005 and regulation 10 of the Charities Accounts (Scotland) Regulations 2006. Our audit work has been undertaken so that we might state to the members and the charitable company's trustees those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company, its members as a body, and its trustees as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of trustees and auditor

As explained more fully in the Statement of Trustees' responsibilities set out on page 9, the trustees (who are also the directors of the company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

We have been appointed auditors under section 44(1)(c) of the Charities and Trustee Investment (Scotland) Act 2005 and under the Companies Act 2006 and report in accordance with regulations made under those Acts. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

Scope of the audit of the financial statements

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

Opinion on financial statements

In our opinion the financial statements

- give a true and fair view of the state of the group's and the parent charitable company's affairs as at 31 July 2012, and of the group's and the parent charitable company's incoming resources and application of resources, including their income and expenditure, 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 Companies Act 2006, the Charities and Trustee Investment (Scotland) Act 2005 and regulations 6 and 8 of the Charities Accounts (Scotland) Regulations 2006 (as amended).

Opinion on other requirement of the Companies Act 2006

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

INDEPENDENT AUDITORS' REPORT TO THE DIRECTORS OF
BRITISH UNIVERSITIES & COLLEGES SPORT LIMITED
FOR THE YEAR ENDED 31 JULY 2012 (CONTINUED)

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 and the Charities Accounts (Scotland) Regulations 2006 (as amended) requires us to report to you if, in our opinion

- the parent charity has not kept proper and adequate accounting records, or returns adequate for our audit have not been received from branches not visited by us, or
- the parent company financial statements are not in agreement with the accounting records and returns, or
- certain disclosures of trustees' remuneration specified by law are not made, or
- we have not received all the information and explanations we require for our audit, or
- the trustees were not entitled to prepare the financial statements and the Report of the Trustees in accordance with the small companies' regime

Baker Tilly UK Audit LLP
Nicholas Sladden (Senior Statutory Auditor)

For and on behalf of BAKER TILLY UK AUDIT LLP, Statutory Auditor

Chartered Accountants
Lancaster House
7 Elmfield Road
Bromley
Kent
BR1 1LT

28 November 2012

BAKER TILLY UK AUDIT LLP is eligible to act as an auditor in terms of section 1212 of the Companies Act 2006

British Universities & Colleges Sport Limited
(A COMPANY LIMITED BY GUARANTEE)
CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES
for the year ended 31 July 2012

	<i>Notes</i>	Unrestricted Funds £	Designated Funds £	Restricted Funds £	Total Year ended 31 July 2012 £	Total Year ended 31 July 2011 £
INCOMING RESOURCES						
Incoming resources from generated funds:						
<i>Voluntary income</i>						
Sponsorship and commercial	1	454,425	-	-	454,425	435,008
Value in kind	4	89,833	-	-	89,833	194,552
<i>Activities for generating funds</i>						
Investment income	2	17,431	-	-	17,431	18,077
Incoming resources from charitable activities:						
Grants	3	277,447	-	88,049	365,496	333,609
Subscriptions		900,293	-	-	900,293	851,928
Team entry fees and fines		693,126	-	-	693,126	624,613
International Representation	5	239,386	-	-	239,386	40,132
Members' Conferences		126,234	-	-	126,234	88,978
Sundry income		1,910	-	-	1,910	509
Projects income		-	-	-	-	64,686
BUCS Championships Sheffield		3,182	-	-	3,182	1,509
TOTAL INCOMING RESOURCES		2,803,267	-	88,049	2,891,316	2,653,601
RESOURCES EXPENDED						
Charitable activities	6	2,664,952	7,267	102,947	2,775,166	2,554,816
Governance costs	6	25,815	-	-	25,815	16,968
Other resources expended	8	291	-	-	291	1,101
TOTAL RESOURCES EXPENDED		2,691,058	7,267	102,947	2,801,272	2,572,885
NET INCOMING/(OUTGOING) RESOURCES BEFORE UNREALISED GAINS		112,209	(7,267)	(14,898)	90,044	80,716
Unrealised investment gain	10a	(812)	-	-	(812)	14,928
Net movement in funds		111,397	(7,267)	(14,898)	89,232	95,644
TOTAL FUNDS AT 1 August 2011		398,079	704,892	44,407	1,147,378	1,051,734
TOTAL FUNDS AT 31 July 2012		509,476	697,625	29,509	1,236,610	1,147,378

The net incoming resources arise from continuing activities

British Universities & Colleges Sport Limited
(A COMPANY LIMITED BY GUARANTEE)
CHARITY STATEMENT OF FINANCIAL ACTIVITIES
for the year ended 31 July 2012

	<i>Notes</i>	Unrestricted Funds £	Designated Funds £	Restricted Funds £	Total Year ended 31 July 2012 £	Total Year ended 31 July 2011 £
INCOMING RESOURCES						
Incoming resources from generated funds:						
<i>Voluntary income</i>						
Sponsorship and commercial	1	-	-	-	-	115,000
Value in kind	4	89,833	-	-	89,833	194,552
Gift Aid donation from subsidiary		211,849	-	-	211,849	117,677
<i>Activities for generating funds</i>						
Investment income	2	17,431	-	-	17,431	18,077
Incoming resources from charitable activities:						
Grants	3	277,447	-	88,049	365,496	333,609
Subscriptions		900,293	-	-	900,293	851,928
Team entry fees and fines		693,126	-	-	693,126	624,613
International Representation	5	239,386	-	-	239,386	40,132
Members' Conferences		126,234	-	-	126,234	88,978
Sundry income		1,910	-	-	1,910	509
Projects income		-	-	-	-	64,686
BUCS Championships Sheffield		3,182	-	-	3,182	1,509
TOTAL INCOMING RESOURCES		2,560,691	-	88,049	2,648,740	2,451,270
RESOURCES EXPENDED						
Charitable activities	6	2,431,743	7,267	102,947	2,541,957	2,387,210
Governance costs	6	25,815	-	-	25,815	16,968
Other resources expended	8	291	-	-	291	1,101
TOTAL RESOURCES EXPENDED		2,457,849	7,267	102,947	2,568,063	2,405,279
NET INCOMING/(OUTGOING) RESOURCES BEFORE UNREALISED GAINS						
		102,842	(7,267)	(14,898)	80,677	45,991
Unrealised investment gain	10a	(812)	-	-	(812)	14,928
Net movement in funds		102,030	(7,267)	(14,898)	79,865	60,919
TOTAL FUNDS AT 1 August 2011		363,354	704,892	44,407	1,112,653	1,051,734
TOTAL FUNDS AT 31 July 2012		465,384	697,625	29,509	1,192,518	1,112,653

The net incoming resources arise from continuing activities

British Universities & Colleges Sport Limited

(A COMPANY LIMITED BY GUARANTEE)

CONSOLIDATED BALANCE SHEET

for the year ended 31 July 2012

Company number 06483060

		<i>Notes</i>	
		2012 £	2011 £
FIXED ASSETS			
Tangible fixed assets	9	833,448	829,948
Investments	10	308,650	309,462
Trophies	11	39,420	40,248
		<u>1,181,518</u>	<u>1,179,658</u>
CURRENT ASSETS			
Debtors	12	347,409	359,468
Cash at bank and in hand		231,893	437,458
		<u>579,302</u>	<u>796,926</u>
CREDITORS amounts falling due within one year	13	(524,210)	(829,206)
NET CURRENT ASSETS/(LIABILITIES)		<u>55,092</u>	<u>(32,280)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>1,236,610</u>	<u>1,147,378</u>
FUNDS			
Restricted funds	14	29,509	44,407
Unrestricted funds			
General	15	509,476	398,079
Designated	16	697,625	704,892
		<u>1,236,610</u>	<u>1,147,378</u>

These accounts have been prepared in accordance with the provisions applicable to companies entitled to the small companies exemption

The financial statements on pages 17 to 41 were approved by the board and authorised for issue on 25 October 12 and signed on its behalf by



JEK Smith
Chairman

British Universities & Colleges Sport Limited

(A COMPANY LIMITED BY GUARANTEE)

CHARITY BALANCE SHEET

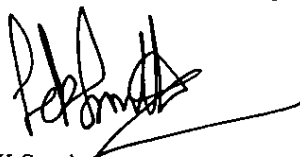
at 31 July 2012

Company number 06483060

		<i>Notes</i>	
		2012	2011
		£	£
FIXED ASSETS			
Tangible fixed assets	9	769,295	785,796
Investments	10	308,750	309,562
Trophies	11	39,420	40,248
		<u>1,117,465</u>	<u>1,135,606</u>
CURRENT ASSETS			
Debtors	12	368,248	359,804
Cash at bank and in hand		194,526	292,726
		<u>562,774</u>	<u>652,530</u>
CREDITORS amounts falling due within one year	13	(487,721)	(675,483)
NET CURRENT ASSETS/(LIABILITIES)		<u>75,053</u>	<u>(22,953)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>1,192,518</u>	<u>1,112,653</u>
FUNDS			
Restricted funds	14	29,509	44,407
Unrestricted funds			
General	15	465,384	363,354
Designated	16	697,625	704,892
		<u>1,192,518</u>	<u>1,112,653</u>

These accounts have been prepared in accordance with the provisions applicable to companies entitled to the small companies exemption

The financial statements on pages 17 to 41 were approved by the board and authorised for issue on ~~25 October 2012~~ 25 October 2012 and signed on its behalf by


JEK Smith
Chairman

British Universities & Colleges Sport Limited

(A COMPANY LIMITED BY GUARANTEE)

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 July 2012

ACCOUNTING POLICIES

BASIS OF ACCOUNTING

The financial statements are prepared under the historical cost convention as modified by the inclusion of fixed asset investments at market value and in accordance with the Companies Act 2006, applicable accounting standards and Statement of Recommended Practice "Accounting and Reporting by Charities" issued in March 2005

BASIS OF CONSOLIDATION

The consolidated financial statements incorporate those of British Universities & Colleges Sport Limited and its subsidiary undertaking, BUCS Trading Limited for the year. All financial statements consist of the year to 31 July 2012

FUND ACCOUNTING

General funds are unrestricted funds which are available for use at the discretion of the directors in furtherance of the general objectives of the charitable company and which have not been designated for other purposes

Designated funds comprise unrestricted funds that have been set aside by the directors for particular purposes. The aim and use of each designated fund is set out in the notes to the financial statements

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by the donor or which have been raised by the charitable company for particular purposes. The cost of raising and administering such funds are charged against the specific fund. The aim and use of each restricted fund is set out in the notes to the financial statements

Investment income and gains are allocated to the appropriate fund

INCOMING RESOURCES

All incoming resources are included in the statement of financial activities when the charitable company is legally entitled to the income and the amount can be quantified with reasonable accuracy and certainty

Fines are recognised in the year that they are calculated

RESOURCES EXPENDED

All expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all costs related to the category. It includes any VAT which cannot be fully recovered

Charitable expenditure comprises those costs in the delivery of activities and services for its beneficiaries and include directly allocated costs and an apportionment of support costs

Governance costs are those incurred in connection with administration of the charity and compliance with constitutional and statutory requirements

Support costs are allocated based on direct costs, as set out in Note 6

OPERATING LEASE

Rentals applicable to operating leases where substantially all of the benefits and risks of ownership remain with the lessor, are charged against profits on a straight line basis over the period of the lease

British Universities & Colleges Sport Limited

(A COMPANY LIMITED BY GUARANTEE)

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 July 2012

ACCOUNTING POLICIES (continued)

TANGIBLE FIXED ASSETS AND DEPRECIATION

Fixed assets are stated at historical cost. The costs of minor additions or those costing below £1,000 are not capitalised.

Depreciation is provided on all tangible fixed assets using the following rates to reduce by annual instalments the cost of the tangible assets over their estimated useful lives -

Leasehold Buildings	-	2% Straight Line
Fixtures and equipment	-	15% - 33 1/3% straight line

TROPHIES

Trophies are items which are in the possession of the charitable company and were created for use in sporting activities and continue to be used for this purpose. The charitable company maintains stewardship by keeping a full inventory and has no intention of disposing of any of the trophies so long as this use continues. The trophies are valued at lower of cost and net realisable value. Depreciation has been applied over a period of 50 years.

INVESTMENTS

Investments are stated at market value at the balance sheet date. The statement of financial activities includes the net gains and losses arising on revaluations and disposals throughout the year.

LEASED ASSETS

Rentals payable under operating leases are taken to the Statement of Financial Activities on a straight line basis over the lease term.

FOREIGN CURRENCY TRANSACTIONS

Foreign currency transactions are included at the rate of exchange prevailing at the date they occurred. All differences are taken to the Statement of Financial Activities.

PENSION COSTS

The charitable company contributes to employees' individual personal pension schemes, a variable group pension plan with the National Provident Institution on a defined contribution basis and to the Universities Superannuation Scheme ("USS"), which is a defined benefit scheme.

Contributions to all schemes are charged on the basis of the amount the charitable company has agreed to contribute in the year.

The institution 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 trustee-administered fund. 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.

British Universities & Colleges Sport Limited

(A COMPANY LIMITED BY GUARANTEE)

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 July 2012

Ordinarily, the contributions to the USS Scheme are determined by qualified actuaries on the basis of quinquennial valuations, using a prospective benefit method for the USS. The USS operates as a pooled arrangement. As of 1 August 2008, the Charitable Company was formed following a merger between British Universities Sports Association ("BUSA") and Universities & Colleges Sport. Prior to the formation of the Charitable Company, BUSA was a participating employer of the USS. At the date of the merger BUSA's share of the debt within the USS was crystallised. The Charitable Company has become a participating employer within the USS and three Universities have guaranteed both the past and future liabilities within BUSA and BUCS. The deficit within BUSA was estimated to be £300,000 at 31 July 2010. Contributions to the USS are accounted for as paid on the basis that no share of the underlying assets and liabilities can be directly attributed to the charitable company. Under the terms of FRS17, and in these circumstances, contributions are accounted for as if the Scheme is a defined contribution scheme based on actual contributions paid through the year.

LIABILITIES

Liabilities are recognised when the entity has an obligation to transfer economic benefits as a result of past transactions or events.

VALUATION OF DONATED SERVICES

Pro bono services received are recorded as income at estimated market value and included under the relevant expense heading in the Statement of Financial Activities.

British Universities & Colleges Sport Limited

(A COMPANY LIMITED BY GUARANTEE)

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 July 2012

1	SPONSORSHIP AND COMMERCIAL	GROUP		CHARITY	
		Year ended 31 July 2012 £	Year ended 31 July 2011 £	Year ended 31 July 2012 £	Year ended 31 July 2011 £
	PricewaterhouseCoopers	75,000	72,500	-	72,500
	Barclays sponsorship	16,667	111,914	-	16,667
	Life fitness	10,000	15,000	-	10,000
	Xtep	15,000	-	-	-
	Kukri	98,920	50,833	-	833
	Mars/FA	125,000	125,000	-	-
	Other (individually less than £10,000)	113,838	59,761	-	15,000
		<u>454,425</u>	<u>435,008</u>	<u>-</u>	<u>115,000</u>
2	INVESTMENT INCOME	GROUP		CHARITY	
		Year ended 31 July 2012 £	Year ended 31 July 2011 £	Year ended 31 July 2012 £	Year ended 31 July 2011 £
	Bank interest receivable	3,017	2,657	3,017	2,657
	Dividends and other investment income	14,414	15,420	14,414	15,420
		<u>17,431</u>	<u>18,077</u>	<u>17,431</u>	<u>18,077</u>
3	GRANTS RECEIVED	GROUP		CHARITY	
		Year ended 31 July 2012 £	Year ended 31 July 2011 £	Year ended 31 July 2012 £	Year ended 31 July 2011 £
	GRANTS TOWARDS DOMESTIC SPORT				
	The FA Youth Trust (restricted)	71,562	73,156	71,562	73,156
	Royal & Ancient Golf Club	2,864	10,636	2,864	10,636
	The FA – English Universities Football	-	13,432	-	13,432
	The FA Youth Trust	34,355	-	34,355	-
	CCPR International influence	-	6,000	-	6,000
	GRANTS TOWARDS PROJECTS				
	Sport England – Sport Development	160,000	160,872	160,000	160,872
	Sport England – Social network	-	-	-	-
	Sport England – North West Project	-	31,178	-	31,178
	GRANTS TOWARDS WORLD UNIVERSITY GAMES				
	The FA Youth Trust	63,920	34,335	63,920	34,335
	Skiers Trust of Great Britain	-	4,000	-	4,000
	Royal and Ancient Golf Club	10,500	-	10,500	-
	Carried forward	<u>343,201</u>	<u>333,609</u>	<u>343,201</u>	<u>333,609</u>

British Universities & Colleges Sport Limited

(A COMPANY LIMITED BY GUARANTEE)

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 July 2012

		GROUP		CHARITY	
GRANTS TOWARDS WORLD UNIVERSITY CHAMPIONSHIPS		Year ended 31 July 2011 £	Year ended 31 July 2011 £	Year ended 31 July 2012 £	Year ended 31 July 2011 £
Brought forward		343,201	333,609	343,201	333,609
England Netball		14,950	-	14,950	-
Netball Scotland		2,300	-	2,300	-
British Orienteering Federation		5,045	-	5,045	-
Total grants income		<u>365,496</u>	<u>333,609</u>	<u>365,496</u>	<u>333,609</u>

4	VALUE IN KIND	GROUP		CHARITY	
		Year ended 31 July 2012 £	Year ended 31 July 2011 £	Year ended 31 July 2012 £	Year ended 31 July 2011 £
	Sports equipment	28,902	74,552	28,902	74,552
	Sports Venues	60,931	120,000	60,931	120,000
		<u>89,833</u>	<u>194,552</u>	<u>89,833</u>	<u>194,552</u>

5	INTERNATIONAL REPRESENTATION INCOME	GROUP		CHARITY	
		Year ended 31 July 2012 £	Year ended 31 July 2011 £	Year ended 31 July 2012 £	Year ended 31 July 2011 £
	World University Games Personal Contributions - Summer	182,349	-	182,349	-
	Personal Contributions – Winter	-	40,132	-	40,132
	World University Championships - 2010 Personal Contributions	57,037	-	57,037	-
		<u>239,386</u>	<u>40,132</u>	<u>239,386</u>	<u>40,132</u>

British Universities & Colleges Sport Limited

(A COMPANY LIMITED BY GUARANTEE)

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 July 2012

6	TOTAL RESOURCES EXPENDED GROUP	Basis of Allocation £	International Events £	Championships £	Projects £	Governance £	Year ended 31 July 2012	Year ended 31 July 2011 £
	Costs directly allocated to activities:							
	Venue hire and equipment	Direct	-	374,063	-	-	374,063	296,135
	Accommodation and travel	Direct	377,782	112,300	-	-	490,082	232,985
	Committee expenditure	Direct	9,607	10,804	-	-	20,411	58,743
	Miscellaneous expenses	Direct	-	235,648	54,416	-	290,064	387,941
	Staff Costs	Direct	62,976	312,427	195,280	-	570,683	657,446
	Marketing and promotion	Direct	-	59,364	-	-	59,364	11,467
			<u>450,365</u>	<u>1,104,606</u>	<u>249,696</u>	<u>-</u>	<u>1,804,667</u>	<u>1,644,717</u>
	Support costs allocated to activities:							
	Staff costs	Direct costs	111,875	274,394	62,027	-	448,296	376,290
	Establishment costs	Direct costs	20,377	49,979	11,298	-	81,654	83,825
	Administrative expenses	Direct costs	59,167	145,119	32,803	25,815	262,904	312,914
	Membership Communications & Meetings	Direct costs	29,005	71,139	16,081	-	116,225	113,746
	Depreciation	Direct costs	21,770	53,395	12,070	-	87,235	40,292
			<u>692,559</u>	<u>1,698,632</u>	<u>383,975</u>	<u>25,815</u>	<u>2,800,981</u>	<u>2,571,784</u>
	Total Resources Expended							

Within governance costs is an amount of £12,500 relating to the audit fees of British Universities & Colleges Sport Limited and BUCS Trading Limited (2011, £12,500). Of this, £10,000 relates to the parent entity and consolidation and the remaining £2,500 relates to the audit of BUCS Trading Limited

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for the year ended 31 July 2012

6	TOTAL RESOURCES EXPENDED CHARITY	Basis of Allocation £	International Events £	Championships £	Projects £	Governance £	Year ended 31 July 2012 £	Year ended 31 July 2011 £
	Costs directly allocated to activities							
	Venue hire and equipment	Direct	-	374,063	-	-	374,063	296,135
	Accommodation and travel	Direct	377,782	112,300	-	-	490,082	232,985
	Committee expenditure	Direct	9,607	10,804	-	-	20,411	58,743
	Miscellaneous expenses	Direct	-	235,648	54,416	-	290,064	387,941
	Staff Costs	Direct	62,976	312,427	195,280	-	570,683	657,446
	Marketing and promotion	Direct	-	59,364	-	-	59,364	11,467
			<u>450,365</u>	<u>1,104,606</u>	<u>249,696</u>	<u>-</u>	<u>1,804,667</u>	<u>1,644,717</u>
	Support costs allocated to activities							
	Staff costs	Direct costs	77,293	189,576	42,854	-	309,723	376,290
	Establishment costs	Direct costs	20,377	49,979	11,298	-	81,654	83,825
	Administrative expenses	Direct costs	46,310	113,583	25,675	25,815	211,383	145,308
	Membership Communications & Meetings	Direct costs	29,005	71,139	16,081	-	116,225	113,746
	Depreciation	Direct costs	11,010	27,006	6,104	-	44,120	40,292
			<u>634,360</u>	<u>1,555,889</u>	<u>351,708</u>	<u>25,815</u>	<u>2,567,772</u>	<u>2,404,178</u>
	Total Resources Expended							

Within governance costs is an amount of £12,500 relating to the audit fees of British Universities & Colleges Sport Limited and BUCS Trading Limited (2011, £12,500) Of this, £10,000 relates to the parent entity and consolidation and the remaining £2,500 relates to the audit of BUCS Trading Limited

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for the year ended 31 July 2012

7	STAFF COSTS	GROUP		CHARITY	
		Year ended 31 July 2012 £	Year ended 31 July 2011 £	Year ended 31 July 2012 £	Year ended 31 July 2011 £
	Total staff costs comprise the following				
	Wages and salaries	878,279	916,608	878,279	916,608
	Social security costs	90,486	91,286	90,486	91,286
	Pension costs	34,898	33,843	34,898	33,843
	Total	1,003,663	1,041,737	1,003,663	1,041,737
		31 July 2012 £	31 July 2011 £	31 July 2012 £	31 July 2011 £
	The monthly average number of employees in the period was				
	Administration and management	27	27	27	27

The number of employees whose emoluments for the year (including benefits in kind but excluding pension contributions) fell within the following bands were

	GROUP		CHARITY	
	Year ended 31 July 2012 £	Year ended 31 July 2011 £	Year ended 31 July 2012 £	Year ended 31 July 2011 £
Between £70,001 - £80,000	1	1	1	1

Pension contributions of £12,180 were made in relation to the above employees. One trustee received remuneration in respect of Chairman's fees of £8,128 (2011: £8,000) during the period, which is permissible per the charitable company's governing document. No other trustees were remunerated or received reimbursement for expenses in the year.

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for the year ended 31 July 2012

8	OTHER RESOURCES EXPENDED	GROUP		CHARITY	
		Year ended 31 July 2012 £	Year ended 31 July 2011 £	Year ended 31 July 2012 £	Year ended 31 July 2011 £
	Current tax				
	UK corporation tax on results of the year	291	775	291	775
	Factors affecting tax charge for the year				
	The tax assessed for the year is lower than the standard rate of corporation tax in the UK of 21% (2010 21%) The differences are explained below				
	Profit/(loss) on ordinary activities before tax	89,232	95,969	79,865	61,245
	Profit on ordinary activities multiplied by the standard rate of corporation tax in the UK of 21% (2010 21%) (Effective rate 23.5% for the group)	18,739	22,584	16,772	12,861
	Effects of				
	Non taxable charitable activities	(16,075)	(11,402)	(16,481)	(11,402)
	Expenses not deductible for tax purposes		(340)	-	(340)
	Adjustment for change of rate		(18)	-	(18)
	Overprovision for charitable donations	(2,388)	2,640	-	-
	Capital allowances	15	(12,363)	-	-
	Current tax charge for the period	291	£1,101	291	£1,101

Tax has been charged on the trading activities of British Universities & Colleges Sport Limited

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NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 July 2012

9	TANGIBLE FIXED ASSETS	Long Leasehold Property £	Fixtures and Equipment £	Total £
	<i>GROUP</i>			
	COST			
	Opening balance 1 August 2011	726,692	239,480	966,172
	Additions	-	89,907	89,907
	31 July 2012	726,692	329,387	1,056,079
	DEPRECIATION			
	Opening balance 1 August 2011	21,800	114,424	136,224
	Charge for the period	7,267	79,140	86,407
	At 31 July 2012	29,067	193,564	222,631
	NET BOOK VALUE			
	At 31 July 2012	697,625	135,823	833,448
	At 31 July 2011	704,892	125,056	829,948
9	TANGIBLE FIXED ASSETS	Long Leasehold Property £	Fixtures and Equipment £	Total £
	<i>CHARITY</i>			
	COST			
	Opening balance 1 August 2011	726,692	174,917	901,609
	Additions	-	26,791	26,791
	31 July 2012	726,692	201,708	928,400
	DEPRECIATION			
	Opening balance 1 August 2011	21,800	94,013	115,813
	Charge for the period	7,267	36,025	43,292
	At 31 July 2012	29,067	130,038	159,105
	NET BOOK VALUE			
	At 31 July 2012	697,625	71,670	769,295
	At 31 July 2011	704,892	80,904	785,796

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NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 July 2012

10	FIXED ASSET INVESTMENTS	Group Year ended 31 July 2012 £	Group Year ended 31 July 2011 £	Charity Year ended 31 July 2012 £	Charity Year ended 31 July 2011 £
	Listed Investments (note 10a)	293,650	294,462	293,650	294,462
	Investment in subsidiary (note 10b)	-	-	100	100
	Unlisted Investment (note 10c)	15,000	15,000	15,000	15,000
		<u>308,650</u>	<u>309,462</u>	<u>308,750</u>	<u>309,562</u>

10a		General Fund £	Year ended 31 July 2012 Total £	Year ended 31 July 2011 Total £
	<i>GROUP AND CHARITY</i>			
	LISTED INVESTMENTS AT MARKET VALUE			
	Opening balance 1 August 2011			
		294,462	294,462	279,534
	Unrealised investment (loss)/gain	(812)	(812)	14,928
	At 31 July 2012	<u>293,650</u>	<u>293,650</u>	<u>294,462</u>
	Historical cost at 31 July 2012	<u>298,238</u>	<u>298,238</u>	<u>298,238</u>

Investments are UK investments and are held in COIF Charities Investment Fund Income Units, primarily to provide an investment return

10b	INVESTMENT IN SUBSIDIARY	GROUP Year ended 31 July 2012 £	Year ended 31 July 2011 £	CHARITY Year ended 31 July 2012 £	Year ended 31 July 2011 £
	BUCS Trading Limited	-	-	100	100

BUCS Trading Limited was incorporated in England in January 2010 and BUCS owns 100% of the issued share capital. BUCS Trading Limited commenced trading on 1st August 2010. The purpose of the company is to develop commercial opportunities and income.

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for the year ended 31 July 2012

10c

UNLISTED INVESTMENTS <i>GROUP AND CHARITY</i>	GROUP		CHARITY	
	Year ended 31 July 2012 £	Year ended 31 July 2011 £	Year ended 31 July 2012 £	Year ended 31 July 2011 £
Bench Freehold Limited	15,000	15,000	15,000	15,000

Bench Freehold Ltd acquired the Freehold title to 20-24 King's Bench Street during the year to 31 July 2010. BUCS, in common with other tenants of the building, hold ordinary shares in proportion to their leasehold interest. This company will collect ground rents and distribute dividends. A yield of 6% is anticipated.

BUCS holds 25% of the shares of Bench Freehold Limited but Bench Freehold Limited has not been treated as an associate in these accounts. Accounting for this as an associate would not have a material effect on the holding as Bench Freehold Limited had very limited trading in the year.

11 TROPHIES	GROUP		CHARITY	
	Year ended 31 July 2012 £	Year ended 31 July 2011 £	Year ended 31 July 2012 £	Year ended 31 July 2011 £
VALUATION				
Opening balance at 1 August 2010	40,248	41,925	40,248	41,925
Additions	-	-	-	-
Depreciation charge	(828)	(1,677)	(828)	(1,677)
31 July 2012	39,420	40,248	39,420	40,248

12 DEBTORS	GROUP		CHARITY	
	Year ended 31 July 2012 £	Year ended 31 July 2011 £	Year ended 31 July 2012 £	Year ended 31 July 2011 £
Trade debtors	274,563	280,058	163,553	162,717
Other debtors	52,497	13,931	52,497	13,931
Prepayments and accrued income	20,349	65,479	20,349	65,479
Amounts due from subsidiary	-	-	131,849	117,677
	347,409	359,468	368,248	359,804

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13	CREDITORS amounts falling due within one year	GROUP		CHARITY	
		Year ended 31 July 2012 £	Year ended 31 July 2011 £	Year ended 31 July 2012 £	Year ended 31 July 2011 £
	Corporation Tax	-	1,036	-	1,036
	Trade creditors	109,173	67,281	104,870	59,750
	Other taxation and social security costs	23,434	74,728	13,728	40,528
	Accruals and deferred income	388,056	469,640	365,576	352,973
	Amount owed to subsidiary	-	-	-	4,675
	Other creditors	3,547	216,521	3,547	216,521
		<u>524,210</u>	<u>829,206</u>	<u>487,721</u>	<u>675,483</u>
	Deferred income comprises				
	Balance at 31 July 2011	124,617	251,914	124,617	251,914
	Deferred in the year	216,233	124,617	216,233	124,617
	Released in the year	(124,617)	(251,914)	(124,617)	(251,914)
	Deferred income at 31 July 2012	<u>216,233</u>	<u>124,617</u>	<u>216,233</u>	<u>124,617</u>

Deferred income relates to grants and sponsorship income

14 RESTRICTED FUNDS

The funds of the Association include restricted funds comprising the following unexpended balances of donations and grants held in trusts to be applied for specific purposes

<i>GROUP</i>	1 August 2011 £	Incoming resources (including investment gains) £	Outgoing resources £	31 July 2012 £
Chris Potter Award Fund	7,529	2,500	1,005	9,024
Wavell Wakefield Fund	5,414	-	-	5,414
FA Youth Trust	19,988	71,562	89,984	1,566
Volleyball	10,784	9,667	11,075	9,376
Basketball	692	4,320	883	4,129
Total	<u>44,407</u>	<u>88,049</u>	<u>102,947</u>	<u>29,509</u>

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for the year ended 31 July 2012

<i>CHARITY</i>	1 August 2011 £	Incoming resources (including investment gains) £	Outgoing resources £	31 July 2012 £
Chris Potter Award Fund	7,529	2,500	1,005	9,024
Wavell Wakefield Fund	5,414	-	-	5,414
FA Youth Trust	19,988	71,562	89,984	1,566
Volleyball	10,784	9,667	11,075	9,376
Basketball	692	4,320	883	4,129
Total	44,407	88,049	102,947	29,509

- (i) The Chris Potter Award Fund was transferred from British Universities Sports Association to provide an annual award of £500 and associated costs to one or more students during undergraduate and postgraduate study. The student should be selected each year by the executive board based on the student's commitments to BUCS activities.
- (ii) The Wavell Wakefield Fund was funded by the Rugby Football Union to fund English Universities rugby teams and tours. This will be spent in future periods.
- (iii) The FA Youth Trust is a grant specifically for the development of football within universities and higher education.
- (iv) Volleyball and Basketball funds represent a proportion of the affiliation fees which is retained by BUCS for expenditure relating to volleyball and basketball within further education.

15 UNRESTRICTED FUNDS – GENERAL FUNDS

<i>GROUP</i>	1 August 2011 £	Incoming resources (including investment gains) £	Outgoing resources £	31 July 2012 £
General Funds	398,079	2,803,267	2,691,870	509,476
	<u>398,079</u>	<u>2,803,267</u>	<u>2,691,870</u>	<u>509,476</u>
<i>CHARITY</i>	1 August 2011 £	Incoming resources (including investment gains) £	Outgoing resources £	31 July 2012 £
General Funds	363,354	2,560,691	2,458,661	465,384
	<u>363,354</u>	<u>2,560,691</u>	<u>2,458,661</u>	<u>465,384</u>

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General funds are unrestricted funds which are available for use at the discretion of the directors in furtherance of the general objectives of the charitable company

16 UNRESTRICTED FUNDS - DESIGNATED FUNDS

The funds of the charitable company include the following designated funds which have been set aside out of unrestricted funds by the directors for specific purposes

<i>GROUP</i>	1 August 2011 £	Incoming resources (including investment gains) £	Outgoing resources £	31 July 2012 £
Property Fund	704,892	-	7,267	697,625
Total	<u>704,892</u>	<u>-</u>	<u>7,267</u>	<u>697,625</u>

<i>CHARITY</i>	1 August 2011 £	Incoming resources (including investment gains) £	Outgoing resources £	31 July 2012 £
Property Fund	704,892	-	7,267	697,625
Total	<u>704,892</u>	<u>-</u>	<u>7,267</u>	<u>697,625</u>

The Property fund represents the net book value of the leasehold property

17	ANALYSIS OF NET ASSETS BETWEEN FUNDS	Unrestricted funds		Restricted	Total
		General £	Designated £	£	£
	<i>GROUP</i>				
	Fund balances at 31 July 2012 are represented by				
	Tangible fixed assets	135,823	697,625	-	833,448
	Investments	308,650	-	-	308,650
	Trophies	39,420	-	-	39,420
	Net current (liabilities)/assets	25,583	-	29,509	55,092
	Total	<u>509,476</u>	<u>697,625</u>	<u>29,509</u>	<u>1,236,610</u>

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17	ANALYSIS OF NET ASSETS BETWEEN FUNDS <i>(continued)</i> CHARITY	Unrestricted funds		Restricted £	Total £
		General £	Designated £		
	Fund balances at 31 July 2012 are represented by				
	Tangible fixed assets	71,670	697,625	-	769,295
	Investments	308,750	-	-	308,750
	Trophies	39,420	-	-	39,420
	Net current assets	45,544	-	29,509	75,053
	Total	<u>465,384</u>	<u>697,625</u>	<u>29,509</u>	<u>1,192,518</u>

18 PENSION COMMITMENTS

Pension costs represent contributions to employees' individual personal pension schemes, a variable group pension plan with National Provident Institution (a money purchase plan) and the Universities Superannuation Scheme ("USS"). The assets of the schemes are held in independently administered funds.

USS

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

FRS17

Under the definitions set out in Financial Reporting Standard 17 *Retirement benefits* (FRS 17), the USS is a multi-employer pension scheme. The Charitable Company is unable to identify its share of the underlying (notional) assets and liabilities of the scheme. Accordingly, the Charitable Company has taken advantage of the exemption in FRS 17 and has accounted for its contributions to the scheme as if it were a defined contribution scheme.

The main results and assumptions of the most recent valuation of the USS are as follows:

Valuation date	31 March 2012
Valuation method	Projected Unit
Value of notional assets	£32,433.5 million
Funding level for accrued benefits	92%

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 carries out a review of the funding level each year between triennial valuations and details of his estimate of the funding level at 31 March 2012 are also included in this note.

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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 (ie 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 short-term general pay growth at 3.65% per annum and an additional allowance for increases in salaries due to age and promotion reflecting historic scheme experience, with a further cautionary reserve on top for past service liabilities) and pensions would increase by 3.4% per annum for 3 years following the valuation then 2.6% per annum thereafter.

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 (ie assuming the Scheme had discontinued on the valuation date) the assets would have been approximately 57% of the amount necessary to secure all the USS benefits with an insurance company, and using the 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 off the shortfall by 31 March 2021. The next formal triennial actuarial valuation is as at 31 March 2014. If experience up to that date is in line with the assumptions made for this current actuarial valuation and contributions are paid at the determined rates or amounts, the shortfall at 31 March 2014 is estimated to be £2.2 billion, equivalent to a funding level of 95%. The contribution rate will be reviewed as part of each valuation and may be reviewed more frequently.

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

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

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

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

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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

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 sighted 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 commitment. A deficit may require additional funding in the form of higher contribution requirements, where a surplus could, perhaps, be used to similarly reduce contribution requirements. The sensitivities regarding the principal assumptions used to measure the scheme liabilities on a technical provisions basis as at the date of the last triennial actuarial valuation are set out below.

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

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 minimising the risk of the introduction 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 active members participating in the scheme.

The total pension cost for the institution was £38,781 (2011: £33,968) and £17,174 (2011: £19,138) for employee's individual personal pension scheme. The contribution rate payable by the institution was 16% of pensionable salaries.

The unpaid pension contributions at the period end were £Nil (2011: £Nil).

Following the formation of BUCS from the merger of BUSA and UCS, a Section 75 pension liability was created. BUCS has now taken membership of the USS pension scheme and the liability has been deferred, subject to letters of comfort from a group of members.

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19 OPERATING LEASE COMMITMENTS

At the year end the Group had annual commitments relating to non cancellable operating leases expiring in the following periods	Plant and equipment 31 July 2012 £	Plant and equipment 31 July 2011 £
One to two years	30,060	-
Two to five years	3,096	33,156
	<u>33,156</u>	<u>33,156</u>

20 RELATED PARTY TRANSACTIONS

During the period the company had the following transactions with related parties

- The group made sales of £17,847 (2011 £9,595) to Aberdeen University, in which Professor Ian Diamond is the Principal and Vice Chancellor At 31 July 2012 £19 (2011 £Nil) was due from this University,
- The group made sales of £38,253 (2011 £20,405) to Birmingham University, in which Ed Smith, the Chairman of BUCS, is the Pro – Chancellor and Chair of Council At 31 July 2012 £2,531 (2011 £Nil) was due from this University The company also made purchases of £7,247 (2011 £5,495) from this University,
- The group purchased 25% of the share capital of Bench Freehold Limited for £15,000 during the year to 31 July 2011 Karen Rothery, the CEO of BUCS, became a director of Bench Freehold Limited on 26 July 2010 BUCS paid £600 (2011 £600) in ground rent to Bench Freehold Limited during the year to July 2012 This was in respect of the leasehold property for which Bench Freehold Limited own the freehold,
- The group made sales of £34,798 (2011 £16,784) to University of Exeter, in which Philip Attwell is the Director of Sport and Student Activity At 31 July 2012 £3,817 (2011 £Nil) was due from this university The group also made purchases of £9,304 (2011 £3,159) from this University
- The group made sales of £13,608 (2011 £6,789) to University of Bedfordshire, in which Professor John Brewer is the Director of Sport At 31 July 2011 £1,337 (2011 £1,240) was due from this University
- The group made sales of £18,563 (2011 £6,235) to Sheffield Hallam University in which Colan Leung, a student director of BUCS is Sports Officer At 31 July 2012 £1,796 (2011 £1,970) was due from this University The company also made purchases of £2,517 (2011 £529) from this University,
- The group made sales of £33,855 (2011 £17,276) to The University of Bath in which Jonathan Gleave, a student director of BUCS is Students Union Sports Officer At 31 July 2012 £15 (2011 £790) was due from this University The company also made purchases of £1,730 (2011 £5,133) from this University

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21 SUBSIDIARY UNDERTAKING

	Year ended 31 July 2012 £	Year ended 31 July 2011 £
Turnover	454,425	320,008
Cost of sales	(8,598)	(36,144)
Gross profit	445,827	283,864
Operating costs	(224,610)	(131,463)
Operating profit	221,217	152,401
Amount of covenant of Gift Aid to BUCS	(211,849)	(117,677)
Retained in subsidiary	9,368	34,724