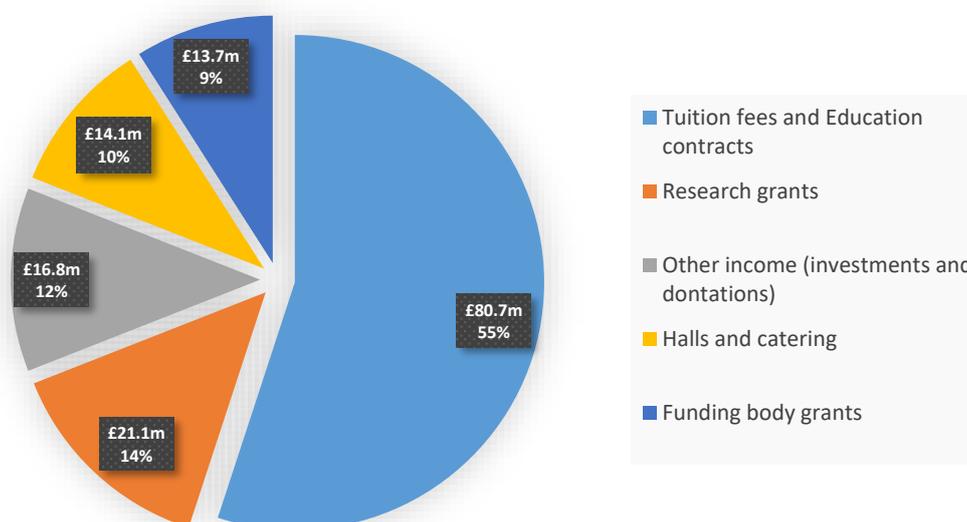


The University's finances at a glance

As a result of student feedback regarding the University's finances and how tuition fee money is spent, the University and Undeb Bangor have collaborated on a project to ensure transparency of information to students in relation to University income and expenditure.

Bangor University has a number of income sources in order to support the running and development of the University. This includes tuition fees and educational contracts, funding body and research grants, investments and donations as well as income from our halls, catering and facilities.

University Income (£146.4m) in 2018/19



The vast majority of income is associated with our core mission of teaching and research; with the funding coming directly from students in the form of Tuition Fees, mainly from Governments or Industry for our Research activity, with both of these supported by core grants from the Funding Council (HEFCW). Aside from these major sources, we undertake a limited amount of commercial activity (consultancy, licencing etc) and operate nearly 3,000 Halls of Residences across the campus. The University also benefits periodically from generous donations from benefactors and its Alumni.

In 2018/19 our income was £146.4m. This is a decrease from 2017/18 when our income was £164.9m, although this included around £20m of one-off capital grants. This is funding received for the purchase of a building or asset, that may last for ten or more years, but the cost is not included in the expenditure figures.

As a registered charity, the University is not required to generate any ongoing annual 'profit'; in fact, we are obliged to expend or invest all our resources in meeting our charitable objectives, which are for the public benefit. Alongside Teaching and Research, this includes local community engagement, supporting local economic prosperity through working with local agencies and businesses as well as widening access to Higher Education provision for all.

The University has to carefully manage budgets, to ensure we maximises the value created by of all of the activities it undertakes in any given year, including where possible generating a small surplus to provide against future needs and uncertainties. We also must consider the need for investment, repair and eventual replacement of the significant asset base we employ, including over £300m of assets being utilised in day to day operations. In any given year, we will typically spend approaching 60% of our income on staff costs, with most of the remaining balance being incurred with suppliers/partners across a wide range of teaching and research operations, in estates maintenance and running costs, alongside servicing any new building programme and lease or debt repayments.

University Expenditure (£148.3M) in 2018/19

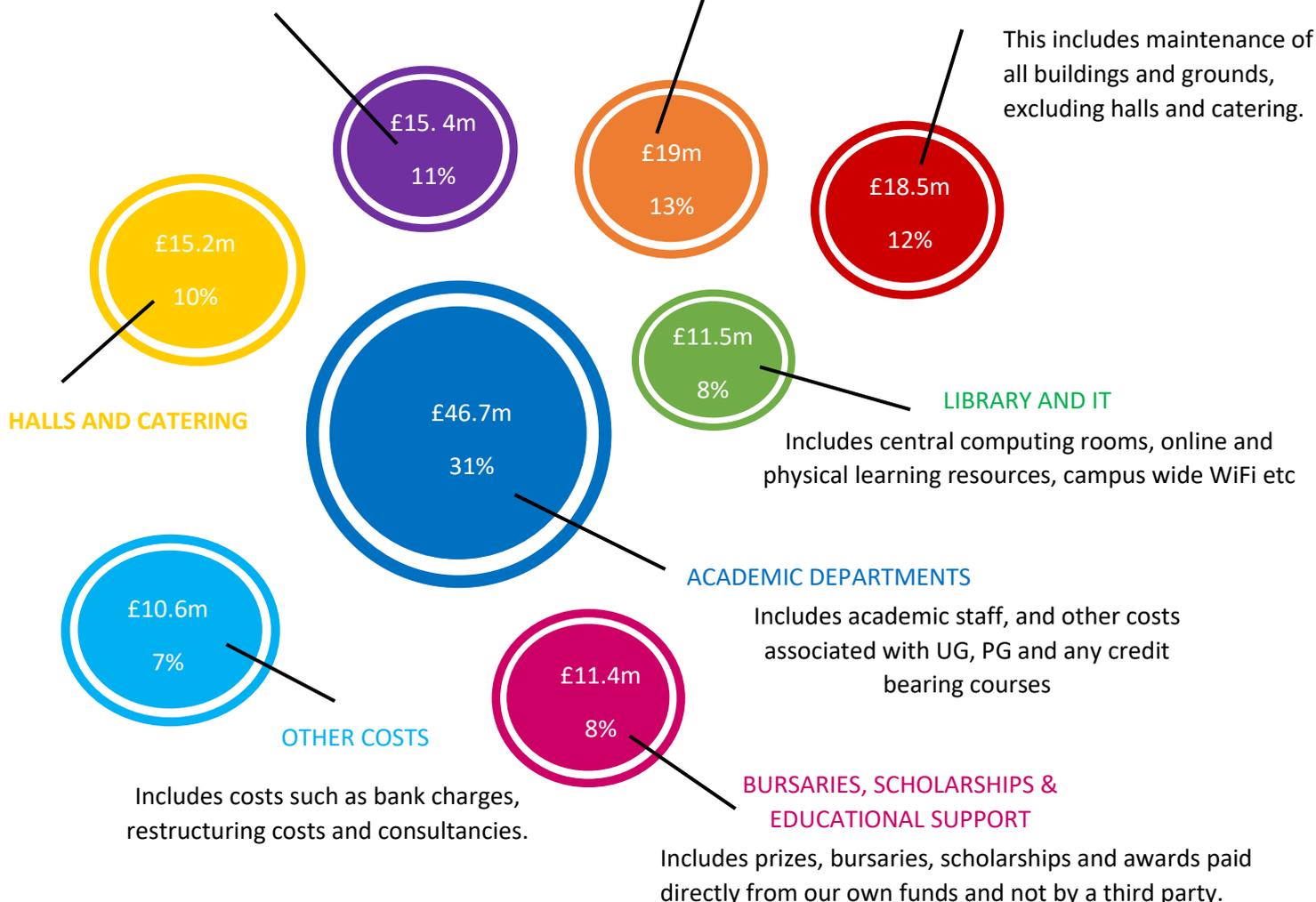
UNIVERSITY SERVICES & STUDENT SUPPORT

This includes central admin staff eg Student Services such as Counselling, Disability services and Money Support; Student Admin; Governance and Compliance, Health and Safety, Marketing and Recruitment etc.

RESEARCH GRANTS & CONTRACTS

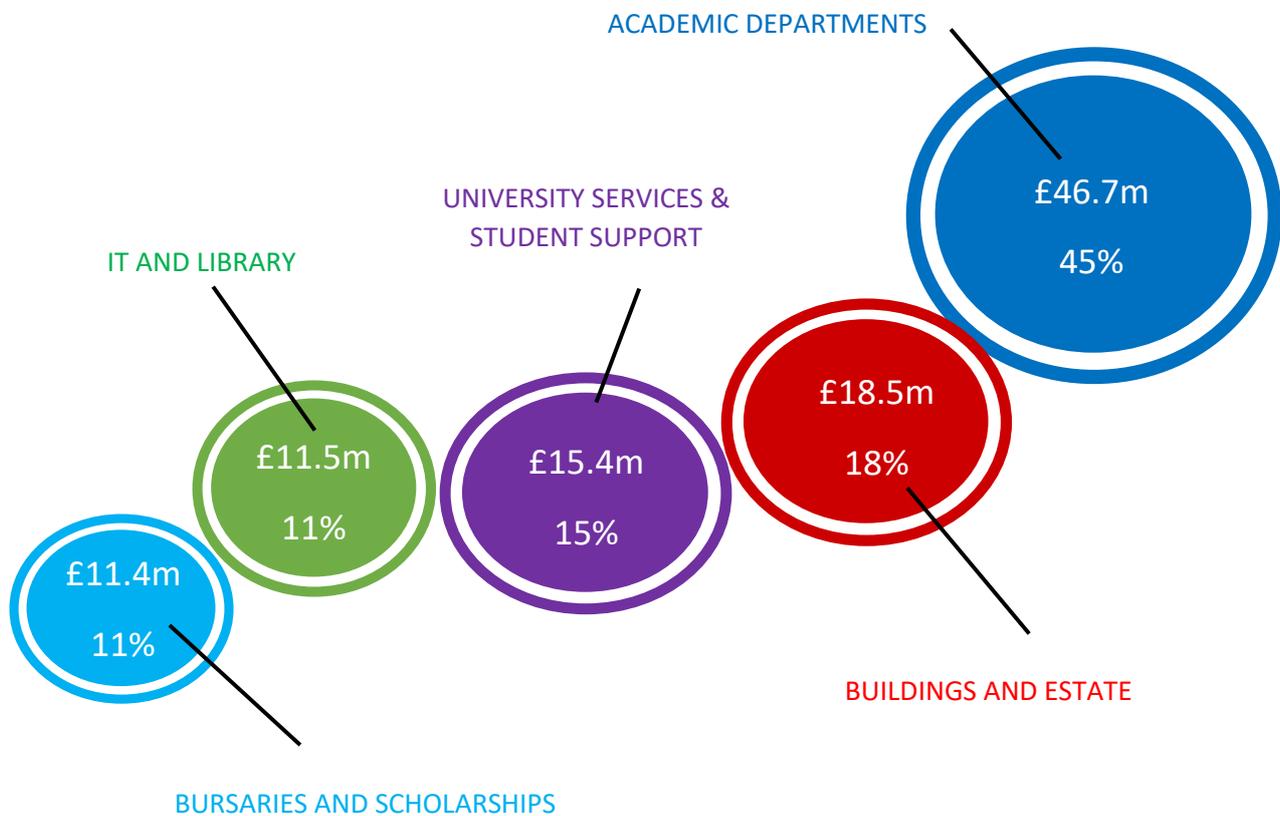
BUILDINGS AND ESTATE COSTS

This includes maintenance of all buildings and grounds, excluding halls and catering.



How do student fees contribute to the University expenditure?

Bangor University invests our student's tuition fees predominantly in our academic departments, in ensuring that you have high quality spaces to study and learn and in our professional and support services.



Why does the University need to make a surplus on activities?



To ensure the University's activities remain financial sustainable in the long term



To ensure any unforeseen costs that could affect the financial health of the University can be mitigated against



To ensure the University has adequate resources available to replace, improve and make investments in its facilities and estate

The current situation:

Currently we are operating at a 2% deficit. Our target is to operate at a surplus of 3-4%.

Whilst we have historically run a deficit for a number of years, this is not a sustainable position to be in, and we must target a movement to a small surplus situation. This would allow us to build up a small buffer against the unforeseen impact of issues outside the University's control. These can arise from Geo-political events, natural disasters or sustained adverse economic conditions, but need to be accommodated without de-railing our commitments to key stakeholders.

Our recent and current Investments:

Approaching £140m has been invested in the last 6 years across a range of building and infrastructure projects including major developments at St Mary's Student Village, Pontio Arts & Innovation centre and Marine Centre Wales in Menai Bridge. In addition, improvements in laboratory facilities in Brambell, a new Environmental Biotechnology lab in Thoday and the construction of the Menai Science Park offer modern teaching, research and working environments. These have been complemented by significant upgrade in IT systems including WiFi in every building, latest AV in teaching rooms/libraries and open access computer rooms. More recent projects include Energy efficiency measures such as LED lighting, Solar PV etc that will guarantee savings of over £300k a year on reduced usage of our 100% 'green' energy supplies as well as the construction of a new 3G all-purpose pitch at Treborth.