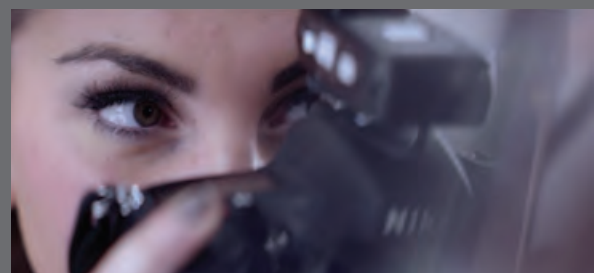
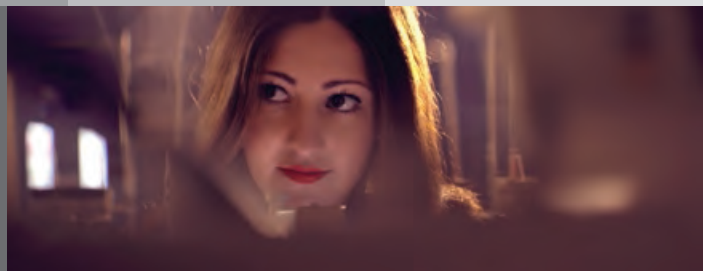


Annual report and financial statements ▶▶

2013·14

Creating
better
futures



University of the
West of England

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

UWE Bristol is an ambitious university with a confident future.

We are operating in a fast-paced environment that brings both challenges and opportunities to universities across the sector. Our Strategy 2020 sets out our path through this environment, aiming to put us at the forefront in seizing the opportunities and creating the solutions that will define UWE Bristol, now and in the future. These are the opportunities and solutions that put our graduates in high demand from employers and demonstrate our role in shaping future economic growth in our region.

We have much to celebrate and be proud of from the past 12 months. We are again in the top 10 for the employability of our graduates, with 95.5% in work or further study six months after graduation, placing us 7th best in England. Our careers and employability service has been recognised as the best in the country and we have continued to forge stronger links with employers, for example through our innovation networks in Microelectronics, Environmental Technologies, Biomedical Sciences and the Creative Industries. We also know that UWE Bristol students get the most value from their university degrees, coming top for 'value added' in the Guardian University Guide.

This strong performance and continuing innovations in our course provision, mean that applications to UWE Bristol continue to rise and recruitment to our programmes is strong. This is the result of the hard work, focus and dedication of our staff and students across each of our campuses.

As we look to the future, we are working from a strong financial base, with a clear financial plan that puts us in a great position to invest in our people and our facilities. We have planned investment of over £250m in our estate and infrastructure over the next five years. This will see, for example, new student residences, a new Students' Union, a new building to house our Faculty of Business and Law and a new University Enterprise Zone supported by funding from the Department for Business, Innovation and Skills and the Local Enterprise Partnership. We are also driving forward a significant programme of refurbishment across our campuses. All of this is based on the changing needs of our students, the changing ways in which our students learn, and the opportunities that can be nurtured by co-locating our students and colleagues, with employers and those who are working to bring innovations to market.

As we enter 2015, we can be very confident in saying that UWE Bristol is a truly exciting place to be as we invest in our future, and most importantly in the talent of our staff and students.



Professor Steve West, Vice-Chancellor



Gillian Camm, Chair, Board of Governors

Professor Steve West
Vice-Chancellor

Gillian Camm
Chair, Board of Governors

Top 10 Achievements of the Year

95%

of students in employment or study six months after graduating, giving us the 7th best employment record in England DLHE survey by the Higher Education Statistics Agency

No.1

for added value according to the Guardian League Table 2015

Largest Robotics Lab in the UK

on our Frenchay Campus

£250m

being invested in transforming our Campuses for the 21st century

Winner

of the prestigious National Undergraduate Employability Award 2014 for Best University Careers/Employability Service

1100

student internships with 800 employers in the last four years – one of the largest internship schemes in the UK

Within

Top 12

for investment in widening access and improving student success from low income and other under-represented groups
HEFCE and OFFA, July 2014

Best

Higher Education Provider of the Year in the 2014 QAA Access to HE Awards

1 of 4

UK universities to be awarded a University Enterprise Zone funding from the UK government, specialising in robotics, biosciences, biomedicine and other high tech areas

Ranked as

2nd

University in Top 100 annual Stonewall Workplace Equality Index, with 35th place overall, celebrating the diversity and wellbeing of our workforce

Board of Governors

Independent Members

Chris Booy
Gillian Camm (Chair, Chair of Nominations and Governance Committee,
Chair of Remuneration Committee)
Sandra Forbes (Chair of Strategic Planning and Performance Committee)
Iain Gray
Dr Martin Hagen (Chair of Audit Committee)
David Lamb
John Laycock (to 31 July 2014)
Sonia Mills (Chair of Finance, Estates and IT Committee)
Simon Moore
Jocelyn McNulty

Academic Board Nominees

Professor Jane Harrington
Professor Alex Gilkison

Student Nominee

Charles Roper

Co-opted Members

Professor John Craven (from 1 January 2014)
Professor Graham Upton (to 31 July 2014)
Graham van der Lely

Ex-Officio

Professor Steve West

Operating and financial review 2013/14

Principal objectives

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.

Ambition statement

At UWE Bristol, our **core purpose** is advancing knowledge, inspiring people and transforming futures. This informs our ambitions, our priorities and how we focus and deliver our academic activities.

Our ambition is to be known nationally and internationally as the best University for:

- Professionally recognised and practice-oriented programmes, which contribute to an outstanding learning experience and generate excellent graduate employment opportunities and outcomes for all students
- Connecting and working with our local and regional economy, businesses and communities, and international partners to advance knowledge, and to advance the health, sustainability and prosperity of the locality and region
- Being digitally advanced, agile and responsive in the way we work, embracing and leading change to create new sustainable opportunities
- Being inclusive and global in outlook and approach

In order to achieve our ambitions, we are focusing on **four priorities**:

- Outstanding learning
- Ready and able graduates
- Research with impact
- Strategic partnerships, connections and networks

These priorities are supported by **two key enablers**:

- People: performance and development
- Place: resources, estate and infrastructure

These priorities and enablers include a number of significant change activities as well as continued improvements to our operations and activities, in line with our ambitions, the changing external environment and the expectations of our students.

Main achievements in 2013-14

During 2013-14 UWE Bristol made significant progress on Strategy 2020 and was recognised as the top post 1992 University in the South West according to the latest Complete University Guide. The achievements we have seen this year are the result of the talent, dedication and hard work of our staff and students. The significant programme of investment that is underway at the University, in our people, estate and infrastructure, will ensure we continue to excel and build a highly successful future.

Inspiring student success

- UWE Bristol student Lucy Austin was named the UK Therapeutic Student Radiographer of the Year – making it five awards in six years for our student Radiographers.
- Recent graduate, Elffin Farnon-Turner, was awarded Law Student of the Year 2013 by the Bristol Law Society. During this time he also played a leading role in setting up and managing a project to provide pro bono legal representation for clients whose disability benefits had been stopped.
- There was double success for UWE students at the British Book Awards; Graphic design student Jake Gunn won Best Student Book of the year for his book 'Seven Samurai' and graduate Sherony Lock was one of the shortlisted designers and received a highly commended award for her interpretation of Jane Eyre.
- Masters graduate Efsio Nicolò Sabiuciu won a prestigious design competition for the cover of the European architecture magazine MARK.
- UWE graduate Nick Vitale, an aerospace engineer, has been named Graduate of the Year by Airbus at the company's recent Recognition of Learning event.



Left to right: Mark Stewart, Airbus; Nick Vitale, Airbus Graduate of the Year (UWE Bristol); Ian Boulton, South Gloucestershire; Dave Harvey, BBC Points West.

Shaping the future workforce

- Working with Airbus, UWE Bristol brought the hugely successful TeenTech event to the Exhibition and Conference Centre (ECC). TeenTech West saw 300 children from 30 different schools from across the region, take part in an interactive day that exposed them to the exciting and challenging opportunities that a career in the science and technology industries could present.
- UWE Bristol was named Higher Education Provider of the Year in the QAA Access to HE Awards. This award recognises the University's excellent practice in work with Access to HE Diploma Students, maximising talent potential through clear and comprehensive progression routes.
- UWE Bristol's Careers and Employability Service was rated the best in the UK for the work carried out with employers in the region.
- Over 95% of UWE Bristol graduates were in employment or further study six months after graduation, the 7th best performance of all English universities. Our graduates are forging ahead in the employment market despite the difficult economic climate. The University has consistently been in the top 12 English universities for the last three years maintaining an enviable reputation in the sector for graduate employability.

Advancing knowledge

- Researchers in the Bristol Robotics Laboratory won Phase II funding from the Bill & Melinda Gates Grand Challenges Explorations initiative, which supports new technologies that will change the world by addressing persistent health and development challenges. The funding will support the project 'Urine-tricity', based on revolutionary technology that uses urine as a fuel to generate electricity sufficient to power a mobile phone. Phase II of the project will see the technology taken out of the lab and into the Developing World. The project was featured in the new series of Horizons on BBC World News.



Over 95% of UWE Bristol graduates went into employment or further study, the seventh best performance of all English universities.



Top left:
The QAA Access to HE Awards: Higher Education Provider of the Year 2014 Award presented to Guy Keith-Miller and Anne Radley, UWE Bristol's Recruitment and Outreach team (Student and Partnership Services).

Top right:
UWE Bristol masters graduate Efisio Nicolò Sabiucchi awarded for his cover design of the European architecture magazine MARK.

Above:
The Bristol Robotics Laboratory's 'Urine-tricity' project, based on revolutionary technology that uses urine as a fuel to generate electricity sufficient to power a mobile phone.

- Researchers in our Biological, Biomedical and Analytical Sciences team have developed a portable and mobile water treatment system capable of delivering clean drinking water at source. The system has been developed for use in remote or undeveloped areas of the world to provide clean water for disaster relief and humanitarian emergencies. Such technology could help transform the lives of people who currently have no access to clean drinking water.
- Health researchers in the West of England have been awarded £9m from the National Institute for Health Research (NIHR) to tackle the area's most pressing health problems. Researchers from UWE Bristol are part of the NIHR Collaborations for Leadership in Applied Health Research and Care (CLAHRCs) in the West. The CLAHRC team is hosted by University Hospitals Bristol NHS Foundation Trust and brings together UWE Bristol, the Universities of Bath and Bristol, local authorities, NHS Hospital Trusts and Clinical Commissioning Groups.
- UWE Bristol together with Falmouth University and the University of Plymouth won a major bid from the Arts and Humanities Research Council (AHRC) to become one of seven new Centres for Doctoral Training. The 3D3 consortium will run for five years with ten doctoral students across the three institutions recruited per annum in digital design, digital media and digital arts, including music and performance.

Driving future growth

- UWE Bristol is currently in the top 15 of universities for delivering Knowledge Transfer Partnerships in the UK. On average business benefits include an increase of £260k on annual profits. So far, UWE Bristol has run 90 projects across more than 80 different organisations.
- Using £4m of Regional Growth Fund monies, UWE Bristol's Innovation 4 Growth scheme has provided some of the South West's most innovative businesses with funding for research and development projects, enabling the development of new or improved products, technologies, processes and services. Available to both SMEs and large companies, it offers grants of between £25k and £150k, covering up to 35% of total project costs.
- In total over 1000 SMEs have now benefitted from the iNets led by UWE Bristol, in Environmental Technologies, Microelectronics and Biomedical Sciences. The networks were set up in 2011, with the specific intention of assisting regional businesses in realising their potential through sharing expertise and knowledge.
- The Environmental Technologies iNet has now reached over 1,200 network subscribers. The Environmental iNet has now provided over 400 businesses with one-to-one support, with over 260 receiving 12 hours or more.
- UWE Bristol was one of 4 Universities to win funding to set up a 'University Enterprise Zone', supported by the Department of Business Innovation and skills (BIS). The zone will provide a business 'hatchery', incubation and grow on space for businesses specialised in robotics, biosciences, biomedicine and other high technology areas generating over 500 new jobs, and more than £50m for the local economy. It has been developed in collaboration with the West of England Local Enterprise Partnership and the University of Bristol with strong support from South Gloucestershire Council, the University of Bath and the West of England Health Science network.

Investing in the future

UWE Bristol has committed to spend £250m over the next 5 years. The projects approved are part of the UWE Bristol Masterplan that supports the University's vision to build a university for the 21st Century. During 13/14 investment on construction work included:

- An investment of £15m in 396 new student bedrooms in a town house style development. The accommodation will mainly be shared bathrooms, providing an alternative to the mainly en-suite accommodation elsewhere on the Campus. The project is the first phase of a three phase development which will eventually provide around 1,200 bed spaces on the Frenchay Campus.
- The commencement of a £10m investment in a state of the art Students' Union building, locating all UWE Students' Union (UWESU) activities within a single structure, including trading outlets and office accommodation for UWESU staff. The investment will provide an excellent social environment, improving the student experience and student satisfaction.
- A further £5m has been invested in refurbishment at the Bower Ashton campus, creating a modern, fit for purpose, digitally enabled environment for the faculty to support practice-based teaching and the development of partnerships with other creative organisations.
- We also invested in professional consultancy work for a new state of the art building for the Faculty of Business and Law, which will provide innovative spaces for learning, research and employer engagement, including pop-up flexible workspaces and state-of-the-art law courts for our law students to practice in. The construction work began in October 2014, based on an anticipated investment of £50m.



Top:
Architect's drawing of the new state of the art building for the Faculty of Business and Law at Frenchay Campus.

Above left and right:
The new atrium space and library facilities at Bower Ashton Campus, part of the £5m refurbishment programme.

Public benefit statement

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 Higher Education Funding Council for England (HEFCE) is the principal regulator of English higher education institutions covered within the act.

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

The Board of Governors has due regard to any detrimental harm that may arise from the University's activities and particularly to the impact of its campus developments on its immediate locality. We aim to minimise this impact through extensive community discussion and consultation in addition to working closely with South Gloucestershire and Bristol City Councils.

The University does not currently accrue private benefit from its activities undertaken in pursuance of its purposes. However it is alive to the possibility of commercialising propriety 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 recognise that students, both undergraduate and postgraduate, are the principal beneficiaries of the provision of higher education while the public at large are beneficiaries of the University's Research and Knowledge exchange and community engagement activities. The annual report and financial statements provide extensive information on the public benefit of the University's activities as part of the main achievements above. However, 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

We are proud that Widening Participation is central to our mission and core purpose. The direction set out in our Access Agreement reflects the University's Strategy and embeds the concept of parity of access, experience and success for all students across the University's work.

The Access Agreement focuses in particular on five key target groups who may experience educational disadvantage and describes how the University will endeavour to reduce disadvantage focusing on four key metrics of the student journey: university entry; university retention; university success (at graduation); and progression post-university into graduate level jobs.

In order to deliver in these areas, the University will continue to commit almost £14.5m annually to a range of activities. This funding includes committing 22% of higher fee income (fees over £6000 p.a.) in line with the mandate overseen by the Office for Fair Access (OFFA) plus an additional £4.5m from a range of funding sources including HEFCE's Student Opportunity Fund. This funding will enable the University to continue to widen access, support students financially, and support progression through and beyond university.

Included within this commitment is over £5m in financial support distributed through a bursary scheme that will provide bursaries for first year students, followed by progression bursaries to support them through their subsequent years' study, plus a sizeable Learner's Support Fund to support students with in-year financial difficulties and to support disabled students.

Community and public engagement

UWE Bristol was one of the first universities to sign the Public Engagement Manifesto, developed by National Co-ordinating Centre for Public Engagement. This is a public commitment to sharing our knowledge, resources and skills with the public, and to listening to and learning from the expertise and insight of the different communities with which we engage.

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.

The University actively encourages and supports staff and students to undertake volunteering initiatives. Supported initiatives include focused attainment raising schemes run by the Department for Education such as Better Reading Partners which delivers sustainable improvements in reading age at primary schools with high levels of deprivation, a cultural ambassador scheme, classroom assistants and free Community Legal Advice and Representative Services.

Through the provision of public events such as the Bristol Distinguished Address and Distinguished Professorial Addresses, the University provides members of the community, staff and students with the opportunity to share in the experiences of business leaders and engage with cutting edge research.

Sustainability

The University is committed to working and 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 throughout their careers.

The strategic leadership for sustainability is guided by the University Senior Management Team and their leadership is reflected in the UWE Bristol Sustainability Plan 2013-2020 which reflects the ambition to be a ground breaking example of a sustainable University. This commitment is also embedded in various enabling strategies and policies that underpin the University's strategic plan; the sustainability and human resources strategies are mutually dependent, and provide future opportunities for joint working and sharing outcomes.

The University's Senior Management Team and Sustainability Board is responsible for ensuring that these opportunities are taken up, and, that managers and staff are fully engaged in the delivery of the sustainability strategy and in line with this, the University has an Assistant Vice-Chancellor with responsibility for environment and sustainability.

The University follows a holistic approach to sustainability that covers all aspects of sustainability across all functions of the University. This enables continuous, innovative, genuine and embedded performance improvements which have been successful to date. The approach has enhanced the University's reputation externally, and encouraged faculties, services, students and wider stakeholders to work in partnership.

Whilst there will always be room to improve further the University is proud that over the last few years we achieved a 50% recycling rate and continued reduction in overall waste, complemented by a 30% increase in term time bus usage and an 80% increase in non-term time usage, demonstrating the attractiveness of the service to local people as well as students. A rethinking of the way we manage our grounds and gardens, aligning to a less intensive, sustainable biodiversity friendly approach, has further delivered an annual cost reduction of £0.25m. We have also achieved phase 3 of BS8555 Environmental Management System and our Annual Sustainability Week is one of the largest events of its kind in the UK.

The University is dedicated to reducing its impact on the environment and has set carbon reduction targets which are challenging, yet realistic. Since October 2013, the University's Energy Team have been updating the Carbon Management Plan to reflect the updated vision and ambition set out in the UWE Bristol Strategy 2020, and the Sustainability Plan 2013-2020. The University has set the ambitious target of reducing its carbon emissions by 22.5% over the 2005/6 baseline by 2020 in absolute terms, therefore even with the expansion of the Frenchay Campus, the University's carbon emissions will have to be reduced. To ensure continued efficient use of space and resources, the University has also set a relative target in terms of floor space and FTE students, of 50% reduction over the 2001/2 baseline by 2020.

Equal opportunities and diversity

The Board of Governors has approved a Single Equality Scheme covering all aspects of the life and work of the University, with the aim of becoming an inclusive university it sets out our equality objectives to 2015. These objectives are being delivered and amongst the many achievements in the last 2 years we have:

- Achieved 35th place (2013:45th place) in the top 100 Stonewall Workplace Diversity Index. Within this list UWE Bristol is ranked 2nd highest University
- Achieved Athena Swan Bronze award for the University and the Department of Applied Sciences
- Continued to address differential attainment through our learning for all hub
- Delivered mandatory training via e-learning for all staff
- Established the Disability Working Group to address the low satisfaction of disabled staff
- Reduced the gender pay gap
- Offered staff a number of mentoring opportunities

The University's Equality and Diversity Unit plays a pivotal role in communicating and promoting the culture of the inclusive university, monitoring delivery of the Single Equality Scheme and leading on key equality objectives.

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 have also been taken to further enhance the employee voice, including the approval by 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

An audit programme, which has been operating for a number of years, has been key in producing the University's health and safety risk profile and has provided the foundations for more targeted support from the central Health and Safety Team. This improved partnership working has ensured that health and safety remains a key focus for the University.

Key achievements for 2013-2014 include:

- Launch of the new strategy for health and safety entitled the 'Safe Places, People and Practice Strategy 2013 – 2020'
- Further enhancement to the University's central Health and Safety Team (HST) with the centralisation of health and safety advice with regards construction safety
- An active focus on two key University risks, construction safety and work-related stress
- Continuation of the audit programme and the implementation of audit action plans by Faculties and Professional Services
- A Health & Safety/property inspection visit by the University's insurance provider, UMAL, the outcome being the best ever for the University with both areas scoring above the UMAL risk rating.

The University is committed to continuing improvements in health and safety and there is a comprehensive schedule of enhancement activity agreed for implementation through the 'Safe Places, People and Practice Strategy 2013 – 2020'.

Financial strategy and future prospects

Strategy

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

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

In short, our financial strategy is to maintain operating surpluses that generate sufficient operating cashflows which together with proceeds from sale of excess properties, donations and the use of borrowing facilities are sufficient to finance our capital programme that enables the long term sustainability of the University's estate and infrastructure.

Prospects

As expected, Government funding through HEFCE recurrent and capital grants has reduced significantly and will continue to do so as a result of the new home undergraduate fee arrangements. Concerns remain in the sector about the potential for a further level of funding cuts and the higher education funding landscape post the general election in 2015. The new fee regime is now fully implemented with only a reducing cohort of students on the old funding scheme. It is expected that the standard fee of £9,000 will be capped by the Government for the immediate future, after taking into account a range of scholarships and bursaries for students from lower income families, our average actual fee level is substantially lower.

The policy of the deregulation of places for higher performing students continues with Higher Education Institutions able to recruit virtually unlimited numbers of students with educational attainment at 'A' level 'ABB' grades or higher and equivalent qualifications. The University is meeting ambitious targets in this respect across a number of disciplines. For 2014/15, the Government has added an additional 60,000 higher education places and will be removing the student number cap entirely from 2015/16.

We are planning, at best, that home undergraduate fees level will remain at £9,000 for the next few years. Together with the limited nature of HEFCE funding, this means that a very significant proportion of our income will not move in line with inflation. This inevitably creates financial pressure in an inflationary environment; against assumptions of pay awards on top of incremental drift arising from scale increases and promotions, additional pension costs, removal of employers national insurance rebate from April 2016, inflation on energy and rising depreciation charges. It is increasingly challenging to maintain the University's financial surplus strategy. As staff constitute 55% of expenditure, continued control of both staff numbers and pay levels over the next few years will be critical.

Over the past few years we have been working on a number of initiatives to strengthen the University's financial base, both to deal with existing and known pressures and to put it into the best possible position to deal with 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 we will seek further continuous improvement and efficiency
- Introduction of new structures which have resulted in a reduction in base costs of £8m per annum
- Review and challenge of the portfolio of our academic activities

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 shows:

Key financial ratios – as a % of income	2013/14	2012/13	2011/12
Operating surplus	6.3%	4.1%	5.5%
Operating surplus pre FRS17 pension charges	6.7%	5.3%	6.8%
Cashflow generation (net of financing costs)	9.7%	8.3%	8.7%
Staff costs	55%	55%	55%

Key financial values	2013/14 £m	2012/13 £m	2011/12 £m
Total income	235.6	222.5	220.6
Total expenditure	220.8	213.3	208.4
Surplus from operations	14.8	9.2	12.2
Cashflow generated from operations	22.2	17.7	18.2
Cashflow generated post financing activities	22.8	18.5	19.1
Borrowings and cash at year end:			
Gross debt	76.0	78.9	82.6
Cash, deposits and short term investments	107.1	99.6	86.3
Net cash	31.0	20.7	3.7
Net assets at year end	135.1	118.1	96.7

Financial performance 2013/14

Financial performance during the year was positive with an operating surplus after accounting for pensions charges of £14.8m (2013: £9.2m). The increase from 2012/13 reflected the robust performance in student recruitment and costs control offset by the impact of HEFCE funding reductions.

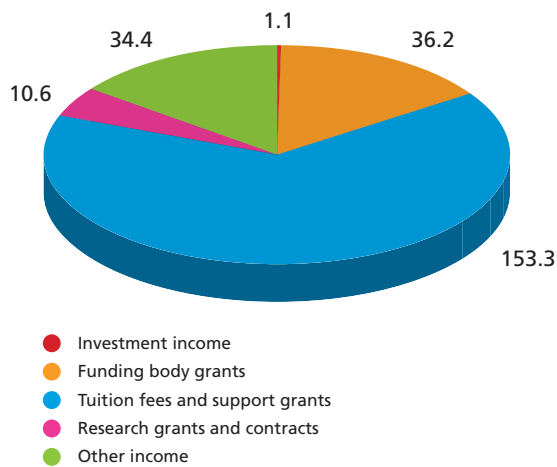
Total income for the year was £235.6m (2013: £222.5m) – a £13.1m (5.9%) increase included:

- Tuition fees and support grants – increase of £26.4m (20.8%), due to the second year of implementing the new home tuition fee regime and increases in overseas undergraduate intake.
- Short course fee income – increase of £1.7m (39.5%).
- Funding body grants – decrease of £12.1m (25%), mainly reflecting funding cuts by HEFCE and National College for Teaching and Leadership. In the last 3 years, basic recurrent grant from HEFCE has reduced by 53%.
- Research grants and contracts – decrease of £0.9m (7.8%), due to completion of some major research contracts during the year.

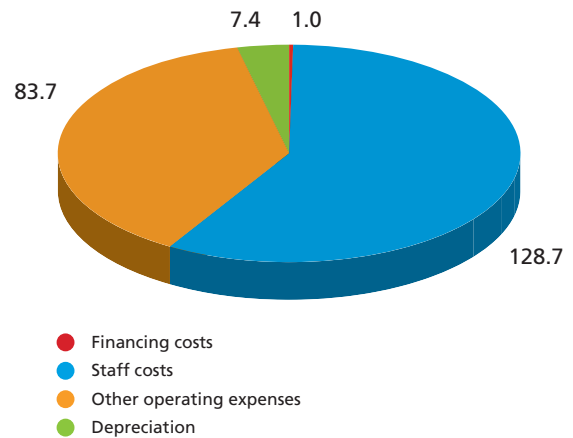
Total expenditure was £220.8m (2013: £213.3m) – a £7.5m (3.5%) increase included:

- Staff costs – increase of £5.5m (4.5%), which reflected cost of living and incremental pay awards, increasing academic staff numbers and additional pension deficit payments during the year.
- Other operating expenses – increase of £1.9m (2.3%), reflecting increases in energy costs for the enlarged campus and provisions for financial obligations at the year end.

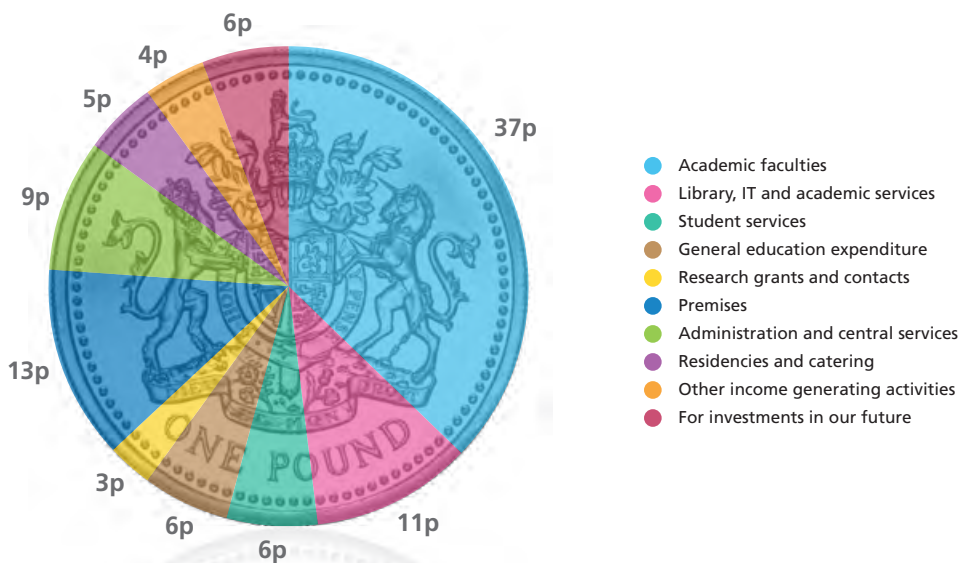
Income by type 2013/14 (£m)



Expenditure by type 2013/14 (£m)



What we spent our money on during 2013/14



Capital investment

During the year, we embarked on our £250m Masterplan programme commencing with a number of projects, including:

- Strategic academic space refurbishment £8.0m
- Student Union Building £10.0m
- Bower Ashton Campus Redevelopment Phase 2 £5.0m
- Phase 1 of a new student accommodation complex £15.0m

Total capital investment in the year amounted to £14.9m (2013: £3.1m). In 2014/15, capital investment is expected to increase due to the following programmes:

- On-going strategic academic space refurbishment
- Bower Ashton Campus Redevelopment Phase 3
- IT Infrastructure Transformation Programme
- Business and Law Building
- Heart zone and Campus Infrastructure

Cashflow and treasury management

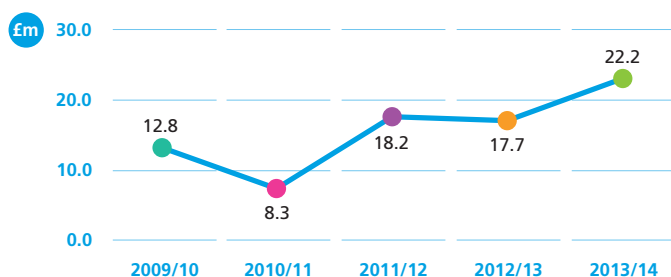
Cashflow generated from operations for the year was £22.2m (2013: £17.7m). After receipts from capital grants of £3.0m, cash outflows in respect of capital expenditure of £14.5m and other items, net cash inflow was £11.3m (2013: inflow of £17.1m).

The University has a long-term bank loan of £95m on a repayment basis. The loan matures in March 2034 and is currently linked to the Base Rate. The University has the right to fix the interest rate for a proportion or the whole of the loan, at a time of its choosing. The loan is subject to a set of conditions and financial covenants; the University comfortably complied with these requirements during the year.

Total gross debt at 31 July was £76m (2013: £78.9m). At the year end, the University had cash/money market and financial instrument balances totalling £107.1m (2013: £99.6m).

The University currently holds substantial cash balances; 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.

Cash generated from operations



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

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 1 year. During the year the University achieved an average interest return that was higher than interest payable on its borrowings.

Student numbers

The number of students enrolled during the year was 32,110 of which 25,093 are full time students and 7,017 part time students. Included in the head count are 4,341 trans national students who are students studying overseas under partnership arrangements.

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

Students numbers	2013/14	2012/13	2011/12
Undergraduate			
Home and EU	18,508	19,536	20,742
Overseas and Offshore	1,668	1,522	1,338
Trans National Education	4,198	2,965	1,564
Postgraduate taught			
Home and EU	2,848	2,548	2,789
Overseas and Offshore	686	576	531
Trans National Education	67	65	28
Postgraduate research			
Home and EU	198	278	243
Overseas and Offshore	72	99	93
Total student numbers (fte)	28,245	27,589	27,328

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 on-going 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 on-going 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 (LPGS) and is a funded defined benefit scheme, with assets held in separate trustee administered funds.

On an FRS17 basis, at 31 July, the University's share of the scheme had assets of £172.6 m and liabilities of £233.4m giving a deficit of £60.8m (2013: £59.6m).

A summary of the increase in the FRS17 deficit since July 2013 for Avon Pension Fund shows:

July 2013 deficit	£59.6m
Actuarial losses – reducing inflation rate offset by discount rate and improvements in mortality assumptions	£0.2m
Shortfall of current service costs to actual contributions	£0.9m
Other net changes	£0.1m
July 2014 deficit	£60.8m

At the last actuarial valuation as at 31 March 2013, on a Trustee's funding basis, APF had a deficit of £876m, of which, £46m is attributable to the University. To deal with the funding deficit the University agreed a 20 year deficit recovery plan whereby the University is required to make additional deficit related contributions of £1.8m per annum index-linked.

Conclusion

The University's financial position remains healthy and the Board of Governors is satisfied that the University has sufficient resources to continue its operations for the foreseeable future. However, in common with similar institutions, changes to the student recruitment controls and a challenging regulatory environment in relation to the recruitment of overseas students mean that UWE Bristol must be highly responsive in order to maintain and enhance its reputational and financial standing in the higher education marketplace. With continued monitoring of its financial position and by implementing cost saving measures the University maintains the ability to weather the continued changes occurring within the higher education sector.

The University's achievements reflect the efforts and success of staff and students; the Board of Governors thanks and congratulates them all.

Professor Steve West
Vice-Chancellor

Gillian Camm
Chair, Board of Governors

Corporate governance and internal control

Organisation

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

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

Responsibility for overall day-to-day management of the University is through the Vice-Chancellor, supported by a senior team which includes the Deputy Vice-Chancellors, 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 Governance Code of Practice with the exception that, the number of meetings held by the full Board of Governors is in line with the expectations of the Articles of Government and not the Code.

It endeavours to conduct its business in accordance with, and with due regard to, the principles identified by the Committee on Standards in Public Life and with the Committee of University Chairs' 'Guide for Members of Higher Education Governing Bodies in the UK'.

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, a Board of Governors and Academic Board alongside the responsibilities of the Vice-Chancellor.

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 macro budget for the institution.

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 2013/14 year were: 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 committee membership includes the Chair and Deputy Chair of Governors, and the Chairs of each sub-committee. Once again it was not necessary to convene the Emergency Committee in 2013/14.

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

Academic Board is responsible for the quality and standards of its awards and 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 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 2014 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 Financial Memorandum between the University and HEFCE.

The Vice-Chancellor's Executive is the University's Executive Board and assists the Vice-Chancellor in discharging his responsibilities as Chief Executive. In 2013/14 the Executive Group included the Deputy Vice-Chancellors, the Pro Vice-Chancellors and Executive Deans, the Pro Vice-Chancellor (Commercial Director and Corporation Secretary) and Heads of Professional Services. The Vice-Chancellor's Executive meets regularly and co-ordinates the organisation, direction and management of the University.

Each Faculty and professional service are treated as individual planning and budgetary units.

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

Trustees are entitled to claim reasonable expenses incurred in undertaking their duties as Trustees in accordance with the University's financial regulations. In 2013/14 a total of £7,660 (£7,791 in 2012/13) for expenses were paid to or on behalf of 14 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 inform them in carrying out their role.

Internal control

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

The Board of Governors is committed to the continuous development of a comprehensive process for identifying, evaluating and managing the University's significant risks, both financial and non-financial, in line with HEFCE requirements. The Risk Management Policy is linked to the University's Strategy and explicitly recognises that it is neither possible, nor in many cases desirable, to eliminate risk and can therefore only provide reasonable and not absolute assurance.

The Board of Governors regularly discusses risk and related reports from its Committees, in particular the Audit Committee. These discussions set the tone and influence the culture of risk management and determine the risk appetite of the University, what types of risk are acceptable and what are not, and set the standards and expectations of staff with regard to conduct and probity in relation to risk management.

The Board of Governors is advised and assisted in its review of internal control by the work of the internal auditors, Audit Committee and the Vice-Chancellor's Executive whose 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 they can provide reasonable though not absolute assurance that the systems and controls are effective. The Audit Committee also considers reports and updates from HEFCE 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. Amongst other responsibilities the Audit Committee is responsible for oversight of risk management and ensuring that the Risk Management Policy is applied.

A professional internal audit team undertakes an annual programme of work approved by the Audit Committee. The University has agreed with its internal auditors that their programme of work and the approach to internal control will be risk based and accordingly it is informed by the institutions' risk register. External auditors are appointed and other audit work conducted in accordance with the requirements of HEFCE.

The above policy and related procedures continue to be developed and the Board of Governors is satisfied that the University's internal control and risk management processes meet the requirements set out by HEFCE in their circular 25/2013 "HEFCE's Accounts Direction to higher education institutions for 2013-14 financial statements".

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

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 a Financial Memorandum agreed between HEFCE 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:

- suitable accounting policies, selected and applied consistently;
- judgements and estimates that 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 HEFCE, the Teaching Agency (TA) 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 Financial Memorandum issued by HEFCE 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;
- an internal financial memorandum, which defines the responsibilities and delegated authority of management post holders;
- a comprehensive planning 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;
- clearly defined and formalised requirements for approval and control of expenditure, with investment decisions being subjected to detailed appraisal and review; and,
- comprehensive financial regulations approved by the Board of Governors which detail financial controls, procedures and guidelines.

Professor Steve West

Vice Chancellor

Gillian Camm

Chair, Board of Governors

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

We have audited the group and parent institution financial statements (the "financial statements") of the University of the West of England for the year ended 31 July 2014 which comprise the consolidated income and expenditure account, the consolidated balance sheet, the University's balance sheet, the consolidated cash flow statement, the consolidated statement of total recognised gains and losses and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Respective responsibilities of the Board of Governors and Auditors

As explained more fully in the Statement of Corporate Governance, the Board of Governors are responsible for the preparation of financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards of Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

This report, including the opinions, has been prepared for and only for 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 and for no other purpose. We do not, in giving these opinions, accept or assume any responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the group's and parent institution's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the Board of Governors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Annual Report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the group's and institution's affairs as at 31 July 2014, and of the group's income and expenditure, recognised gains and losses and cash flows for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the Statement of Recommended Practice – Accounting for Further and Higher Education.

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

In our opinion, in all material respects:

- funds from whatever source administered by the institution for specific purposes have been properly applied to those purposes and, if relevant, managed in accordance with relevant legislation;
- income has been applied in accordance with the institution's articles of government; and
- funds provided by HEFCE have been applied in accordance with the Financial Memorandum and any other terms and conditions attached to them.

We have nothing to report in respect of the following matter where the HEFCE Audit Code of Practice issued under the Further and Higher Education Act 1992 requires us to report to you if, in our opinion:

- the statement of internal control included as part of the Corporate Governance Statement is inconsistent with our knowledge of the parent institution and group.

Statement of accounting policies

1. General policies

a. Accounting convention

The financial statements have been prepared on the historical cost basis of accounting, modified by (i) the revaluation of certain fixed assets for which a cost is not readily ascertainable and (ii) the revaluation of Investment Properties, both in accordance with applicable accounting standards and the Statement of Recommended Practice: Accounting for Further and Higher Education 2007.

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the financial statements

b. Basis of consolidation

The consolidated accounts incorporate the accounts of the institution and those of its subsidiaries which are active and material on a line by line basis. Intra-group sales and profits are eliminated fully on consolidation. The consolidated accounts do not include those of: (i) The University of the West of England Students' Union, which is an autonomous body not under the control of the University or; (ii) 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.

c. Taxation

The University is an exempt charity within the meaning of Schedule 2 of the Charities Act 1993 and as such is a charity within the meaning of section 506 (1) of the Income and Corporation Taxes Act (ICTA) 1988. Accordingly, the University is potentially exempt from taxation in respect of income or capital gains received within categories covered by section 505 of the ICTA 1988 or section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied to exclusively charitable purposes. No provision for corporation tax or income tax (deferred or otherwise) is therefore considered necessary. The University receives no similar exemption in respect of Value Added Tax ("VAT"). As a result the major part of VAT paid by the University is irrecoverable, since the provision of education is an 'exempt' activity for VAT purposes. The subsidiaries of the University are potentially liable to both corporation tax and VAT.

d. Pension costs

Retirement benefits for employees of the University are provided by defined benefit schemes, which are funded by contributions from the University and its employees. Payments are made to the Department for Business, Innovation and Skills in respect of staff who are members of the Teachers' Superannuation Scheme, and to the Universities Superannuation Scheme (USS) and the Avon Pension Fund (administered by Bath and North East Somerset Council). The financial positions of all these funds are disclosed in their audited financial statements.

Where the University is unable to identify its share of the underlying assets and liabilities of a relevant superannuation scheme on a consistent and reasonable basis, as required by FRS 17, it accounts for the scheme as if it were a defined contribution scheme. As a result, the annual amount charged to the Income and Expenditure account represents the contributions payable to the scheme in respect of the accounting period.

Where the University is able to identify its share of the underlying assets and liabilities in a scheme it accounts for the scheme in accordance with FRS17. The University's share of any surplus or deficit is recognised as an asset or liability in the balance sheet. The current service cost, being the actuarially determined present value of the pension benefit earned by the employees in the current period and the past service cost, are included in staff costs. The expected return on the University's share of scheme assets and interest on its liabilities are netted off and shown as a net return in the income and expenditure account. All changes in the pension surplus or deficit due to changes in actuarial assumptions are reported in the statement of total recognised gains and losses. The rate of employer's contribution on any relevant superannuation scheme is reviewed periodically on the basis of actuarial valuations.

2. Income and expenditure account

a. Block grants and other recurrent grants

Block grants and other recurrent grants are included in income in the year to which they relate. Specific grants are brought into income to the extent of expenditure in the year.

b. Tuition fees

Income from tuition fees represents the sum attributable to the financial period. Fee income is stated gross. Financial assistance to students in the form of bursaries and fee waivers is included in operating expenses.

c. Research grants and contracts

Income from research grants and contracts is accounted for on an accruals basis and is included to the extent of the completion of the contract or service concerned. Payments received in advance of such performance are recognised in the balance sheet as a liability. Expenditure incurred by the University on research grants and contracts is charged to the income and expenditure account as it is incurred.

d. Investment income

Income from investments and deposits is calculated on an accruals basis.

e. Release of capital grants

HEFCE capital grants received in respect of the acquisition or construction of fixed assets are treated as deferred capital grants. The grants are credited to deferred capital grants on receipt and annual transfers are made to the income and expenditure account over the lives of the assets concerned.

f. Long term contract income

Income from long term contracts is deemed to accrue evenly over the life of the contract.

g. Sale of property

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

h. Maintenance of premises

The University has a rolling maintenance plan which forms the basis of the ongoing maintenance of the University's estate. The cost of routine maintenance is charged to the Income and Expenditure account as it is incurred.

i. Finance and operating leases

Where the University leases out buildings for less than their useful economic life or does not substantially transfer all the risks and rewards, the lease is accounted for as an operating lease. Rental income is taken to the Income and Expenditure account on a straight line basis over the period of the lease. The cost of the building is treated as a fixed asset and depreciated on the basis calculated to give an approximately constant rate of return on the funds invested.

Rental costs under operating leases are charged to expenditure in equal annual amounts over the period of the lease.

Finance leases which substantially transfer all the benefits and risks of ownership of an asset are treated as if the asset had been purchased outright. The assets are included in fixed assets and the capital elements of leasing commitment are shown as obligations under finance lease.

j. Foreign currency

Transactions denominated in foreign currencies are recorded at the rate of exchange ruling at the dates of the transactions. Any resulting translation differences are dealt with in the determination of income and expenditure for the financial year.

k. Access funds and training and development agency bursaries

The University acts as agent on behalf of HEFCE with regard to the disbursement of access funds and the Training and Development Agency for its bursaries. The receipt and payment of these funds are therefore not included in the Income and Expenditure account.

3. Balance sheet

a. Land and buildings

Buildings inherited from the former Avon County Council on 1 April 1989 were valued at that date at their depreciated replacement cost, which was calculated by applying 'rebuild costs' to each building's floor area. These rebuild costs were based on authoritative tables of such costs published by the Royal Institution of Chartered Surveyors. An estimate was made of the remaining useful economic life of each building which was applied to a total life of 50 years, or a longer period for buildings already exceeding that age, in order to arrive at the depreciated value. No adjustment is made to this valuation until it is clear that there has been a material change. Depreciation is charged at 2% per annum on that valuation. Expenditure on buildings (including refurbishments and expenditure needed to bring a building into full operation) since that valuation is capitalised if it is probable that increased future economic benefits will arise as a result of the expenditure. Such expenditure is depreciated on a straight line basis over the estimated useful life of the corresponding asset. All other expenditure on buildings is treated as an expense in the accounting period in which it is incurred.

Finance leased assets are depreciated over the term of the lease.

Buildings under construction are accounted for at cost based on architects' certificates and other direct costs incurred at the balance sheet date. These costs are not depreciated until the building concerned has been brought into use.

Finance costs attributable to the construction of buildings are capitalised as part of the cost of the corresponding asset.

In accordance with Statement of Standard Accounting Practice (SSAP) 4 and the Statement of Recommended Practice (SORP) restricted capital grants received are held as deferred capital grants and released to the income and expenditure account over the estimated life of the asset concerned.

Land is stated at cost and is not depreciated.

b. Investment properties

Investment Properties are included in the Balance Sheet at their open market value. Any changes in the market value of investment properties are shown as movements on the Investment Revaluation Reserve unless a deficit is expected to be permanent in which case it is charged to the Income and Expenditure account. In accordance with SSAP 19 Investment Properties are not depreciated.

c. Roads and car parks

Expenditure on roads and car parks is capitalised if it is probable that increased future economic benefits will arise as a result of the expenditure. Depreciation is charged at 2% per annum on a straight line basis. All other expenditure on roads and car parks is treated as an expense in the accounting period in which it is incurred.

d. Equipment, furniture and software

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 to 5 year period. Equipment purchased under finance lease is depreciated over the term of the lease.

Items or groups of items costing less than £25,000 are written off in the year of acquisition. Depreciation is not charged in the year of acquisition of a capitalised asset. Expenditure funded by research grants and contracts and similar external sources of funds is not capitalised.

e. Disability Discrimination Act (DDA) assets

Expenditure on DDA assets is capitalised if it is probable that increased future economic benefits will arise as a result of the expenditure. Depreciation is charged on a straight line basis over its 15 years useful economic life.

f. Designated reserves

The University exercises its discretion in the creation of designated reserves, in anticipation of future needs, and in the utilisation of those reserves.

g. Stocks

Stocks of consumables for catering, printing and stationery, or for sale to students, and computing equipment held for issue to faculties are valued at cost or, if lower, at net realisable value. No account is taken of other stocks as they are not material to the financial statements.

h. Term deposits and cash at bank

The heading "Cash at bank and in hand" includes deposits repayable within 24 hours' notice without penalty, all other deposits are included within the heading "Current Asset Investments". Term Deposits comprise sums on short-term deposit with approved banks and building societies and UK government securities and they are included within "Current Asset Investments" in the balance sheet. Current Asset Investments are stated at market value.

i. Investments

Fixed asset investments are carried at historical cost less any provision for impairment in their value.

j. Provisions

Provisions are recognised when: the institution has a present legal or constructive obligation as a result of a past event; it is probable that a transfer of economic benefit will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

Consolidated Income and Expenditure for the year ended 31 July 2014

	Note	2013/14 £m	2012/13 £m
Income			
Funding Council grants	1	36.2	48.3
Tuition fees and education contracts	2	153.3	126.9
Research grants and contracts	3	10.6	11.5
Other operating income	4	34.4	34.4
Endowment and investment income	5	1.1	1.4
Total Income		235.6	222.5
Expenditure			
Staff costs	6	128.7	123.2
Other operating expenses	7	83.7	81.8
Depreciation	7	7.4	6.4
Interest payable and other finance costs	7	1.0	1.9
Total Expenditure		220.8	213.3
Surplus Transferred to General Reserve		14.8	9.2

The consolidated income and expenditure of the University and its subsidiaries relate wholly to continuing operations. There were no material surpluses or deficits arising in the subsidiaries in the year.

No note of historical cost surplus is given, as there was no difference between the results as set out in the Consolidated Income and Expenditure Account and their historical cost equivalents.

Consolidated Balance Sheets at 31 July 2014

	Note	Group		University	
		2014 £m	2013 £m	2014 £m	2013 £m
Fixed Assets					
Tangible fixed assets	8	207.1	201.6	197.6	191.7
Investments	9	-	-	12.7	12.7
		207.1	201.6	210.3	204.4
Endowment Asset					
	10	1.8	1.8	1.8	1.8
Current Assets					
Stocks		0.2	0.2	0.2	0.2
Debtors	11	11.4	13.4	11.8	13.9
Properties held for sale	8	1.5	-	1.5	-
Current asset investments		78.0	97.5	77.0	95.4
Cash at bank and in hand		29.1	2.1	27.1	1.4
		120.2	113.2	117.6	110.9
Creditors:					
Amounts falling due within one year	12	(60.3)	(62.5)	(60.3)	(62.4)
		59.9	50.7	57.3	48.5
Net Current Assets					
		268.8	254.1	269.4	254.7
Total Assets less Current Liabilities					
Creditors:					
Amounts falling due after more than one year	13	(72.8)	(76.2)	(72.8)	(76.2)
Provision for liabilities and charges	14	(0.1)	(0.2)	(0.1)	(0.2)
		195.9	177.7	196.5	178.3
Net Assets excluding Pension Liability					
Pension liability	19	(60.8)	(59.6)	(60.8)	(59.6)
		135.1	118.1	135.7	118.7
Net Assets					
Deferred Capital Grants					
	15	42.9	40.6	42.9	40.6
Reserves					
Avon endowment	16	46.6	46.6	46.6	46.6
Permanent endowment	17	1.8	1.8	1.8	1.8
		48.4	48.4	48.4	48.4
Income and expenditure excluding pension liability	18	104.6	88.7	105.2	89.3
Pension reserve	19	(60.8)	(59.6)	(60.8)	(59.6)
		43.8	29.1	44.4	29.7
Total Reserves					
		92.2	77.5	92.8	78.1
Total Funds					
		135.1	118.1	135.7	118.7

The financial statements were approved by the Board of Governors on 25 November 2014 and signed on its behalf by:

Professor Steve West
Vice-Chancellor

Gillian Camm
Chair, Board of Governors

Consolidated Statement of Total Recognised Gains and Losses for the year ended 31 July 2014

	Note	2013/14 £m	2012/13 £m
Surplus on continuing operations after depreciation of assets at cost		14.8	9.2
Actuarial (loss)/gain in respect of pension schemes in the year	19	(0.1)	11.2
		<hr/>	<hr/>
Total Recognised Gains		14.7	20.4
Closing Reserves and Deferred Capital Grants			
Reserves:			
Opening reserves and endowments		77.5	57.1
Total recognised gain in the year		14.7	20.4
		<hr/>	<hr/>
Closing Reserves		92.2	77.5
Deferred capital grants:			
Opening deferred capital grants		40.6	39.6
Net increase in the year		2.3	1.0
		<hr/>	<hr/>
Closing deferred capital grants		42.9	40.6
		<hr/>	<hr/>
Net Assets as at 31 July		135.1	118.1

Consolidated Cash Flow Statement for the year ended 31 July 2014

	Note	2013/14 £m	2012/13 £m
Net cash inflow from operating activities	20	22.2	17.7
Returns on investments and servicing of finance			
Interest received		1.1	1.4
Interest paid		(0.5)	(0.6)
		0.6	0.8
Capital expenditure and financial investment			
Tangible fixed assets acquired		(14.5)	(3.1)
Deferred capital grant received		3.0	1.7
		(11.5)	(1.4)
Net cash inflow before management of liquid resources		11.3	17.1
Management of liquid resources: current asset investments		19.5	(19.2)
Cash inflow/(outflow) before financing		30.8	(2.1)
Financing		(3.8)	(3.8)
Increase/(Decrease) in cash		27.0	(5.9)
Reconciliation of net cash flow to movement in net funds		2013/14 £m	2012/13 £m
Increase/(Decrease) in cash		27.0	(5.9)
(Decrease)/increase in investments		(19.5)	19.2
Repayments of loan		3.8	3.8
Salix loan from HEFCE		(1.0)	-
Change in net funds in the year		10.3	17.1
Net funds at 1 August		20.7	3.6
Net Funds at 31 July	21	31.0	20.7

Notes to the Financial Statements

	2013/14 £m	2012/13 £m
1. Funding Council Grants		
Basic recurrent grant	32.2	44.0
Training and Development Agency	0.8	1.6
Other grants	2.5	2.0
Release of capital grants	0.7	0.7
	36.2	48.3
2. Tuition Fees and Education Contracts		
Full time - Home and EU	99.3	78.8
Full time - Overseas	17.2	13.4
Part time	6.6	6.5
Health Authority Education Contracts	24.2	23.9
Short course fees	6.0	4.3
	153.3	126.9
3. Research Grants and Contracts		
Research Councils	3.0	4.3
UK based charities	1.1	1.0
European Commission	1.7	1.7
Other research grants and contracts	4.8	4.5
	10.6	11.5
4. Other Operating Income		
Residences and catering	17.3	18.0
Other services rendered	5.0	6.6
Rent receivable	1.5	1.5
Other educational contracts	2.9	2.1
Other income	7.7	6.2
	34.4	34.4
5. Endowment and Investment Income	1.1	1.4
6. Staff Costs		
Salaries and wages	105.7	103.0
Social security costs	7.8	7.8
Other pension costs	15.2	12.4
	128.7	123.2
Average FTE staff numbers by category		
	2013/14 Numbers	2012/13 Numbers
Academic faculties	1,271	1,253
Learning support services	248	250
Other student support services	315	290
Administration and central services and premises	814	815
	2,648	2,608

Notes to the Financial Statements (continued)

6. Staff Costs (continued)

Emoluments of the Vice-Chancellor

	2013/14	2012/13
	£	£
Vice-Chancellor		
Salary	243,377	241,572
Performance related pay	18,253	24,158
	261,630	265,730
Subtotal		
Benefits in kind	604	583
Pension costs	34,316	37,468
Pension adjustment	-	10,851
	296,550	314,632

The performance related pay was awarded by measurements against targets set by the Board of Governors. The pension adjustment was in respect of 2011/12 which was not accrued in that year.

Remuneration of higher paid staff excluding the Vice-Chancellor

	2013/14	2012/13
	Numbers	Numbers
£100,000-£110,000	3	4
£110,001-£120,000	2	3
£120,001-£130,000	2	1
£130,001-£140,000	1	1
£140,001-£150,000	1	1

Expenses paid to or on behalf of Trustees

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

Trustees are entitled to claim reasonable expenses incurred in undertaking their duties as Trustees in accordance with the University's financial regulations. In 2013/14 a total of £7,660 (£7,791 in 2012/13) for expenses was paid to or on behalf of 14 Trustees. This covered: travel expenses to meetings and other University events; fees for training and development events; travel, accommodation and other expenses incurred in representing the University at external events; subscriptions and costs of publications to inform them in carrying out their role.

7. Analysis of expenditure by activity

	Staff	Other			Total	Total
	Costs	Operating	Dep'n	Interest	2013/14	2012/13
	£m	Expenses	£m	Payable	£m	£m
Academic faculties	68.5	18.3	0.8	-	87.6	84.9
Academic support services	15.9	8.9	0.1	-	24.9	20.4
Research grants and contracts	4.2	3.0	-	-	7.2	8.8
Administration and central services	26.5	20.4	1.5	-	48.4	48.7
Premises	5.1	22.5	2.6	-	30.2	26.5
Residences and catering	4.4	5.5	2.4	0.5	12.8	12.9
Other services rendered	2.2	3.3	-	-	5.5	5.8
Other	1.3	1.8	-	-	3.1	2.6
FRS 17 change (Note 27)	0.6	-	-	0.5	1.1	2.7
	128.7	83.7	7.4	1.0	220.8	213.3

Operating expenditure includes:

	2013/14	2012/13
	£000	£000
External auditors- audit	45	40
External auditors- non audit	-	7
Internal auditors	105	101
	150	148

Notes to the Financial Statements (continued)

8. Tangible Fixed Assets

Group	Investment Property £m	Freehold Land and Buildings £m	Assets in Course of Construction £m	Equipment £m	Total £m
Cost or Valuation					
At 1 August 2013	7.6	241.1	0.8	16.9	266.4
Additions	-	-	14.3	0.6	14.9
Transfer of Asset held for Disposal	-	(11.6)	-	-	(11.6)
Loss on revaluation	(0.1)	-	-	-	(0.1)
Write offs & disposal	-	-	(0.4)	(0.1)	(0.5)
At 31 July 2014	7.5	229.5	14.7	17.4	269.1
Depreciation					
At 1 August 2013	-	53.7	-	11.1	64.8
Charge for the year	-	4.8	-	2.6	7.4
Transfer of Asset held for Disposal	-	(10.1)	-	-	(10.1)
Write offs & disposal	-	-	-	(0.1)	(0.1)
At 31 July 2014	-	48.4	-	13.6	62.0
Written Down Value					
At 31 July 2014	7.5	181.1	14.7	3.8	207.1
Written Down Value					
At 31 July 2013	7.6	187.4	0.8	5.8	201.6
University					
University	Investment Property £m	Freehold Land and Buildings £m	Assets in Course of Construction £m	Equipment £m	Total £m
Cost or Valuation					
At 1 August 2013	7.6	229.9	0.8	16.8	255.1
Additions	-	-	14.3	0.6	14.9
Transfer of Asset held for Disposal	-	(11.6)	-	-	(11.6)
Loss on revaluation	(0.1)	-	-	-	(0.1)
Write offs & disposal	-	-	(0.4)	(0.1)	(0.5)
At 31 July 2014	7.5	218.3	14.7	17.3	257.8
Depreciation					
At 1 August 2013	-	52.3	-	11.1	63.4
Charge for the year	-	4.4	-	2.6	7.0
Transfer of Asset held for Disposal	-	(10.1)	-	-	(10.1)
Write offs and disposal	-	-	-	(0.1)	(0.1)
At 31 July 2014	-	46.6	-	13.6	60.2
Written Down Value					
At 31 July 2014	7.5	171.7	14.7	3.7	197.6
Written Down Value					
At 31 July 2013	7.6	177.6	0.8	5.7	191.7

Notes to the Financial Statements (continued)

8. Tangible Fixed Assets (continued)

The University made a decision to sell St Matthias, its Fishponds campus. A value of £1.5m representing its written down value is now reflected in the Balance Sheet as a current Asset. This value is made up of:

	£m
Cost	11.6
Accumulated depreciation	(10.1)
	<hr/>
Written down Value	1.5

The investment property, Northavon House, was valued by the District Valuer in accordance with RICS Appraisal and Valuation Standards as at 31 July 2014. The District Valuer confirmed the valuation of Northavon House at that date at £7.45m based on existing use and open market value. A decrease of £0.1m in the valuation has been charged to revenue as depreciation.

'Freehold Land and Buildings' includes capitalised interest of £1.8m in respect of the cost of Student Village at Frenchay Campus.

'Freehold Land and Buildings' includes land at cost of £39m, which has not been depreciated.

Tangible fixed assets include equipment held under finance lease as follows:

	2014	2013
	£000	£000
Cost	4,144	4,144
Accumulated depreciation	1,870	1,041
Charge for the year	904	829

9. Investments

	Group		University	
	2014	2013	2014	2013
	£m	£m	£m	£m
Subsidiary companies	-	-	12.7	12.7

The University holds 38,049 £1 shares in CVCP Properties plc, called up and fully paid representing 0.89% of the company's share capital.

Subsidiary companies

The following companies, all of which are incorporated in England and Wales, were wholly owned by the University at 31 July 2014.

Bristol Polytechnic Enterprises Limited	Property Management
Bristol UWE Health Training Limited	Dormant
Bristol UWE Sport Limited	Non Trading

The University owns 67% of the following company which is incorporated in England and Wales. At July 2014, the company had not started trading.

Argillasys Limited	3D Printing and Manufacturing
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The results of the above companies have been consolidated with those of the University. The accounting surplus is as shown below:

	2014	2013
	£000	£000
Bristol UWE Sport Limited	-	-
Bristol UWE Health Training Limited	-	-
Bristol Polytechnic Enterprises Limited	18	60

10. Endowment Assets

	Group and University	
	2014	2013
	£m	£m
At 31 July	1.8	1.8

The endowment held as cash deposit, is to support a Chair for 'Languages and Communication Impairment'. All interest income received in the year has been used for the Chair.

Notes to the Financial Statements (continued)

11. Debtors	Group		University	
	2014 £m	2013 £m	2014 £m	2013 £m
Amount due from subsidiary	-	-	0.4	0.4
Other debtors	10.4	10.5	10.3	10.6
Other prepayments	1.0	2.9	1.1	2.9
	11.4	13.4	11.8	13.9

12. Creditors: Amounts falling due within one year	2014 £m	2013 £m	2014 £m	2013 £m
Research grants received in advance	18.1	17.8	18.1	17.7
Social security and taxation	4.2	4.3	4.2	4.3
Bank loan	3.9	3.8	3.9	3.8
Obligations under finance lease	0.6	0.5	0.6	0.5
Other receipts in advance	3.6	7.2	3.6	7.2
Accruals and deferred income	29.9	28.9	29.9	28.9
	60.3	62.5	60.3	62.4

13. Creditors: Amounts falling due after more than one year	Group and University	
	2014 £m	2013 £m
Lloyds TSB Loan	71.3	75.1
Salix HEFCE Loan	0.9	-
Obligations under finance lease	0.6	1.1
	72.8	76.2

Analysis of Loan and net Finance Lease

Due between one and two years	8.4	8.7
Due between two and five years	11.7	11.5
Due in five years or more	52.7	56.0
	72.8	76.2

The University has a long-term bank loan of £95m on a repayment basis. The loan matures in March 2034 and is currently linked to the Base Rate. The University has the right to fix the interest rate for a proportion or the whole of the loan, at a time of its choosing.

14. Provision for Liabilities and Charges	Group and University	
Early Retirement Costs	2014 £m	2013 £m
At 1 August	0.2	0.2
Transfer to Income and Expenditure account	(0.1)	-
At 31 July	0.1	0.2

Early Retirement Costs represents the present value of the University's future obligation in relation to staff who have taken early retirement. This represents the SSAP24 provision not covered by the FRS 17 actuarial valuation. No valuation has been carried out for this fund as the values are not considered material.

Notes to the Financial Statements (continued)

15. Deferred Capital Grants

	Group and University	
	2014	2013
	£m	£m
At 1 August	40.6	39.6
Received during the year	3.0	1.7
Released to Income and Expenditure Account	(0.7)	(0.7)
At 31 July	42.9	40.6

All capital grants received are from the Higher Education Funding Council.

16. Reserves: Avon Endowment

	Group and University	
	2014	2013
	£m	£m
Avon Endowment	46.6	46.6

As a consequence of the Education Reform Act 1988 all freehold interests in land and buildings used by Bristol Polytechnic were transferred from Avon County Council on 1 April 1989 to what is now the University. The amount shown as Avon Endowment represents the value of the land and buildings which were brought into the Balance Sheet at their depreciated replacement cost.

17. Permanent Endowment

	Group and University	
	2014	2013
	£m	£m
At 31 July	1.8	1.8

18. Reserves Group

	At 1 August 2013	Surplus for the year	Transfers	FRS 17 net change	At 31 July 2014
	£m	£m	£m	£m	£m
General Reserve	39.9	14.8	(2.4)	1.1	53.4
Strategic investment fund	26.1	-	-	-	26.1
Long term investment fund	13.3	-	1.3	-	14.6
Student accommodation maintenance	7.0	-	0.7	-	7.7
Other	2.4	-	0.4	-	2.8
Total specific reserves	48.8	-	2.4	-	51.2
Total reserves	88.7	14.8	-	1.1	104.6

Notes to the Financial Statements (continued)

18. Reserves (continued) University	At 1 August 2013 £m	Surplus for the year £m	Transfers £m	FRS 17 net change £m	At 31 July 2014 £m
General Reserve	40.5	14.8	(2.4)	1.1	54.0
Strategic investment fund	26.1	-	-	-	26.1
Long term investment fund	13.3	-	1.3	-	14.6
Student accommodation maintenance	7.0	-	0.7	-	7.7
Other	2.4	-	0.4	-	2.8
Total specific reserves	48.8	-	2.4	-	51.2
Total reserves	89.3	14.8	-	1.1	105.2

	Group and University	
	2014 £m	2013 £m
19. Pension Reserve		
At 1 August	59.6	68.1
Actuarial loss/(gain)	0.1	(11.2)
FRS17 net change	1.1	2.7
At 31 July	60.8	59.6

20. Reconciliation of Surplus for the Year to Net Operating Cash Flows	2014 £m	2013 £m
Operating surplus for the year before exceptional income	14.8	9.2
Depreciation	7.4	6.4
FRS 17 change in the year	1.1	2.7
Deferred capital grants released to income	(0.7)	(0.7)
Interest received	(1.1)	(1.4)
Interest paid	0.5	0.6
Decrease in debtors	2.0	1.0
(Decrease)/Increase in creditors falling due within one year	(2.2)	0.3
Increase/(Decrease) in creditors falling due after one year	0.3	(0.5)
Loss on revaluation of investment property	0.1	0.1
Net Cash Inflow from Operating Activities	22.2	17.7

21. Analysis of Changes in Net Funds	2014 £m	Cash Flows £m	2013 £m
Cash at bank and in hand	29.1	27.0	2.1
Current asset investments	78.0	(19.5)	97.5
Bank loan falling due after one year	(72.2)	2.9	(75.1)
Bank loan falling due within one year	(3.9)	(0.1)	(3.8)
	31.0	10.3	20.7

Notes to the Financial Statements (continued)

	Group and University	
	2013/14	2012/13
	£m	£m
22 Access Funds		
HEFCE	0.5	0.6
Interest earned	-	-
Disbursement to students	0.5	0.6
23 Training and Development Agency Bursaries		
Grant received	1.9	2.3
Disbursement to students	(1.9)	(2.3)
	-	-
24 Obligations under Operating Leases of Land and Buildings		
Commitment expires within 1 year	0.4	0.5
Commitment expires between 2 to 5 years	0.8	0.8
Commitment expires after 5 years	0.4	0.4
	1.6	1.7

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 arms' length basis and under normal commercial terms.

Notes to the Financial Statements (continued)

25 Related party transactions (continued)

Name of Organisation	Nature of Interest	Detail	(Income)/ Expenditure £000	(Debtor)/ Creditor £000
Capita Symonds Ltd	UWE Governor acts as Non-Executive Chairman	Project management and travel arrangements	456	29
Hartpury College	UWE Governor acts as Chairman of Hartpury College	Franchise expenditure (core and SLC fees), Income relates to charge for distribution of Bursaries	6,878	-
HEFCE	Vice-Chancellor acts as a member of HEFCE Healthcare Education Advisory Committee. A senior manager is a member of the Widening Access Participation Strategic Advisory Committee	Use of facilities	(960)	(6)
Kaplan Holborn College	UWE Governor is an Academic Board Member	Use of facilities - teaching and accommodation. Also UWEBIC Partnership	(882)	(293)
Strategic Health Authority South Cluster	Vice-Chancellor acts as Vice-Chair (Non-Executive Director)	Training for Health Care	(29,069)	(356)
UWE Students Union	President of the Students' Union is a Governor of UWE Board	Hire of University facilities and catering by the Student Union, the University provides block grant and Sports Hall grant.	968	(28)
Wallscourt Foundation	Vice-Chancellor acts as Director and Trustee	Provision of grants, donations and other property related transactions	1012	(24)
Wessex Water	Chair of the UWE Board of Governors acts as a Non-Executive Director	Water and sewerage charges	672	1

Notes to the Financial Statements (continued)

26 Contingent Liability

- (a) The University is a member of U M Association Ltd (UMAL). UMAL is a discretionary Mutual Association owned by Higher Education and Further Education Institutions. By self-managing the pool created by retaining funds in respect of such claims, the Members have gained control of costs and pricing, the cover provided, underwriting and claims data. Traditional insurance is purchased in the general insurance market by the Association for catastrophe claims. The Mutual offers all classes of material damage, business interruption and liability covers, together with accident and travel cover.

The University is also a member of the sector owned mutual UM Association (Special Risks) Ltd (UMSR) which specialises in the provision of Terrorism insurance cover in respect of Material Damage and Business Interruption risks. UMSR is a company limited by guarantee with no share capital.

If the company as a whole suffers a shortfall in any underwriting year, members are liable for their pro rata share. No liability has yet arisen under this membership.

- (b) In 2001/02 the University entered into an agreement with its subsidiary Bristol UWE Health Training Limited ("BUHT") in connection with its request that BUHT purchase shares in BQC Performance Management Limited ("BQC") for £0.44m. As sole shareholder in BUHT, the University guarantees the purchase of shares in BQC for the same consideration in the event that BUHT is deemed insolvent.
- (c) At 31 July 2014 value of capital commitments were £12.6m (31 July 2013 £0.7m)

27 Pension Schemes

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

The pension cost for the University was as follows:

	2013/14	2012/13
	£m	£m
Teachers' Pension Scheme	6.5	6.4
Avon Pension Fund (includes FRS 17 charge)	8.3	5.6
USS	0.4	0.4
	15.2	12.4

Teachers' Pension Scheme

Contributions to the TPS are assessed not less than every 5 years by the Government Actuary. Contributions are paid by the University at the rate specified by the Government Actuary. During the year the University's contribution was 14.1% of pensionable salaries and the employees' contribution was 6.4% to March 2012. Since April 2012, employees' contribution rates ranged from 6.4% to 11.29% depending on the individual's full time equivalent pay. The scheme is unfunded and, therefore, no valuations of the fund's assets are published.

Notes to the Financial Statements (continued)

The Avon Pension Fund

The Avon Pension Fund (APF) is a Local Government Pension Scheme ("LPGS") and is a funded defined benefit scheme, with the assets held in separate trustee funds by the administering authority, Bath and North East Somerset Council under LPGS Regulations.

The total cash contribution made for the year ended 31 July 2014 was £10.5m of which employers' contribution totalled £7.7m and employees' contribution totalled £2.8m. In addition, during the year the University made a total deficit recovery payment of £2.8m (2013: £1.6m).

The APF is valued every 3 years by a professionally qualified actuary using the projected unit method, the rates of contribution payable being determined by the members of the APF Committee on the advice of the actuaries. The latest actuarial assessment was at 31 March 2013. At valuation date the value of assets was £3,147 million and the value of the fund's technical provision was £4,023 million resulting in a deficit of £876 million. The assets therefore were sufficient to cover 78% of the benefits which had accrued to members after allowing for expected future earnings. Following the valuation, the University agreed with the actuary, a deficit recovery plan aiming to remove the shortfall attributable to members by 2033, by means of deferred recovery payments, from £1.8 million in 2014/15 rising to £2.3 million in 2017/18.

Employer's contribution to future service rates have been agreed as follow:

2013/14	11.0%
2014/15	12.0%
2015/16	13.0%
2016/17	13.5%
2017/18	13.5%

The agreed rates of contribution for employees are banded from 5.5% to 7.5% depending on an individual's full time pay. The fund has been accounted for within these financial statements in accordance with the provisions of FRS 17.

The material assumptions used by the actuary for FRS17 purposes at 31 July 2014 were:

	31 July 2014	31 July 2013
Inflation CPI	2.3%	2.4%
Rate of increase in salaries	3.8%	3.9%
Rate of increase in pensions	2.3%	2.4%
Discount rate for liabilities	4.3%	4.5%

The current mortality assumptions include sufficient allowance for future improvements in mortality rates. The assumed life expectations on retirement at age 65 are:

	31 July 2014	31 July 2013
Retiring today		
Males	23.3	22.9
Females	25.8	25.9
Retiring in 20 years		
Males	25.7	25.2
Females	28.7	28.2

Notes to the Financial Statements (continued)

27 Pension Schemes (continued)

The University's share of assets in the scheme and expected rate of return were:

	Rate of return expected at 31 July 2014	Value at 31 July 2014	Rate of return expected at 31 July 2013	Value at 31 July 2013	Rate of return expected at 31 July 2012	Value at 31 July 2012
		£m		£m		£m
Equities	7.0%	95.3	7.0%	102.5	7.0%	77.2
Bonds-Government	3.2%	15.3	2.5%	17.0	2.5%	16.4
Bonds-Other	4.1%	17.8	3.4%	14.0	3.4%	16.0
Property	6.2%	13.5	6.0%	11.3	6.0%	9.8
Cash/Liquidity	0.5%	6.0	0.5%	2.8	0.5%	2.4
Other	7.0%	24.7	7.0%	11.3	7.0%	10.3
		172.6		158.9		132.1

The University's share of the scheme's assets and liabilities were:

	31 July 2014	31 July 2013
	£m	£m
Market value of assets	172.6	158.9
Present value of the liabilities	(233.4)	(218.5)
Deficit in the scheme - Net pension liability	(60.8)	(59.6)

Amounts charged to the income and expenditure account

Current service cost	(8.1)	(7.3)
Settlements and curtailments	(0.1)	-
Total operating charge	(8.2)	(7.3)

Analysis of finance income and charges

Expected return on pension scheme assets	9.5	7.4
Interest on pension liabilities	(10.0)	(8.7)
Net change	(0.5)	(1.3)

Analysis of amounts recognised in statement of recognised gains and losses (STRGL)

Actual return less expected return on pension scheme assets	(1.4)	15.5
Changes in assumptions underlying the present value of the scheme liabilities	1.3	(4.3)
Actuarial (loss)/gain recognised in STRGL	(0.1)	11.2

Notes to the Financial Statements (continued)

27 Pension Schemes (continued)

	31 July 2014 £m	31 July 2013 £m
Movement in deficit is as follows:		
Deficit in scheme at 1 August	(59.6)	(68.1)
Movement in the year:		
Current service cost	(8.1)	(7.3)
Contributions	7.7	5.9
Curtailments or settlements	(0.2)	-
Net Interest/return on assets	(0.5)	(1.3)
Actuarial (loss)/gain	(0.1)	11.2
Deficit in scheme at 31 July	(60.8)	(59.6)
Analysis of the movement in the present value of the scheme's liabilities:		
At 1 August	(218.5)	(200.2)
Current service cost	(8.1)	(7.3)
Interest cost	(10.0)	(8.7)
Contribution by the scheme participants	(2.8)	(2.6)
Actuarial gains and losses	1.3	(4.3)
Benefits paid	4.9	4.6
Curtailments	(0.2)	-
At 31 July	(233.4)	(218.5)
Analysis of the movement in the present value of the scheme's assets:		
At 1 August	158.9	132.1
Expected rate of return on scheme assets	9.5	7.4
Actuarial gains and losses	(1.4)	15.5
Contribution by the employer	7.7	5.9
Contribution by the scheme participants	2.8	2.6
Benefits paid	(4.9)	(4.6)
At 31 July	172.6	158.9

Notes to the Financial Statements (continued)

27 Pension Schemes (continued)

	2014 £m	2013 £m	2012 £m	2011 £m	2010 £m
Difference between the expected and actual return on assets					
Amount	(1.4)	15.5	(4.2)	5.3	8.9
Percentage of scheme assets	0.8%	9.7%	3.1%	4.2%	8.2%
Experience gains/(losses) on scheme liabilities					
Amount	(1.3)	(4.3)	(7.7)	(8.5)	(9.4)
Percentage of the present value of scheme liabilities and assets	0.5%	1.9%	3.8%	4.8%	6.0%
Actuarial gain/(loss) recognised in STRGL					
Amount	(0.1)	11.2	(11.8)	(3.2)	10.3
Percentage of present value of year end scheme liabilities	0.1%	5.1%	5.9%	1.8%	3.0%

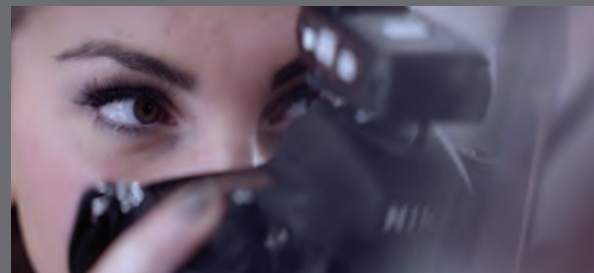
Universities Superannuation Scheme (USS)

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

Further disclosure is not made in these financial statements as there are only a small number of University employees in the scheme.



Professor Darren Reynolds leads a team of researchers in Biological, Biomedical and Analytical Sciences, who have developed a portable and mobile water treatment system capable of delivering clean drinking water.



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