

2018 | Annual
2019 | Report

Vice-Chancellor's and Chair of Board of Governors' Statement

In 2019 I am proud to say that we have had another fantastic year of achievements for UWE Bristol. We climbed again in the Guardian university league table from 37th to 28th, our highest ever position. We've climbed from 8th to 6th best in the UK for postgraduate satisfaction, which is at its highest ever level (91%), and we've maintained our position well ahead of the sector for student satisfaction in the National Student Survey (88%).

This year we have continued to invest in our estate, creating new ways of working and opportunities for our students, staff and external organisations, including our new Art and Design Studios at Bower Ashton, a new £7m state-of-the-art 'Lab Zone' and the 'Foundry Technology Affinity Space', and a fantastic new Mathematics Hub. Alongside the building and refurbishment work we've also invested in wide-scale presence projects across all campuses, to make sure that our learning and working environments are inspiring and reflect our ambitions and ethos as a university.

We have been implementing innovative approaches to create an outstanding learning experience for all of our students, focusing on real-world experiences and cross-departmental working to help our students become ready and able graduates. This includes our mass casualty incident simulations on campus and our 'Grand Challenge' where students are exploring the causes and consequences of homelessness in Bristol.

We've piloted and implemented interventions to improve students' mental health and wellbeing and made it much easier for students and staff to find and access the support services they need, when they need it. Our Mental Wealth First principles, and our commitment to the positive mental health and wellbeing of our university community will continue to be driven forward through our Strategy 2030.

Our partnerships, connections and networks mean that we have a leading role in shaping local decisions and are able to have a positive impact on communities. I am also extremely proud of the real-world impact of our research in improving the lives of individuals and communities, enriching the learning experience of our students, and shaping our environments, locally and globally.

We're confident and passionate about transforming futures – powering the future workforce, supporting local economic prosperity, shaping the health and sustainability of our communities, and creating solutions to global challenges.

As we shape our future to 2030, our focus will be on solving future challenges through outstanding learning, research and a culture of enterprise, creating opportunities for people to thrive and flourish, and creating an inspiring local and global gateway to the future.



Professor Steve West
Vice-Chancellor



Sonia Mills
Chair of
Board of Governors

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TOP 30

in the Guardian League Table of UK universities 2019



98%

of UWE Bristol postgraduate students were in work and/or further study six months after graduating



£300m

investment in people, systems and estate across our campuses over 6 years

6th

in the UK for postgraduate student satisfaction



79%

of UWE Bristol graduates in professional or managerial jobs after six months

More than 275,000 alumni



11th

in the UK for undergraduate student satisfaction. National Student Survey 2019

Links with over 11,500 employer partners within 5,512 companies



79%

of our research is considered to be world leading or internationally excellent



31,281

total number of students from 166 countries

TOP 10%

of UK institutions for sustained employment three years after graduating

Over 160

sports clubs and societies





| Operating and financial review 2018–2019

Financial strategy and future prospects

Our financial strategy is to support the University to reach its potential and ambition. Our financial priorities, in support of the long-term viability and sustainability of the University, are to:

- Continue to maintain and build on the successful financial management in meeting the challenges and opportunities of an increasingly changeable higher education landscape and economic environment. To do this, we will generate the cash required to support our strategic investment programmes in both our academic enterprises and infrastructure enhancement. We will control costs, making strategic decisions on activities that are either not financially sustainable or are not in alignment with the University Strategic Plan.
- Ensure financial sustainability of the University by borrowing for investment at a level that will not put the University at risk. We will maintain a sustainable recurrent investment in the academic, corporate and support operations and dispose of properties surplus to requirement. We will control costs by establishing and funding agreed staffing levels throughout the University, with regular critical review, and investing in creating adaptive capacity.
- Enable the financial management of the University by continuing our ongoing programme of process reviews, investment in information systems development and business processes and improving efficiencies, all of which contribute to the enhancement of our student and staff experiences.

In short, our financial strategy is to maintain an operating surplus that generates sufficient operating cash flow. This, together with proceeds from the sale of excess properties, donations and the use of borrowing facilities to finance our strategic programmes, enables the long term sustainability of the University and the potential to fulfil our Strategy 2030.

Prospects

The funding regime for the University remains uncertain. After a protracted delay, Dr Philip Augar finally published his independent panel report on the Review of Post-18 Education and Funding. Amongst the conclusions drawn

is the much anticipated proposal to reduce the maximum tuition fees from the current £9,250 to £7,500 a year with more grant funding directly allocated to “high value” and “high cost” subjects. The introduction of such a fee regime will have significant and direct impact on the University. It is estimated that the University’s income will reduce by some £25m to £30m. Placed on the University’s strategic finance risk register, a Governor’s Financial Sustainability Sub-Committee was formed to make initial assessments, review financial models, strategies and tactics to ensure the long term financial viability of the University. As well as the potential new fee regime, we also modelled other scenarios that would negatively impact on income levels. We are working to increase the University’s financial agility by considering the diversification of our income base to degree apprenticeships, commercial properties and other activities.

As the negotiation of the UK exiting EU membership continues, we face a significant degree of political and economic uncertainty as the UK Government thinks and works through how best to respond and how to negotiate the best outcome for the UK. We are in a continuing process of reviewing our preparation for Brexit, deal or no deal. It is important that we remain focused on the long term ambitions and aspirations of the University. We are a people organisation and our values and purpose support us to deliver opportunities for our staff and students as global citizens in a global knowledge economy. We are playing, and will continue to play, the long game – delivering inclusive and inspirational research, learning and teaching to the diverse and talented communities we serve. We will support each other to achieve the best we can for our students and staff and we will engage with policy makers to shape our future as an international University.

The immediate task for the University ahead is to ensure that we continue in our efficiency and savings drive and only fund investments which are in line with our strategic plan and supported by robust business cases. We will need to maintain a culture of efficiency gains going forward, and ensure benefit realisation of the introduction of major operating systems such as HR Online and the Student Information System.

For financial forecasts and planning purposes, we have assumed modest annual increases in home undergraduate fee levels. Together with the cash limited nature of the Office for Students (OfS) funding and the potential impact of Brexit, a very significant proportion of our income will not move in line with inflation. The maximum £9,000 a year fee set in 2012/13 was increased to £9,250 a year from 2017/18 and is likely to remain at this level for a couple more years. This means that tuition fees have increased only by 2.7% over the last 7 years, whilst RPI over the same period has increased by 18.5% and pay in excess of 10% before pension costs. This inflationary environment inevitably creates financial pressures; pay awards on top of incremental drift arising from scale increases and promotions, rising pension costs, inflation on energy costs and increasing depreciation charges; make it increasingly challenging to maintain the University's financial surplus strategy. As staff costs constitute 60% of income, continued control of both staff numbers and pay levels over the next few years will be critical.

Over the past few years we have been working on a number of initiatives to strengthen the University's financial base, both to deal with existing and known pressures and to put the University into the best possible position to manage the rapidly changing and uncertain financial environment. These have included:

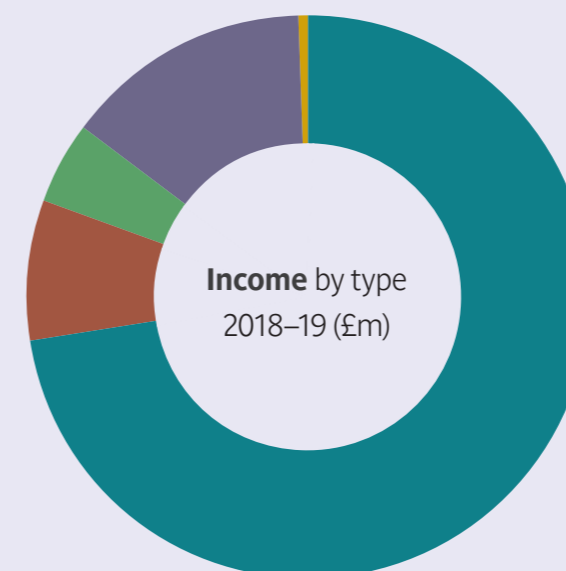
- A fundamental restructuring of the way in which support services and processes are delivered across the University and continuously seeking further improvement and efficiency.
- A number of strategic programmes put in place to deliver the ambitions set out in the University Strategic Plan 2020 and associated key performance targets, including enhancing student experience and the learning environment.
- A review and challenge of the portfolio of our academic programmes.

Key financial ratios

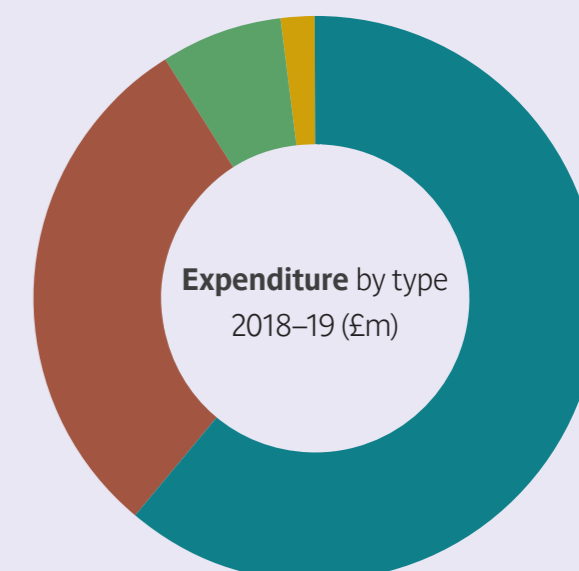
The University has identified a number of key financial ratios which it monitors as part of its financial strategy. Performance over the last 3 years is shown below.

	2018-19	2017-18	2016-17
Key financial ratios as a % of income			
EBITDA (Earnings Before Interest, Taxes, Depreciation and Amortisation)	13.1%	13.8%	14.2%
Cash flow generation (net of financing activities)	13.7%	11.8%	9.7%
Staff costs	60%	59%	59%
Key financial values (£m)			
Total income	284.0	271.3	257.1
Total expenditure	280.8	263.7	245.7
Surplus from operations	3.2	7.6	11.4
Cash flow generated from operations	38.9	32.1	25.0
Borrowings and cash at year end:			
Gross debt	107.8	114.7	121.7
Cash, deposits and short term investments	114.5	109.4	121.4
Net cash/(debt)	6.7	(5.3)	(0.3)
Net assets at year end	430.9	485.3	441.5

Financial statistics: income and expenditure in 2018-19

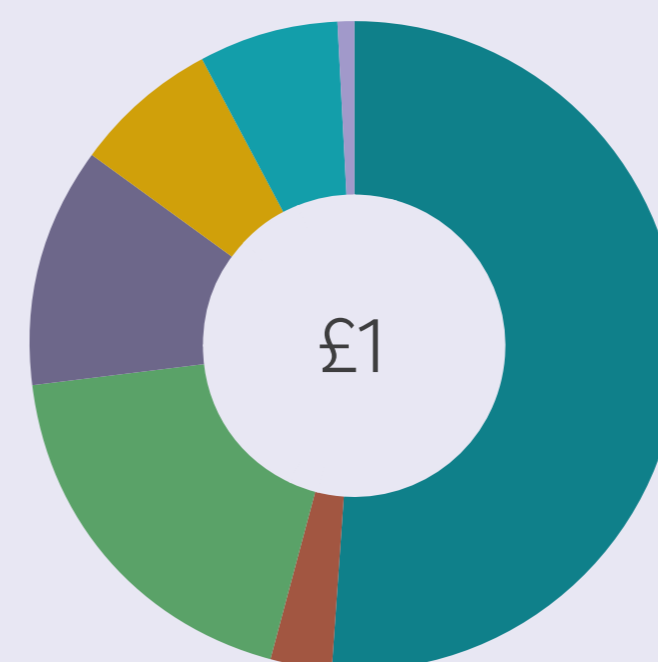


- **£206.2m** Tuition fees and education contracts
- **£22.6m** Funding body grants
- **£13.8m** Research grants and contracts
- **£40.6m** Other income
- **£0.8m** Investment income



- **£171.8m** Staff costs
- **£84.5m** Other operating expenses
- **£19.7m** Depreciation
- **£4.8m** Interest and other finance costs

Financial statistics: how did we spend our £ in 2018-19



- **51p** Academic and related expenditure
- **3p** Research grants and contracts
- **19p** Administration and central services
- **12p** Premises
- **7p** Residences and catering
- **7p** Other income generating activities
- **1p** For investments in our future

Financial performance 2018–19

The University has had a good year with solid performance in UK undergraduate student recruitment, enhancement of our academic partnerships in the UK and across the globe, investing in our student's experience, academic endeavours and capital infrastructure, including people, systems and estate. Together with robust cost control, we have mitigated the freezing of UK tuition fees and rising staff costs, and in particular pension charges. Financial performance during the year was positive with an operating surplus of £3.2m (2018: £7.6m) before actuarial losses in respect of pension schemes. The results included £1.9m (2018: £2.3m) of capital grants received during the year.

Total income for the year was £284m (2018: £271.3m) – a £12.7m increase (4.7%); mainly due to an increase of £12.4m (6.4%) from tuition fees and education contracts as a result of successes in recruiting additional home and international undergraduates, as well as the application of the increment in the capped tuition fees for UK and EU undergraduates to two cohorts of students (was only applied to first years in 2017/18).

Total expenditure was £280.8m (2018: £263.7m) – a £17.1m (6.5%) increase due to:

- Staff costs increasing by £11.4m (7.1%), which reflected cost of living and incremental pay awards, increasing staff numbers and additional employer's past pension service costs.

Capital investment

Our Masterplan programme, of £300m from 2016 to 2020, is nearing completion with a number of projects during the year, including:

- a new engineering building for the Faculty of Environment and Technology, and
- a Business Systems implementation programme, which includes a web transformation project, and Student Relationship Information Management.

Completed capital investment during the year includes:

- Two new buildings for the Faculty of Arts, Creative Industries and Education at the Bower Ashton Campus, and
- The continuing strategic academic space refurbishments in the Faculties of Environment & Technology and Health and Applied Sciences.

Total capital investment in the year amounted to £23.6m (2018: £16.6m).

Cashflow and treasury management

Cashflow generated from operations for the year was £38.9m (2018: £32.1m). After receipts from capital grants of £1.9m, cash outflows in respect of capital expenditure of £23.6m and other items, net cash outflow for the year was £2.9m (2018: outflow of £4.7m). The University currently holds substantial cash and bank deposits; at the year end, the University had cash/money market and financial instrument balances totalling £114.5m (2018: £109.8m).

Cash generated from operations

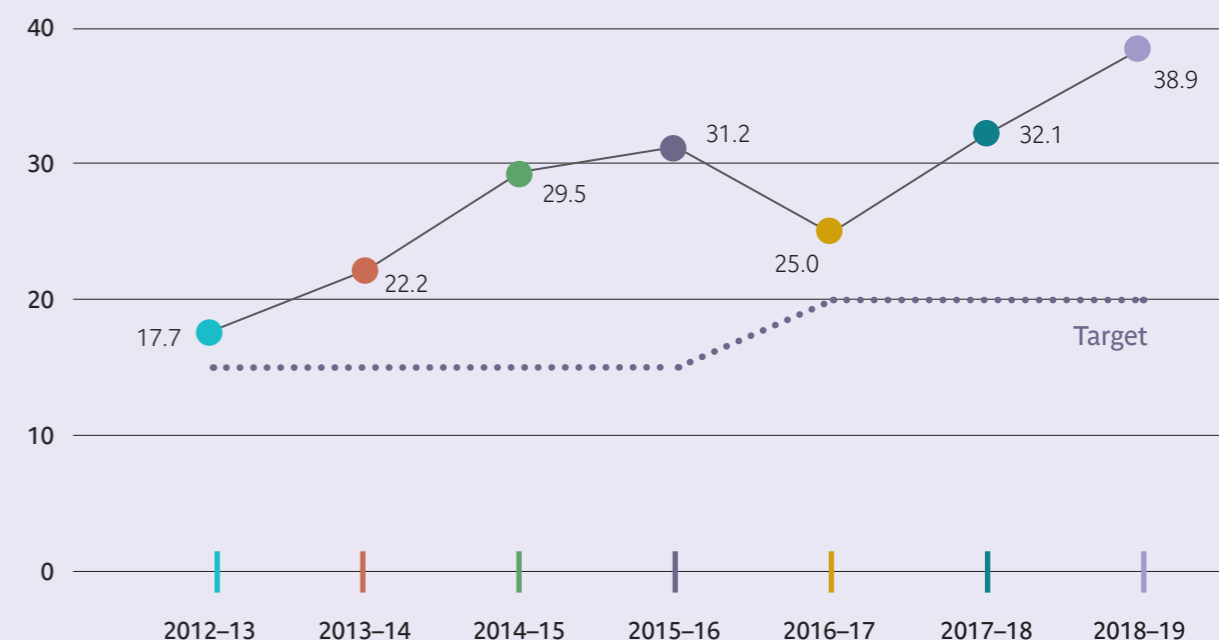
Our treasury strategy is determined in the context of expected future revenue and capital plans and the need to ensure that sufficient funds are available to meet commitments on a day to day basis.

We adopt a prudent approach to investing surplus funds. In order to manage risk, cash deposits are spread amongst a range of counterparties. To protect capital sums invested, we make full use of reports compiled by leading Credit Rating Agencies and only institutions carrying at least short-term ratings of A1 (Standard & Poors) and F1 (Fitch IBCA) are considered sufficiently secure. Deposits are placed to mature over a range of maturity periods to ensure adequate liquidity.

Our counterparty policy is monitored closely to achieve an appropriate balance of counterparty risk and diversification. Due to its ambitious and imminent capital expenditure plans, the University has restricted its short term deposits to no longer than one year.

The University has two loan facilities. Taking advantage of the low interest economic environment in 2017, a decision was taken to fix both loans' interest rate at an all-in rate of 1.677% and 1.807% respectively. The total loans outstanding on 31 July was £107.8m (2018: £114.7m), which are fully repayable by September 2036 and March 2034.

Cash generated from operations (£m)



Student numbers

The total number of students (headcount) enrolled during the year was 37,066 of which 28,792 are full-time students and 8,274 part-time students. Included in the headcount are 6,748 Trans National students who are students studying overseas under partnership arrangements.

Student numbers represented as full time equivalent for the last 3 years are shown below.

2018–19 2017–18 2016–17

Undergraduate

Home and EU	18,722	18,040	17,907
Overseas and offshore	1,780	1,683	1,635
Transnational education	6,011	5,968	5,757

Postgraduate taught

Home and EU	3,158	3,139	2,663
Overseas and offshore	873	818	800
Transnational education	432	611	611

Postgraduate research

Home and EU	232	199	189
Overseas and offshore	73	76	73
Total student numbers	31,281	30,534	29,635

Pensions

Pensions for the majority of the University's staff are currently provided either through the Teacher's Pension Scheme (TPS) or the Avon Pension Fund (APF). The ongoing costs and risks associated with both pension schemes are a very important element of the future financial sustainability of the University. A small number of staff are members of the Universities Superannuation Scheme (USS).

Teacher Pension Scheme

The TPS is a non-funded occupational scheme backed by the Exchequer. It is a national multi-employer scheme providing pensions for the UK education sector and is restricted to our academic and research staff. The ongoing service costs are financed by contributions from the University and its staff. The University accounts for the scheme as if it were a defined contribution scheme.

Avon Pension Fund

The APF is a Local Government Pension Scheme (LGPS) and is a funded defined benefit scheme, with assets held in separate trustee administered funds.

On an FRS102 basis, at 31 July the University's share of the scheme was assets of £289.6m (2018: £264.2m) and liabilities of £465.5m (2018: £369.0m) giving a deficit of £175.9m (2018: £104.8m). A summary of the increase in the FRS102 deficit since July 2018 for Avon Pension Fund shows:

	£m
July 2018 deficit	104.8
Actuarial losses – reducing discount rate	58.1
Shortfall of actual contributions to current service costs	5.8
McCloud past service costs	4.3
Other finance charge	2.9
July 2019 deficit	175.9

The decisions of the Court of Appeal in the Sargeant/McCloud cases (generally referred to as "McCloud") have ruled that the transitional protections afforded to older members when the Public Service Pension Schemes were amended constituted unlawful age discrimination. APF have carried out some costings of the potential effect of McCloud as at 31 July 2019, based on the individual member data for the 31 March 2016 actuarial valuation. The estimated costs of applying a 'final salary underpin' (on a member by member basis) to those affected active members (who joined the Fund before 1 April 2012), were recognised in the results for the year.

At the last actuarial valuation as at 31 March 2016, on a Trustee's funding basis, APF is 86% funded with a deficit of £597m, of which, £38m is attributable to the University. To deal with the funding deficit the University agreed to continue the deficit recovery plan, which was set up in 2010 with a recovery period of 23 years, under which the University is required to make additional deficit related contributions of £2.3m per annum index-linked. APF has confirmed that the recovery plan is ahead of schedule due primarily to market returns above expectation.

Risk management

Risk management of the University is built into strategic planning as well as the operation of faculties, professional services and strategic programmes, and is overseen by layers of governance and reporting.

The University's risk framework assesses and treats risks that may affect strategic objectives, which represent uncertainty to tactically important activities, or reflect hazards to operational systems and processes. Risks are recorded in strategic, tactical and operational risk registers, and are monitored and reviewed regularly. Risk owners formally assess their risks every four months ahead of reporting to the Directorate and Audit Committee. The Risk Management system is subject to formal internal audit review every two years.

The Strategic Risks as identified and managed closely by the University are:

- Failure to achieve student recruitment, retention and success targets
- Failure to maintain financial sustainability
- Failure to transform workforce and culture
- Failure to enhance the academic character and reputation of the University through research and enterprise
- Reputation
- Adverse impact of Brexit
- Insufficient capacity and capability to deliver strategy 2030
- Regulatory compliance and incident preparedness

Public benefit statement

The principal objectives of the University, in accordance with Section 124 of the Education Reform Act 1988, are concerned with the provision of higher education and the conduct of research. Supporting this, the University also undertakes other activities including knowledge exchange, consultancy and the provision of accommodation, catering and conference services.

As UWE Bristol is an exempt charity under the terms of the Charities Act 2011, the trustees of the charity are the members of the Board of Governors. The OfS is the principal regulator of English higher education institutions covered by the Act.

In setting and reviewing the University's strategy and activities, the Board of Governors takes into consideration the Charity Commission's guidance on the reporting of public benefit and the supplementary public benefit guidance on the advancement of education.

The Board of Governors has due regard to any impact that may arise from the University's activities, in particular the impact of its campus developments on its immediate locality, working closely with South Gloucestershire and Bristol City Councils and undertaking extensive community discussion and consultation.

The University does not currently accrue private benefit from its activities undertaken in pursuance of its purposes. However, it is alert to the possibility of commercialising proprietary technology or intellectual property that may arise as part of its activities, as a means of increasing investment in pursuance of the primary objectives.

The Board of Governors recognises that students, both undergraduate and postgraduate, are the principal beneficiaries of the provision of higher education. Through our students, Research and Knowledge Exchange and community engagement activities, wider society also benefits. The annual report and financial statements provide extensive information on the public benefit of the University's activities as described above. Of particular relevance to public benefit is our commitment to widening participation, engagement with the community and wider public and our contributions to environmental sustainability and a healthy society.

Widening participation

The University is proud of its focus on inclusivity, social justice and equality of opportunity. Our connections with the regional economy and communities allows us to be part of creating a confident and ambitious future for the Bristol city region.

Inclusivity is at the heart of our strategic developments and is represented in four commitments:

- Collaborate with partners across our city region to develop appropriate educational opportunities that enable strong economic development and social inclusion
- Build on the University's successes to date in widening access from under-represented groups, to the University but also to higher education in general
- Ensure that the programmes and support we offer are appropriate and enable all of our learners to succeed
- Support all of our graduates into successful and appropriate graduate outcomes; ensuring that under-represented groups are not less likely to gain a graduate level job or to continue to further study

The University's Access and Participation Plan sets out a 3–5 year plan across the whole student life cycle. More than half of our students meet at least one of our widening participation indicators and we take a whole university approach to addressing barriers our students may face. We are particularly proud of our graduate outcomes: our practice-oriented courses support our students to achieve graduate level jobs and further study and we do not have significant gaps in these outcomes related to socio-economic status or ethnicity. We will continue to work in partnership with local providers (University of Bristol, City of Bristol College and SGS College) to tackle the stubborn patterns of low progression to Higher Education in some areas of the region. We have included ambitious targets in our 2030 strategy to remove attainment gaps and widen access to higher education and we believe the plans set out will allow us to make significant progress over the next five years.

The University will commit in excess of £7.5m in additional funds to widen access, provide financial support to students and to evaluate our Access and Participation Work. This represents over 14% of additional income above the basic fee and demonstrates our firm commitment to the recruitment, achievement and success of students who are identified as widening participation students.

Regional partnerships

The University is committed to working in partnership in our local region to ensure that all can benefit from Higher Education. We work with Bristol City Council on its One City and Learning City agendas, programmes of work that place equality of opportunity at the heart of their missions. We also work closely with the West of England Combined Authority, particularly through their Career Hubs programme which aims to improve the quality of careers advice in schools and colleges. The University is the lead institution for the Bristol city region NCOP Programme, Future Quest, which also involves the University of Bristol, City of Bristol College and SGS College. The partnership also involves a range of local third sector organisations (such as Ablaze and South Bristol Youth) working to widen access and address educational disadvantage, and local authorities. We co-fund the development and promotion of Career Pilot and Life Pilot (in collaboration with 19 other HEIs including the University of Bath) which is a leading and free to use digital IAG tool for schools used by 390,000 users annually, and work operationally with HEIs in the South West region to deliver joint approaches to supporting care leavers. We are a founding member of the Western Widening Participation Research Cluster along with the University of Bristol which now brings together more than 70 researchers and practitioners from 5 local HEIs.



We are extremely proud of our long history of strong and mutually beneficial partnerships with local schools. We were one of the first universities to sponsor an academy and, through the Cabot Learning Federation, are involved in sponsoring an important Multi-Academy Trust that has a strong national reputation.

As the lead for the local Children's University, we work with a wide range of schools, community organisations, businesses and others to develop an inspiring offer of learning destinations available to students. Providing accreditation for out of school learning opportunities in the city, the Children's University is recognised for raising children's attainment, aspirations and sense of adventure; critical factors in tackling the low numbers of young people progressing to university from some of the wards in the city region.

Sustainability

The University is committed to supporting the global sustainability agenda for a strong, healthy and just society living within environmental limits in everything that it does. Central to this commitment is the ambition to create an environment and culture in which all student and staff members have the opportunity to develop and use the skills and understanding required to contribute to global sustainability and health both at the University and throughout their personal and private lives.

The strategic leadership for sustainability is guided by the University Senior Management Team. The Sustainability Board, chaired by the Assistant Vice-Chancellor for Environment and Sustainability, is responsible for the delivery of our ambitious and award-winning Sustainability Plan 2013–2020. We follow a holistic approach to sustainability that covers all aspects of sustainability across all functions of the University. This enables continuous, innovative, genuine and embedded performance improvements which have been successful to date. The approach has enhanced the University's reputation externally, and encouraged faculties, services, students and wider stakeholders to work in partnership. With the pending release of the University's Strategy 2030, which will include ambitious sustainability targets in recognition of the climate change and environment emergency, the Sustainability Plan is being rewritten looking ahead to 2030. This will recognise the inter-relations of themes, and set challenging standards to aim for as we progress to 2030.

The University's commitment to continuous improvement in environmental sustainability is verified through certification to the ISO14001 environmental management system standard. Each year our environmental management system is externally audited against the standard's requirements – this year's audit took place in summer 2019, the outcome of which is recertification to ISO14001:2015.

A critical component of this refreshed standard is that the University has to demonstrate continual improvement in its environmental performance. Some of our key initiatives are described below:

- As a university community, we are rolling out the opportunity for all faculties and departments to take more responsibility for the sustainability impacts of their area. The University's Climate Action Programme empowers staff across the University to take actions to reduce carbon emissions and waste, which will also have the benefit of reducing our operating costs.
- We are progressing well to meeting our on-site low or zero carbon generation targets. Our solar photovoltaic arrays have generated 449 MWh in the last twelve months, avoiding 114 tonnes of carbon emissions and saving the University £49,000. This will be supplemented by our combined heat and power plant which is due to come online at the end of September 2019. This will save 683 tonnes of carbon dioxide per year, and save £1,000 per day on utility bills. Water efficiency has been targeted as an area of priority. Through active leak management in 2018/19 we have been able to identify leaks swiftly; reducing our water consumption by 52,400 m³ – a saving to the University of nearly £120,000.
- Our ambitious Education for Sustainable Development (ESD) work reaches all departments and services of the University. Extending and deepening engagement with the UN Sustainable Development Goals will remain a focus for the coming year. 45 individual programmes across the University portfolio have already been mapped against the individual sustainable development goals. The ESD team works closely with academic and professional staff across the institution and within The Students' Union at the University to support initiatives and build capacity. The University has been successfully re-accredited to the Responsible Futures scheme, and will be joined by The Students' Union as a host partnership for Responsible Futures in 2019–20. The Knowledge Exchange for Sustainable Education was awarded and advanced-HE collaboration award for teaching excellence in 2018–19.
- Following the full implementation of the Travelsmart programme, single occupancy car travel has reduced to 25% of the staff and student commute; this represents around 1,200 less vehicles per day travelling to and from the University's campuses since 2012 – a major shift towards our sustainable travel ambitions. Our focus remains the development of high-quality alternatives to car travel. Following the introduction of the Metrobus M3 public transit service in 2018 additional M1 services have been added in 2019 serving University routes using bio-methane powered vehicles, delivering an 80% reduction in greenhouse gases and a 95% reduction in

nitrogen oxides compared to older diesel buses. These services now provide fast low emission travel between our main campus and the city centre. The Frome Valley cycle greenway was completed in 2019 linking our Frenchay and Glenside campus with high quality car free cycle routes. Our latest travel count survey found that commuting by bus has risen from 27% to 34% this year. 30% of students and staff were found to commute either on foot or by bicycle.

- Our main waste and recycling contracts were retendered at the start of academic year 2018/19. This resulted in a change to the treatment method of our collected waste materials. General waste is now sent to a waste-to-energy facility, where it is used to make electricity. Recycling is sent for further sorting and processing offsite – for example mixed plastics are sent to a sorting facility in South Wales from where plastic bottles are sent to a UK recycling factory. Other low-grade plastics are separated out and are now burnt in waste-to-energy plants to make electricity. Our recycling rate is now around 55%; the overall waste recovery rate is 99%. The University’s furniture reuse scheme continues and has resulted in more than £100,000 savings in avoided procurement and waste disposal costs this year.
- We have further developed our relationship with the British Heart Foundation – our chosen charity to divert end-of-term surplus items from student accommodation – and plan to set up a pop-up charity shop selling kitchen and homeware for the new student intake in September 2019.
- The University working in partnership with the Student Union continued to embed good practice in terms of sale, supply and promotion of Fairtrade. As a result, our total spend on Fairtrade products remained at more than £1m. In the South West Fairtrade Business Awards “Full of Beans” coffee cart, jointly run by the University and the Student Union, was outright winner in the category of Best Fairtrade cafe or restaurant, and Phaz cafe received a gold award. The University also won a gold award for its work in embedding Fairtrade across the board – in its policies and practices, its campaigning and communication with staff and students.
- This year the University also issued policy statements on our measures to tackle our plastic usage and food waste.
- The University is pleased to support the Student Union with its Green Impact submission, and is delighted that, for the third year in a row, The Students’ Union at UWE has retained its Excellent accreditation rating, and received the ‘Highest Scoring Students’ Union’ Award at the NUS’ Green Impact Awards.

The University’s sector leadership in sustainability continued to be demonstrated. The University has been shortlisted for five awards at the UK & Ireland Green Gown Awards 2019.

Equality, diversity and inclusivity

At the University, we passionately believe in inclusivity and opportunity for all students, staff and the wider community. We recognise the key role education has in helping transform society, to the benefit of all individuals and communities. As a University, we place considerable value on the diversity of our student body and this is increasingly reflected in the diversity of our staff. This diversity brings significant benefits to the University, greatly enriching our learning and working environment.

At the University, we aim to offer opportunities to our students and staff that will enable them to develop the skills and knowledge to thrive in their lives, regardless of age, disability, gender, gender identity, marriage or civil partnership status, pregnancy or maternity, race, religion or belief, or sexual orientation.

By implementing the actions of our Single Equality Scheme and our commitments as set out in our Access and Participation Plan, we ensure that we are making measurable progress towards our 2020 ambition of becoming known nationally and internationally as an inclusive university.

Some of the notable achievements of the past academic year have included:

- Continued outreach and access to HE activity with local schools and colleges.
- Developed Inclusive curriculum design principles.
- Focused activity to reduce persistent attainment gaps for specific groups of students, e.g. analysis of bursary support and attainment for students of low-income backgrounds.
- Supported rollout of lecture capture as a learning enabler for all across the University.
- Ensured inclusivity of access and experience using more than 20 robust equality analyses.
- Renewed Athena SWAN gender equality Bronze award at university level with some departments also receiving bronze and now implementing action plans.
- Continued our involvement as a Race Charter Member, Disability Confident Employer, and Stonewall Diversity Champion.
- Targeted communications, training and events programme to build skills and reinforce inclusivity across all teams and campus locations.

The University’s Equality, Diversity and Inclusivity team plays a pivotal role in supporting and promoting the culture

of this inclusive University through equality analysis, policy implementation and communications, and leading on key inclusivity objectives. The team oversees the development and implementation of University plans and runs a range of key projects to embed inclusive practice in the University. Projects include Cares, a support and advocacy programme for care leavers, estranged students and carers, Equity, a positive action programme showcasing the talents of our BAME students and Project SEARCH which provides work experience for young people with learning difficulties.

Student and staff involvement

The University places considerable value on the active participation of its employees in policy making and on good communication with them. The University’s developments are communicated regularly through a number of distinct channels, with opportunities for engagement and discussion.

A number of other initiatives also took place to enhance the employee voice, including the approval by the Academic Board and the Board of Governors of changes to the Academic Board structure to increase both the space for the academic voice and the number of elected positions within the structure.

The University also has a number of mechanisms in place to facilitate communication with students. It makes extensive use of appropriate channels to disseminate information, receive, and act upon, feedback not least through partnership with the Students’ Union to train and recognise the contribution made by over a thousand student representatives on the University’s programmes. The Students’ Union President is an ex officio member of the Board of Governors of the University and a number of Student Union representatives are members of the Academic Board and other committees. There are regular formal and informal consultations with the Students’ Union and a Student/Governor Forum is maintained by the Board of Governors under the leadership of the Students’ Union President. Both the Student and Staff Governor Forums meet three times a year and provide the Board of Governors with an opportunity to engage with a wide audience of the University’s most critical stakeholders.



Graduation ceremonies | Bristol Cathedral

Health and Safety

The University's Safe Places, People and Practice Strategy (SPPP) has as its ambition to ensure health and safety is inherent in all that the University does.

The SPPP Strategy which draws to a conclusion in 2020, overall the integration of health and safety at the University has been promulgated as a strategic priority through the SPPP Strategy which has ensured health and safety is intrinsic to the University Strategy 2020. 2018–19 has seen the transition into the Step Change in Health and Safety Roadmap. Initial work has included a review of the University's Health and Safety Committee (UHSC). There will be a newly remitted University Health and Safety Group (UHSG), which will support the University in setting the direction of health and safety, e.g. overall action plans, risk evaluation and monitoring, key performance indicator setting and exception reporting Faculties and Services. The UHSG will hold its inaugural meeting in October 2019.

The Health and Safety Standard: The Management of Stress at Work has been reviewed. The Standard now more holistically includes 'Health and Wellbeing'. It retains the overall legal requirement for the evaluation of stress at work, and now also requires a holistic review of Wellbeing activity. To support this the Stress Risk Assessment is now refreshed as a Workplace Wellbeing Action Plan.

For the main University health and safety risks, Construction Safety, Ionising Radiation, Genetically Modified Organisms and Fire Safety Management, there remains overall assurance that there are reasonable management processes in place that ensure compliance with all relevant legislation. Further, for the wide range of 'property' related health and safety statutory requirements which govern the operation of buildings for example water, electrical systems, there are improved compliance monitoring regimes.

There was a targeted audit programme for this academic year, thematic audits on biological and radiological safety, and a gap analysis audit on the University Students Union. In all instances there were no major non-conformances found, and action plans were implemented for continual improvement.

For the most visible indicators of health and safety management:

- The number of accidents has increased by 10.1%, from 124 to 138.
- For the more serious accidents RIDDOR the numbers have remained the same at 5.
- This year there were 95 near miss accidents compared to 105 last year. A 9.5% decrease.
- Fire alarm activations have increased by 15.6% (816 compared with 706), 4 required attendance of the Avon Fire and Rescue Service, a 63.6% reduction. This is the lowest for more than seven years;

This academic year sees continued implementation of the University Health and Safety Management process, with much activity taking place. Health and safety is in a 'transitional period' as the Safe Places, People and Practice Strategy 2020 draws to a conclusion. The 'Step Change' in health and safety, which has a clear roadmap and five-year strategic action plan to improve the Health and Safety culture will now be progressed in line with Strategy 2030. Initial work has commenced which underpins the implementation of the Step Change in Health and Safety towards 2030, and the continual improvement of the University Health and Safety culture.



Corporate governance and internal control

Organisation

The University is organised into four faculties, each led by a Pro Vice-Chancellor and Executive Dean. They are:

- Arts, Creative Industries and Education
- Business and Law
- Environment and Technology
- Health and Applied Sciences

The Vice-Chancellor is responsible for overall day-to-day management of the University, supported by a senior team which includes the Deputy Vice-Chancellor and Provost, Pro Vice-Chancellors, Directors and Heads of Professional Services.

The University is committed to best practice in all aspects of corporate governance and has adopted the Committee of University Chairs' Higher Education Code of Governance and Higher Education Senior Staff Remuneration Code.

The University endeavours to conduct its business in accordance with, and with due regard to, the principles identified by the Committee on Standards in Public Life.

Constitution and powers

The University is a statutory corporation, established as a Higher Education Corporation as defined by the Education Reform Act 1988 which also sets out its powers. The activities of the University are conducted in accordance with: the provisions of the Education Acts; orders or directions made by the Secretary of State; other enactments or regulations from time to time in force; and its Instrument and Articles of Government ("Articles") and internal rules and bye-laws.

The Articles set out the requirements, and define the responsibilities of the Board of Governors and Academic Board, alongside the responsibilities of the Vice-Chancellor.

Period of cover

This statement of corporate governance and internal control covers the year 1 August 2018 to 31 July 2019 and the period up to 20 November 2019, the date of the approval of the audited financial statements by the Board of Governors.

Board of Governors for year ended 31 July 2019

Independent Members

Jenny Body

Sandra Forbes

Deputy Chair of Governors,
Chair of Strategic Planning and
Performance Committee,
Chair of Remuneration Committee

Rob Fraser

Chair of Finance, Estates and
IT Committee

Dr Martin Hagen

Chair of Audit Committee

Richard Holmes

David Lamb

Clive Lewis

Grant Mansfield

(from 14 November 2018)

Dr Mark Mason, MBE

Jocelyn McNulty

Sonia Mills

Chair of Governors,
Chair of Nominations and
Governance Committee

Kalpna Woolf

(from 14 November 2018)

Denis Woulfe, MBE

Academic Board Nominees

Professor Jane Roscoe

Professor Donna Whitehead

Student Nominee

Giang Nguyen

(to 1 July 2019)

Precious Onyenekwu Tatah

(from 1 July 2019)

Co-opted Members

Richard Bacon

(from 30 January 2019)

Professor John Craven

Ex-Officio

Professor Steve West, CBE

The Board of Governors

The Board of Governors is responsible for determining the educational character and mission of the University, ensuring the efficient use of resources, and approving the annual estimates of income and expenditure.

The Board comprises independent, staff and student members appointed in accordance with the Instrument of Government. The majority of members are non-executive including the Chair and the Deputy Chair. The University's Chief Executive, the Vice-Chancellor, is an ex-officio member of the Board. Appointments to the Board of Governors are considered by the Nominations and Governance Committee which makes recommendations for the Board's approval.

The Board is entitled to establish committees for any purpose or function, other than those which are assigned elsewhere in the Articles to the Vice-Chancellor or to the Academic Board or designated as the sole responsibility of the Board of Governors. The main committees which operated during the year were: the Audit Committee; Finance Estates and IT Committee; Strategic Planning and Performance Committee; Nominations and Governance Committee; and Remuneration Committee. All of these committees are formally constituted with written terms of reference, and comprise a majority of lay members one of which is designated the Chair. The decisions of the Committees are formally reported to the Board.

An Emergency Committee may, where a matter is urgent, exercise delegated powers not explicitly reserved by the Articles of Government between meetings of the Board of Governors. The University's Emergency Committee membership includes the Chair and Deputy Chair of Governors, and the Chairs of each sub-committee.

In accordance with the Articles, the Board has appointed a Clerk to the Governors who provides independent advice on matters of governance to all members of the Board.

Academic Board

The Academic Board is responsible for the quality of the student experience, the quality and standards of the University's awards and to provide advice to the Vice-Chancellor on the strategic direction of the University's academic activity. The Academic Board provides the Board of Governors with assurance that the University's academic strategy, governance and practice is fit for purpose and approves new additions and revisions to academic policy. It has oversight of all academic provision through the Academic Regulatory Framework and the quality management and enhancement framework.

¹The OFS took over many of the functions of HEFCE, including that of funding, on 1 April 2018. During the 'transition period' 1 April 2018 to 31 July 2019, HEIs have been funded and regulated by the OFS through a combination of the powers and duties carried forward from the previous legislation and the new Higher Education and Research Act 2017 (HERA) powers and duties.

During the year to 31 July 2019 the Academic Board was chaired by the Vice-Chancellor; its membership consisted of 50 per cent Executive members and 50 per cent non-Executive members elected from the academic and student community.

Leadership and management

The Vice-Chancellor is the Chief Executive Officer of the University and is accountable to the Board of Governors for the organisation, direction and management of the University. The Vice-Chancellor is the Accountable Officer under the terms of the Memorandum of Assurance and Accountability between the University and the OfS¹. The Vice-Chancellor is supported and advised by the Directorate.

During the year to 31 July 2019 the Directorate consisted of the Vice-Chancellor, the Deputy Vice-Chancellor and Provost, the Pro Vice-Chancellor (Student Experience), the Pro Vice-Chancellor (Research and Enterprise), and the Chief Financial Officer. This group is the senior leadership and executive decision-making group for the University; it oversees the University's long-term academic and financial sustainability and the implementation of medium- and short-term strategies. The Directorate also manages corporate risk, makes business decisions on University development – including commercial and global – and progresses the business of the Board of Governors. Its work is supported by the University's Strategy 2020 Portfolio Board, which manages the prioritisation, delivery and alignment of the major programmes and projects to deliver the University's Strategy.

Register of interests

The University maintains a Register of Interests of members of the Board of Governors and key post holders, which may be requested from the Clerk to the Board of Governors.

Expenses paid to or on behalf of Trustees

Members of the Board of Governors acting as the Trustees of the University do not receive any remuneration for their service on the Board. Those Trustees who are also employees of the University receive no supplementary payment for trusteeship.

Trustees are entitled to claim reasonable expenses incurred in undertaking their duties as Trustees in accordance with the University's financial regulations. In 2018/19 a total of £7,403 (£6,644 in 2017/18) for expenses were paid to or on behalf of 11 Trustees, including retirement gifts of £281. This covered: travel expenses to formal and informal

meetings and other University events; fees for training and development events; travel, accommodation and other expenses incurred in representing the University at external events; subscriptions and costs of publications to support Trustees in carrying out their role.

Internal control and risk management

The Board of Governors is responsible for maintaining a sound system of internal control that supports the achievement of its policies, aims and objectives, whilst safeguarding the public and other funds and assets for which it has responsibility.

As part of this, the Board of Governors is committed to the continuous development of a comprehensive process for identifying, evaluating and managing the University's significant risks (as aligned to the University's strategy), both financial and non-financial, in line with OfS requirements.

The Board of Governors regularly discusses risk and related reports from its Committees, in particular the Audit Committee. These discussions set the tone and influence the culture of risk management, determine the risk appetite of the University and set standards and expectations of staff conduct and probity in relation to risk management. The key strategic risks of the University includes:

- a. Student recruitment, retention and success targets
- b. Long-term financial sustainability
- c. People resources

All identified risks are assigned to specified risk owners and mitigation actions are developed and implemented. The effectiveness of these mitigation actions is monitored and adjusted on an ongoing basis.

The Board of Governors is advised and assisted in its review of internal control by the work of the internal auditors, the Audit Committee and the Vice-Chancellor's Directorate. Their agendas ensure regular monitoring of the risk and control processes and that these accord with the internal control guidance for directors as included in the Stock Exchange's 'Combined Code', as deemed applicable to higher education.

On behalf of the Board of Governors the Audit Committee considers reports, recommendations and reviews on the effectiveness of the University's arrangements for risk management, internal control and governance and it has expressed itself satisfied that the systems and controls are effective, including for public funding received from the OfS, UK Research and Innovation (UKRI, including Research England) and other funding public bodies ensuring:

- a. regularity in the use of this public funding
- b. propriety in the use of public funding

The Audit Committee also considers reports and updates from the OfS as they affect the University's business and monitors adherence to the regulatory requirements.

The Audit Committee is required to report to the Board of Governors on internal controls and to alert it to any emerging issues.

A professional internal audit team undertakes an annual programme of work approved by the Audit Committee. The University has agreed with its internal auditors that their programme of work and the approach to internal control will be risk based and accordingly it is informed by the University's risk register.

During the year the Internal Auditors completed 9 (2017–18:11) internal audit reviews and reported to the Audit Committee. These included HR-iTrent key controls, value for money – student perspective, GDPR and cyber security on phishing. The reviews resulted in a number of findings and recommendations. All findings are in respect of improvement to the design of controls and/or operating effectiveness of business processes. The Audit Committee reported to the Board of Governors that none of these findings were significant nor were critical weaknesses that would prevent achievement of the University's strategic targets nor have any material impact on the financial data reported in the financial statements.

The above policy and related procedures are subject to regular review and the Board of Governors is satisfied that the University's internal control and risk management processes meet the requirements set out by the OfS in its circular OfS 2018.16 "Regulatory advice 9: Accounts Direction: Guidance on preparing and publishing financial statements".

The financial statements include a statement on the University's position with regard to the implementation of the principles set out in Section 1 of the UK Corporate Governance Code issued by the Financial Reporting Council. The Board of Governors is also required to express a view as to whether its processes are adequate in accordance with the direction from the OfS for identifying, evaluating and managing the University's risks during the year. The appropriate committees of the Board of Governors have considered those processes and are of the view that they are adequate for the needs of the University.

External auditors are appointed and other audit work conducted in accordance with the requirements of the OfS.



Report of the remuneration committee

Senior staff pay

UWE Bristol is a modern civic university, with students at the heart of everything that it does. The University's priority is to deliver an outstanding university experience for its students through innovative, practice-led, research-informed learning.

The University has over 30,000 students from 140 countries and has been rated the 7th best University in England for student satisfaction, achieving 88% in the National Student Survey (NSS). The University's graduates are also consistently ahead of the market for both highly skilled employment and salary measures. 79% of research is rated as having an outstanding or considerable impact – including the development of personally adaptive robotic systems to support independent living for the elderly and reaching millions of young people with body confidence education.

The University employs 4,000 staff and contributes over £400m a year to the local economy. This includes leading the development of the highly successful multi-million pound University Enterprise Zone (UEZ) which opened in 2016 to offer offices, labs and co-working spaces for entrepreneurs, innovators and high tech businesses. Under Professor West's leadership the University has also demonstrated its commitment to and strong track record of working in partnership in the region to address educational and social inequalities.

Professor Steve West, CBE has been UWE Bristol's Vice-Chancellor since 2008, and has developed and led an ambitious strategy for the University, to achieve the successes highlighted above and drive forward a £300m infrastructure investment programme. In 2019, continued delivery of the University's strategy saw the University climb to its highest ever position, at 28th in the Guardian league table and be awarded Gold in the Teaching Excellence Framework, recognising that the University consistently delivers outstanding teaching and learning outcomes for its students. Under Professor West's leadership, the University has climbed 47 places in the Guardian League Table since 2008 and was approved onto the Office for Students Register of Providers with no ongoing conditions.

UWE Bristol is a large and complex organisation, offering over 600 courses at undergraduate and postgraduate levels, and in professional development, delivered across a number of campuses in Bristol and through trans-national education (TNE) provision across the globe. The University provides

TNE opportunities through 15 partner institutions in 10 different countries. In 2017/18 over 6,500 students were studying with the University through its TNE provision, a ten-fold increase led by Professor West since 2008/09.

For 2018/19, UWE Bristol's total income was £284m with EBITDA (Earnings Before Interest, Taxes, Depreciation and Amortisation) at 13.1% and operating cash flow generation (net of financial costs) at £38.9m or 13% of total income. Under Professor West's leadership, against a backdrop of increasing turbulence within the higher education market and global economy, the University has maintained itself as a financially viable and sustainable institution, in addition to supporting a period of significant investment at the University. In terms of financial size and performance, UWE Bristol is one of the larger British universities.

Professor West has also established a sector-leading role for mental health and holds a number of non-executive positions including non-executive director of the Office for Students (OfS), Chair of the West of England Local Enterprise Partnership, and Chair of the West of England Academic Health Science Network. Professor West's non-executive positions help to ensure the University is fully engaged with developments in the education, business and health sectors and the insights gained feed into the leadership and direction of the University where appropriate. The positions are an important part of the University's connectivity and work to shape and empower the future of the city-region and its people, so they can maximize their potential in the global knowledge economy.

The Vice-Chancellor's remuneration is set within the principles that it must be fair, appropriate and justifiable. UWE Bristol's Remuneration Committee (REMCO) is responsible for setting the Vice-Chancellor's remuneration. REMCO is made up of independent governors with significant experience of compensation and reward. The Vice-Chancellor is not a member of REMCO and takes no part in any discussions on his remuneration.

Each year, REMCO receives detailed information which assists members in relation to setting the Vice-Chancellor's remuneration. This includes benchmarking data and information on the Vice-Chancellor's performance for the preceding year. The Vice-Chancellor's remuneration is benchmarked against the remuneration of Vice-Chancellors

from thirteen other similar universities. Further data on Vice-Chancellors' remuneration is provided from surveys carried out by the Universities and Colleges Employers Association (UCEA), the Committee of University Chairs (CUC), and Times Higher Education (THE).

In recent years, the Vice-Chancellor's basic pay has increased in line with the national pay award for other university staff.

In addition to remuneration benchmarking from a number of data sources, Remuneration Committee also takes advice on the Vice-Chancellor's pay from external remuneration experts.

The Vice-Chancellor is entitled to a bonus of up to 10% of basic pay each year. This bonus is at risk each year, being paid only if the Vice-Chancellor's performance is judged to be 'on target' or 'exceptional'. The drivers for determining performance are split between financial (relating to EBITDA and cash) and student satisfaction, benchmarking UWE Bristol's NSS results against the average for University Alliance Group institutions. The Vice-Chancellor cannot receive a bonus at all if UWE Bristol does not achieve a silver status in the Teaching Excellence Framework for 2018/19. This year Professor West led the University to an average NSS score of 88%, maintained TEF Gold, EBITDA at 13.1%, and cash generation at £38.9m – exceeding performance targets on all measures.

REMCO also monitor the relationship between the Vice-Chancellor's pay and that of the median UWE Bristol salary. The Vice-Chancellor's basic salary is 7.9 times the median pay of staff, where the median pay is calculated on a full-time equivalent basis for the salaries paid to staff. On a total remuneration basis, (including performance bonus and benefits-in-kind), the multiple is 10 times the median total remuneration of staff, where the median total

remuneration is calculated on a full-time equivalent basis for the total remuneration of all staff. There are a number of factors which affect the pay multiples. UWE Bristol is a comparatively large University which does not outsource many services. It should be also noted that the calculations reflect the fact that UWE Bristol engages hundreds of students each year to be ambassadors, to act as mentors on peer assisted learning programmes and/or to work on numerous other University projects.

The Chair of the Board of Governors is responsible for the approval of any expenses claims made by the Vice-Chancellor, with oversight through REMCO.

The University's Financial Regulations also require that arrangements for international travel by the Vice-Chancellor on University business are approved by the Chair of the Board of Governors. The Vice-Chancellor, and members of the University's senior team, are required to travel to overseas partner institutions, to ensure the quality of the provision on offer, to support overseas students and staff at events such as graduation ceremonies, and to continue to build new relationships and opportunities for the University. Travel arrangements are categorised as a business cost.

Latest figures show that around 4,500 international students study degree programmes at UWE Bristol, at our campuses in Bristol and across 15 partner universities in 10 countries. The University's overseas partnerships, which are overseen by the Vice-Chancellor, generated in excess of £29m or 10% of the University's total income for 2018/19.

REMCO is satisfied that the Vice-Chancellor's pay remains proportionate when compared to that of his peers and in light of his performance to deliver Strategy 2020 and successfully lead the University to significantly enhance its performance across a range of key external metrics.

Modern slavery and human trafficking statement

Introduction

Section 54 of the Modern Slavery Act requires all organisations which supply goods or services, carry on a business or part of a business in the UK, and is above a specified turnover², to produce a slavery and human trafficking statement. This statement must set out the steps the organisation has taken during the financial year to ensure that slavery and human trafficking is not taking place in any of its supply chains and in any part of its own business.

The University of the West of England, Bristol offers the following statement regarding its efforts to prevent slavery and human trafficking in its supply chains.

About the University

UWE Bristol (and its subsidiary companies) is a provider of education, research and training in the Higher Education sector, with approximately 31,000 students and 3,500 staff.

The University's turnover is in excess of £250m per annum. Together with an ambitious investment programme, in 2016–2017 we spent some £300m on staff and other expenditure (including construction). This year we have used approximately 3,500 suppliers.

Supply Chain Categories

We work with a wide range of different suppliers and partners. Some of our suppliers subcontract work or rely on recruitment agencies to supply temporary or permanent staff. By the nature of their businesses, some of our suppliers are potentially at higher risk than others, for example: maintenance, repairs and construction companies. All our suppliers are commodity coded, enabling us to identify those who are most high risk.

Our supply chains include:

- Estates goods and services (including cleaning & security)
- Professional services
- Science, technical, engineering and medical goods and services
- IT equipment and services (for which Government Procurement Frameworks are used when choosing and appointing suppliers)
- Library.

Due diligence

The University takes a zero tolerance approach to slavery and human trafficking. We recognise however, the risk of both exists in any supply chain and are committed to taking steps to reduce this risk in our own supply chains through the numerous policies and procedures we have in place and the due diligence we undertake.

These include, but are not limited to:

- Appropriate human resources, recruitment and employment policies and procedures which comply with UK law and are designed to ensure that all prospective employees are legally entitled to work in the UK and to safeguard employees from any abuse or coercion once in our employment
- Corporate and Social Responsibility in Procurement Policy
- Due diligence as part of our supplier tenders assessment
- Safeguarding Policy and Procedure to ensure vulnerable people are not placed at risk
- Ethical Investment Policy, which includes the promotion of human rights
- Health and Safety Policy, the aim of which is to provide an inherently safe and healthy working and learning environment that engages the entire University community
- Public Interest Disclosure Policy (Whistleblowing).

The University's requirements and expectations with respect to human rights, employee health and safety and environmental performance are regularly communicated to our suppliers and are referenced in tender documentation and in contracts.

In particular, Tenderers responding to an EU tender are asked to comply with the International Labour Organisation (ILO), which is an internationally recognised code of labour practice, requiring that:

1. Employment is freely chosen.
2. Freedom of association and the right to collective bargaining are respected.
3. Working conditions are safe and hygienic.

4. Child labour shall not be used.
5. Living wages are paid.
6. Working hours are not excessive.
7. No discrimination is practised.
8. Regular employment is provided.
9. No harsh or inhumane treatment is allowed.

The work we have done and our plans for the future

As part of this reporting exercise now and in the coming years, the University of the West of England expresses its commitment to understand its supply chains and to work towards greater transparency and responsibility towards the people working within them.

We have completed a number of activities over the last 12 months:

- Made our staff and suppliers aware of the Modern Slavery Act 2015, including the definitions of slavery and human trafficking and the University's responsibilities
- Performed a risk assessment on our suppliers list, and
 - Contacted those suppliers who provide us with temporary staff to ensure they comply with this Act and assess the evidence thereof.
 - Contacted suppliers in potentially higher risk categories to check what assurance arrangements they have in place.

- Revised our procurement Terms and conditions of Purchase to include reference to modern slavery and human trafficking
- Amended our Public Interest Disclosure (Whistleblowing) Policy to include the Modern Slavery Act
- Included the Modern Slavery Act in our SME supplier training day
- Contacted all Suppliers with a spend over £36m and asked how they comply with the Act.
- Procurement staff have had additional training.

A similar range of activities will be ongoing in the coming year, and will include dissemination of awareness raising training material to appropriate teams and informing staff what to do if they suspect a case of slavery or human trafficking.

²As prescribed in regulations made by the Secretary of State, the total turnover threshold has been set at £36m.



| Responsibilities of the Board of Governors

In accordance with the Education Reform Act 1988, the Board of Governors of the University is responsible for the administration and management of the affairs of the University and is required to present audited financial statements for each financial year. The Board has adopted a Statement of Primary Responsibility, as recommended by the Committee of University Chairs, which is published on the University's website.

The Board of Governors is responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the University and to enable it to ensure that the financial statements are prepared in accordance with the Education Reform Act 1988, the Statement of Recommended Practice on Accounting for Further and Higher Education and other relevant accounting standards. In addition, the terms and conditions of registration with the OfS and the Board of Governors require the University, through its Accountable Officer the Vice-Chancellor, to present financial statements for the financial year which give a true and fair account of the state of affairs of the University and the results and cash flows for that year.

In causing the financial statements to be prepared, the Board of Governors has ensured that:

- the going concern basis of accounting is appropriate;
- suitable accounting policies are selected and consistently applied;
- judgements and estimates are reasonable and prudent; and
- applicable accounting standards have been applied, subject to disclosure and explanation in the financial statements of any material departures therefrom.

The Board of Governors has taken reasonable steps to:

- fulfil its responsibilities under the Articles and to ensure that funds from the OfS, the Teaching Regulation Authority and other publicly funded bodies, including research councils, are used only for the purposes for which they have been granted and in accordance with the registration terms and conditions issued by the OfS and any other conditions which it may from time to time prescribe;

- ensure that appropriate financial and management controls are in place to safeguard public and other funds;
- safeguard the assets of the University and prevent and detect fraud and other irregularities;
- secure the economical, efficient and effective management of the University's resources and expenditure.

The key elements of the University's system of internal financial control include:

- Board of Governors' approval of annual estimates of income and expenditure and monitoring of the financial performance of the University;
- a comprehensive set of internal financial regulations approved by the Board of Governors, which defines the responsibilities and delegated authority of management post holders, and detail financial controls, policies and guidelines;
- a comprehensive planning and budgeting process, which integrates the preparation of annual income, expenditure and capital budgets;
- regular reviews of the performance of each of the University's Planning and Budgetary Units, including monthly reviews of financial results involving variance reporting and the updating of forecasts; and
- clearly defined and formalised requirements for approval and control of expenditure, with investment decisions being subjected to detailed appraisal and review.

Independent Auditors' Report to the Board of Governors of the University of the West of England

Opinion

We have audited the financial statements of the University of the West of England (the 'University') and its subsidiaries (the 'group') for the year ended 31 July 2019 which comprise the Consolidated Statements of Comprehensive Income and Expenditure, the Consolidated and University Statement of Financial Position, the Consolidated and University Statement of Changes in Reserves, the Consolidated Cash Flow and notes to the financial statements. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (including FRS 102 "The Financial Reporting Standard Applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice)).

In our opinion, the financial statements:

- give a true and fair view of the state of the group's and of the University's affairs as at 31 July 2019, and of the group's and University's surplus, comprehensive income and expenditure and changes in reserves and of the group's cash flows for the year then ended; and
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice and have been prepared in accordance with the Statement of Recommended Practice – Accounting for Further and Higher Education.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the group and University in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where

- the Board of Governors use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the Board of Governors has not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the group and University's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

The impact of uncertainties due to Britain exiting the European Union on our audit

- The Board of Governor's view on the impact of Brexit is disclosed on page 7. The terms on which the United Kingdom may withdraw from the European Union are not clear, and it is therefore not currently possible to evaluate all the potential implications to the University's activities, staff, students, suppliers and the wider economy.
- We considered the impact of Brexit on the University as part of our audit procedures, applying a standard firm wide approach in response to the uncertainty associated with the University's future prospects and performance.
- However, no audit should be expected to predict the unknowable factors or all possible implications for the University and this is particularly the case in relation to Brexit.

Other information

The Board of Governors is responsible for the other information. The other information comprises the information included in the Annual Report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies

or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Responsibilities of the Board of Governors

As explained more fully in the Statement of Responsibilities of the Board of Governors set out on page 29, the Board of Governors is responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view and for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Board of Governors are responsible for assessing the group and University's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Governors intend to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK). Those standards require us to comply with the Financial Reporting Council's

Ethical Standard. A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Other required reporting

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

In our opinion, in all material respects:

- funds provided by the OfS and UK Research and Innovation (including Research England) have been applied in accordance with the relevant terms and conditions attached to them; and
- the grant and fee income received has not been materially misstated; and
- the requirements of OfS's accounts direction have been met.

Use of the audit report

This report is made solely to the Board of Governors as a body in accordance with paragraph 14(2) of the University's articles and section 124B of the Education Reform Act 1988. Our audit work has been undertaken so that we might state to the Board of Governors 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 group and University and the Board of Governors, as a body, for our audit work, for this report, or for the opinions we have formed.



Mazars LLP
Chartered Accountants and Statutory Auditors
90 Victoria Street, Bristol
25 November 2019



Statement of principal accounting policies

1. General information

The University of West of England, Bristol is registered with the Office for Students. The address of the registered office is Frenchay Campus, Coldharbour Lane, Bristol BS16 1QY

2. Statement of compliance

The Consolidated and University financial statements have been prepared in accordance with United Kingdom Accounting Standards, including Financial Reporting Standard 102 (FRS 102) and the Statement of Recommended Practice (SORP): Accounting for Further and Higher Education issued in 2019. They have also been prepared in accordance with the 'carried forward' powers and duties of previous legislation (Further and Higher Education Act 1992 and the Higher Education Act 2004) and the new powers of the Higher Education and Research Act 2017 during the transition period to 31 July 2019, the Royal Charter, the Accounts Direction issued by the Office for Students (OfS), the Terms and Conditions of funding for higher education institutions issued by the OfS and the Terms and Conditions of Research England Grant.

3. Basis of preparation

The Consolidated and University financial statements have been prepared under the historical cost convention (modified by the revaluation of certain financial assets and liabilities at fair value).

The University's activities, together with the factors likely to affect its future development, performance and position, are set out in the operational and financial review which forms part of the Board of Governors' Report. The Board of Governors' Report also describes the financial position of the University, its cash flows, liquidity position and borrowing facilities. The Board of Governors has a reasonable expectation that the University has adequate resources to continue in operational existence for the foreseeable future. Thus it continues to adopt the going concern basis of accounting in preparing the annual financial statements.

The financial statements are prepared in Sterling which is the functional currency of the group and rounded to the nearest £100,000.

4. Exemptions under FRS102

The University has taken the exemption under section 3.3 of the SORP (1.12(b) of FRS102) to not produce a cash flow statement for the University in its separate financial statements.

5. Basis of consolidation

The consolidated financial statements include the University and all its subsidiaries for the financial year to 31 July 2019. The results of subsidiaries are included in the consolidated statement of income and expenditure. Intra-group transactions are eliminated on consolidation.

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

The consolidated financial statements do not include the income and expenditure of The University of the West of England Students' Union, which is an autonomous body not under the control of the University, or the Wallcourt Foundation which has charitable objectives primarily concerned with assisting the provision of higher education at the University of the West of England but is legally independent of the University and not under its control.

6. Income recognition

Tuition fee income is stated gross of any expenditure which is not a discount and credited to the Consolidated Statement of Comprehensive Income over the period in which students are studying. Where the amount of the tuition fee is reduced, by a discount for prompt payment, income receivable is shown net of the discount. Bursaries and scholarships are accounted for gross as expenditure and not deducted from income. Education contracts are recognised when the University is entitled to the income, which is the period in which students are studying or, where relevant, when performance conditions have been met.

Income from the sale of goods or services is credited to the Consolidated Statement of Comprehensive Income when the goods or services are supplied to the external customers or the terms of the contract have been satisfied.

Investment income is credited to the Statement of Income and Expenditure on a receivable basis.

Funds the University receives and disburses as paying agent on behalf of a funding body are excluded from the income and expenditure of the University where the University is exposed to minimal risk or enjoys minimal economic benefit related to the transaction.

Grant Funding

Grant funding including funding council block grant, research grants from government sources and grants (including research grants) from non-government sources are recognised as income when the University is entitled to the income and performance related conditions have been met. Income received in advance of performance related conditions being met is recognised as deferred income within creditors in the Statement of Financial Position and released to income as the conditions are met.

Donations

Non-exchange transactions without performance related conditions are donations. Donations with donor imposed restrictions are recognised as income when the University is entitled to the funds. Income is retained within the restricted reserve until such time that it is utilised in line with such restrictions at which point the income is released to general reserves through a reserve transfer.

Donations with no restrictions are recognised as income when the University is entitled to the funds.

Capital grants

Capital grants are recognised as income when the University is entitled to the funds subject to any performance related conditions being met.

7. Accounting for retirement benefits

Retirement benefits for employees of the University are provided by defined benefit schemes; the Teachers' Superannuation Scheme (TPS, an unfunded Government scheme), the Avon Pension Fund (Avon PF, a Local Government Pension Scheme administered by Bath and North East Somerset Council) and the Universities Superannuation Scheme (USS, a higher education sector-wide mutual scheme). All these schemes are funded by contributions from the University and its employees. The financial positions of all these funds are disclosed in their respective audited financial statements.

TPS is accounted for as if it were a defined contribution scheme. As a result, the annual amount charged to the Income and Expenditure account represents the contributions payable to the scheme in respect of the accounting period.

For Avon PF, where the University's share of the underlying assets and liabilities is identified, it is accounted for in accordance with FRS102. The University's share of the deficit is recognised as a liability in the balance sheet. The current service cost, being the actuarially determined present value of the pension benefit earned by the employees in the current period and the past service cost, is included in staff costs. The expected return on the University's share

of scheme assets and interest on its liabilities is netted off and shown as a net return in the income and expenditure account. All changes in the pension surplus or deficit due to changes in actuarial assumptions are reported in the statement of comprehensive income. The rate of employer's contribution on any relevant superannuation scheme is reviewed periodically on the basis of actuarial valuations.

USS is a multi-employer hybrid pension scheme, providing defined benefits (for all members), as well as defined contribution benefits. The assets of the scheme are held in a separate trustee-administered fund. Because of the mutual nature of the scheme, the assets are not attributed 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. As required by Section 28 of FRS 102 "Employee benefits", the institution therefore accounts for the scheme as if it were a wholly defined contribution scheme. As a result, the amount charged to the profit and loss account represents the contributions payable to the scheme. Since the institution has entered into an agreement (the Recovery Plan) that determines how each employer within the scheme will fund the overall deficit, the institution recognises a liability for the contributions payable that arise from the agreement (to the extent that they relate to the deficit) and therefore an expense is recognised.

8. Employment benefits

Short term employment benefits such as salaries and compensated absences are recognised as an expense in the year in which the employees render service to the University. Any unused benefits are accrued and measured as the additional amount the University expects to pay as a result of the unused entitlement.

9. Finance leases

Leases in which the University assumes substantially all the risks and rewards of ownership of the leased asset are classified as finance leases. Leased assets acquired by way of finance lease and the corresponding lease liabilities are initially recognised at an amount equal to the lower of their fair value and the present value of the minimum lease payments at inception of the lease.

Minimum lease payments are apportioned between the finance charge and the reduction of the outstanding liability. The finance charge is allocated to each period during the lease term so as to produce a constant periodic rate of interest on the remaining balance of the liability.

10. Operating leases

Costs in respect of operating leases are charged on a straight-line basis over the lease term. Any lease premiums or incentives are spread over the minimum lease term.

11. Foreign currency

Transactions in foreign currencies are translated to the respective functional currencies of group entities at the foreign exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the reporting date are translated to the functional currency at the foreign exchange rate ruling at that date. Foreign exchange differences arising on translation are recognised in Surplus or Deficit for the year.

The assets and liabilities of foreign operations, including goodwill and fair value adjustments arising on consolidation, are translated to the University's presentational currency, Sterling, at foreign exchange rates ruling at the reporting date. The revenues and expenses of foreign operations are translated at an average rate for the year where this rate approximates to the foreign exchange rates ruling at the dates of the transactions. Exchange differences arising from this translation of foreign operations are reported as an item of Other Comprehensive Income.

12. Non-current assets

Non-current assets are stated at cost or deemed cost less accumulated amortisation or depreciation. Where parts of a non-current asset have different useful lives, they are accounted for as separate items.

Intangible Assets

Intangible assets, mainly configured IT systems, are amortised over the estimated economic life up to a maximum of 10 years.

If there are indicators that the residual value or useful life of an intangible asset has changed since the most recent annual reporting period, previous estimates are reviewed and, if current expectations differ, the residual value, the amortisation method or useful life shall be amended. Changes in the expected useful life or the expected pattern of consumption of benefit are accounted for as a change in accounting estimate.

Land and buildings

Freehold land and buildings are measured at cost. The University carried out a revaluation of its estate at 1 August 2014 and this fair value has been used as deemed cost under the FRS102 transition provision. Depreciation and impairment losses are subsequently charged on the deemed cost.

Costs incurred in relation to land and buildings after initial purchase or construction, and prior to valuation, are capitalised to the extent that they increase the expected future benefits to the University. Freehold land is not depreciated as it is considered to have an indefinite useful life. Buildings are depreciated on a straight line basis.

The economic life bands for building structure and depreciation rates applied are as follows:

Age bands	Depreciation rate
1–20 years	5%
21–36 years	3%
36–50 years	2%
Not less than 50 years	2%

The economic life for the mechanical and electrical components and depreciation rates applied are as follows:

Age	Depreciation rate
5 years	20%
10 years	10%
15 years	7%
20 years	5%

No depreciation is charged on assets in the course of construction.

Income from the sale of property is recognised on completion of the contract.

Equipment

Expenditure on items or groups of items of equipment, furniture and software costing more than £25,000 is capitalised, and then depreciated on a straight line basis over a 3-year period. Items or groups of items costing less than £25,000 are written off in the year of acquisition.

Investment properties

Investment property is land and buildings held for rental income and/or capital appreciation rather than for use in delivering services.

Investment properties are initially measured at cost and subsequently at fair value as at 31 July each year, with changes in fair value recognised immediately in the surplus or deficit for the year.

13. Stock

Stock is held at the lower of cost and net realisable value, and is measured using an average cost formula.

14. Cash and cash equivalents

Cash includes cash in hand, deposits repayable on demand and overdrafts. Deposits are repayable on demand if they are in practice available within 24 hours without penalty.

Cash equivalents are short term, highly liquid investments that are readily convertible to known amounts of cash with insignificant risk of change in value.

15. Provisions, contingent liabilities and contingent assets

Provisions are recognised in the financial statements when:

- the University has a present obligation (legal or constructive) as a result of a past event;
- it is probable that an outflow of economic benefits will be required to settle the obligation; and
- a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is determined by discounting the expected future cash flows at a pre-tax rate that reflects risks specific to the liability.

A contingent liability arises from a past event that gives the University a possible obligation which will only be confirmed by the occurrence or otherwise of uncertain future events not wholly within the control of the University. Contingent liabilities also arise in circumstances where a provision would otherwise be made but either it is not probable that an outflow of resources will be required or the amount of the obligation cannot be measured reliably.

A contingent asset arises where an event has taken place that gives the University a possible asset whose existence will only be confirmed by the occurrence or otherwise of uncertain future events not wholly within the control of the University.

Contingent assets and liabilities are not recognised in the Statement of Financial Position but are disclosed in the notes.

16. Taxation

The University is an exempt charity within the meaning of Part 3 of the Charities Act 2011. It is therefore a charity within the meaning of Para 1 of schedule 6 to the Finance Act 2010 and accordingly, the University is potentially exempt from UK Corporation Tax in respect of income or capital gains received within categories covered by section 478–488 of the Corporation Tax Act 2010 (CTA 2010) or section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied to exclusively charitable purposes.

The University receives no similar exemption in respect of Value Added Tax (VAT). Irrecoverable VAT on expenditure (revenue and capital) is included in the costs of such expenditure. Any irrecoverable VAT allocated to fixed assets is included in their cost.

Subsidiary companies of the University are subject to Corporation Tax and VAT in the same way as any commercial organisation.

The University's tax strategy and principle policy approach are to conduct its tax affairs aligned with its overall strategic plan, which is underpinned by leading standards of corporate governance and a risk management framework which considers reputational risk, corporate and social responsibilities.

17. Reserves

Reserves are classified as restricted or unrestricted.

Restricted reserves include balances where the donor has designated a specific purpose and therefore the University is restricted in the use of these funds.

18. Critical accounting estimates and judgements

The preparation of the University's financial statements requires management to make judgements, estimates, and assumptions that affect the application of accounting policies and reported amounts of assets and liabilities, income, and expenses. These judgements, estimates, and associated assumptions are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The resulting accounting estimates will, by definition, seldom equal the related actual results.

Management consider the areas set out below to be those where critical accounting judgements have been applied and the resulting estimates and assumptions may lead to adjustments to the future carrying amounts of assets and liabilities:

Income recognition – The University is potentially entitled to an overage payment from an asset disposed in 2014. This potential payment was not recognised in these accounts as it is not yet possible to ascertain the value or timing.

Recoverability of debtors – The provision for doubtful debts is based on our estimate of the expected recoverability of those debts. Assumptions are made based on the level of debtors which have defaulted historically, coupled with current economic knowledge. The provision is based on the current situation of the debtor, the age profile of the debt and the nature of the amount due.

Investment property – Properties are revalued to their fair value at the reporting date by Alder King LLP. The valuation is based on assumptions and judgements which are impacted by a variety of factors including market and other economic conditions.

Retirement benefit obligations – The cost of defined benefit pension plans are determined using actuarial valuations. Actuarial valuation involves making assumptions about discount rates, future salary increases, mortality rates and future pension increases. Due to the complexity of the valuation, the underlying assumptions and the long term nature of these plans, such estimates are subject to significant uncertainty. Further details are given in note 21.

Management are satisfied that Universities Superannuation Scheme meets the definition of a multi-employer scheme and has therefore recognised the discounted fair value of the contractual contributions under the funding plan in existence at the date of approving the financial statements.

As the University is contractually bound to make deficit recovery payments to USS, this is recognised as a liability on the Statement of Financial Position. The provision is currently based on the USS deficit recovery plan agreed after the 2017 actuarial valuation, which defines the deficit payment required as a percentage of future salaries. These contributions will be reassessed within each triennial valuation of the scheme.



Consolidated and University Statement of Comprehensive Income Year ended 31 July 2019

	Note	Year ended 31 July 2019		Year ended 31 July 2018	
		Consolidated £m	University £m	Consolidated £m	University £m
Income					
Tuition fees and education contracts	1	206.2	206.2	193.8	193.8
Funding body grants	2	22.6	22.6	22.1	22.1
Research grants and contracts	3	13.8	13.8	13.6	13.6
Other income	4	40.6	40.7	41.2	41.2
Investment income	5	0.8	0.8	0.6	0.6
Total income		284.0	284.1	271.3	271.3
Expenditure					
Staff costs	6	(171.8)	(171.7)	(160.4)	(160.4)
Other operating expenses		(84.5)	(84.6)	(80.8)	(80.9)
Depreciation	10	(19.7)	(19.5)	(17.2)	(16.9)
Interest and other finance costs	7	(4.8)	(4.8)	(5.3)	(5.3)
Total expenditure	8	(280.8)	(280.6)	(263.7)	(263.5)
Surplus before other gains/(losses)		3.2	3.5	7.6	7.8
Gain on disposal of fixed assets		0.1	0.1	-	-
Actuarial (losses)/gains in respect of pension schemes	21	(58.1)	(58.1)	36.6	36.6
Total comprehensive (expenditure)/income for the year		(54.8)	(54.5)	44.2	44.4
Represented by:					
Endowment expenditure for the year		(0.2)	(0.2)	(0.9)	(0.9)
Unrestricted comprehensive income for the year		(54.6)	(54.3)	45.1	45.3
		(54.8)	(54.5)	44.2	44.4
(Deficit)/Surplus for the year attributable to University		(54.8)	(54.5)	44.2	44.4

All items of income and expenditure relate to continuing activities.

Consolidated and University Statement of Changes in Reserves Year ended 31 July 2019

	Restricted reserves	Unrestricted reserves		Total £m
	Endowment and prize fund £m	Income and expenditure £m	Revaluation reserve £m	
Consolidated				
Balance at 1 August 2017	3.2	142.6	295.7	441.5
Surplus before other gains/(losses)	-	7.6	-	7.6
Other comprehensive expenditure	-	36.6	-	36.6
Transfers between revaluation and income and expenditure reserves	-	3.6	(3.6)	-
Release of endowment and prize fund spent in year	(0.9)	0.9	-	-
Total comprehensive income for the year	(0.9)	48.7	(3.6)	44.2
Balance at 1 August 2018	2.3	191.3	292.1	485.7
Surplus before other gains/(losses)	-	3.2	-	3.2
Other comprehensive expenditure	-	(58.0)	-	(58.0)
Transfers between revaluation and income and expenditure reserves	-	3.6	(3.6)	-
Release of endowment and prize fund	(0.9)	0.9	-	-
Total comprehensive income for the year	(0.9)	(50.3)	(3.6)	(54.8)
Balance at 31 July 2019	1.4	141.0	288.5	430.9
University				
Balance at 1 August 2017	3.2	142.7	295.7	441.6
Surplus before other gains/(losses)	-	7.8	-	7.8
Other comprehensive expenditure	-	36.6	-	36.6
Transfers between revaluation and income and expenditure reserves	-	3.6	(3.6)	-
Release of endowment and prize fund spent	(0.9)	0.9	-	-
Total comprehensive income for the year	(0.9)	48.9	(3.6)	44.4
Balance at 1 August 2018	2.3	191.6	292.1	486.0
Surplus before other gains/(losses)	-	3.5	-	3.5
Other comprehensive expenditure	-	(58.0)	-	(58.0)
Transfers between revaluation and income and expenditure reserves	-	3.6	(3.6)	-
Release of endowment and prize fund spent	(0.9)	0.9	-	-
Total comprehensive income for the year	(0.9)	(50.0)	(3.6)	(54.5)
Balance at 31 July 2019	1.4	141.6	288.5	431.5

Consolidated and University Statement of Financial Position As at 31 July 2019

	Note	As at 31 July 2019		As at 31 July 2018	
		Consolidated £m	University £m	Consolidated £m	University £m
Non-current assets					
Intangible assets	9	7.4	7.4	2.7	2.7
Tangible assets	10	615.3	607.1	611.6	603.1
Investments	11	22.4	35.1	21.9	34.6
		645.1	649.6	636.2	640.4
Current assets					
Stock		0.3	0.3	0.3	0.3
Trade and other receivables	12	19.1	19.1	19.4	19.4
Investments	13	94.4	90.7	86.8	84.3
Cash and cash equivalents		20.1	20.0	23.0	21.7
		133.9	130.1	129.5	125.7
Less:					
Creditors: amounts falling due within one year	14	(68.7)	(68.8)	(66.5)	(66.6)
Net current assets		65.2	61.3	63.0	59.1
Total assets less current liabilities		710.3	710.9	699.2	699.5
Creditors: amounts falling due after more than one year	15	(101.0)	(101.0)	(107.8)	(107.8)
Provision for liabilities and charges					
Other provisions	17	(2.5)	(2.5)	(0.9)	(0.9)
Pension liability	21	(175.9)	(175.9)	(104.8)	(104.8)
Total net assets		430.9	431.5	485.7	486.0
Restricted reserves					
Endowment and prize fund		1.4	1.4	2.3	2.3
Unrestricted reserves					
Income and expenditure reserve		141.0	141.6	191.3	191.6
Revaluation reserve		288.5	288.5	292.1	292.1
		429.5	430.1	483.4	483.7
Total reserves		430.9	431.5	485.7	486.0

The financial statements were approved by the Governing Body on 20 November 2019 and were signed on its behalf on that date by:



Professor Steve West
Vice-Chancellor



Sonia Mills
Chair of Board of Governors

Consolidated Statement of Cash Flows Year ended 31 July 2019

	Note	Year ended 31 July 2019 £m	Year ended 31 July 2018 £m
Cash flow from operating activities			
Surplus for the year		3.2	7.6
Adjustment for non-cash items			
Depreciation	10	19.7	17.2
Amortisation of intangible asset	9	0.2	0.2
(Gain)/Loss on investments	11	(0.5)	0.1
Decrease/(Increase) in debtors	12	0.3	(2.8)
(Decrease)/Increase in creditors	14	2.2	0.2
Decrease/(Increase) in pension provision	17	1.6	(0.2)
FRS 102 pension accounting charge	21	13.0	10.6
Adjustment for investing or financing activities			
Investment income	5	(0.8)	(0.6)
Interest payable	7	1.9	2.1
Capital grant income	2	(1.9)	(2.3)
Net cash inflow from operating activities		38.9	32.1
Cash flows from investing activities			
Proceeds from sales of fixed assets		0.3	0.9
Capital grant receipts	2	1.9	2.3
(Placement)/Withdrawal of deposits		(7.6)	6.9
Payments made to acquire fixed assets	10	(23.6)	(16.6)
Payments made to acquire investment property		-	(20.1)
Payments made to acquire intangible assets	9	(4.9)	(1.8)
Investment income	5	0.8	0.6
		(33.1)	(27.8)
Cash flows from financing activities			
Repayments of amounts borrowed	16	(6.8)	(6.8)
Interest paid	7	(1.9)	(2.1)
Repayments of finance lease		-	(0.1)
		(8.7)	(9.0)
Decrease in cash and cash equivalents in the year		(2.9)	(4.7)
Cash and cash equivalents at beginning of the year		23.0	27.7
Cash and cash equivalents at end of the year		20.1	23.0
		(2.9)	(4.7)

	Year ended 31 July 2019		Year ended 31 July 2018	
	Consolidated £m	University £m	Consolidated £m	University £m
1 Tuition fees and education contracts				
Full-time home and EU students	153.4	153.4	138.3	138.3
Full-time international students	26.5	26.5	24.2	24.2
Part-time students	10.9	10.9	9.7	9.7
Health education contracts	9.4	9.4	17.2	17.2
Short courses	6.0	6.0	4.4	4.4
	206.2	206.2	193.8	193.8
2 Funding body grants				
Office for Students	12.6	12.6	19.5	19.5
Grant income from other bodies	8.0	8.0	-	-
National College for Teaching and Leadership	0.1	0.1	0.3	0.3
Capital grant	1.9	1.9	2.3	2.3
	22.6	22.6	22.1	22.1
3 Research grants and contracts				
Research councils	3.5	3.5	3.2	3.2
Research charities	1.4	1.4	1.6	1.6
Government (UK and overseas)	1.7	1.7	2.0	2.0
Other research grants and contracts	7.2	7.2	6.8	6.8
	13.8	13.8	13.6	13.6
4 Other income				
Residences, catering and conferences	24.0	24.0	24.1	24.1
Other services rendered	2.9	2.9	2.4	2.4
Franchise payments	4.6	4.6	4.6	4.6
Commercial rent receivable	2.2	2.2	1.7	1.7
Other income	6.9	7.0	8.4	8.4
	40.6	40.7	41.2	41.2
5 Investment income				
Interest receivable	0.8	0.8	0.6	0.6
6 Staff costs				
Salaries	138.8	138.7	129.0	129.0
Social security costs	12.3	12.3	11.8	11.8
Employers' pension costs	20.7	20.7	19.6	19.6
	171.8	171.7	160.4	160.4

	Year ended 31 July 2019	Year ended 31 July 2018
6 Staff costs (continued)		
Emoluments of the Vice-Chancellor	£	£
Salary	263,609	258,440
Performance related pay	26,361	25,844
Subtotal	289,970	284,284
Benefits (medical insurance)	699	657
Employers' pension costs (on the same basis as all staff)	43,443	42,463
	334,112	327,404
i The performance related pay was awarded by measurements against a set of targets set by the University's Board of Governors.		
ii The Vice Chancellor's basic salary is 7.9 times (2017/18: 7.9 times) the median pay of staff, where the median pay is calculated on a full time equivalent basis for salaries paid to staff.		
iii On a total remuneration basis (including performance bonus and benefits in kind), the multiple is 10.0 times (2017/18: 9.9 times) the total remuneration of staff, where the median total remuneration is calculated on a full time equivalent basis for all staff.		
Average staff numbers (FTE) by major category:	Numbers	Numbers
Academic faculties	1,574	1,504
Central administration services and premises	750	717
Staff and student facilities	444	436
Academic services	369	363
	3,137	3,020
Remuneration of other higher paid staff	Numbers	Numbers
£100,000 to £104,999	4	-
£105,000 to £109,999	1	1
£110,000 to £114,999	1	-
£115,000 to £119,999	1	2
£120,000 to £124,999	3	-
£125,000 to £129,999	-	2
£130,000 to £134,999	4	4
£155,000 to £159,999	-	1
£165,000 to £169,999	-	1
£170,000 to £174,999	1	-
Excluding the Vice-Chancellor	15	11
Key management personnel		
Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the University. This is comprised of the Directorate, who are the Vice Chancellor, Deputy Vice Chancellor, Pro Vice-Chancellors and the Chief Financial Officer, and the four Pro Vice-Chancellor and Executive Deans. Remuneration paid to key management personnel and included in staff costs are:		
Remuneration paid to key management personnel	1,333,665	1,264,342
	Numbers	
Compensation for loss of office (to staff earning over £100,000)	0 (2018: 1)	0
	Numbers	
Compensation for loss of office (to all staff)	29 (2018: 26)	884,764

6 Staff costs (continued)**Expenses paid to trustees**

Members of the Board of Governors, the trustees of the University, do not receive any remuneration for their service on the Board. Those trustees who are also employees of the University receive no supplementary payment for trusteeship.

Trustees are entitled to claim reasonable expenses incurred in undertaking their duties as trustees in accordance with the University's financial regulations. In 2018/19 a total of £7,403 (2017/18: £6,644) was paid to or on behalf of 11 trustees. This covered: travel expenses to meetings and other University events; fees for training and development events; travel, accommodation and other expenses incurred in representing the University at external events and subscriptions and costs of publications to inform them in carrying out their role.

	Year ended 31 July 2019		Year ended 31 July 2018	
	Consolidated £m	University £m	Consolidated £m	University £m
7 Interest and other finance costs				
Loan interest	1.9	1.9	2.1	2.1
Net finance charge on pension scheme deficit	2.9	2.9	3.2	3.2
	4.8	4.8	5.3	5.3

8 Analysis of total expenditure by activity

Academic and related expenditure	150.5	150.5	139.9	139.9
Administration and central services	56.6	56.6	52.5	52.3
Premises	34.3	34.1	33.6	33.7
Residences, catering and conferences	19.7	19.7	18.6	18.6
Research grants and contracts	9.9	9.9	8.8	8.8
Other expenses	9.8	9.8	10.3	10.2
	280.8	280.6	263.7	263.5

Other operating expenses include:	Year ended 31 July 2019		Year ended 31 July 2018	
	£000		£000	
Consolidated and University				
External auditors—audit services		54		55
Internal auditors		92		92
Operating lease rentals		1,438		1,428

	Year ended 31 July 2019		Year ended 31 July 2018	
	Consolidated £m	University £m	Consolidated £m	University £m
9 Intangible assets				
Opening balance	2.7	2.7	1.1	1.1
Additions: In the course of construction	4.9	4.9	1.8	1.8
Amortisation charge for the year	(0.2)	(0.2)	(0.2)	(0.2)
Closing balance	7.4	7.4	2.7	2.7

10 Tangible assets

Consolidated	Freehold land and buildings £m	Equipment £m	Assets in the course of construction £m	Total £m
Cost or valuation				
At 1 August 2018	644.7	27.7	7.9	680.3
Additions	2.7	7.2	13.7	23.6
Transfers	6.5	-	(6.5)	-
Elimination and disposals	-	(7.1)	-	(7.1)
At 31 July 2019	653.9	27.8	15.1	696.8
Depreciation				
At 1 August 2018	48.8	19.9	-	68.7
Charge for the year	14.4	5.3	-	19.7
Elimination and disposals	-	(6.9)	-	(6.9)
At 31 July 2019	63.2	18.3	-	81.5
Net book value At 31 July 2019	590.7	9.5	15.1	615.3
At 31 July 2018	595.9	7.8	7.9	611.6
University				
Cost or valuation				
At 1 August 2018	633.5	26.4	7.9	667.8
Additions	2.6	7.2	13.7	23.5
Transfers	6.5	-	(6.5)	-
Elimination and disposals	-	(6.9)	-	(6.9)
At 31 July 2019	642.6	26.7	15.1	684.4
Depreciation				
At 1 August 2018	46.0	18.7	-	64.7
Charge for the year	14.2	5.3	-	19.5
Elimination and disposals	-	(6.9)	-	(6.9)
At 31 July 2019	60.2	17.1	-	77.3
Net book value At 31 July 2019	582.4	9.6	15.1	607.1
At 31 July 2018	587.5	7.7	7.9	603.1

The historic cost of property and equipment held at the year end was £390.6m (2018: £373.7m).

Freehold land and buildings includes land at valuation of £20.8m, and is not depreciated.

11 Non-current investments

Consolidated	Investment in Subsidiaries £m	Fixed Asset Investment £m	Total £m
At 1 August 2018	-	21.9	21.9
Gain on valuation	-	0.5	0.5
At 31 July 2019	-	22.4	22.4
University			
At 1 August 2018	12.7	21.9	34.6
Gain on valuation	-	0.5	0.5
At 31 July 2019	12.7	22.4	35.1

Subsidiary undertakings

Company	Principal activity	Status
Registered in England & Wales:		
Bristol Polytechnic Enterprises Limited	Property Management	100% owned
Bristol UWE Commercial Services Limited	Non Trading	100% owned
Bristol UWE Health Training Limited	Dormant	100% owned
Registered in Malaysia:		
UWE International Educational Services Sdn Bhd	Recruitment of students	100% owned

12 Trade and other receivables

	Year ended 31 July 2019		Year ended 31 July 2018	
	Consolidated £m	University £m	Consolidated £m	University £m
Amounts falling due within one year				
Debtors	14.6	14.6	16.7	16.7
Prepayments and accrued income	4.5	4.5	2.7	2.7
	19.1	19.1	19.4	19.4

13 Investments

Short term bank deposits (maturing one year or less)	94.4	90.7	86.8	84.3
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14 Creditors: amounts falling due within one year

Bank and other loans	6.8	6.8	6.8	6.8
Social security and other taxation payable	5.8	5.8	6.0	6.0
Research grants received in advance	14.1	14.1	14.7	14.4
Other receipts in advance	5.0	5.0	4.7	4.7
Accruals and deferred income	37.0	37.1	34.3	34.7
	68.7	68.8	66.5	66.6

15 Creditors: amounts falling due after more than one year	Year ended 31 July 2019		Year ended 31 July 2018	
	Consolidated £m	University £m	Consolidated £m	University £m
Bank loans	101.0	101.0	107.8	107.8
Analysis of bank loans:				
Due between one and two years	13.6	13.6	13.6	13.6
Due between two and five years	20.4	20.4	20.4	20.4
Due in five years or more	67.0	67.0	73.8	73.8
Total secured loans	101.0	101.0	107.8	107.8

In 2009, the University contracted a long term bank loan, with Lloyds Bank, of £95m on a repayment basis. The loan matures in March 2034 and in December 2015, Lloyds bank transferred the loan to its wholly owned subsidiary Clerical Medical Investment Group Limited. In March 2016, the University exercised its option on the loan to fix its interest rate to an all-in rate of 1.807%.

In July 2015 the University entered into a loan agreement with the European Investment Bank (EIB) for £60m on a repayment basis over 20 years which was drawn down in September 2016. The loan carries an all-in interest rate of 1.677% and is repayable by August 2036.

16 Consolidated reconciliation of net debt

	Year ended 31 July 2019 £m	Year ended 31 July 2018 £m
Net debt at 1 August 2018	91.6	93.8
Movement in cash and cash equivalents	2.9	4.7
Repayments of amounts borrowed	(6.8)	(6.9)
Net debt at 31 July 2019	87.7	91.6
Change in net debt	(3.9)	
Analysis of net debt:		
Cash and cash equivalents	20.1	23.0
Loans falling due within one year	(6.8)	(6.8)
Loans falling due after one year	(101.0)	(107.8)
Net debt	87.7	(91.6)

At the year end, the University has short term cash deposits, all maturing within one year, of £94.4m (2018: £86.8m).

17 Other provisions

	Obligation to fund deficit on USS Pension £m
Consolidated and University	
At 1 August 2018	0.9
Movement in the year	1.6
At 31 July 2019	2.5

Since the year end, following the completion of the 2018 actuarial valuation, a new deficit recovery plan has been agreed of which more detail is given in note 21(c). As at 31 July 2019 and with all other assumptions used to calculate the provision unchanged, this would have resulted in a revised provision of £1.6m, a decrease of £0.9m from the current year end provision.

The assumptions for calculating the USS Provision under FRS102 are as follows:

	Year ended 31 July 2019	Year ended 31 July 2018
Consolidated and University		
Discount rate	1.58%	2.16%
Salary inflation	2.80%	2.00%

The obligation to fund the past deficit on the University's Superannuation Scheme (USS) arises from the contractual obligation with the pension scheme for total payments relating to benefits arising from past performance. The University have assessed future employees within the USS scheme and salary payment over the period of the contracted obligation in assessing the value of this provision.

18 Capital and other commitments

Provision has not been made for the following capital commitments at 31 July 2019:

	31 July 2019		31 July 2018	
	Consolidated £m	University £m	Consolidated £m	University £m
Commitments contracted by the University	29.8	29.8	8.9	8.9

19 Contingent liabilities

The University is a member of Universities Mutual Association Ltd (UMAL). UMAL is a discretionary Mutual Association owned by Higher Education and Further Education Universities. It was formed to provide an alternative to traditional insurance in respect of the layer of claims which historically occur frequently. By self-managing the pool created by retaining funds in respect of such claims, the Members have gained control of costs and pricing, the cover provided, underwriting and claims data. Traditional insurance is purchased in the general insurance market by the Association for catastrophe claims. The Mutual offers all classes of material damage, business interruption and liability covers, together with accident and travel cover. UMAL are based in Bishopsgate, London. The location is close to the City and the world's leading insurance market.

The University is a member of the sector owned mutual UM Association (Special Risks) Ltd (UMSR) which historically provided discretionary indemnities for terrorism risks. It remains a legal entity with a Board dealing with non-cover issues, and to hold, manage and release UMSR reserves in the event of claims for this specific class of cover which has been transferred to UMAL.

20 Lease obligations

	31 July 2019	31 July 2018
Future minimum lease payments due:	£m	£m
Not later than 1 year	1.0	1.0
Later than 1 year and not later than 5 years	1.8	2.7
Later than 5 years	2.6	1.6
Total lease payments due	5.4	5.3

21 Pension schemes

Retirement benefits for employees of the University are provided by defined benefit schemes which are funded by contributions from both the University and employees. Payments are made to the Teachers' Pension Scheme (TPS) for academic staff, the Avon Pension Fund (administered by Bath and North East Somerset Council) for non-academic staff and the Universities Superannuation scheme (USS). All three schemes are independently administered.

The pension cost for the University was as follows:

	2018/19 £m	2017/18 £m
Teachers' Pension Scheme	9.6	9.1
Avon Pension Fund	10.2	9.7
USS	0.9	0.8
	20.7	19.6

Teachers' Pension Scheme (TPS)

TPS is a government unfunded scheme and therefore no valuation of the fund's assets are published nor attributed to individual Universities. Contributions paid by the University to TPS are assessed and specified at least once every 5 years by the Government Actuary. Contribution rates for members ranged from 6.40% to 11.29% depending on the staff's full time equivalent pay. Employers pay 16.48%; this was increased to 23.68% in September 2019.

Avon Pension Fund (APF)

APF is a Local Government Pension Scheme. It is a funded defined benefit scheme, with the assets held in separate trustee funds by the administering authority, Bath & North East Somerset Council which is legally responsible for the fund. The council delegates its responsibility for administering the fund to the APF Committee, which is its formal decision making body.

The total cash contribution made for the year ended 31 July 2019 was £13.9m of which employers' contribution totalled £10.2m and employees' contribution totalled £3.7m. Included in the employers' contribution, is the deficit recovery payment made by the University of £2.6m (2018: £2.4m).

APF is valued every 3 years by a professionally qualified actuary using the projected unit method. The rates of contribution payable were determined by the members of APF Committee on the advice of the actuary. The latest actuarial valuation was at 31 March 2016. At the valuation date, the value of assets was £3,737m and the value of the fund's technical provision was £4,334m resulting in a deficit of £597m. The assets therefore were sufficient to cover 86% of the benefits which had accrued to members after allowing for expected future earnings. This result was an improvement over the previous actuarial valuation in 2013 of £876m deficit and 78% respectively.

It was determined by the actuary that the deficit of the University in the scheme as at 31 March 2016 was £38.0m (2013: £46.4m). Following the valuation, the University agreed with the actuary to continue the recovery plan established in the 2010 valuation which aim to remove the shortfall attributable to members by 2033, by means of deficit recovery payments, from £2.3m in 2017/18 rising to £2.7m in 2019/20.

As a result of the 31 March 2016 valuation, The University's contribution rates to future service have been agreed as follows:

From 1 April 2017	14.0%
From 1 April 2018 onwards	14.2%

The rates of contribution for staff are banded from 5.5% to 12.5% depending on an individual's full time pay.

Both the contribution rate and the deficit repayment schedule will be reviewed following the finalisation of the actuarial valuation for March 2019.

McCloud

The decisions of the Court of Appeal in the Sargeant/McCloud cases (generally referred to as “McCloud”) have ruled that the transitional protections afforded to older members when the Public Service Pension Schemes were amended constituted unlawful age discrimination. APF have carried out some costings of the potential effect of McCloud as at 31 July 2019, based on the individual member data for the 31 March 2016 actuarial valuation, and the results of those calculations based on the IAS19/FRS102 assumptions used for this employer are set out below. The approach to the calculations is as instructed by the administering authority after consideration of the categories of members potentially affected, but in very broad terms calculates the cost of applying a ‘final salary underpin’ (on a member by member basis) to those active members who joined the Fund before 1 April 2012 and would not otherwise have benefited from the underpin.

Additional past service liabilities as at 31 July 2019	£4,315,000
Additional annual service costs	£818,000

APF has been accounted for within these financial statements in accordance with the provisions of FRS102. The financial assumptions used to calculate the scheme liabilities are as follows:

	At 31 July 2019 %pa	At 31 July 2018 %pa
Price inflation (CPI)	2.2	2.1
Rate of increase in salaries	3.7	3.6
Rate of increase of pensions	2.3	2.2
Discount rate	2.2	2.9

The most significant non-financial assumption is the assumed level of longevity. The table below shows the life expectancy assumptions used in the accounting assessments based on the life expectancy of male and female members at age 65.

	31 July 2019 Years	31 July 2018 Years
Retiring today at age 65; male (female)	23.7 (26.2)	23.6 (26.1)
Retiring in 20 years at age 65; male (female)	26.3 (29.0)	26.2 (28.8)

Scheme assets and expected rate of return for Avon Pension Fund

The assets in the scheme were:

	31 July 2019 £m	Fair value as at 31 July 2018 £m	31 July 2017 £m
Equities	135.5	103.5	121.5
Government bonds	-	30.6	28.2
Corporate bonds	31.6	32.5	18.8
Property	15.9	24.6	20.9
Cash	3.5	10.0	3.8
Other	103.1	63.0	47.4
Total	289.6	264.2	240.6

Analysis of the amount shown in balance sheet for APF:

Scheme assets	289.6	264.2
Scheme liabilities	(465.5)	(369.0)
Deficit in the scheme—net pension liability	(175.9)	(104.8)

	at 31 July 2019 £m	at 31 July 2018 £m
Amount recorded within other comprehensive income:		
Current service cost	(15.7)	(16.7)
Curtailments	(0.3)	(0.3)
Total operating charge	(16.0)	(17.0)

Analysis of the amount charged to interest and other finance costs:

Interest on pension liabilities	10.7	9.6
Interest on plan assets	(7.8)	(6.3)
Net finance charge	2.9	3.3

History of experience gains and losses— APF and Ex-gratia pensions	31 July 2019	31 July 2018	31 July 2017	31 July 2016	31 July 2015
Difference between actual and expected return on scheme assets:					
Amount (£m)	11.0	10.7	16.0	(6.9)	(21.5)
Percentage of scheme assets	3.8%	4.0%	6.7%	3.2%	7.9%
Experience (gains)/losses on scheme liabilities:					
Amount (£m)	4.3	-	(5.3)	-	-
% of liabilities at end of year	2.5%	0.0%	1.4%	-	-

	at 31 July 2019 £m	at 31 July 2018 £m
Cumulative actuarial loss recognised as other comprehensive income for Avon Pension Fund		
Cumulative actuarial losses recognised at the start of the year	(28.9)	(65.5)
Cumulative actuarial losses recognised at the end of the year	(87.0)	(28.9)
Deficit at beginning of year	(104.8)	(130.8)
Contributions or benefits paid by the University	10.6	10.0
Current service cost	(15.8)	(16.7)
McCloud past service cost	(4.3)	-
Curtailments or settlements	(0.3)	(0.3)
Administration expenses and other finance charge	(3.2)	(3.5)
(Losses)/Gains recognised in other comprehensive income	(58.1)	36.6
Deficit at end of year	(175.9)	(104.8)

Analysis of movement in the present value of APF and ex-gratia liabilities

	31 July 2019 £m	31 July 2018 £m
Present value of Avon Pension Fund at the start of the year	369.0	371.4
Current service cost (net of member contributions)	15.7	16.7
Interest on pension liabilities	10.7	9.6
Actual member contributions (including notional contributions)	3.7	3.5
McCloud past service cost	4.3	-
Actuarial loss/(gains)	69.1	(25.9)
Curtailments	0.3	0.3
Actual benefit payments	(7.3)	(6.6)
Present value of Avon Pension Fund at the end of the year	465.5	369.0

	at 31 July 2019	at 31 July 2018
	£m	£m
Analysis of movement in the fair value of scheme assets		
Fair value of assets at the start of the year	264.2	240.6
Interest on plan assets	7.8	6.3
Remeasurements (assets)	11.0	10.7
Administration expenses	(0.4)	(0.3)
Actual contributions paid by University	10.6	9.9
Actual member contributions (including notional contributions)	3.7	3.5
Actual benefit payments	(7.3)	(6.6)
Fair value of scheme assets at the end of the year	289.6	264.2
Actual return on scheme assets	18.7	17.0

GMP Equalisation

UK and European law requires pension schemes to provide equal benefits to men and women in respect of service after 17 May 1990 (the date of the “Barber” judgment) and this includes providing equal benefits accrued from that date to reflect the differences in GMPs. Previously, there was no consensus or legislative guidance as to how this might be achieved in practice for ongoing schemes, but the 26 October 2018 Lloyds Bank court judgment has now provided further clarity in this area.

However, in response to this judgment HM Treasury stated that “public sector schemes already have a method to equalise guaranteed minimum pension benefits, which is why we will not have to change our method as a result of this judgment”, clearly implying that the Government (who have the overall power to determine benefits provision) believe the judgment itself will not affect the benefits. Therefore, the natural conclusion for the main public service pension schemes including the APF is that it is not appropriate for any provision to be included for the effect of the Lloyds Bank judgment, at least at the present time, and so our actuary has not made any allowance for any additional liabilities at this stage. This is consistent with previous accounting disclosures.

Universities Superannuation Scheme (USS)

The total cost charged to the CSCI is £0.9m (2018: £0.8m). There was an accrual as at 31 July 2019 in respect of these contributions of £0.1m (2018: £0.1m), which was fully paid in August 2019.

The latest available full actuarial valuation of the scheme was at 31 March 2017 (the valuation date), which was carried out using the projected unit method. The valuation as at 31 March 2018 is being finalised.

Since the University cannot identify its share of scheme assets and liabilities, the following disclosures reflect those relevant for the scheme as a whole.

The 2017 valuation was 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. At the valuation date, the value of the assets of the scheme was £60 billion and the value of the scheme’s technical provisions was £67.5 billion indicating a shortfall of £7.5 billion. The assets therefore were sufficient to cover 89% of the benefits which had accrued to members after allowing for expected future increases in earnings.

Since the year end, the 2018 actuarial valuation was finalised which indicated a shortfall of £3.6 billion. A new deficit recovery plan has been agreed. This amends the existing deficit recovery plan as set out in the 2017 valuation Schedule of Contributions. This new plan requires deficit payments of 2% of salaries from 1 October 2019 to 30 September 2021 and then payments of 6% of salaries from 1 October 2021 to 31 March 2028. As at 31 July 2019 and assuming all other assumptions used to calculate the provision remain unchanged, this would have resulted in a revised provision of £1.6m, a decrease of £0.9m from the current year end provision.

As at 31 March 2019, USS has 202,165 (2018: 198,652) active members. Further disclosure is not made in these financial statements as there are only a small number of 93 (2018: 96) University employees in the scheme.

22 Related party transactions

Due to the nature of the University’s operations and the composition of the Board of Governors (being primarily drawn from local public and private sector organisations), it is inevitable that transactions will take place with organisations in which a member of the Board of Governors may have an interest. All transactions involving organisations in which a member of the Board of Governors may have an interest are conducted at arm’s length and in accordance with the University’s financial regulations and normal procurement procedures.

These financial statements reflect the following transactions with related parties, which were undertaken on arms’ length basis and under normal commercial terms.

Name of organisation	Nature of interest	Detail	(Income)/ Expenditure £000	(Debtor)/ Creditor £000
Anchor Society	VC is a trustee	Project income	(15)	-
Arnolfini	UWE Bristol Pro Vice-Chancellor is a Trustee and Vice-Chair of the Board	Recharges of utility Annual service charge Other	(252) 323 18	- - (35)
Avon Pension Fund	CFO is a Committee Member. Contributions to the scheme not included	Service fees See Note 21 for contributions to the Scheme	(4)	-
Bristol Zoological Society	UWE Bristol Governor and Pro Vice & Executive Dean is a Trustee of the Council	Provision of courses	650	(1)
Bristol Cultural Development Partnership	UWE Bristol Pro Vice-Chancellor is a Director	Investment in BCDP	51	-
Bristol Diocesan	UWE Bristol Governor is an independent member of the Finance Committee	Contribution to Chaplaincy Service	10	-
Bristol Music Trust	UWE Bristol Governor acts as a Board Member of Bristol Music Trust	Project income Hire costs	(7) 18	- -
Bristol Old Vic Theatre School	Pro Vice-Chancellor is a Trustee of the Board	Reimbursement of costs	(36)	-
Cabot Learning Federation	Deputy Vice-Chancellor & Provost is Chair of the Board and member of Cabot Learning Federation, UWE Bristol Chief Financial Officer is a Board member and Chair of the Finance Executive Group	Provision of courses Project payments	(87) 67	- -
CBI	VC–Chair of SW Region CBI; Governor–Member; DVC–Council Member of SW CBI	Membership and subscriptions	12	-

22 Related party transactions (continued)

Name of organisation	Nature of interest	Detail	(Income)/ Expenditure £000	(Debtor)/ Creditor £000
College of Podiatry Medicine	VC is a fellow	Project income	(43)	-
Royal Society of Medicine	VC is a fellow	Donation	10	-
Southern Universities Management Services Limited	The Chief Financial Officer is a director	Membership	54	(14)
St Georges Bristol	UWE Bristol Governor is a Trustee	Project income	(9)	-
The Students' Union	Union President acts as a Governor	Rent and other charges Annual block grant and other sponsorships	(480) 1,424	29 (9)
University Hospitals Bristol NHS Foundation Trust	VC–Non-Executive Director of University Hospitals Bristol NHS Foundation Trust	Project income and provision of courses Partnership funding, occupational health services; training costs; consultancy fees	(528) 469	- (8)
Venturers Academies	UWE Bristol Governor acts as a Trustee, VC is a member	Placement and PD provider costs	17	-
Wallscourt Foundation	Vice-Chancellor acts as Director and Trustee	Provision of grants and donations Lease rental payments	(173) 548	- -
West of England Academic Health Science Network	VC is Chair	Reimbursement of costs	(14)	-
Weston College	UWE Bristol Pro Vice- Chancellor acts as a Governor	Project income Provision of courses	(127) 1,311	- -
Wolfson Centre (Designability)	UWE Bristol Pro Vice- Chancellor & Executive Dean acts as Non-Executive Director	Project income AHRC Project contribution	(4) 33	- (16)



University of the West of England (UWE Bristol)
Frenchay Campus
Coldharbour Lane
Bristol BS16 1QY
UK

uwe.ac.uk