

# Annual Report 2019–2020



# 21<sup>st</sup>

in the Guardian  
League Table of UK  
universities 2021  
and top ranked  
post '92 university.

Source: Guardian League Table 2021



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



A handwritten signature in black ink, appearing to read 'Steve West'.

**Professor Steve West**  
Vice-Chancellor

In 2020 we launched our ambitious Strategy 2030: Transforming Futures, setting out how we will continue to deliver an outstanding student experience against the complex challenges presented by new and evolving technologies, the changing face of business, climate change and sustainability – all of which will play a huge part in the lives and careers of our students and graduates. We have also seen the rise of the Black Lives Matter movement, which has helped each of us reflect on our own values and actions, both as individuals and as communities, with inclusivity being core to Strategy 2030.

The Strategy also sets out our vision to become a world-leading University Enterprise Campus and outlines our commitments to climate change and sustainability, which includes becoming carbon neutral as an organisation by 2030.

The last few months have thrown into sharp focus the importance and relevance of our Strategy. We have been incredibly proud of how quickly and effectively our people have adapted to the radical change required to support our students and staff in response to the coronavirus crisis, including addressing the important issue of digital poverty in our student community.

We have played a vital role in supporting our region and the global fight against coronavirus.

The creation of an NHS Nightingale Hospital in under three weeks was a testament to the incredible teamwork and dedication of our staff in collaboration with the NHS, the MoD and the contractors, Kier. Our students and staff have inspired us with their determination and creativity to support the NHS and tackle the spread of coronavirus. From final-year nursing students working on the frontline to staff producing much needed supplies such as visors and disinfectant for NHS staff.

Through our £1m Digital Innovation Fund, funded by the European Regional Development Fund, we have also helped SMEs in our region to respond to the challenges they are facing as a result of Coronavirus.

Against this challenging backdrop it has been a year where we continue to excel as an organisation. We have risen to 21st place in the Guardian University Guide, we ranked joint second in England for student satisfaction in the National Student Survey and we were placed in the UK top 20 for graduate employment prospects.

We have continued to invest in our estate, launching our new state-of-the-art sports complex, Hillside Gardens, at the beginning of the academic year. Our new multi-million pound engineering building is nearing completion and will help to attract a diverse, creative and innovative student body and address future regional skills gaps.

We have also continued to play a key role in driving innovation and shaping the future of our region, announcing new collaborations in digital engineering, construction, screen-based media and sport.

It has been a challenging year but one that has shown us just what we are capable of as an organisation. We have clear direction and will continue to deliver at pace, leading a new approach to Higher Education.



A handwritten signature in black ink, appearing to read 'David Lamb'.

**David Lamb**  
Chair of  
Board of Governors



**GOLD**  
rating in the 2018 Teaching Excellence Framework (TEF).



**9<sup>th</sup>**  
in the UK for postgraduate student satisfaction.

Source: Postgraduate Taught Experience Survey 2020


**£300m**  
investment in new and improved facilities across our campuses.



**79%**  
of our research is considered to be world leading or internationally excellent.



Source: Research Excellence Framework (REF) 2014



**92%**  
of our graduates are in work or further study 15 months after graduation.

Source: Graduate Outcomes Survey 2020

**304,000**  
More than 304,000 alumni.



## Contents

- 1 Vice-Chancellor and Chair of Board of Governors' statement
- 2 UWE Bristol facts and figures
- 5 Strategic operation and financial review; Impact of Covid-19
- 10 Key financial ratios
- 13 Financial performance 2019–20
- 22 Corporate governance and internal control statement
- 26 Report of the remuneration committee
- 28 Modern slavery statement
- 31 Responsibilities of the Board of Governors
- 32 Independent Auditors' Report to the Board of Governors
- 35 Statement of accounting policies
- 44 Consolidated Statement of Comprehensive Income
- 45 Consolidated and University Statement of Changes in Reserves
- 46 Consolidated and University Statement of Financial Position
- 47 Consolidated Cash Flow
- 48 Notes to the Financial Statements





## Strategic operation and financial review 2019–20

### Impact of Covid-19

#### Business operation and strategy

Firstly, we would like to thank everyone who has been working so hard over the past few months to help prepare our University and support our students and staff, as we play and continue to play our part in the global effort to tackle the spread of coronavirus.

On 23 March 2020, the Prime Minister announced a national coronavirus lockdown. Based on Government's advice, we took the decision to move immediately to online learning and assessment. Our staff have taken on the challenge and over a few weeks switched to remote teaching and support for students.

We have also taken measures to support staff where they now need to work from home or anywhere off campus, whether this is based on underlying health conditions, pregnancy, being over 70, the need to self-isolate and responsibilities for caring for children and the vulnerable. We have provided new guidance and support for teams to continue to work together across different locations, in addition to guidance for staff who continue to work on site.

We worked with NHS colleagues to create a 300-bed Nightingale Hospital on the Frenchay Campus. Our staff from the Health and Applied Science Faculty trained over 350 NHS support workers over the Easter period at our Glenside Campus to ensure it is staffed and supported by talented people. We always hoped that this facility would never be needed, but if it is required, it is ready to be put into operation.

We have also been making and supplying disinfectant for use across industry and the health and social care sectors and we have produced visors in our labs. As a university community we are very proud of our efforts - these collaborations helped save lives and protect our NHS.

Moving to the recovery stage, from dealing with the immediate crisis to focusing on longer term plans and recovery, it was clear that we are a long way from a 'new normal' across the country. We will continue to experience disruption for many months ahead as the country strives to control the spread of the virus. As a University we will continue to follow the advice of the Government, whilst also planning for various future scenarios.

Our focus continues to be on supporting academic endeavours and professional services delivery across the University's normal academic cycle, including the running of

exam boards and resits, recruitment and retention activities and planning for the start of the next academic year.

In light of the difficult circumstances we made revisions to our 2020–21 academic calendar. This included the addition of a Block Zero, designed to create an exciting and engaging way to connect students to each other, programme teams and the wider University in a low-risk environment, where they are free to experiment with new technologies, enhance their digital capabilities and build the confidence to succeed whether online or face-to-face. This has created a connection and positive experience through activities that are programmatically meaningful, supportive (yet challenging) and purposeful in the student's development of skills and learning capability.

Our Strategy 2030 was launched earlier in the year. We will strive to transform futures: powering the future workforce, supporting local economic prosperity, shaping the health and sustainability of our communities and creating solutions to global challenges. Our core set values - ambitious, inclusive, innovative, collaborative and enterprising - are embedded throughout Strategy 2030. These values are key to our success as an organisation, to our success as individuals, and for our students in their future lives. They have served us well during the current crisis and will continue to guide us as we adapt to a new normal. The Covid-19 crisis has challenged us in our implementation plans; some areas will be accelerated, whilst others may have to come later than we had first anticipated. However, Strategy 2030 continues to set out our path ahead.

#### Financial year to 31 July 2020

Overall, Covid-19 has cost us c.£10.0m for the financial year to 31 July 2020. At the start of the national lockdown, we immediately decided that we would release students from their third term rents as they moved out of University residences. This reduced our income by £5.0m. We increased our financial support to students for their digital access needs and through hardship and bursary funds. We worked to waive or provide significant rental discounts to our commercial tenants and business partners. Moving our teaching and business operation online has increased our IT costs. Other increased operational costs included an enhanced cleaning regime, making buildings Covid-19 secure and sourcing alternative vendors due to supply chain issues.

To mitigate the loss of income and additional costs, we invoked our pay cost management mechanism. All staff



recruitment was suspended. Only vacant posts that passed a particular set of stringent criteria, e.g. linked to a confirmed income generating activity or student numbers, were released for advertisement. All non-essential purchases were suspended, and our capital programme was re-profiled.

At the outset, we assessed that the University finances were strong with good cash reserves and liquidity. We did not need any of the Government's Coronavirus Financial Support Schemes for the year to 31 July 2020. However, when the second phase of the Coronavirus Job Retention Scheme was announced, that the scheme was extended to October 2020, but a June deadline was set for application, a decision was made to apply for some Coronavirus Job Retention Grant. This was because we were forecasting a significant impact on the University finances in the new financial year. Following Government guidelines, only staff who are non-publically funded and were unable to perform their duties from home were selected. A total of 192 staff were furloughed in June 2020. All were gradually brought back to work by October 2020. The University maintained full pay to all furloughed staff throughout.

On final analysis, despite the c.£10m costs of Covid-19, the mitigation actions, together with the strong student recruitment numbers during the year, have enabled the University to deliver a small operating surplus for the year of £2.1m.

### Financial viability, sustainability and going concern

Our long-term objective is to ensure we maintain our financial sustainability in delivering operational needs and investing in our people and refresh, renew and enhance our capital infrastructure. We would endeavour to uphold our financial independence particularly in the extent of our borrowings.

The biggest risks to the University's longer-term financial wellbeing are student recruitment and retention numbers and the regulated UK tuition fees level. We are closely monitoring the impact on recruitment numbers both domestically and overseas (including EU).

The Covid-19 global pandemic has significantly affected international student recruitment across the sector. To confirm, although our international applications have seen an increase for the coming year, there remains significant uncertainty of actual arrival at the University due to the continuing global pandemic. However, we are not overly exposed to international income. With our continuing successes in recruitment of UK students, we were 100+ over planned recruitment numbers for September 2020. Coupled with our effective financial management of our cost base, our finances remain robust and will continue to be so.

We have a strong cash reserve, representing over 250 days or 8 months of liquidity, and all held as cash deposits or UK Government treasury bills and not susceptible to the turmoil in the financial markets. We continue to generate significant cash from operations, c.£120m over the last 3 years.

We are currently performing well against our financial targets despite the Covid-19 global pandemic. Our five-year forecasts to 2024–25 show that we will continue to deliver our financial targets of achieving EBITDA (Earnings before Interest, Taxation, Depreciation and Amortisation), of not less than 10% p.a. and generating operating cash in excess of £20m annually.

External key performance parameters confirmed our achievements:

- reached 21st in the 2021 Guardian league table, highest of all Post-92 universities,
- gained Gold Standard in the Teaching Excellence and Student Outcomes Framework (TEF),
- placed 2nd in England (88%) in overall student satisfaction in the 2020 National Student Survey (NSS) results, and
- top 10 for third consecutive year for postgraduate taught student satisfaction in the national Postgraduate Taught Experience Survey (PTES).

We are confident that the University will go from strength to strength, and are assured of its financial viability, sustainability and going concern.

### Financial strategy

Our financial strategy supports the University to reach its potential and ambition, in spite of challenges that may be presented to the higher education sector, nationally or indeed globally. The Covid-19 global pandemic has stress-tested and proven this strategy.

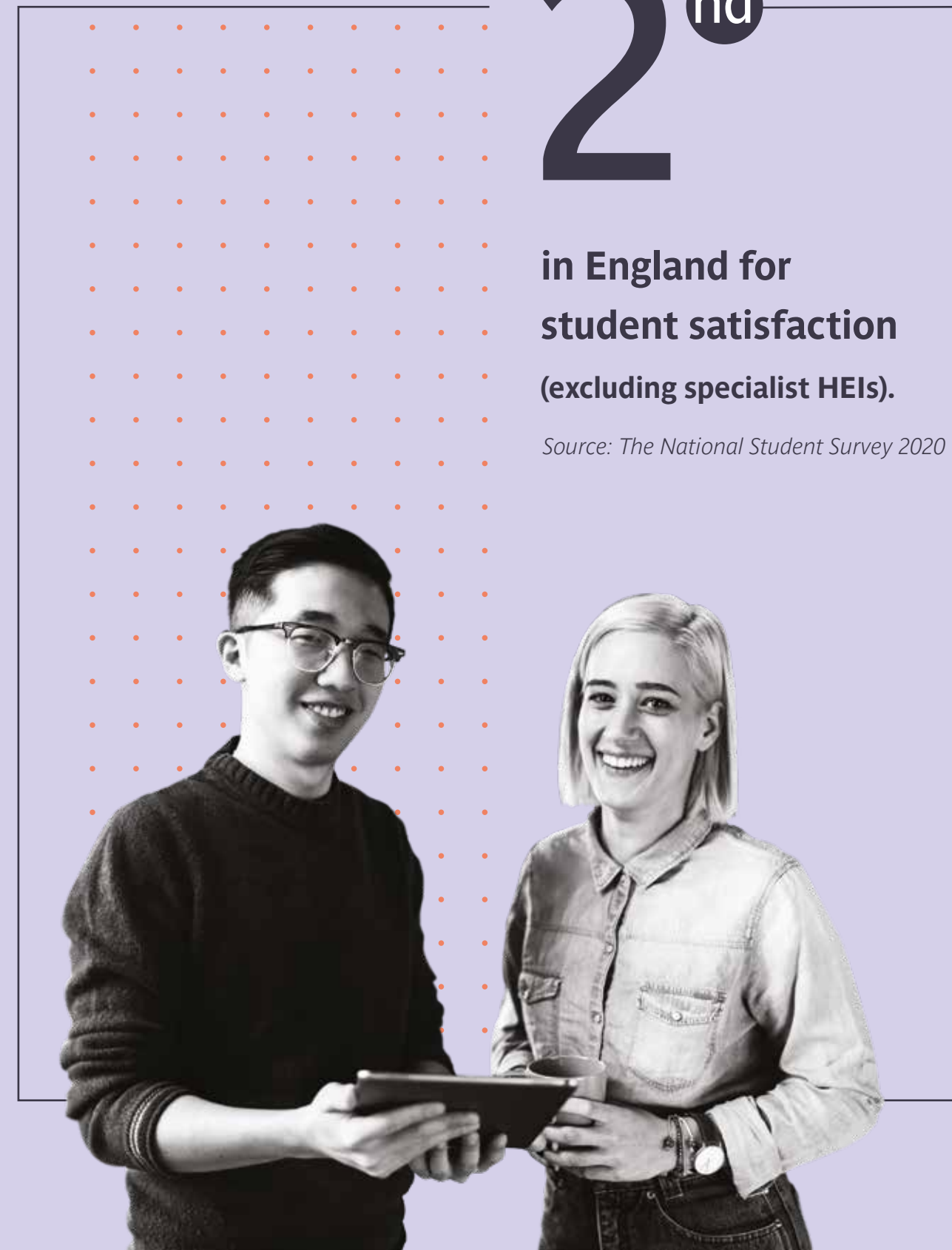
Our financial priorities, in support of the long-term viability and sustainability of the University, are to:

- Continue to maintain and build on successful financial management in meeting challenges and opportunities of an increasingly changeable higher education landscape and economic environment nationally and globally. To do this, we will generate the cash required to support our strategic investment programmes in both our academic enterprises and enhancement of our human and capital infrastructure. We will control costs, making strategic decisions on activities that are either not financially sustainable or are not in alignment with the University's 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

# 2<sup>nd</sup>

**in England for  
student satisfaction  
(excluding specialist HEIs).**

*Source: The National Student Survey 2020*







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 to invest in creating adaptive capacity.

- Enable the financial management of the University by continuing our ongoing programme of process reviews, investment in information systems and business processes, and improving efficiencies, all of which contributes 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 commercial income from excess properties, donations and the astute use of borrowing facilities to finance our strategic programmes, which all are based on robust business cases, will enable the long term sustainability of the University and the potential to fulfil our Strategy 2030.

### Prospects

Covid-19 global pandemic aside, the sector still has a number of significant challenges and uncertainties. Pending the exit deal and subsequent UK Government's plans, Brexit will undoubtedly pose some challenges. As the negotiation of UK exiting EU membership continues, we face a significant degree of political and economic uncertainty about the future as the UK Government thinks and works through how best to respond to its relationship with the EU and the rest of the world, and how to negotiate the best outcome for the UK. We are on 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 will continue to play a 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 status of the recommendations from the Post-18 Education Review (Augar Review), including reducing tuition fees for some subject areas, is currently unknown. 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 the foreseeable future. This means that tuition fees have increased only by 2.7% over the last 8 years, whilst RPI over the same period has increased by 21.5% and pay in excess of 12% 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.

Pension costs are increasing, although for the University, the Avon Pension Fund has some signs of stabilising as it approaches 95% funded, despite the impact of Covid-19 on capital markets.

A Governors Financial Sustainability Sub-Committee was formed to make initial assessments, review financial models, strategies and tactics in ensuring long term financial viability of the University. As well as the potential new fee regime, we also modelled other scenarios that would negatively impact income. We are ensuring that any decisions that we make going forward would not curtail our options in the future. We are also working to increase the University's financial agility by considering diversification of our income base to degree apprenticeship, commercial properties and other activities.

We will continue in our efficiency and savings drive and only fund investments, which are in line with our strategic plan and supported by detailed planning. 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.

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.

Key financial ratios as a % of income	2019–20	2018–19	2017–18
EBITDA (Earnings Before Interest, Taxation, Depreciation and Amortisation)	15.4%	13.1%	13.8%
Cash flow generation (net of financing activities)	15.9%	13.7%	11.8%
Staff costs	59%	60%	59%

Key financial values (£'m)	2019–20	2018–19	2017–18
Total income	303.1	284.0	271.3
Total expenditure	300.5	280.8	263.7
Surplus for the year	2.1	3.3	7.6
<b>Cash flow generated from operations</b>	<b>48.3</b>	<b>38.9</b>	<b>32.1</b>

Borrowings and cash at year end:	2019–20	2018–19	2017–18
Gross debt	101.0	107.8	114.7
Cash, deposits and short term investments	118.8	114.5	109.4
Net cash/(debt)	17.8	6.7	(5.3)
<b>Net Assets at year end</b>	<b>373.5</b>	<b>430.9</b>	<b>485.3</b>

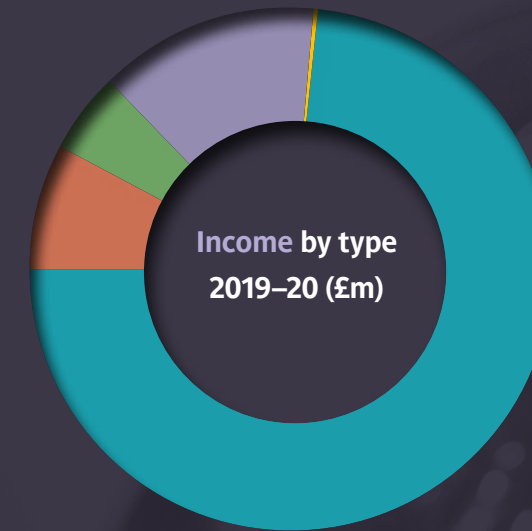
# TOP 10%

of UK institutions for sustained employment three years after graduating.

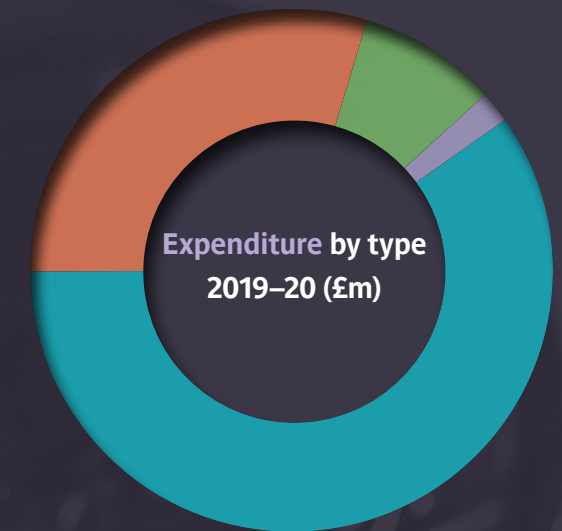


Source: Longitudinal Educational Outcomes Data 2017

## Financial statistics: income and expenditure in 2019–20

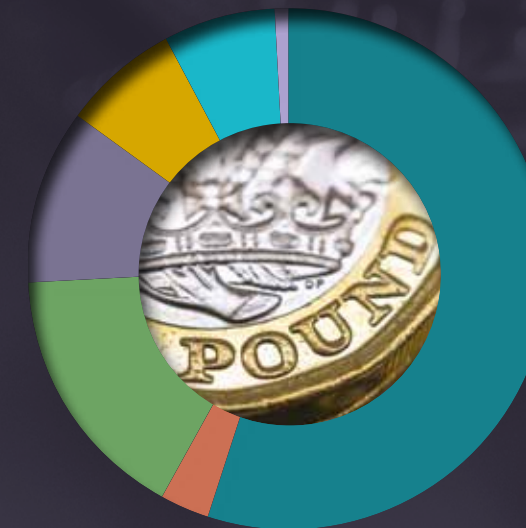


- £222.3m Tuition fees and education contracts
- £23.5m Funding body grants
- £15.4m Research grants and contracts
- £41.1m Other income
- £0.8m Investment income



- £179.2m Staff costs
- £89.4m Other operating expenses
- £26.3m Depreciation
- £5.6m Interest and other finance costs

## Financial statistics: What we spent our money on in 2019–20

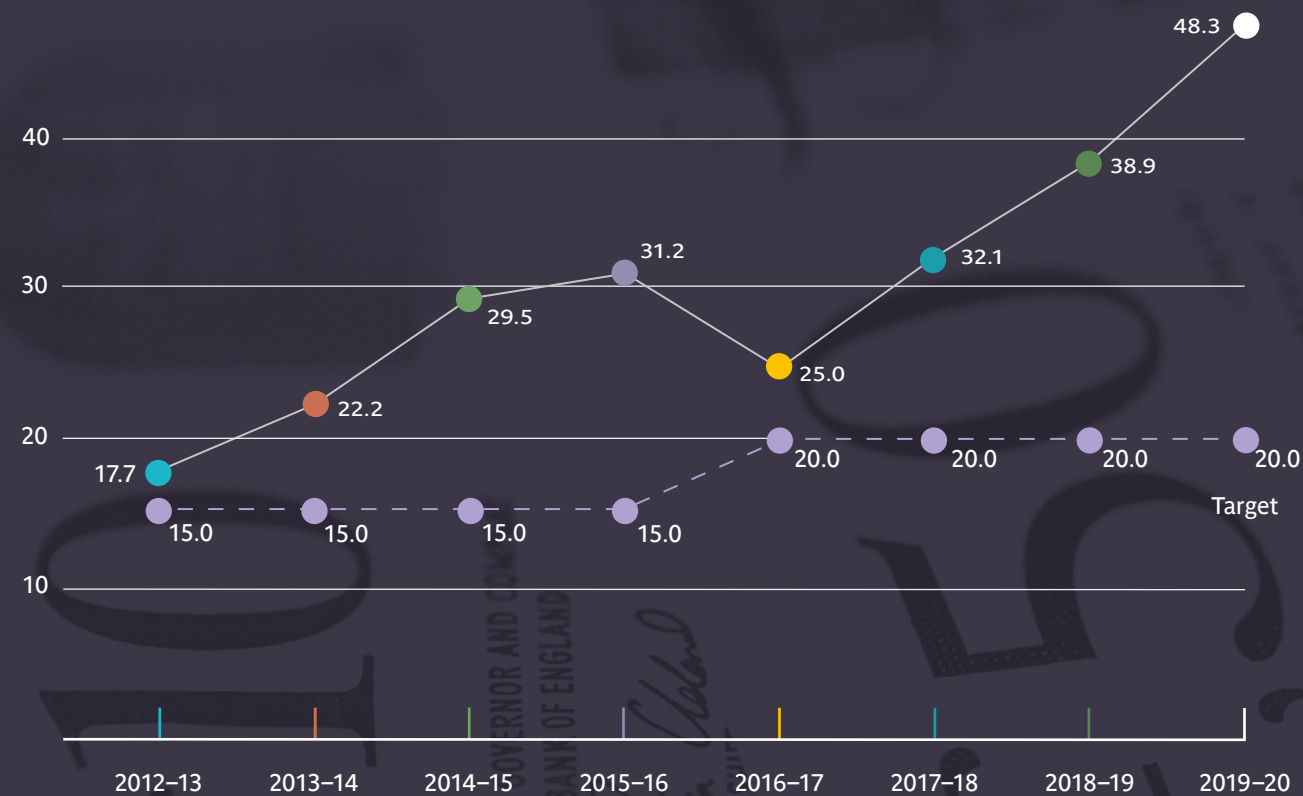


- 55p Academic and student experience
- 3p Research grants and contracts
- 16p Administration and central services
- 11p Premises
- 7p Residences and catering
- 7p Other income generating activities
- 1p For investments in our future



## Financial performance 2019–20

Cash generated from operations (£m)



Despite the global pandemic, 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 experience, academic endeavours and capital infrastructure, including people, systems and estate. Together with robust cost control, we have mitigated the financial impact of Covid-19, freezing of UK tuition fees and rising staff costs, and in particular pension charges. Financial performance during the year was positive with a surplus for the year of £2.1m (2019: £3.3m) before actuarial losses in respect of pension schemes.

Total income for the year was £303.1m (2019: £284.0m) – a £19.1m increase (6.7%); mainly due to an increase of £16.1m (7.8%) from tuition fees and education contracts as a result of successes in recruiting additional home and international undergraduates, as well as from the University's hugely successful degree apprenticeship programmes.

Total expenditure was £300.5m (2019: £280.8m) – a £19.7m (7.0%) increase due to:

- Staff costs increasing by £7.4m (4.3%), which reflected cost of living and incremental pay awards, increasing staff numbers and additional employer's past pension service costs.
- Assets impairment review costs of £6.8m as the University is embarking on an ambitious capital plan for 2030.

### Capital investment

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

- a combined heat and power unit
- 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.

Total capital investment in the year amounted to £32.0m (2019: £23.6m).

We are developing a proposal to provide 2,250 new student residences on the Frenchay Campus in line with our Masterplan and Strategy 2030.

### Cashflow and treasury management

Cashflow generated from operations for the year was £48.3m (2019: £38.9m). After receipts from capital grants of £1.5m, cash outflows in respect of capital expenditure of £32.0m and other items, net cash inflow for the year was £33.3m (2019: outflow of £2.9m). The University currently holds substantial cash and bank deposits; at the year end, the University had cash/money market and financial instrument balances totalling £118.8m (2019: £114.5m).

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 would only consider financial institutions with at least short-term ratings of A1 (Standard & Poors) and F1 (Fitch IBCA). 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 prevailing in 2017, a decision was taken to fix both loans' interest rates at an all-in rate of 1.677% and 1.807% respectively. The total loans outstanding on 31 July was £101.0m (2019: £107.8m), which are fully repayable by September 2036 and March 2034.



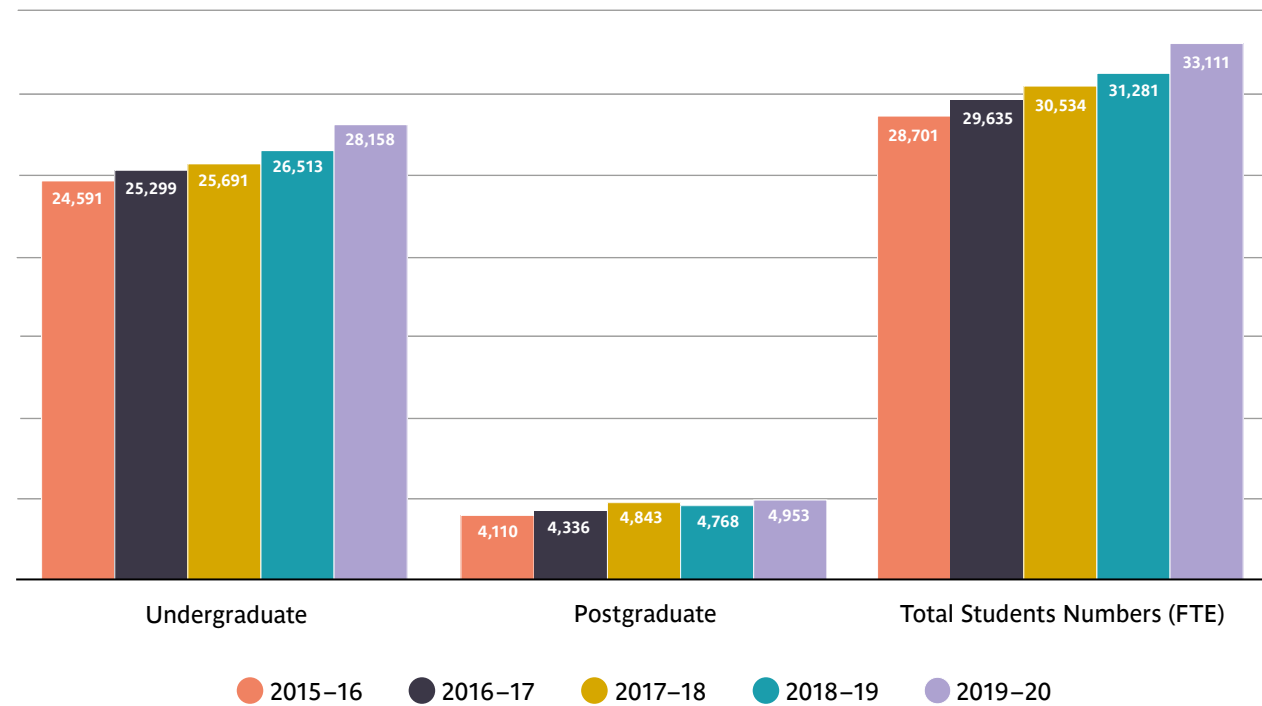
## Student Numbers

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 transnational students who are students studying overseas under partnership arrangements.

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

	2019–20	2018–19	2017–18
<b>Undergraduate</b>			
Home and EU	19,508	18,722	18,040
Overseas and offshore	2,296	1,780	1,683
Transnational education	6,354	6,011	5,968
<b>Postgraduate taught</b>			
Home and EU	3,158	3,158	3,139
Overseas and offshore	1,206	873	818
Transnational education	287	432	611
<b>Postgraduate research</b>			
Home and EU	227	232	199
Overseas and offshore	75	73	76
<b>Total student numbers</b>	<b>33,111</b>	<b>31,281</b>	<b>30,534</b>

## Student Numbers (FTE) from 2015 to 2020





## 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 £290.4m (2019: £289.6m) and liabilities of £548.0m (2019: £465.5m) giving a deficit of £257.6m (2019: £175.9m). A summary of the increase in the FRS102 deficit since July 2019 for Avon Pension Fund shows:

	£m
<b>July 2019 deficit</b>	<b>175.9</b>
Actuarial losses – reducing discount rate	65.6
Shortfall of actual contributions to current service costs	11.5
McCloud past service costs (£4.3m included in previous year)	0.8
Other finance charge	3.8
<b>July 2020 deficit</b>	<b>257.6</b>

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 actuaries estimated the potential effect of McCloud as at 31 July 2019 was £4.3m, which was accrued into the liabilities in previous year. The estimated costs was based on individual member data for the 31 March 2016 actuarial valuation and applying a ‘final salary underpin’ (on a member by member

basis) to those affected active members (who joined the Fund before 1 April 2012).

The results of the valuation on the FRS102 basis contrast remarkably to the last actuarial valuation as at 31 March 2019. On a Trustee’s funding basis, APF is 95% funded with a deficit of £258.0m, of which, £25.9m 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, adjusted to a lower deficit related contributions of £1.9m per annum index-linked. APF has confirmed that the recovery plan is ahead of schedule due primarily to market returns above expectation.

In February and March 2020 as the Covid-19 pandemic took hold, the estimated APF funding level has fallen to 84% as at 31 March 2020. The Fund’s risk management strategies, specifically the equity protection strategy, helped mitigate some of the capital losses. The Fund has since made a significant recovery in the first quarter 2020–21, back to its pre-Covid-19 pandemic level, as confidence across markets was bolstered by significant international government intervention. The medium to longer term implications for economic growth and pace of any recovery are as yet uncertain.

### 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 underrepresented 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 cofound 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 University declared a climate and ecological emergency in January 2020 and has committed to being carbon neutral by 2030. This ambitious goal will tie in with new plans under our Strategy 2030.

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 sustainability ambitions. We follow a holistic approach to sustainability that covers all aspects of sustainability across all functions of the University, enabling 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.

The new Transforming Futures Climate Action and Sustainability Strategy (CASS) will be adopted by the University in 2020 as part of the suite of Thematic Strategies guiding the implementation of Strategy 2030. The CASS and its supporting action plans will further develop the key ambitions of Strategy 2030, explicitly linking urgent sustainability and climate action with the purpose, the place and the people of the university.

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 (delayed due to Covid-19) took place in the autumn of 2020, 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 490 MWh in the last twelve months, avoiding 114 tonnes of carbon emissions and saving the University £73,500. This is now supplemented by our combined heat and power plant which came online in winter 2019–20. As a result of the installation of the CHP and reduced campus activity, between April and July (inclusive) this year we saved £2,310 per day on utilities (comparing spend to last year). This is a 21% reduction over these four months alone, totalling £282k and avoiding 300 tonnes CO<sub>2</sub>e emissions.
- Our ambitious Education for Sustainable Development (ESD) work reaches all departments and services of the University. Work continues on mapping programmes across the University portfolio against the individual SDGs. The ESD team works closely with academic and professional staff across the institution and within The Students' Union at UWE Bristol to support initiatives and build capacity. The University has been successfully re-accredited to the Responsible Futures scheme, and was joined by The Students' Union at UWE as a host partnership for Responsible Futures in 2019–20.
- The Knowledge Exchange for Sustainable Education group (KESE) has been mentoring other institutions and students' unions. KESE were awarded Students' Union Partnership Award at the Student Experience Awards on 6 July 2020.
- With the increasing take up of the Travelsmart programme when campus was last occupied single occupancy car travel was at 22%, with a large growth in walking and bus use. Our focus remains on the development of high-quality alternatives to car travel. We are working closely with other authorities to introduce more bus and cycle routes.
- Our waste and recycling removal contract has established a disposal route to allow unrecyclable waste to be sent to a waste to energy facility where it is used to make electricity. Recycling is sent for further sorting and processing offsite. Our recycling rate is now around 55%; the overall waste 'recovery rate' is 99%.
- A successful partnership was established between UWE Bristol, the Students' Union at UWE and the British Heart Foundation to operate a pop-up charity shop selling kitchen and homeware for the new student intake in September 2019. The items sold were all reused, demonstrating a successful circular economy of materials.
- The University working in partnership with the Students' 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. The Students' Union has taken over running 'Full of Beans' coffee car, a fair trade initiative.

- The University is pleased to support the Students' Union (SU) at UWE with its Green Impact submission, and is delighted that for the fifth year in a row the SU at UWE has retained its 'Excellent' accreditation rating, and received the 'Highest Scoring Students' Union' Award at the NUS and SOS Green Impact Awards.

### 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.

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

- Development of Inclusive Curriculum and Practice toolkit with a range of examples, case studies and guides for academic staff. This guide was developed by a diverse group of staff and students working together collaboratively.

- Development of an additional hardship fund to support digital hardship, and targeted support to care leavers and those without family support during the pandemic.
- Development of 'Speak Up' induction training for all students focusing on active bystander training and awareness raising work to tackle racism and other forms of discrimination.
- Development of training for staff including: unconscious bias training, race and racism and active bystander training and programme leader specific training.
- Being ranked 15th in the higher education sector by Stonewall for our commitment to workplace equality.
- Developed 'return to campus' planning based on EDI principles and an extensive equality analysis and consultation with staff and students.
- 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 includes '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 young people with learning difficulties with experiences of work within the University.

### 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 further enhance the employee voice, including the approval by the Academic Board and the Board of Governors of changes to the Academic Board structure to significantly 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 and 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.

### Health and safety

The revitalisation of health and safety at UWE Bristol was promulgated as a strategic priority through the Safe Places, People and Practice Strategy (SPPP) 2013–2020. The SPPP Strategy has now concluded, and this academic year has seen a transition towards 2030 with the introduction of the Health, Safety and Workplace Wellbeing Roadmap 2030. A Roadmap which seeks to ensure health and safety remains integral in all that the University does as it implements Strategy 2030.

As well as being a transitional year in respect of health and safety strategies, 2019-20 has seen the unprecedented impact by the Covid-19 (Coronavirus) pandemic. However there is still much that has been achieved during 2019–20:

- The health, safety and wellbeing of staff and students was (and remains) foremost in the University's Covid-19 risk management plans. Health and Safety underpins decisions and plans through a health and safety management framework that has been developed and implemented. The framework includes an overarching Covid-19 Health and Safety Risk Assessment and associated Working Safely on Campus Standard.

- There was progress on many of the milestones in the Health, Safety and Workplace Wellbeing Roadmap which included:
  - The development of a 'Commitments Statement' that ensures connexion of Health and Safety in Strategy 2030.
  - The University's Health and Safety Group has been reviewed and is embedding.
  - Governance improvements in Faculties and Services see action plans aligning with the Roadmap.
  - Progress on Health and Wellbeing, with assimilation of work activity of health and safety, Human Resources and the developing Health and Wellbeing Strategy 2030. There are now Staff and Student Health and Wellbeing Roadmaps.
- For the main University health and safety risks, Construction Safety, Ionising Radiation, Genetically Modified Organisms, Fire Safety Management and 'property' related statutory requirements there remains overall assurance there are reasonable management processes in place that ensure compliance with all relevant legislation.

For the most visible indicators of health and safety management, results for the year are as follows (through there must be a caveat of the obvious Covid-19 impact):

- The number of accidents has decreased by 18%, from 138 to 113.
- For the more serious accidents RIDDOR the numbers have decreased with only 1 this year.
- Fire alarm activations decreased by 13.4% (707 compared with 816), 8 required attendance of the Avon Fire and Rescue Service, a 100% increase on 2018–19.
- For fire alarm response there was a reduction in compliance with the KPI with only 75% of buildings achieving the 4 minute evacuation time.

The impact of Covid-19 for the majority of 2020 saw significant re-prioritisation and refocus for health and safety, with the immediate shift to rapid support, development and implementation of the Covid-19 health and safety framework. However, given the existing health and safety culture at UWE Bristol, this framework was successfully instigated. Whilst this has been a challenging year, the foundations of the sustained health and safety culture has helped to ensure the University has been able to provide, as far as is possible a Covid-secure environment. However, in terms of its long term health and safety plans, there is a need for re-prioritisation of the roadmap milestones, to importantly include lessons learnt from Covid-19 which will take place in early 2020–21.

The University is assured that it is compliant with health and safety legislation.





# 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 former was revised in 2020 and published in early September. The Board of Governors is due to formally adopt the new Code at its meeting on 18 November 2020.

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.

## Board of Governors for year ended 31 July 2020

### Independent Members

#### **Sonia Mills**

Chair of the Board of Governors  
Chair of Nominations and Governance Committee  
Chair of Emergency Committee  
(retired 31 July 2020)

#### **Richard Bacon**

Chair of Audit Committee

**Laura Claydon** (from 17 March 2020)

#### **Rob Fraser**

Chair of Finance, Estates and IT Committee

#### **Jenny Body, CBE**

Chair of Strategic Planning and Performance Committee

#### **Richard Holmes**

#### **David Lamb**

Deputy Chair of the Board of Governors  
(Chair of Governors from 1 August 2020)

#### **Clive Lewis**

Chair of Remuneration Committee

#### **Grant Mansfield**

#### **Dr Mark Mason, MBE**

#### **Kalpna Woolf**

#### **Denis Woulfe, MBE**

### Academic Board Nominees

#### **Dr Chris Moore**

(from 2 July 2020)

#### **Professor Jane Roscoe**

#### **Dr Aylwin Yafele**

(until 28 February 2020)

### Student Nominee

#### **Augusta Chidinma Nnajifor**

(from 1 July 2020)

#### **Precious Onyenekwu Tatak**

(to 1 July 2020)

### Co-opted Members

#### **Professor John Craven, CBE**

#### **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.

During the year to 31 July 2020 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 2020 the Directorate consisted of the Vice-Chancellor, the Deputy Vice-Chancellor and Provost, the Registrar and Pro Vice-Chancellor (Student Experience), the Pro Vice-Chancellor (Research and Enterprise), and the Chief Financial Officer. The membership was expanded from the 20 April 2020 to include the Chief Information Officer and the Chief People 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. During the year its work has been supported by the University's Strategy Implementation Group, which manages the prioritisation, delivery and alignment of the major programmes and projects to deliver the University's Strategy.

## 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. 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 various levels 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 focused on:

- Achievement of student recruitment targets.
- Achievement of student retention and success targets.
- Transformation of workforce and culture to effectively deliver Strategy 2030.
- Delivery of financial targets and long-term financial sustainability.
- Enhancement of the academic character and reputation of the University through its research.
- The impact of the UK's decision to leave the EU across the University's activities.
- Ensuring a sufficiently robust strategic planning, governance and implementation framework to deliver Strategy 2030.
- Ensuring regulatory compliance and business continuity.

The Board of Governors regularly reviews and scrutinises 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.

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 public funding bodies ensuring:

- regularity in the use of this public funding
- 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. Accordingly, the annual internal audit programme is informed by the University's strategic risk register, which includes evaluation of the likelihood and impact of the risks becoming a reality. Covering business, operational and compliance risks, the programme is also designed to review financial risks including the prevention and detection of corruption, fraud, bribery and other irregularities.

During the year the Board of Governors through its Audit Committee received regular reports on internal control and risk. The Internal Auditors completed 10 (2018–19: 9) internal audit reviews and reported to the Audit Committee. These reviews included:

- Student experience (under UUK Accommodation Code)
- Strategic projects and programmes
- TRAC data quality
- Core financial processes
- Capital project management and delivery
- Debt management and recovery
- Payments and supplier management
- Data sharing
- Cyber security
- IT resilience and capacity.

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 2019.41 "Regulatory advice 9: Accounts Direction: Guidance on preparing and publishing financial statements for accounting periods beginning on or after 1 August 2019".

The Board of Governors and all its appropriate committees have considered the University's processes and are of a view that they are adequate and meet the needs of the University in accordance with the direction from the OfS for identifying, evaluating and managing risks during the year.

External auditors are appointed for the audit of the Annual Report and Financial Statements, as well as other audit certification work conducted in accordance with the requirements of the OfS and other public funding bodies.

Both external audit and internal audit contributes to improving the University's internal control environment and performance in the delivery of value for money.

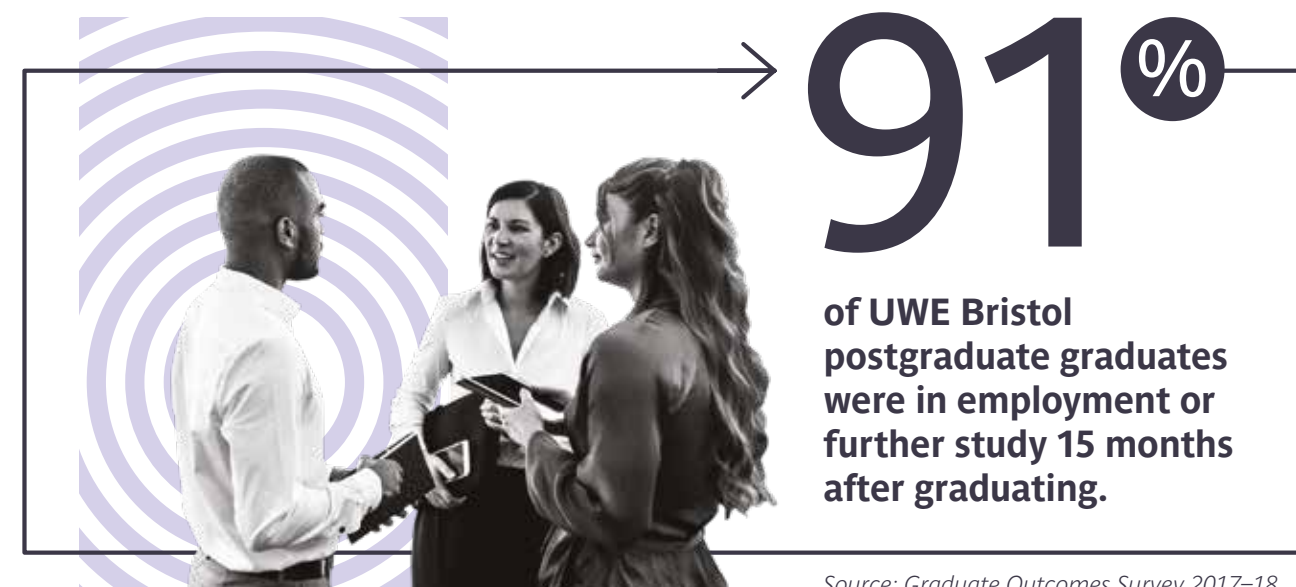
## Register of interests

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 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 2019–20 a total of £2,792 (£7,403 in 2018–19) for expenses were paid to or on behalf of 6 Trustees. 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.



Source: Graduate Outcomes Survey 2017–18.



# Report of the Remuneration Committee

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 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 2019–20 over 6,700 students were studying with the University through its TNE provision, a ten-fold increase in the last decade.

The University has over 30,000 students from 166 countries and is rated joint second 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 circa 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.

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. 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.

2020 has been an extraordinarily challenging year for the University, for the higher education sector and for society as a whole. Professor West has led the University through the uncertainty of the global Coronavirus pandemic to a position where it is ready to begin the new academic year with students receiving a blend of online and in-person learning. Professor West has also played an important role in the national effort to tackle Coronavirus, being instrumental in setting up a 'Nightingale Hospital' in UWE Bristol's Exhibition and Conference Centre and his work in this regard won him a place on Business Leader Magazine's 'Heroes of Covid-19'. He has also been further recognised for his work on the recovery both regionally and nationally.

Despite the challenges this year, the University has continued to increase its performance under Professor West's leadership, climbing to 21st in the Guardian league table. UWE Bristol is also Gold-rated in the Teaching Excellence Framework, a recognition that the University consistently delivers outstanding teaching and learning outcomes for its students, and is approved on the Office

for Students Register of Providers with no ongoing conditions of registration.

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.

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 £34m or 11% of the University's total income for 2019/20.

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

Up to 10% of the Vice-Chancellor's remuneration is paid as a bonus and is therefore 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 a comparator set of institutions. The Vice-Chancellor cannot receive a bonus at all if UWE Bristol does not maintain gold status in the Teaching Excellence Framework. This year Professor West led the University to an average NSS score of 88%, maintained TEF Gold, EBITDA at 15.4%, and cash generation at £48.3m – exceeding performance targets on all measures. However, due to the challenges created by the Coronavirus pandemic, Professor West has agreed with the Board of Governors that he will forgo his bonus this year and in line with other staff, will not receive an increase in salary.

REMCO also monitor the relationship between the Vice-Chancellor's pay and that of the median UWE Bristol salary. This is disclosed on Note 7 of the financial statements. 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.

Under Professor West's leadership, against the backdrop of the coronavirus pandemic, the uncertainty of the UK's exit from the European Union and continued uncertainty 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.

In recent years, the Vice-Chancellor's basic pay has increased in line with the national pay award for other university staff. REMCO are 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 develop the university's 2030 strategy.

# 30,751

total number  
of students  
from 166  
countries.





# Modern Slavery and Human Trafficking Annual Statement

## Introduction

This statement is made in accordance with section 54(1) of the Modern Slavery Act 2015 and constitutes our modern slavery and human trafficking statement for the financial year ending 31 July 2020. This is our fifth statement under the Act and provides an overview of our continuing progress in this area.

## About the University

UWE Bristol (and its subsidiary companies) provides a wide range of education, research and training related activities. We are based in Bristol but are a global institution. We have approximately 33,000 students registered on courses in the UK and at partner organisations across the world. We employ over 3,800 people and have a turnover in excess of £300m. We continue to progress an ambitious £500m investment programme over the next 10 years, across our people, estate and infrastructure, and in 2019–20 we engaged over 3,500 suppliers.

We also play a leading role in shaping local decisions, improving lives across our communities and boosting the economy and cultural vibrancy of the city-region.

## Our commitment

UWE Bristol has adopted a zero-tolerance approach to modern slavery and human trafficking and we are committed to ensuring our policies and procedures combat the risk of modern slavery and human trafficking throughout our activities and in our supply chain. We continue to take both an informed and risk-based approach to better understand our diverse and complex supply chains and to prioritise and target our actions.

## Our policies and procedures

Overall responsibility for modern slavery rests with the Board of Governors. Day-to-day responsibility for implementing and monitoring the University's approach has been delegated to the Chief of Staff and Clerk to the Board of Governors and the Chief Financial Officer.

Our policies and procedures ensure that the University is fulfilling its commitment to a zero-tolerance approach and that our activities are conducted ethically and with integrity.

These include, but are not limited to:

- 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, setting out our commitments and expectations.
- Safeguarding Policy and Procedure, to protect children and vulnerable adults from abuse and neglect.
- Ethical investment policy, to ensure that investments made by the University are socially responsible and sustainable.
- Health and Safety Policy, to provide an inherently safe and healthy working and learning environment that engages the entire University community.
- Public Disclosure Policy and Procedure (Whistleblowing), to allow staff, students and all members of the University to raise, at a high level, concerns or information which they believe in good faith provides evidence of malpractice or impropriety.

The University has held Fairtrade status since 2006 and has shared good practice and gained external recognition in the form of success at the South West Fairtrade Business awards and the Environmental Universities and Colleges Green Gown awards in the Food and Drink category for our work on Fairtrade.

The University has applied the Living Wage Foundation's UK Real Living Wage since 2015 and in 2019–20 became a Living Wage Employer through the Foundation's accreditation, awarding the University, the mark of a responsible employer.

We are committed to transparency in what we do and expect the same from our contractors, suppliers and other business partners and their supply chains. With this in mind, we are part of TISC Report (<http://tiscreport.org>) the world's largest open data repository of Modern Slavery and Human Trafficking Statements.

In 2019–20 we also developed a Modern Slavery and Human Trafficking Policy to support our annual statements and to ensure clarity on the University's expectations, where responsibilities sit and where any concerns should be raised, in line with the University's Public Disclosure (Whistleblowing) Policy and Procedure.

## Understanding and engaging with our supply chains

We work with a wide range of different suppliers and partners and purchase works, goods and services from more than 3,500 suppliers listed on our finance system. 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 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 and 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
- Recruitment and delivery partners.

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 contracts. Our Terms and Conditions of Purchase include the following statement for all purchases, and where appropriate this is also progressed at scheduled contract review meetings as part of Equality, Diversity and Inclusion.

'40. In accordance with the requirements of the Modern Slavery Act 2015 UWE Bristol is committed to ensuring that there is no slavery or human trafficking in its supply chains

or in any part of its business. Suppliers providing Goods or Services to UWE Bristol warrant that they have thoroughly investigated their labour practices and those of its direct Suppliers, to ensure that there is no slavery or forced labour used anywhere in their organisation or by any direct Suppliers or Sub-Contractor to their organisation.

The Supplier shall ensure that (where relevant) it complies with the provisions of the 'Modern Slavery Act 2015.'

This is published on the University's website, providing information for suppliers.

In 2019–20 we have also developed a Supplier Code of Conduct which builds on these existing Terms and Conditions.

Tenderers responding to an EU tender are also asked to comply with the International Labour Organisation (ILO), which is an internationally-recognised code of labour practice. Modern Slavery and human trafficking are also included in the employment contracts of the international agents who recruit students to UWE Bristol.

We proactively engage with our suppliers and whilst we were unable to host our Annual SME Supplier Day in 2019–20 due to the coronavirus pandemic, we plan to run this again in 2020–21.

## Promoting awareness and training

Raising staff awareness of the problem of modern slavery and human trafficking remains a priority in 2020–21. Communication of this Statement, the University's Modern Slavery and Human Trafficking Policy, and available training will be shared with all staff in the autumn.

Specific training has been undertaken by our procurement professionals, with the addition of training on 'Driving social value into businesses' in 2019–20. In 2020–21 we will seek to gain the CIPS Corporate Ethics Procurement Mark. Online training completion will be required of all staff who hold permission to procure through the University's finance software. A KPI for the percentage of required staff who have completed the online training will be progressed in 2020–21.

This statement was approved by the Board of Governors on 24 September 2020.





## 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 University of The West of England ('the University') and its subsidiaries ('the Group') for the year ended 31 July 2020 which comprise the Consolidated Statements of Comprehensive Income and Expenditure, the Consolidated and University Statement of Financial Position, the Consolidated and University Statement of Change in Reserves, the Consolidated Statement of Cash Flows 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 University's affairs as at 31 July 2020 and of the Group's and University's income and expenditure, gains and losses, changes in reserves and cash flows for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of 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 company 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 have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the Group's 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.

## Other information

The Board of Governors are 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 31, the Board of Governors are 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 either intend to liquidate the company or 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.

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](https://www.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 from whatever source administered by the provider for specific purposes have been properly applied to those purposes and managed in accordance with relevant legislation;
- funds provided by OfS, UK Research and Innovation (including Research England), the Education and Skills Funding Agency and the Department for Education have been applied in accordance with the relevant terms and conditions; and
- the requirements of the OfS's accounts direction have been met.

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

We have nothing to report in respect of the following matters in relation to which the OfS Audit Code of Practice requires us to report to you if, in our opinion:

- the provider's grant and fee income, as disclosed in the notes to the financial statements, has been materially misstated; or
- the provider's expenditure on access and participation activities, as disclosed in the financial statements, has been materially misstated.

### 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.



Jon Marchant (Senior Statutory Auditor)  
for and on behalf of Mazars LLP  
Chartered Accountants and Statutory Auditor  
90 Victoria Street, Bristol, BS1 6AN  
19 November 2020





## Statement of principal accounting policies

### For the year ended 31 July 2020

#### 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 (2019 edition). 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.

The University is a public benefit entity and therefore has applied the relevant public benefit requirement of the applicable UK laws and accounting standards.

#### 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 strategic operation 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 financial statements of the University and all its subsidiaries for the financial year to 31 July 2020.

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 Wallscourt 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. The University does not exert control or dominant influence over policy decisions over these entities.

On 1 July 2019, the University took effective control over Arnolfini Galleries Limited and all its associated companies by assuming as the sole member of the Charitable Incorporate Organisation with authority to appoint and terminate the Board of Trustees. The University has therefore consolidated the financial statements of Arnolfini Galleries Limited and all its associated companies for the financial year to 31 July 2020.

#### 6. Income recognition

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.

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.

Investment income is credited to the Consolidated Statement of Comprehensive Income 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 and endowments

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.

Investment income and appreciation of endowments is recorded in income in the year in which it arises and as either restricted or unrestricted income according to the terms or other restriction applied to the individual endowment fund.

The main type of donations and endowments identified within reserves is restricted permanent endowments - the donor has specified that the fund is to be permanently invested to generate an income stream to be applied to a particular objective.

### Capital grants

Capital grants are recognised in 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. Each of these funds are valued every three years by professionally qualified independent actuaries. The financial positions of all these funds are disclosed in their respective audited financial statements.

### Defined contribution plan

TPS is accounted for as if it were a defined contribution plan, which the University pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts. The contributions paid are recognised as an expense in the income statement in the periods during which services are rendered by employees.

### Defined benefit schemes

Under defined benefit schemes the University's obligation is to provide the agreed benefits to current and former employees, and actuarial risk (that benefits will cost more or less than expected) and investment risk (that returns on assets set aside to fund the benefits will differ from expectations) are borne in substance by the University.

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 net liability is recognised in the balance sheet in respect of Avon PF and is the present value of the defined benefit obligation, less the fair value of the plan assets at the year end.

The group should recognise a liability for its obligations under defined benefit plans net of plan assets. This net defined benefit liability is measured as the estimated amount of benefit that employees have earned in return for their service in the current and prior periods, discounted to determine its present value, less the fair value (at bid price) of plan assets. The calculation is performed by a qualified actuary using the projected unit credit method. Where the

calculation results in a net asset, recognition of the asset is limited to the extent to which the University is able to recover the surplus either through reduced contributions in the future or through refunds from the plan.

Annually the University engages independent actuaries to calculate the obligation for the Avon PF. The present value is determined by discounting the estimated future payments at a discount rate based on market yields on high quality corporate bonds denominated in sterling with terms approximating to the estimated period of the future payments. The fair value of a scheme's assets is measured in accordance with the FRS 102 fair value hierarchy and in accordance with the Institution's policy for similarly held assets. This includes the use of appropriate valuation techniques.

Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are charged or credited to other comprehensive income. These amounts together with the return on plan assets, less amounts included in net interest, are disclosed as actuarial gains and losses.

The cost of the defined benefit plan, recognised in expenditure as staff costs, except where included in the cost of an asset, comprises the increase in pension benefit liability arising from employee service during the period and the cost of plan introductions, benefit changes, curtailments, and settlements. The net interest cost is calculated by applying the discount rate to the net liability. This cost is recognised in expenditure as a finance cost.

### Multi-employer scheme

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 University 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 University therefore accounts for USS as if it were a wholly defined contribution plan. As a result, the amount charged to the income statement represents the contributions payable to USS. Since the University has entered into an agreement (the Recovery Plan) that determines how each employer within the scheme will fund

the overall deficit, the University recognises a liability for the contributions payable that arise from the agreement, to the extent that they relate to the deficit, and the resulting expense is recognised in expenditure.

Further detail is provided on the specific pension schemes in note 24 to the accounts.

## 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 measured and accrued 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

Land and buildings are capitalised at cost on initial recognition.

After initial recognition land and buildings are subsequently measured at cost/deemed cost less accumulated depreciation and accumulated impairment losses. Certain items of land and buildings that had been revalued to fair value on or prior to the date of transition to the 2015 FE HE SORP, are measured on the basis of deemed cost, being the revalued amount at the date of that revaluation.

Costs incurred in relation to land and buildings after initial purchase or construction 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. Freehold 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%

Where an item of land and buildings comprise two or more major components with substantially different useful economic lives (UELs), each component is accounted for separately and depreciated over its individual UEL. Expenditure relating to subsequent replacement of components is capitalised as incurred. The economic life for the mechanical and electrical components and depreciation rates applied are as follows:

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

Leasehold land is depreciated over the life of the lease up to a maximum of 50 years.

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

Depreciation methods, useful lives and residual values are reviewed at the date of preparation of each Statement of Financial Position.

### 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.

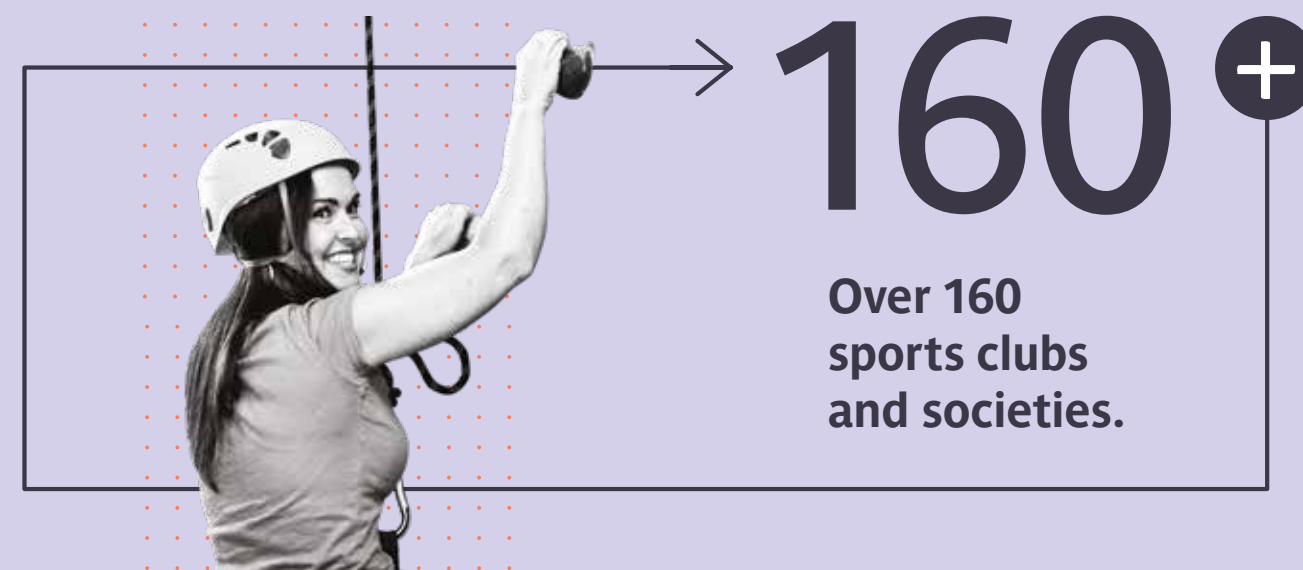
### Impairment

A review for impairment of property, plant and equipment is carried out if events or changes in circumstances indicate that the carrying amount of the property, plant and equipment may not be recoverable.

### 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 at the end of each accounting date, with changes in fair value recognised immediately in the Consolidated Statement of Comprehensive Income 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

Current tax, including UK corporation tax and foreign tax, is provided at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted or substantively enacted by the reporting date.

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. Financial instruments

The University has elected to adopt Sections 11 and 12 of FRS 102 in respect of the recognition, measurement, and disclosure of financial instruments. Financial assets and liabilities are recognised when the University becomes party to the contractual provision of the instrument and they are classified according to the substance of the contractual arrangements entered into.

A financial asset and a financial liability are offset only when there is a legally enforceable right to set off the recognised amounts and an intention either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

#### Financial assets

Basic financial assets include trade and other receivables, cash and cash equivalents, and investments in commercial paper (i.e. deposits and bonds). These assets are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Such assets are subsequently carried at amortised cost using the effective interest rate method. Financial assets are assessed for indicators of impairment at each reporting date. If there is objective evidence of impairment, an impairment loss is recognised in the statement of comprehensive income.

For financial assets carried at amortised cost the impairment loss is the difference between the carrying amount of the asset and the present value of the estimated future cash flows, discounted at the asset's original effective interest rate.

Other financial assets, including investments in equity instruments which are not subsidiaries, associates, or joint ventures are initially measured at fair value, which is typically the transaction price. These assets are subsequently carried at fair value and changes in fair value at the reporting date are recognised in the statement of comprehensive income. Where the investment in equity instruments are not publicly traded and where the fair value cannot be reliably measured the assets are measured at cost less impairment.

Financial assets are de-recognised when the contractual rights to the cash flows from the asset expire or are settled or substantially all of the risks and rewards of the ownership of the asset are transferred to another party.

#### Financial liabilities

Basic financial liabilities include trade and other payables, bank loans, and intra-group loans. These liabilities are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Debt instruments are subsequently carried at amortised cost using the effective interest rate method.

Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down.

Trade payables are obligations to pay for goods and services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade payables are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest rate method.

Derivatives, including forward foreign exchange contracts, are not basic financial instruments. Derivatives are initially recognised at fair value on the date the derivative contract is entered into and are subsequently re-measured at their fair value at the reporting date. Changes in the fair value of derivatives are recognised in the statement of comprehensive income in finance costs or finance income as appropriate, unless they are included in a hedging arrangement.

To the extent that the University enters into forward foreign exchange contracts which remain unsettled at the reporting date the fair value of the contracts is reviewed at that date. The initial fair value is measured as the transaction price on the date of inception of the contracts. Subsequent valuations are considered on the basis of the forward rates for those unsettled contracts at the reporting date.

The University does not apply hedge accounting in respect of forward foreign exchange contracts held to manage cash flow exposures of forecast transactions denominated in foreign currencies.

Financial liabilities are de-recognised when the liability is discharged, cancelled, or expires.



## 18. Reserves

Reserves are classified as restricted or unrestricted. Restricted endowment reserves include balances which, through endowment to the University, are held as a permanently restricted fund which the University must hold in perpetuity.

## 19. 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** – Judgement is applied in determining the value and timing of certain income items to be recognised in the financial statements. This includes determining when performance related conditions have been met, and determining the revenues associated with partially delivered courses and training where the activities have not been fully completed at the reporting date.

**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 including the impact of the global pandemic. 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 independent property consultants. Based on assumptions and judgements which are impacted by a variety of factors including market and other economic conditions, the valuations were prepared in accordance with the Royal Institution of Chartered Surveyors (RICS) Valuation – Global Standard 2020 and the UK national supplement published on 14 January 2019 ('Red Book'), FRS 102 and the SORP for Further and Higher Education.

**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 24.

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.

**Impairment of assets** – At the year end, non-current assets were reviewed to determine whether there were any indications that those assets have suffered an impairment loss as a result of the global pandemic or developing operation strategy. A number of buildings are identified on the University's Estate Plan scheduled for demolition over the next five years. Management made a decision to reduce the carrying amounts of these buildings to their estimated remaining economic values. The impairment losses were recognised immediately in the Statement of Comprehensive Income.

**Access and Participation Plan** – The Access and Participation Plan identifies the level of investment that the University has and continues to invest in order to improve equality of opportunity for underrepresented groups to access, progress and succeed at UWE. The reported expenditure for the year is based on identified initiatives, and specific activities across all functions which support our students, from an attributed percentage of academic time for enhanced support, to fully dedicated student support and associated bursary and other funding schemes.





## Consolidated and University Statement of Comprehensive Income Year ended 31 July 2020

	Note	Year ended 31 July 2020		Year ended 31 July 2019	
		Consolidated £m	University £m	Consolidated £m	University £m
<b>Income</b>					
Tuition fees and education contracts	1	222.3	222.3	206.2	206.2
Funding body grants	2	23.5	23.5	22.6	22.6
Research grants and contracts	4	15.4	15.4	13.8	13.8
Other income	5	41.1	38.2	40.6	40.7
Investment income	6	0.8	0.7	0.8	0.8
<b>Total income</b>		<b>303.1</b>	<b>300.1</b>	284.0	284.1
<b>Expenditure</b>					
Staff costs	7	(179.2)	(177.9)	(171.8)	(171.7)
Other operating expenses		(89.4)	(88.1)	(84.5)	(84.6)
Depreciation and impairment charges	12	(26.3)	(25.9)	(19.7)	(19.5)
Interest and other finance costs	8	(5.6)	(5.6)	(4.8)	(4.8)
<b>Total expenditure</b>	<b>9</b>	<b>(300.5)</b>	<b>(297.5)</b>	(280.8)	(280.6)
<b>Surplus before other gains</b>		<b>2.6</b>	<b>2.6</b>	3.2	3.5
Gain on investments and disposal of tangible assets		0.2	-	0.1	0.1
<b>Surplus before tax</b>		<b>2.8</b>	<b>2.6</b>	3.3	3.6
Taxation	10	(0.7)	(0.7)	-	-
<b>Surplus for the year</b>		<b>2.1</b>	<b>1.9</b>	3.3	3.6
<b>Other comprehensive income</b>					
Actuarial losses in respect of pension schemes	24	(65.6)	(65.6)	(58.1)	(58.1)
<b>Total comprehensive expenditure for the year</b>		<b>(63.5)</b>	<b>(63.7)</b>	(54.8)	(54.5)
Represented by:					
Endowment expenditure for the year		-	(0.2)	(0.2)	(0.2)
Unrestricted comprehensive expenditure for the year		(63.5)	(63.5)	(54.6)	(54.3)
		(63.5)	(63.7)	(54.8)	(54.5)
<b>Deficit for the year attributable to University</b>		<b>(63.5)</b>	<b>(63.7)</b>	(54.8)	(54.5)

All items of income and expenditure relate to continuing activities.

## Consolidated and University Statement of Changes in Reserves Year ended 31 July 2020

	Restricted reserves	Unrestricted reserves		Total
	Endowment and prize fund	Income and expenditure	Revaluation reserve	
	£m	£m	£m	£m
<b>Consolidated</b>				
<b>Balance at 1 August 2018</b>	<b>2.3</b>	<b>191.3</b>	<b>292.1</b>	<b>485.7</b>
Surplus for the year	-	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 spent in year	(0.9)	0.9	-	-
<b>Total comprehensive expenditure for the year</b>	<b>(0.9)</b>	<b>(50.3)</b>	<b>(3.6)</b>	<b>(54.8)</b>
<b>Balance at 1 August 2019</b>	<b>1.4</b>	<b>141.0</b>	<b>288.5</b>	<b>430.9</b>
Surplus for the year	-	2.1	-	2.1
Other comprehensive expenditure	-	(65.6)	-	(65.6)
Reserve in year adjustment	2.3	3.8	-	6.1
Transfers between revaluation and income and expenditure reserves	-	10.4	(10.4)	-
Release of endowment and prize fund	(0.1)	0.1	-	-
<b>Total comprehensive income/(expenditure) for the year</b>	<b>2.2</b>	<b>(49.2)</b>	<b>(10.4)</b>	<b>(57.4)</b>
<b>Balance at 31 July 2020</b>	<b>3.6</b>	<b>91.8</b>	<b>278.1</b>	<b>373.5</b>
<b>University</b>				
<b>Balance at 1 August 2018</b>	<b>2.3</b>	<b>191.6</b>	<b>292.1</b>	<b>486.0</b>
Surplus for the year	-	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	-	-
<b>Total comprehensive income for the year</b>	<b>(0.9)</b>	<b>(50.0)</b>	<b>(3.6)</b>	<b>(54.5)</b>
<b>Balance at 1 August 2019</b>	<b>1.4</b>	<b>141.6</b>	<b>288.5</b>	<b>431.5</b>
Surplus for the year	-	1.9	-	1.9
Other comprehensive expenditure	-	(65.6)	-	(65.6)
Transfers between revaluation and income and expenditure reserves	-	10.4	(10.4)	-
Release of endowment and prize fund spent	(0.2)	0.2	-	-
<b>Total comprehensive expenditure for the year</b>	<b>(0.2)</b>	<b>(53.1)</b>	<b>(10.4)</b>	<b>(63.7)</b>
<b>Balance at 31 July 2020</b>	<b>1.2</b>	<b>88.5</b>	<b>278.1</b>	<b>367.8</b>



## Consolidated and University Statement of Financial Position As at 31 July 2020

	Note	As at 31 July 2020		As at 31 July 2019	
		Consolidated £m	University £m	Consolidated £m	University £m
<b>Non-current assets</b>					
Intangible assets	11	12.6	12.6	7.4	7.4
Tangible assets	12	624.6	613.1	615.3	607.1
Investments	13	24.9	35.1	22.4	35.1
		<b>662.1</b>	<b>660.8</b>	645.1	649.6
<b>Current assets</b>					
Stock		0.4	0.4	0.3	0.3
Trade and other receivables	14	20.7	20.7	19.1	19.1
Investments	15	65.4	65.4	94.4	90.7
Cash and cash equivalents		53.4	48.7	20.1	20.0
		<b>139.9</b>	<b>135.2</b>	133.9	130.1
Less:					
Creditors: amounts falling due within one year	16	(74.9)	(74.6)	(68.7)	(68.8)
<b>Net current assets</b>		<b>65.0</b>	<b>60.6</b>	65.2	61.3
<b>Total assets less current liabilities</b>		<b>727.1</b>	<b>721.4</b>	710.3	710.9
Creditors: amounts falling due after more than one year	17	(94.2)	(94.2)	(101.0)	(101.0)
<b>Provision for liabilities and charges</b>					
Other provisions	20	(1.8)	(1.8)	(2.5)	(2.5)
Pension Liability	24	(257.6)	(257.6)	(175.9)	(175.9)
<b>Total net assets</b>		<b>373.5</b>	<b>367.8</b>	430.9	431.5
<b>Restricted reserves</b>					
Endowment and prize fund		3.6	1.2	1.4	1.4
<b>Unrestricted reserves</b>					
Income and expenditure reserve		91.8	88.5	141.0	141.6
Revaluation reserve		278.1	278.1	288.5	288.5
		369.9	366.6	429.5	430.1
<b>Total reserves</b>		<b>373.5</b>	<b>367.8</b>	430.9	431.5

The financial statements were approved by the Governing Body on 18 November 2020 and were signed on its behalf on that date by:



**Professor Steve West**  
Vice-Chancellor



**David Lamb**  
Chair of Board of Governors

## Consolidated Statement of Cash Flows Year ended 31 July 2020

	Note	Year ended 31 July 2020 £m	Year ended 31 July 2019 £m
<b>Cash flow from operating activities</b>			
Surplus for the year before tax		<b>2.8</b>	3.2
<b>Adjustment for non-cash items</b>			
Depreciation and impairment charges	12	26.3	19.7
Amortisation of intangible asset	11	0.4	0.2
Gain on investments	13	(0.3)	(0.5)
Increase in stocks		(0.1)	-
(Increase)/Decrease in debtors	14	(1.6)	0.3
Increase in creditors	16	6.2	2.2
Decrease/(Increase) in pension provision	20	(0.7)	1.6
FRS 102 pension accounting charge	24	16.1	13.0
Subsidiary acquired	13	0.4	-
<b>Adjustment for investing or financing activities</b>			
Investment income	6	(0.8)	(0.8)
Interest payable	8	1.8	1.9
Endowment income		-	-
Capital grant income	2	(1.5)	(1.9)
<b>Cash flows from operating activities</b>		<b>49.0</b>	38.9
Taxation		(0.7)	-
<b>Net cash inflow from operating activities</b>		<b>48.3</b>	38.9
<b>Cash flows from investing activities</b>			
Proceeds from sales of fixed assets		-	0.3
Capital grant receipts	2	1.5	1.9
Withdrawal of deposits	15	29.0	(7.6)
Payments made to acquire fixed assets	12	(32.0)	(23.6)
Payments made to acquire intangible assets	11	(5.7)	(4.9)
Investment income	6	0.8	0.8
		<b>(6.4)</b>	(33.1)
<b>Cash flows from financing activities</b>			
Repayments of amounts borrowed	19	(6.8)	(6.8)
Endowment cash received		-	-
Interest paid	8	(1.8)	(1.9)
Repayments of finance lease		-	-
		<b>(8.6)</b>	(8.7)
<b>Increase/(Decrease) in cash and cash equivalents in the year</b>		<b>33.3</b>	(2.9)
<b>Cash and cash equivalents at beginning of the year</b>		20.1	23.0
<b>Cash and cash equivalents at end of the year</b>		<b>53.4</b>	20.1
		<b>33.3</b>	(2.9)



	Year ended 31 July 2020		Year ended 31 July 2019	
	Consolidated £m	University £m	Consolidated £m	University £m
<b>1 Tuition fees and education contracts</b>				
Full-time home and EU students	166.0	166.0	153.4	153.4
Full-time international students	34.8	34.8	26.5	26.5
Part-time students	13.5	13.5	10.9	10.9
Health education contracts	1.9	1.9	9.4	9.4
Short courses	6.1	6.1	6.0	6.0
	<b>222.3</b>	<b>222.3</b>	206.2	206.2
<b>2 Funding body grants</b>				
Office for Students	12.2	12.2	11.4	11.4
Grant income from other bodies	9.5	9.5	9.2	9.2
National College for Teaching and Leadership	0.3	0.3	0.1	0.1
Capital grant	1.5	1.5	1.9	1.9
	<b>23.5</b>	<b>23.5</b>	22.6	22.6
<b>3 Details of grant and fee income</b>				
Grant income from Office for Students	13.2	13.2	12.9	12.9
Grant income from other bodies	10.3	10.3	9.7	9.7
Fee income for taught awards	210.0	210.0	196.4	196.4
Fee income for research awards	1.3	1.3	1.5	1.5
Fee income from non-qualifying courses	6.1	6.1	6.0	6.0
Degree Apprenticeship income	4.9	4.9	2.3	2.3
	<b>245.8</b>	<b>245.8</b>	228.8	228.8
<b>4 Research Grants and Contracts</b>				
Research councils	3.3	3.3	3.5	3.5
Research charities	1.3	1.3	1.4	1.4
Government (UK and overseas)	1.6	1.6	1.7	1.7
Other research grants and contracts	9.2	9.2	7.2	7.2
	<b>15.4</b>	<b>15.4</b>	13.8	13.8
<b>5 Other Income</b>				
Residences, catering and conferences	19.4	19.4	24.0	24.0
Other services rendered	1.7	1.2	2.9	2.9
Franchise income	4.5	4.5	4.6	4.6
Commercial rent	3.0	3.0	2.2	2.2
Property development	3.5	3.5	-	-
Other grants	1.2	0.4	-	-
Other income	7.8	6.2	6.9	7.0
	<b>41.1</b>	<b>38.2</b>	40.6	40.7
<b>6 Investment income</b>				
Interest receivable	<b>0.8</b>	<b>0.7</b>	0.8	0.8

	Year ended 31 July 2020		Year ended 31 July 2019	
	Consolidated £m	University £m	Consolidated £m	University £m
<b>7 Staff costs</b>				
Salaries	141.7	140.5	138.8	138.7
Social security costs	12.7	12.6	12.3	12.3
Employers' pension costs	24.8	24.8	20.7	20.7
	<b>179.2</b>	<b>177.9</b>	171.8	171.7
<b>Emoluments of the Vice-Chancellor</b>			<b>2019/20</b>	2018/19
Salary			£	£
Performance related pay			268,354	263,609
Subtotal			-	26,361
Benefits			268,354	289,970
Employers' pension costs (on the same basis as all academic staff)			715	699
			61,965	43,443
			<b>331,034</b>	334,112
i	The performance related pay was awarded by measurements against a set of targets set by the University's Board of Governors. For 2019/20 The Vice-Chancellor qualified but has waived his right to any performance related pay. The increase in employers' pension costs relates to an increase in contribution rate from 16.48% to 23.68% in line with all academic staff.			
ii	The Vice-Chancellor's basic salary is 7.9 times(2018/19: 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 9.6 times (2018/19: 10.0 times) the total remuneration of staff, where the median total remuneration is calculated on a full-time equivalent basis for all staff.			
<b>Average staff numbers (fte) by major category :</b>			<b>2019/20</b>	2018/19
Academic faculties			1,614	1,574
Staff and student facilities and academic services			811	813
Central admin services and premises			831	750
			<b>3,256</b>	3,137
<b>Remuneration of other higher paid staff</b>			<b>2019/20</b>	2018/19
			<b>Numbers</b>	Numbers
£100,000 to £104,999			1	4
£105,000 to £109,999			4	1
£110,000 to £114,999			-	1
£115,000 to £119,999			1	1
£120,000 to £124,999			-	3
£125,000 to £129,999			-	-
£130,000 to £134,999			-	4
£135,000 to £139,999			5	-
£145,000 to £149,999			1	-
£170,000 to £174,999			-	1
			<b>12</b>	15



**7 Staff costs (continued)**

**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 and Provost, 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:

	2019/20	2018/19
	£	£
Remuneration paid to key management personnel	<b>1,224,844</b>	1,333,665
	Numbers	
Compensation for loss of office (to staff earning over £100,000)	<b>0</b> (2019: 0)	-
	Numbers	
Compensation for loss of office (to all staff)	<b>29</b> (2019: 29)	884,764

**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. During the year, a total of £2,792 (2018/19: £7,403) was paid to or on behalf of 6 trustees (2018/19: 11). 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 2020		Year ended 31 July 2019	
	Consolidated £m	University £m	Consolidated £m	University £m
<b>8 Interest and other finance costs</b>				
Loan interest	1.8	1.8	1.9	1.9
Net finance charge on pension scheme deficit	3.8	3.8	2.9	2.9
	<b>5.6</b>	<b>5.6</b>	4.8	4.8

**9 Analysis of total expenditure by activity**

	2020	2019	2020	2019
	£m	£m	£m	£m
Academic and related expenditure	156.0	156.0	150.5	150.5
Administration and central services	67.1	66.5	56.6	56.6
Premises	33.6	33.3	34.3	34.1
Residences, catering and conferences	22.9	22.9	19.7	19.7
Research grants and contracts	11.1	11.1	9.9	9.9
Other expenses	9.8	7.7	9.8	9.8
	<b>300.5</b>	<b>297.5</b>	280.8	280.6

**Other operating expenses include:**

	Year ended 31 July 2020	Year ended 31 July 2019
	£000	£000
<b>Consolidated and University</b>		
External auditors-audit services	60	54
Internal auditors	192	92
Operating lease rentals	1,043	1,438

**Access and Participation**

The University is committed to working in the local region to ensure that all can benefit from higher education. More than half of the University's students meet at least one of the widening participation indicators. The University takes a whole university approach to addressing barriers the students may face, and annually invest significant resources in doing so. Within the operating expenses during the year, the following were attributable to the University's Access and Participation Plan:

	Year ended 31 July 2020
	£m
Access investment	8.2
Financial support	4.2
Disability support	1.9
Research and evaluation	0.7
	<b>15.0</b>

These costs included £6.1m which are already included in the overall staff costs figures included in the financial statements, see Note 7.

The University's Access and Participation Plan is published on the University website and can be found at [uwe.ac.uk/about/values-vision-strategy/strategy-2030/strategy-documents](http://uwe.ac.uk/about/values-vision-strategy/strategy-2030/strategy-documents).

The planned investment for the 2019/20 Access and Participation Plan were attributed as follows:

Outreach/Progression to HE	3.0
Student success	4.5
Progression	3.1
Student financial package	4.1
	<b>14.7</b>
Additional expenditure for the year	0.3
	<b>15.0</b>



	Year ended 31 July 2020		Year ended 31 July 2019	
	Consolidated £m	University £m	Consolidated £m	University £m
<b>10 Taxation</b>				
<b>Recognised in the statement of comprehensive income</b>				
<b>Current tax expense</b>	<b>0.7</b>	<b>0.7</b>	-	-
<b>Factors affecting the tax charge</b>				
The tax assessed for the year is lower than the standard rate of corporation tax in the UK. The difference is explained below:				
<b>Surplus before taxation</b>	<b>2.6</b>	<b>2.6</b>	3.2	3.5
UK corporation tax at 19%	0.5	0.5	0.6	0.7
<b>Effect of:</b>				
Surplus falling within charitable exemption	(0.5)	(0.5)	(0.6)	(0.7)
Property Development	0.7	0.7	-	-
<b>Total tax expense</b>	<b>0.7</b>	<b>0.7</b>	-	-
The tax on property development is due to the receipt of an overage payment during the year from the sale of a property in 2014.				
<b>11 Intangible Assets</b>				
<b>At 1 August</b>	<b>7.3</b>	<b>7.3</b>	2.7	2.7
Additions: In the course of construction	5.7	5.7	4.9	4.9
Amortisation charge for the year	(0.4)	(0.4)	(0.2)	(0.2)
<b>At 31 July</b>	<b>12.6</b>	<b>12.6</b>	7.4	7.4

12 Tangible assets	Freehold Land and Buildings £m	Equipment £m	Assets in the course of construction £m	Total £m
	<b>Consolidated</b>			
<b>Cost or valuation</b>				
At 1 August 2019	653.9	27.8	15.1	696.8
Subsidiary acquired	4.1	0.1	-	4.2
Additions	2.5	2.2	27.3	32.0
Transfers	2.2	-	(2.2)	-
Elimination and Disposals	(0.2)	(0.4)	-	(0.6)
<b>At 31 July 2020</b>	<b>662.5</b>	<b>29.7</b>	<b>40.2</b>	<b>732.4</b>
<b>Depreciation</b>				
At 1 August 2019	63.2	18.3	-	81.5
Subsidiary acquired	0.6	-	-	0.6
Charge for the year	14.1	5.4	-	19.5
Impairment charge	6.8	-	-	6.8
Elimination and Disposals	(0.2)	(0.4)	-	(0.6)
<b>At 31 July 2020</b>	<b>84.5</b>	<b>23.3</b>	<b>-</b>	<b>107.8</b>
<b>Net book value</b>				
<b>At 31 July 2020</b>	<b>578.0</b>	<b>6.4</b>	<b>40.2</b>	<b>624.6</b>
<b>At 31 July 2019</b>	<b>590.7</b>	<b>9.5</b>	<b>15.1</b>	<b>615.3</b>
<b>University</b>				
<b>Cost or valuation</b>				
At 1 August 2019	642.6	26.7	15.1	684.4
Additions	2.4	2.2	27.3	31.9
Transfers	2.3	(0.1)	(2.2)	-
Elimination and Disposals	(0.2)	(0.4)	0.0	(0.6)
<b>At 31 July 2020</b>	<b>647.1</b>	<b>28.4</b>	<b>40.2</b>	<b>715.7</b>
<b>Depreciation</b>				
At 1 August 2019	60.2	17.1	-	77.3
Charge for the year	13.8	5.3	-	19.1
Impairment charge	6.8	-	-	6.8
Elimination and Disposals	(0.2)	(0.4)	-	(0.6)
<b>At 31 July 2020</b>	<b>80.6</b>	<b>22.0</b>	<b>-</b>	<b>102.6</b>
<b>Net book value</b>				
<b>At 31 July 2020</b>	<b>566.5</b>	<b>6.4</b>	<b>40.2</b>	<b>613.1</b>
<b>At 31 July 2019</b>	<b>582.4</b>	<b>9.6</b>	<b>15.1</b>	<b>607.1</b>
The historic cost of property and equipment held at the year end was £425.9m (2019: £390.6m), which includes Arnolfini assets of £4.2m. Freehold land and buildings includes land at valuation of £20.8m, and is not depreciated. The subsidiary acquired is in respect of Arnolfini Gallery Limited and its associated companies, of which the University is deemed to have effective control from 1 August 2019.				



**13 Non-current investments**

	Investment in Subsidiaries £m	Fixed Asset Investment £m	Total £m
<b>Consolidated</b>			
At 1 August 2019	-	22.4	22.4
Subsidiary acquired	-	2.2	2.2
Gain on valuation	-	0.3	0.3
<b>At 31 July 2020</b>	<b>-</b>	<b>24.9</b>	<b>24.9</b>

The subsidiary acquired is in respect of Arnolfini Gallery Limited and its associated companies, which the University is deemed to have effective control from 1 August 2019.

**University**

At 1 August 2019	12.7	22.4	35.1
Gain on valuation	-	-	-
<b>At 31 July 2020</b>	<b>12.7</b>	<b>22.4</b>	<b>35.1</b>

**Subsidiary undertakings and other controlling interest**

Company	Principal Activity	Area	Status
Registered in England and Wales:			
Bristol Polytechnic Enterprises Limited	Property management	UK	100% owned
Bristol UWE Commercial Services Limited	Non trading	UK	100% owned
Bristol UWE Health Training Limited	Dormant	UK	100% owned
Arnolfini Gallery Limited	Contemporary art gallery	UK	Controlling interest
Arnolfini Trading Limited	Bookshop, catering and conference	UK	Controlling interest
Bush House Building Services Limited	Property management	UK	Controlling interest
Registered in Malaysia:			
UWE International Educational Services Sdn Bhd	Recruitment of students	Asia-Pacific	100% owned

**14 Trade and other receivables**

	Year ended 31 July 2020		Year ended 31 July 2019	
	Consolidated £m	University £m	Consolidated £m	University £m
Amounts falling due within one year				
Debtors	17.3	17.3	14.6	14.6
Prepayments and accrued income	3.4	3.4	4.5	4.5
	<b>20.7</b>	<b>20.7</b>	19.1	19.1

**15 Investments**

Short term bank deposits (maturing one year or less)	<b>65.4</b>	<b>65.4</b>	94.4	90.7
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	Year ended 31 July 2020		Year ended 31 July 2019	
	Consolidated £m	University £m	Consolidated £m	University £m
<b>16 Creditors : amounts falling due within one year</b>				
Bank and other loans	6.8	6.8	6.8	6.8
Social Security and other tax payable	6.6	6.6	5.8	5.8
Research grants received in advance	19.9	19.9	14.1	14.1
Corporation tax	0.7	0.7	-	-
Other receipts in advance	2.7	2.7	5.0	5.0
Accruals and deferred income	38.2	37.9	37.0	37.1
	<b>74.9</b>	<b>74.6</b>	<b>68.7</b>	<b>68.8</b>

	Year ended 31 July 2020		Year ended 31 July 2019	
	Consolidated £m	University £m	Consolidated £m	University £m
<b>17 Creditors: amounts falling due after more than one year</b>				
Unsecured loans	<b>94.2</b>	<b>94.2</b>	101.0	101.0

**18 Loans**

Analysis of unsecured loans:

<b>Due within one year (Note 16)</b>	<b>6.8</b>	<b>6.8</b>	6.8	6.8
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	60.2	60.2	67.0	67.0
<b>Due after more than one year (Note 17)</b>	<b>94.2</b>	<b>94.2</b>	101.0	101.0
<b>Total unsecured loans</b>	<b>101.0</b>	<b>101.0</b>	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 interest rate of 1.677% and is repayable by August 2036.

	Year ended 31 July 2020 £m	Year ended 31 July 2019 £m
<b>19 Consolidated reconciliation of net debt</b>		
<b>Net debt at 1 August</b>	87.7	91.6
Movement in cash and cash equivalents	(33.3)	2.9
Repayments of amounts borrowed	(6.8)	(6.8)
<b>Net debt at 31 July</b>	<b>47.6</b>	87.7
<b>Change in net debt</b>	<b>(40.1)</b>	
<b>Analysis of net debt:</b>		
Cash and cash equivalents	53.4	20.1
Loans falling due within one year	(6.8)	(6.8)
Loans falling due after one year	(94.2)	(101.0)
<b>Net debt</b>	<b>(47.6)</b>	(87.7)

At the year end, the University has also short term cash deposits, all maturing within one year of £65.4m (2019: £94.4m).

**20 Other provisions**

	Obligation to fund deficit on USS Pension £m
<b>Consolidated and University At 1 August 2019</b>	<b>2.5</b>
Movement in the year	(0.7)
<b>At 31 July 2020</b>	<b>1.8</b>

The obligation to fund the past deficit on the USS arises from the contractual obligation with the USS to fund deficit payments in accordance with the deficit recovery plan. In calculating this provision, management have estimated future staff levels within the USS scheme for the duration of the contractual obligation and salary inflation. Key assumptions are set out below and further information is provided in Note 24.

Following the completion of the 2018 actuarial valuation, a new deficit recovery plan has been agreed of which more detail is given in Note 24. 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 a consequence the deficit provision has decreased significantly from the prior year of which £0.8m is due to the change in the deficit contributions contractual commitment.

The major assumptions used to calculate the obligation are:

	31 July 2020	31 July 2019
<b>Consolidated and University</b>		
Discount rate	0.73%	1.58%
Salary Inflation	3.00%	2.80%

**21 Capital and other commitments**

Provision has not been made for the following capital commitments:

	31 July 2020		31 July 2019	
	Consolidated £m	University £m	Consolidated £m	University £m
	<b>15.1</b>	<b>15.1</b>	29.8	29.8

**22 Contingent liabilities**

The University is a member of Universities Mutual Association Ltd (UMAL). UMAL is a discretionary Mutual Association owned by its further and higher education institution members. 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 gain control of costs and pricing, the cover provided, underwriting and claims data. Traditional insurance is purchased in the general insurance market by UMAL for catastrophe claims. UMAL offers all classes of material damage, business interruption and liability covers, together with accident and travel cover.

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.

**23 Lease obligations**

	31 July 2020 £m	31 July 2019 £m
<b>Future minimum lease payments due:</b>		
Not later than 1 year	0.7	1.0
Later than 1 year and not later than 5 years	1.8	1.8
Later than 5 years	2.2	2.6
<b>Total lease payments due</b>	<b>4.7</b>	5.4



**24 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 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:**

	2019/20	2018/19
	£m	£m
Teachers' Pension Scheme	13.9	9.6
Avon Pension Fund	9.9	10.2
USS	1.0	0.9
	<b>24.8</b>	<b>20.7</b>

**(a) 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 University. 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 7.4% to 11.7% depending on the staff's full-time equivalent pay.

**(b) 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 2020 was £13.7m of which employers' contribution totalled £9.9m and employees' contribution totalled £3.8m. Included in the employer's contribution, is the deficit recovery payment made by the University of £1.8m (2019: £2.6m).

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 2019. At the valuation date, the value of assets was £4,820m and the value of the fund's technical provision was £5,077m resulting in a deficit of £258m. The assets therefore were sufficient to cover 95% 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 2016 of £618m deficit and 86% respectively.

It was determined by the actuary that the deficit of the University in the scheme as at 31 March 2019 was £25.9m (2016: £38.0m). Following the valuation, the University agreed with the actuary to adjust the deficit recovery payment plan established at the 2010 valuation which aim to remove the shortfall attributable to members by 2033. The adjusted deficit recovery payments, would be £1.9m in 2020–21 rising to £2.0m in 2022/23.

As a result of the 31 March 2019 valuation, The University's contribution rates to future service have been agreed as follows:

From 1 April 2020	14.8%
From 1 April 2021	15.5%
From 1 April 2022 onwards	16.1%

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

**24 Pension schemes (continued)**

**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.

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

Embedding these McCloud liabilities and costs, 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 follow:

	31 July 2020	31 July 2019
	% pa	% pa
Price inflation (CPI)	2.3	2.2
Rate of increase in salaries	3.8	3.7
Rate of increase of pensions	2.4	2.3
Discount rate	1.6	2.2

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 2020	31 July 2019
	Years	Years
Retiring today at age 65; male (female)	23.2 (25.3)	23.7 (26.2)
Retiring in 20 years at age 65; male (female)	24.7 (27.3)	26.3 (29.0)

**Scheme assets and expected rate of return for APF**

The assets in the scheme were:

	Fair value as at		
	31 July 2020	31 July 2019	31 July 2018
	£m	£m	£m
Equities	128.4	135.5	103.5
Government bonds	20.9	-	30.6
Corporate bonds	7.8	31.6	32.5
Property	25.6	15.9	24.6
Cash	8.7	3.5	10.0
Other	99.0	103.1	63.0
<b>Total</b>	<b>290.4</b>	<b>289.6</b>	<b>264.2</b>

**Analysis of the amount shown in Balance Sheet for**

<b>APF:</b>			
Scheme assets	290.4	289.6	264.2
Scheme liabilities	(548.0)	(465.5)	(369.0)
<b>Deficit in the scheme – net pension liability</b>	<b>(257.6)</b>	<b>(175.9)</b>	<b>(104.8)</b>

24 Pension schemes (continued)	At 31 July 2020 £m	At 31 July 2019 £m
<b>Amount recorded within other comprehensive income:</b>		
Current service cost	(21.2)	(15.7)
Curtailments	(0.3)	(0.3)
<b>Total operating charge:</b>	<b>(21.5)</b>	<b>(16.0)</b>
<b>Analysis of the amount charged to interest and other finance costs:</b>		
Interest on pension liabilities	10.2	10.6
Interest on plan assets	(6.4)	(7.8)
<b>Net finance charge</b>	<b>3.8</b>	<b>2.9</b>
<b>Cumulative actuarial loss recognised as other comprehensive income</b>		
Cumulative actuarial losses recognised at the start of the year	<b>(87.0)</b>	(28.9)
Cumulative actuarial losses recognised at the end of the year	<b>(152.6)</b>	(87.0)
<b>Deficit at beginning of year</b>		
Contributions or benefits paid by the University	10.2	10.6
Current service cost	(21.2)	(15.8)
McCloud past service cost	(0.8)	(4.3)
Curtailments or settlements	(0.3)	(0.3)
Administration expenses and other finance charge	(4.0)	(3.2)
Losses recognised in other comprehensive income	(65.6)	(58.1)
<b>Deficit at end of year</b>	<b>(257.6)</b>	<b>(175.9)</b>
<b>Analysis of movement in the present value of Scheme liabilities</b>		
<b>Present value of Scheme liabilities at the start of the year</b>	<b>465.5</b>	369.0
Current service cost (net of member contributions)	21.1	15.7
Interest on pension liabilities	10.2	10.7
Actual member contributions (including notional contributions)	3.8	3.7
Past service cost (McCloud)	0.8	4.3
Actuarial loss	53.4	69.1
Curtailments	0.3	0.3
Actual benefit payments	(7.1)	(7.3)
<b>Present value of Scheme liabilities at the end of the year</b>	<b>548.0</b>	465.5
<b>Analysis of movement in the fair value of Scheme assets</b>		
<b>Fair value of Scheme assets at the start of the year</b>	<b>289.6</b>	264.2
Interest on plan assets	6.4	7.8
Remeasurements/(assets)	(12.2)	11.0
Administration expenses	(0.3)	(0.4)
Actual contributions paid by University	10.2	10.6
Actual member contributions (including notional contributions)	3.8	3.7
Actual benefit payments	(7.1)	(7.3)
<b>Fair value of Scheme assets at the end of the year</b>	<b>290.4</b>	289.6
<b>Actual return on Scheme assets</b>	<b>12.3</b>	18.7

24 Pension schemes (continued)	31 July 2020	31 July 2019	31 July 2018	31 July 2017	31 July 2016
<b>History of experience gains and losses</b>					
<b>Difference between actual and expected return on Scheme assets:</b>					
Amount (£m)	(12.2)	11.0	10.7	16.0	(6.9)
Percentage of Scheme assets	-4.2%	3.8%	4.0%	6.7%	3.2%
Experience losses/(gains) on Scheme liabilities:					
Amount (£m)	18.7	-	-	(5.3)	-
% of liabilities at end of year	3.4%	-	-	0.0	-

#### 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 and will not have to change its method as a result of the judgment. This implied that the Government (who have the overall power to determine benefits provision) believe the judgment itself will not affect the benefits at least at the present time, and so APF have not made any allowance for any additional liabilities at this stage. This is consistent with previous accounting disclosures.

#### (c) Universities Superannuation Scheme (USS)

The University only offer USS to a limited academic and academic-related staff who have existing membership from their immediate preceding employment. USS is a 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 University 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 University therefore accounts for the scheme as if it were a wholly defined contribution scheme. As a result, the amount charged to the Consolidated Statement of Comprehensive Income represents the contributions payable to the scheme.

Since the University has entered into an agreement (the Recovery Plan) that determines how each employer within the scheme will fund the overall deficit, the University recognises a liability for the contributions payable that arise from the agreement (to the extent that they relate to the deficit) with related expenses being recognised through the Consolidated Statement of Comprehensive Income.

The total cost charged to the Consolidated Statement of Comprehensive Income is £1.0m (2019: £0.9m), excluding the impact of the change in the deficit recovery plan, as shown in Note 20. There was an accrual as at 31 July 2020 in respect of these contributions of £0.1m (2019: £0.1m), which was fully paid in August 2020.

Deficit recovery contributions due within one year for the University are £0.1m (2019: £0.1m)

The latest available complete actuarial valuation of the Retirement Income Builder section of the Scheme is at 31 March 2018 ("the valuation date"), which was carried out using the projected unit method. A valuation as at 31 March 2020 is underway but not yet complete.



Since the USS Actuary cannot identify the University's share of Retirement Income Builder (defined benefit) assets and liabilities, the following disclosures reflect those relevant for those assets and liabilities as a whole.

The 2018 valuation was the fifth valuation for USS under the scheme-specific funding regime introduced by the Pensions Act 2004, which requires schemes to adopt a statutory funding objective, which is to have sufficient and appropriate assets to cover their technical provisions. At the valuation date, the value of the assets of the scheme was £63.7 billion and the value of the scheme's technical provisions was £67.3 billion indicating a shortfall of £3.6 billion and a funding ratio of 95%.

As at 31 March 2020, USS has 204,753 (2019: 202,165) active members.

Further disclosure on USS valuation methodology is not made in these financial statements as there are only a small number of 94 (2019: 93) University employees in the scheme.

## 25 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 arm's length basis and under normal commercial terms.

Name of organisation	Nature of interest	Detail	(Income)/ Expenditure £000	Debtor/ (Creditor) £000
<b>Approvals and Accreditation Board, College of Radiographers</b>	UWE Pro Vice-Chancellor and Executive Dean is a Chair	Course registration fees	9	-
<b>Avon &amp; Wiltshire NHS Mental Health Partnership</b>	UWE Pro Vice-Chancellor and Executive Dean is a Non-Executive Director	Provision of courses and placement costs	(6)	-
<b>Bristol and Bath Regional Capital</b>	UWE Bristol Governor is an Independent Director	Four year annual membership and grant	41	(2)
<b>Bristol Cathedral Choral Foundation</b>	UWE Bristol Governor is Chairman	Trainee costs Hire costs	27 25	- -
<b>Bristol Cultural Development Partnership</b>	UWE Pro Vice-Chancellor Research and Enterprise is a Director	Sponsorship of Bristol Cultural Development Partnership (BCDP)	32	-
<b>Bristol Diocesan Board of Finance</b>	UWE Bristol Governor is an Independent Member, Finance Committee	Contribution to chaplaincy Service	16	-
<b>Bristol Old Vic Theatre</b>	UWE Pro Vice-Chancellor Research and Enterprise is a Trustee	Reimbursement of costs	-	(11)
<b>Bristol Polytechnic Enterprises Limited</b>	UWE Bristol Governor is a Director	Service fees	(12)	-
<b>Cabot Learning Federation</b>	UWE is co-sponsor; UWE Pro Vice-Chancellor is Chair of the Board; UWE Chief Financial Officer is a Board member and Chair of the Finance Executive Group	Project and student placement payments Provision of courses, conference and catering services	62 (101)	(2) -
<b>County of Gloucestershire</b>	UWE Bristol Governor is a Deputy Lieutenant	Student placement costs	7	-

## | Notes to the Financial Statements

### 25 Related party transactions (continued)

Name of organisation	Nature of interest	Detail	(Income)/ Expenditure £000	Debtor/ (Creditor) £000
<b>Local Government Pension Scheme - Avon Pension Fund</b>	UWE Chief Financial Officer is a Committee Member	Special responsibilities allowance (paid to UWE) See Note 24 for contribution to the Scheme	(5)	-
<b>The Students' Union at UWE</b>	Union President acts as a Governor	Rent and other charges. Annual block grants and sponsorships	1,043	5
<b>UKRI (UK Research and Innovation)</b>	UWE Governor is an Independent Member, Audit, Risk, Assurance and Performance Committee	Project contribution	(96)	-
<b>University Alliance</b>	UWE Bristol Governor is a Director	Annual subscription	58	(48)
<b>University Hospitals Bristol NHS Foundation Trust</b>	UWE Bristol Governor is Non-Executive Director	Project income and provision of courses  Partnership funding, occupational health services; training costs and consultancy fees	(303)  413	33  16
<b>UUK Mental Health in Higher Education Advisory Group</b>	UWE Bristol Governor is Chair	Subscription and student related project payments	76	(39)
<b>Wallscourt Foundation</b>	UWE Bristol Governor is a Director and Trustee	Provision of grants and donations, lease rental payments	406	-
<b>Watershed</b>	UWE Bristol Governor is a Trustee	Sponsorship and catering  Research partner payments, service charges and occupancy fee	24  848	(39)
<b>Weston College</b>	UWE Pro Vice-Chancellor (Student Experience) is a Governor	Project income and provision of courses	245	96
<b>Wildscreen</b>	UWE Bristol Governor is a Festival Judge	Sponsorship of Wildscreen Festival 2020	14	-
<b>Wolfson Centre (Designability)</b>	UWE Pro Vice-Chancellor and Executive Dean is an Non-Executive Director	Research partner payments	23	-





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