



**Bournemouth
University**

**Bournemouth University,
Higher Education Corporation**

**Report and Financial Statements
for the year ended 31 July 2022**

Board members and advisers

Board Membership at 8 December 2022 (date of formal approval)

Board Members (External)

Prof Richard Conder (Chair to 10 July 2022)
 Mr David Furniss (Chair from 11 July 2022)
 Mr John Beswick (to 30 November 2022)
 Prof Carol Evans
 Ms Karima Fahmy (Deputy Chair from 1 December 2022)
 Ms Maggie Frost
 Mr Nicholas Golding (from 1 August 2022)
 Mr Karl Hoods
 Mr Simon Jackson (from 9 July 2022)
 Mr Stuart Jones
 Mr David Kane (to 31 July 2022)
 Mrs Jean Lang (Deputy Chair to 30 November 2022)
 Ms Sara Luder
 Mrs Adetola Oloyede (to 30 November 2022)
 Mr David Smith (from 1 December 2022)
 Ms Deborah Ward
 Mrs Deborah Warman (from 1 August 2022)
 Mr Robert Williams (from 1 January 2022)

External Auditors

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Board Members (Internal)

Mrs Paula Alliston (Professional & Support Staff Member)
 Mr Jim Andrews (Chief Operating Officer)
 Ms Nastassia Asselin (Student Member)
 (from 1 August 2022)
 Ms Omuwa Ayomoto (President Students' Union at
 Bournemouth University) (from 1 August 2022)
 Prof Carol Clark (Senate Member)
 Dr Lois Farquharson (Academic Staff Member)
 Miss Naomie Lebe (President Students' Union at
 Bournemouth University) (to 31 July 2022)
 Prof Tim McIntyre-Bhatty (Deputy Vice-Chancellor)
 Mrs Susie Reynell (Finance Director)
 (from 31 January 2022)
 Prof John Vinney (Vice-Chancellor)

Internal Auditors

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Report of the Board of Governors

Scope and format of the financial statements

We are pleased to present the financial statements for Bournemouth University (BU) for 2022. The financial statements comprise the consolidated results of the University and its wholly-owned subsidiaries, BU Innovations Limited and BU Community Business Limited.

Operating and financial review

Introduction

Our vision

The University's vision is to be recognised worldwide as a leading university for inspiring learning, advancing knowledge and enriching society through the Fusion of education, research and practice. Our values are creativity, inclusivity, responsibility and excellence. BU2025 is the next step in BU's development, building on our success. We have retained the core of what makes BU different, including our Fusion approach. Through Fusion, which was introduced at the start of the BU2018 plan period, we bring together research, education and practice to create something that is greater than the sum of its parts. As part of our BU2025 strategic plan, we have defined our purpose, to inspire learning, advance knowledge and enrich society.

Current year results

The University has performed well against its target Financial Performance Indicators in the period against the backdrop of recovery from the Covid 19 pandemic. Face to face interactions during the autumn and winter months were severely impacted by the virus; however the roll out of vaccinations and the removal of physical distancing and self-isolation measures meant behaviours returned to near pre-pandemic patterns by the end of the year. Income from on-campus services increased by 185% in comparison with the

previous year. Global travel restrictions reduced the number of international students able to join the university in the autumn but we saw an increase in postgraduate intake in January 2022 as a result of the removal of these restrictions.

Fusion at BU, bringing together research, education and engagement with practice and industry, continues to generate benefits for the institution, with a strong performance in the Research Excellence Framework 2021. The most notable achievements are:

- 94% of our research was found to be internationally-recognised or above, with 96% of the research delivering considerable impact or above;
- the percentage of BU staff participating in REF 2021 more than tripled compared to REF 2014 reflecting our inclusive approach. We are now in the upper quartile across the sector for research intensity; and
- for research power, BU is ranked 51st out of 157 institutions in the UK, which puts us in the top third of institutions nationally.

The University continues to provide our students with strong graduate outcomes as evidenced by an increase in the number who are in full-time employment 15 months after graduation (for students who completed their programmes in 2019/20:

66% versus 2018/19: 62%) which is 9% ahead of the sector average. Additionally, 78% of our graduates entered work in highly skilled roles, being 1% ahead of the sector average.

Future plans and position

The University remains committed to its BU2025 strategy and has prepared its financial budgets and forecasts on this basis to 31 July 2025. Student recruitment remains strong and is expected to grow. Undergraduate student numbers (excluding foundation year students) are expected to grow at 3% per year, an assumption supported by the demographic upturn. Foundation year student numbers and postgraduate taught student numbers are expected to increase at a faster rate based on the growth in demand seen for these courses over the previous cycle which continues to be evidenced in the September 2022 intake.

Opportunities to further grow our Research and Knowledge Exchange activities are expected to yield growth in income of 24% per year over the next three years to regain performance lost due to the shift in focus caused by the pandemic and to capitalise on new and emerging streams of revenue. The diversification of income streams is seen as key to the University's navigation of the challenging macroeconomic environment.

Inflationary pressure will increase costs at a faster rate than previously forecast and our ambition for growth and diversification of our portfolio is planned to mitigate the risk of rising costs where the main income stream from home undergraduate fees remains fixed for the foreseeable future.

Cash flow forecasts have also been prepared to 31 July 2025. Supported by a significant improvement in our cash position over the reporting period, year end cash balances are expected to increase in each year as the target for net cash from operating activity as a % of income is prioritised to maintain financial stability. The cash flow forecast shows that the University can operate within its current facilities without using any of its overdraft facility or rolling credit facility.

Our performance remains under regular review to ensure we remain on track to meet our financial targets, with closer scrutiny deemed necessary given the volatility and uncertainty within the economy and political environment, both domestic and global.

The University will continue to monitor the performance and impact of the Local Government Pension Scheme on our financial position. The pension provision reduced considerably from 2020-21 to 2021-22, with the reduction driven by a change to the financial assumptions.

Given the recent volatility of inflation and bond yields, the University has disclosed the impact on the schemes obligations should it have adopted the 2023 Pension Increase order in the balance sheet, however the amount is not recognised in the balance sheet (please refer to note 21).

All long-term loan facilities are either fixed interest rate facilities or fixed by a derivative instrument therefore the University is not deemed to be materially exposed to movements in the Bank of England interest rate in the medium term.

Period under consideration

The university retained an underlying operating surplus of £8.6m in 2021-22 despite the challenges of inflationary pressures, turbulence within the energy markets and the global pandemic. Income has grown by 4.4%, driven by increasing demand for postgraduate courses from overseas students. The university's total reserves have recovered to a net surplus position of £93.3m from a net deficit position of £27.8m in the prior year, following a significant change in the financial assumptions within the actuarial valuation of the LGPS defined benefit pension obligation. The long-term pension provision has reduced to £50.3m (2020-21: £160.6m).

Banking Facilities and covenants

BU has access to an overdraft facility of £5m – renewable at the end of the calendar year – and two £10m Revolving Credit Facilities (RCF). Our RCF and overdraft remained undrawn during the 2021-22 financial year. BU is planning to maintain the current level of RCF facilities for the foreseeable future, ensuring that the University should have access to sufficient funds if required.

The budget and forecasts have been used to calculate the values of the banking covenants over the period in question to ensure the University is compliant with them. Based on these projections BU is compliant both for this year and future forecast periods.

Financial Performance

	2020-21 Actual	2021-22 Actual	BU2025 Target
Annual contribution as a % of income (excluding gain on tangible assets, pension adjustment and restructuring charge)	4.9%	5.0%	4.0-6.0%
Net cash from operating activity as % of income	14.8%	14.1%	11.0%
Borrowing % of income	33.8%	30.8%	36.0%

BU reported an annual contribution (excluding the pension adjustment and the restructuring charge) of 5.0% (2020-21 4.9%) and remained in line with the BU2025 target contribution of 4.0-6.0%. In 2021-22 the University reported a net cash from operating activity percentage of 14.1% (2020-21 14.8%), 3% above the BU2025 target of 11.0%. The borrowing to income percentage remained below the BU2025 target of 36.0%. There were no additional borrowings drawn in the 2021-22 financial year whilst capital repayments reducing long term loans by £2.6m.

Financial highlights of the year

Five-year financial summary excluding pension adjustment, gain on disposal of tangible assets and restructuring charges	2021-22 £M	2020-21 £M	2019-20 £M	2018-19 £M	2017-18 £M
Total income	169.7	162.5	164.4	160.2	159.5
Total expenditure	161.1	154.5	157.3	151.7	150.9
Operating surplus excluding pension adjustment, restructuring charge and gain on disposal of fixed assets	8.6	8.0	7.1	8.5	8.6
Pension provision cost adjustment	15.3	11.9	8.6	9.9	9.5
Restructuring charge	0.1	1.0	2.5	2.4	-
Deficit before other gains	(6.8)	(4.9)	(4.0)	(3.8)	(0.9)
Operating surplus excluding gain on disposal of tangible assets, pension adjustment and restructuring charge as a % of income	5.1%	4.9%	4.3%	5.3%	5.4%
Net assets excluding pension reserve	143.6	132.8	127.7	124.7	118.8

BU's operating surplus as a percentage of income (excluding the pension adjustment and restructuring charge) in 2021-22 was 5.1% (2020-21 4.9%). Total operating income for the year was £169.7m, a £7.2m increase from 2020-21. The increase in income was predominately due to an increase in overseas tuition fee income and an increase in other operating income. The increase in other operating income is partly linked to the removal of COVID restrictions and the return of students to our Campus. Total expenditure was £161.1m, an increase of £6.6m from the total expenditure reported in 2020-21. It should be noted that total expenditure reported in the 2021-22 financial statements also includes an FRS102 accounting pension adjustment of £15.3m, and a restructuring charge of £0.1m, reducing the reported £8.6m operating surplus to an overall deficit of £6.8m. A gain on the disposal of tangible assets of £0.9m, an actuarial gain on the LGPS of £125.5m, and a positive movement in the fair value of an interest rate hedge of £1.5m resulted in total comprehensive gain for the year of £121.1m.

Our people

Our people are at the heart of what we do. Every day, we encourage them to inspire learning, advance knowledge and enrich society. BU has embedded its Fusion model in its structures, including performance management and progression, workload planning and reward and recognition. BU's academic staff are expected to engage in research and education and professional practice in order to ensure that the BU student experience benefits from the fusion of these three elements.

The University is extremely grateful to all staff for their professionalism and efforts. Specifically for retaining our productive capacity to enable the University to emerge from the pandemic with confidence and to deliver the objectives set in the BU2025 strategic plan.

Pension reserve

BU holds three pension provisions on our balance sheet; The Local Government Pension Scheme (LGPS) which is administered by Dorset County Council and is a multi-employer scheme where its assets and liabilities can be established for individual employers. The Universities Superannuation Scheme (USS) is also a multi-employer scheme with no basis to accurately identify employers share of assets and liabilities and therefore our deficit. We are required to estimate a provision for our obligation to make deficit recovery repayments. The Pension Enhancement liability relates to previous members of staff, who receive pension enhancement payments. The University also participates in the Teachers' Pension Scheme (TPS) which is a defined benefits scheme. There is no pension provision recognised on the balance sheet for the TPS.

The LGPS pension provision reported a significant reduction of £110.8m from £159.2m in 2020-21 to £48.4m in 2021-22. This was primarily caused by an increase in bond yields over the year from 1.75% to 3.50%. In addition the 0.05% fall in inflation and the update in life expectancies also impacted.

The USS deficit recovery provision increased from £0.7m in 2020-21 to £1.3m in 2021-22 whilst the pension enhancement liability reduced by £0.1m to £0.6m.

Our student numbers (excluding Partner Colleges):

	2021-22			2020-21		
	Undergraduate	Postgraduate	TOTAL	Undergraduate	Postgraduate	TOTAL
Full-time	12,208	2,121	14,329	12,533	1,969	14,502
Part-time	1,072	1,454	2,526	876	1,129	2,005
TOTAL	13,280	3,575	16,855	13,409	3,098	16,507

BU's full-time student number population was 14,329 (2020-21 14,502) and accounted for 85.0% of our overall students population (2020-21 87.9%). Part-time student numbers increased by 521 whilst Postgraduate student numbers increased by 477. The overall student population reported an increase of 348.

Income:

	2021-22 £M	2020-21 Restated £M	Increase/(decrease) £M	Increase/(decrease) %
Funding body grants	13.4	13.2	0.2	1.5%
Tuition fees and education contracts	137.6	134.4	3.2	2.4%
Research grants and contracts	5.2	4.5	0.7	15.6%
Other operating income	13.3	10.0	3.3	33.0%
Endowment and investment income	0.2	0.4	(0.2)	(50.0)%
Total income excluding other gains	169.7	162.5	7.2	4.4%

In 2021-22, our total income increased by £7.2m or 4.4%. Funding body grants increased by 1.5% whilst tuition fees and education contract increased by £3.2m or 2.4% predominately due to an increase in overseas student tuition fee income. Research grants and contracts income increased by £0.7m or 15.6% whilst other operating income increased by £3.3m or 33.0%. The increase in other operating income predominately related to student accommodation, student travel and SportsBU income which was impacted by the easing of COVID restrictions in 2020-21.

Expenditure:

	2021-22 £M	2020-21 Restated £M	Increase/(decrease) £M	Increase/(decrease) %
Staff costs	88.2	85.2	3.0	3.5%
Staff cost relating to pension provision	12.6	10.0	2.6	26%
Depreciation	13.8	13.0	0.8	6.2%
Other operating expenses	57.2	54.3	2.9	5.3%
Interest payable on loans	1.9	1.9	0.0	0.0%
Pension provision finance cost	2.7	1.9	0.8	42.1%
Total expenditure excluding restructuring charge	176.4	166.3	10.1	6.1%
Restructuring charge	0.1	1.0	(0.9)	(90.0)%
Total expenditure	176.5	167.3	9.2	5.5%

Total expenditure increased by 5.5% from £167.3m in 2020-21 to £176.6m in 2021-22. Staff costs increased by £3.0 or 3.5%, whilst the pension provision cost adjustment increased by £2.6m. The restructuring charge reduced by £0.9m. Total operating expenses reported an increase of £2.9m or 5.3% and was predominately due to the removal of COVID restrictions and the return of students to our campus. The increase in depreciation was a result of the recent investment by the University in new buildings and equipment. Interest payable on loans remained unchanged.

Balance sheet

The University reported a strengthening of its total net asset position to £93.3m (2020-21 total net liabilities £27.8m). Tangible assets reduced by £9.1m which included tangible asset additions of £7.3m being offset by depreciation of £13.8m, and asset disposals of £2.6m. Long term loans decreased from £54.9m to £52.3m as a result of capital repayments during the year. The pension provision reported a significant reduction of £110.3m from £160.6m in 2020-21 to £50.3m in 2021-22 (please see note 21).

Cash flow and borrowings

BU's net cash inflow from operating activities remained strong at £23.9m (2020-21 £24.1m). Loan capital repayments reduced borrowings by £2.6m whilst the University invested £7.4m in capital improvements. Cash and cash equivalents reported an increase of £16.9m from £28.2m in 2020-21 to £45.1m in 2021-22. There were no additional long-term borrowings drawn in the financial year.

Capital investment

The University invested £7.4m in capital projects, with £2.3m of that financed by external capital grant. After the completion of our state-of-the-art Bournemouth Gateway Building in 2020-21, which is the new home for our Faculty of Health and Social Science, investment continued on the re-provision of teaching space to office space in the vacated building Studland House, which is now the home to several of our Professional Services. This enabled the University to exit the rented building Melbury House which previously housed several of our Professional Services.

BU continued to invest in our student facilities and equipment with the creation of high-quality specialist laboratory space to support teaching group sizes within the Faculty of Science and Technology and the Faculty of Health and Social Science, and the creation of a new PC Lab for the Faculty of Science and Technology. BU also invested in scientific equipment, for example a range of human osteology casts and a DNA to data sequencing platform which helps students gain practical hands-on experience in their studies. Our deliberate policy of emphasis on students acquiring strong practical skills will help enable students to gain employment after graduation.

Improvements to enhance the quality of our sporting facilities continued at our 65-acre Chapel Gate site. This includes the replacement of one of the AstroTurf hockey pitches and the replacement of floodlights for both hockey pitches, as well as the floodlights on the main rugby pitch. In addition a new hockey warm up

area and pedestrian circulation areas have been created, and areas of the car park and entrance resurfaced.

BU continued to significantly invest in the "user computing rolling programme". The computer rolling programme provides students and staff with IT equipment across all our faculties and professional services. The IT equipment (computers and audio-visual equipment for hybrid teaching) will support the flexible provision of teaching allowing students to study flexibly to maximise student choice.

Principal risks and uncertainties

BU operates a comprehensive corporate risk management and control arrangements to ensure the sustainability of its operations, and its ability to continue to comply with all conditions of registration.

The corporate Risk Register consists of 12 risks which have been categorised under BU2025 strategic plan headings of Fusion and Investment, Leadership and Impact, Reputation and Networks, People and Culture, and Performance and Resilience. The corporate Risk Register is maintained by the University Leadership Team who identify and prioritise significant risks. The Risk Register is scrutinised by the Audit, Risk and Governance Committee. The University Board also receives the Risk Register as part of the report from each Audit, Risk and Governance Committee meeting.

The University has identified the following significant risks:

Risk	Mitigation
There is a risk that BU is unable to maintain financial sustainability.	<p>Prioritise all activity and spend, ensuring investments and assets are correctly allocated between academic areas of growth, contraction and steady state and release under-utilised assets to free up funds for re-investment.</p> <p>Comply with reserves policy and maintain required level of working capital to manage peaks and troughs in cash flow including £20M revolving credit facility and £5M overdraft.</p> <p>Regularly review control metrics including cashflow monitoring and KPI reporting and take corrective action as needed.</p> <p>Periodically revisit long-term plans and resize the cost base as needed to achieve the target future shape & size of BU and annually refresh budget and delivery plans for future research activity and student numbers.</p> <p>Monitor applications, demographics and government policy to understand student number volumes and trends</p>
There is a risk that BU is unprepared for, or unable to respond to cyber security attacks.	<p>Ensure cyber-attack prevention and identification technologies are in place and maintained with continued investment.</p> <p>Training and awareness completed by all staff and students relating to types of possible attack and how to use IT safely to protect the University.</p> <p>Continued development of Computer Emergency Response Team (CERT) to enable early warning and notification systems and regular monitoring / reporting of potential attacks.</p>
There is a risk that BU fails to comply with regulatory body and/or legislative requirements or that excessive regulation undermines universities autonomy.	<p>Continual review of internal procedures, processes and polices to keep up to date with requirements.</p> <p>Ensure appropriate training and awareness is in place for staff and seek external advice where appropriate.</p> <p>Maintain specific risk registers for individual compliance risks with appropriate actions plans in place and being addressed.</p>
There is a risk that BU fails to build research profile at sufficient speed to deliver on BU2025 research aspirations. Failure to manage and sustain research performance and activity.	<p>Actively monitor research performance and manage return on investment to ensure delivery on expected benefits.</p> <p>Ensure effective performance management and succession planning is aligned to 3-year research plans.</p> <p>Ensure academic staff have sufficient time to undertake research with high quality development opportunities.</p> <p>Ensure targeted investment through BU Strategic Investment Areas with funding opportunities leveraged wherever possible.</p>
There is a risk that BU does not respond effectively to changes in the external environment leading to a financial impact which cannot be mitigated without significant changes to BU2025 implementation.	<p>Consider potential impacts and actions including:</p> <p>Marketing and recruitment;</p> <p>Annual review of planning assumptions;</p> <p>Budget planning and review process to enable planned response to any changes in funding;</p> <p>Regular finance updates and maintenance strong cash balances/reserves throughout financial years;</p> <p>Maintenance of good/strong relationships with lenders and potential lenders;</p>
There is a risk that BU does not have the strategic and tactical capability to plan for, respond to and recover from incidents which may threaten business continuity in the short, medium, and long term. For example, pandemic, adverse weather, fire, cyber-attack, negative publicity.	<p>Maintain Major Incident Plan (MIP), supported by experienced and trained Major Incident Group (MIG) and Departmental and activity Business Continuity Plans.</p> <p>Review and exercise plans annually completing 'deep dives' where necessary.</p> <p>Active membership of the Higher Education Business Continuity Network, BCI, Dorset Local Resilience Forum & Dorset BC Forum. hosting and participating in exercises and professional development activities.</p>

Diversity and equality

BU is committed to ensuring it is open and accessible to all, and values people for what they bring as individuals. Our compliance with the Equality Act 2010 is fully embedded as set out in our Equality and Diversity Policy and supporting Equality Analysis Procedures and promoted regularly to all staff and students. We will seek to uphold and, where possible, exceed the provision of equality legislation to reflect sector best practice. All staff and students have a duty to comply with this policy and so will need to be aware of their personal obligations in eliminating all forms of what the University considers to be unacceptable behaviour.

BU is committed to ensuring best practice and being recognised with the very best organisations and has signed up to a number of equality charter marks and commitments including: Equality and Diversity charter marks and commitments: AccessAble; Athena SWAN charter (AdvanceHE); Business Disability Forum; Race Equality Charter (Advance HE); Stonewall Global Diversity Champion and Disability Confident. We are a member of these charter marks and commitments because they provide a framework for self-assessment, by identifying good practice and areas for future work. They also provide evidence of our real commitment to Equality and Diversity.

Sustainability

Everyone at BU has a role to play in addressing the climate and ecological crisis. Through our research we progress understanding on how to solve world problems including restoring natural habitats, responding to climate disasters, and engaging children with climate issues. Our estates are managed in a way that minimises the impact of our students and staff on the planet and through our educational programmes we help students leave BU understanding how their future careers can make a positive difference to the world.

BU recently released its Climate & Ecological Crisis Action Plan (CECAP) which has a net zero emissions vision by 2030-31, the plan is publicly available on our website. In order to implement CECAP, 94 actions have been identified across 15 themes to be delivered over the next 10 years. Our aim is to reduce greenhouse

gas emissions as rapidly as possible, with particular focus on energy consumption, transport and capital development, and invest in high-quality carbon offsets, where necessary, to achieve the science-based net zero target. Our progress is tracked through our CECAP Group and reported to our Sustainability Committee.

Our CECAP reported on 8 objectives:

- Demonstrating and sustainable leadership.
- Aligning education and research with our crisis response.
- Implementing Nature-based Solutions.
- Reducing Green House Gas (GHG) emissions through engagement and behaviour change.
- Rapidly reduce GHG emissions through technology solutions.
- Implementing net zero carbon capital development.
- Data management and reporting.

BU has achieved a number of sustainability achievements including becoming an accredited Gold Level Cycle Friendly Employer. The scheme is the only recognised standard for workplace cycling and awards organisations who promote and provide exemplary cycling facilities as well as supporting, encouraging and promoting cycling to its employees. BU achieved a BREEAM 'Excellent' rating for our new Bournemouth Gateway Building and achieved a rating of A for its Energy Performance Certificate. In addition BU has signed up to UN'S Race to Zero. The scheme includes a commitment to pledge, plan, proceed and publish our journey to net zero emissions.

BU have performed well in external benchmarking for our sustainability performance. In 2022 BU ranked 42nd in the world in the Times Higher Impact Rankings where we submitted data against at 17 UN Sustainable Development Goals. We won the DataPoints Merit Award this year as the University scoring the highest for our own actions to achieve net zero carbon. BU also retained its 1st class award and ranked 14th place in the UK for our environmental and ethical performance in the People and Planet University League.

Trade Union facility time

The Trade Union (Facility Time Publication Requirements) Regulations 2017 require the University to publish information on

Trade Union facility time. The number of employees who were relevant union officials for the period 1 April 2021 to 31 March 2022 was 21 (3.4 FTE). The total cost of Trade Union facility time was £0.251M, or 0.28% of the University's total pay bill.

Percentage of time spent on facility time:

Percentage of time	Number of employees
0%	4
1-50%	14
51-99%	3
100%	-

Bournemouth University and public benefit

The University is required to demonstrate how it meets its responsibilities as a charity and show that its activities are of 'public benefit'. University Board Members are charity trustees. The trustees are aware of their duties with regard to acting for the public benefit and have had due regard to the Charity Commission's guidance on public benefit in exercising their duties.

Our students are key beneficiaries of our teaching and research activities. The education and research undertaken at the University also benefits other wider groups of the public; including for example, those accessing health services who are cared for by staff educated at the University. However, these wider groups are not direct beneficiaries of the charity.

Our values are excellence, inclusivity, creativity and responsibility. We strive for excellence in everything that we do. We value and respect diversity and act to ensure we are inclusive. We are imaginative, innovative and create solutions to problems. We take responsibility for the impact of our actions and focus our activity as a learning community on making a positive contribution to society.

Legal status

The University was created as a higher education corporation by an order of the Privy Council dated 26 April 1993 and derives its powers from section 123A and 123B of the Education Reform Act 1988 as amended by the Higher Education and

Research Act 2017. Under section 123A, the principal powers of a higher education corporation include the power to provide higher education; to provide further education; and to carry out research and to publish the results of the research or any other material arising out of or connected with it in such manner as the corporation think fit. These are also the charitable objects of the University. The University is an exempt charity under the Charities Act 2011 and its principal regulator is the Office for Students.

Education and widening access

BU is committed to working with students and our ambition is to enable achievement for all our students in a diverse and inclusive environment. We retain our commitment to a suitable financial support package for under-represented groups for whom affordability may be an obstacle to studying at BU. We focus our outreach investment in activity that raises aspirations to engage in higher education and we seek ways to ensure that the benefits of this activity are clearly visible and quantifiable.

We are taking a whole institution approach where all aspects of access, success and progression are considered holistically, and are fully embedded throughout our structures and processes. We aim to offer an excellent experience for all students, alongside targeted support and activities to support under-represented groups and address our performance gaps. We are prioritising greater personalisation of the student academic and learning experience. Our Fusion Learning approach is central to the implementation of BU2025 and has a strong focus on inclusivity and personalisation, ensuring that all students have opportunities to maximise their potential.

Our aim for all BU students is to offer programmes and placements that will prepare them for the world of work, to ensure there is excellent careers advice and support and to offer a range of extra-curricular activities to ensure that all graduates have the relevant skills. The University has a strong commitment to employability embedded within BU2025, and the development of graduate skills through maximising the proportion of students undertaking a placement opportunity while studying on a BU programme.

Our partnerships with employers are key and it is widely acknowledged that the inclusion of a placement to prepare students for the workplace within a programme of study is a huge advantage in gaining graduate employment. All students at BU have the option of a placement as well as other opportunities to gain relevant industry knowledge and experience, as part of our Fusion approach to learning.

Many of our objectives and targets align to the Office for Students Key Performance Measures, ensuring the University's commitment to contribute to the equality of opportunity for under-represented groups nationally. In addition, inclusivity and equality are central to our strategic plan BU2025 where providing support and development opportunities for all students, with a particular focus on under-represented groups, is a key action.

We created our Access, Excellence and Impact Committee to lead activities in relation to education access, excellence and impact; targeting the highest level of achievement and benefits for applicants, students, and the University. The committee has oversight of all activity related to our Access and Participation Plan and our strategic aims and targets.

A core feature of our support for student success is allocating all students on taught programmes a Personal Tutor who facilitate discussion on academic progress. Academic Advising provides personalised one-to one support for students, encourages all students to engage fully in the learning process and in so doing it promotes our unique Fusion of excellence in education, research, and professional practice.

Financial support

Our financial support is designed to ensure that students are able to engage with their studies and university life, allowing them the best possible opportunity of success. Our aim for financial support is to promote continuation and attainment of low income students. BU bursaries are allocated automatically and students do not need to apply. Our hardship criteria will ensure that the fund continues to support general financial hardship whilst giving the flexibility for more targeted support linked to our priority groups and strategic aims. In 2021-22 BU provided

£3.0m financial support to students (please see note 8). Our financial support targets students with low household income and 'care experienced' students, through two different bursaries:

- BU Maintenance Bursary (low household income): Eligible new students with household income below £16,000 will automatically receive a £2,400 bursary to support their learning and living costs; £800 being paid in each year of full time study.
- BU Care Leavers Bursary (Care experienced): All eligible care leavers will automatically receive a £9,000 bursary to support their learning and living costs; £3,000 being paid in each year of full time study.

Our financial support offer and demand on hardship funding will continue to be reviewed annually. This annual review will include monitoring the effectiveness of our communication of financial support information to students and will also ensure that we are responding to student feedback about communication of financial support information provided in the development of our Access and Participation Plan.

Disability support (including mental health)

We recognise that wellbeing support generally, and mental health specifically, is a key issue for students. We believe that Wellbeing is the responsibility of members of the university community and our Student Welfare Policy is based on this principle. Our wellbeing support measures also link directly to our strategic aims to reduce continuation gaps for students from under-represented groups.

One of our key activities is to work with our external partners to ensure that support provided by the University, the NHS and other agencies is joined up and seamless. This will help us to support our students to access the correct type and level of support for their individual needs and develop a referral pathway with help from our partners. We believe that disability support is better provided by our own staff who work in partnership with students and the programme team to ensure an integrated approach to additional learning skills development and reasonable adjustments.

Research

Research is an integral part of BU's institutional strategy, supporting our vision of advancing knowledge, inspiring learning and enriching society.

This year, we received the results of the Research Excellence Framework (REF) 2021. The REF is the UK's system for assessing the quality of research, with institutions evaluated across three areas – research outputs, the impact of research on wider society, and the environment in which research is conducted.

We are committed to providing an inclusive and supportive environment for research to flourish and our submission to REF 2021 represented a substantial increase in research breadth and volume. We submitted the work of 551 members of academic staff - more than triple the number submitted to the 2014 assessment exercise - reflecting our inclusive approach.

The results of REF 2021 cemented our position as an emerging research power with real-world impact. 94% of BU research was found to be internationally recognised or above, with 19% found to be world-leading in quality.

Research that enriches society and makes a difference is at the heart of our values and the results also acknowledged the positive impact of our research on the world around us. 96% of our research was found to be delivering considerable impact or above, with 32% achieving an outstanding impact score.

This includes work to help people live better for longer, from developing new tools to **identify malnutrition in the community** at an earlier stage to **better mental health support** for new fathers. The **Orthopaedic Research Institute** (ORI) has worked with healthcare organisations across the world to incorporate enhanced recovery after surgery approaches in orthopaedics – reducing costs and improving patient outcomes.

Our research is also supporting cultural heritage and the creative industries, enabling them to thrive. A team from BU have been **working with The Tank Museum** to find better ways to preserve and maintain their historic vehicles, while Bournemouth University research over the past 30 years has helped to **answer age-old questions about Stonehenge** and improve the visitor experience at the site.

Our academic staff have been working with under-represented groups, challenging marginalisation. Research into the **representation and visibility of disability** during the Paralympic Games, and its impact on audience attitudes, has been used by Channel 4, Paralympics GB and UK sport to shape broadcasting, policy, practice and promotion of para-sport.

Our research has an international reach, including helping communities around the world to prepare for and recover from crisis. A team from the **Disaster Management Centre** is working with authorities in Sierra Leone to evaluate and enhance resilience in the capital city Freetown, ensuring they are as equipped as possible to respond to disaster and prevent loss of life.

This year, we also found new ways to share our research with global audiences. Our **public lecture series** showcased BU research and expertise through six free online events, covering topics including healthy ageing, the Great British seaside, and the wildlife of Poole Harbour. To date, more than 2,500 people from countries including Ghana, Canada and Norway have either attended or watched recordings of the events.

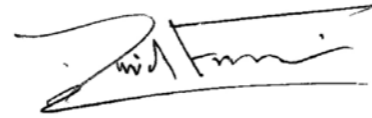
Community and regional engagement

The University is committed to community engagement. Our sporting facilities and activities are available to students, university staff and the local community. By promoting innovation, creativity and an exchange of expertise, we continue

to increase collaboration and facilitate wider networks. For example, our Festival of Design showcases the designs, models and prototypes created by our design and engineering students as their final year project. The festival is open to the public and is visited by industry, schools and colleges.

Disclosure of information to auditors

The University Board Members who held office at the date of approval of this report, confirm that so far as they are each aware, there is no relevant audit information of which the University's auditor is unaware; and each University Board Member has taken all the steps that he or she ought to have taken to be cognisant of any relevant audit information and to establish that the University's auditor is aware of that information.



David Furniss
Chair of the Board



Corporate governance

The University is committed to exhibiting best practice in all aspects of corporate governance. This summary describes the manner in which the University has applied the principles set out in the Committee of University Chairs (CUC) Higher Education Code of Governance (Revised September 2020).

The University is registered with the Office for Students (OfS) and is responsible for ensuring that it satisfies all ongoing general conditions of registration. The Audit, Risk & Governance Committee monitors compliance with the ongoing conditions of registration and considers reports on compliance prior to their presentation to the Board.

The University maps its current practice against all its obligations under the CUC Code and the OfS conditions of registration. The Audit, Risk and Governance Committee annually reviews that compliance report.

The CUC Code operates on an 'apply or explain' basis and the University applies all aspects with the exception of element 5.3, where the University has agreed a recommendation from its 2020/21 independent governance review not to appoint a Senior Independent Governor role as recommended by the Code. Instead, this role is incorporated into that of the Deputy Chair.

The University has also had due regard to, and is compliant with, the CUC's Higher Education Senior Staff Remuneration Code. Disclosures regarding senior remuneration have been provided in the notes to this year's accounts.

The members, who served on the Board during the year and up to the date of signature of this report, are listed on page 1. The Board's Nominations Committee is responsible for monitoring skills gaps and making recommendations to the Board in respect of the recruitment and appointment of new Members.

There have been a number of changes to the University Board membership during 2022, including the appointment of David Furniss as the new Chair of the Board, following a rigorous recruitment process with internal and external candidates. David became Chair having served on BU's Board since 2017 and previously

acting as Chair of the Finance and Resources Committee and a member of the Nominations Committee.

In addition, the Board's composition was expanded this year, on the recommendation of last year's independent Board review, to include an additional student member so as to strengthen the student voice in decision making. The Board was also pleased to welcome four new independent members this year who bring a wealth of experience and expertise including finance and human resources. Further succession plans are in place to address vacancies on the membership which are expected to arise in the coming year and to ensure the Board continues to have the specialist skills and experience it needs.

Board Members are charitable trustees. As such, they ensure that the University carries out its activities for the public benefit; complies with its governing documents and the law; manages its resources responsibly and is accountable. As trustees, the Board Members must always act with reasonable care and skill, and in the best interests of the University as a charity. The University must comply with the reporting and other requirements of the Office for Students (OfS) as principal regulator under the Charities Act 2011.

It is the Board's responsibility to bring independent judgement to bear on issues of strategy, performance, resources and standards of conduct. The Board is provided with regular and timely information on the overall financial performance of the University together with other information such as performance against key performance indicators, academic governance, risk management and strategic planning.

All University Board Members are able to take independent professional advice in furtherance of their duties at the University's expense and have access to

the Clerk to the Board, who is responsible to the Board for ensuring that all applicable procedures and regulations are complied with. The appointment and removal of the Clerk are matters for the Board as a whole. Formal agendas, papers and reports are supplied to Board Members in a timely manner, prior to Board meetings. Briefings on topics of interest are also routinely provided and Continuing Professional Development opportunities, such as events run by Advance HE, are available to Board Members at the University's expense.

The Board has a strong and independent non-executive element and no individual or group dominates its decision-making process. The Board considers that each of its non-executive members is independent of management and free from any business or other relationship which could materially interfere with the exercise of their independent judgement. Board Members are required to declare interests and to comply with the University's Conflicts of Interest Policy and Procedures. The Board's Register of Interests is published annually on the University's website, together with details of any Board Members' other trusteeships. There is a clear division of responsibility in that the roles of the Chair and Vice-Chancellor are separate.

Independent members of the Board are appointed for an initial three year term of office. Re-appointment is not automatic and is subject to the approval of the Board on the recommendation of its Nominations Committee. Independent members do not normally serve more than two consecutive terms and may not serve more than 9 years in total. Four members of the University Executive are appointed to the Board – the Vice-Chancellor, Deputy Vice-Chancellor, Chief Operating Officer and Finance Director. Other staff board members serve three year terms subject to remaining in an appropriate post at the University and may be appointed for

a maximum of two terms. The elected President of the Students' Union is an ex officio member of the Board and may serve a maximum of two, one-year terms. The newly created additional student member role is also appointed for a maximum term of 2 years (or less if they cease to be a student at the University).

Further to the above, the following statements are provided to enable readers of the annual financial statements to obtain a better understanding of the University's specific governance and legal structure:

1. The institution endeavours to conduct its business in accordance with the seven principles identified by the Committee on Standards in Public Life (selflessness, integrity, objectivity, accountability, openness, honesty and leadership), and in compliance with the CUC Higher Education Code of Governance and all of the Public Interest Governance Principles as required by the Office for Students.
2. The institution is an independent corporation, established as a Higher Education Corporation under the terms of the Education Reform Act 1988 and the Further and Higher Education Act 1992 as amended by the Higher Education and Research Act 2017. Its objects and powers and framework of governance are set out in section 123A of the Education Reform Act 1988 as amended by the Higher Education and Research Act 2017 and the Instrument and Articles of Government. These constitutional documents, together with the University Board's full Statement of Primary Responsibilities are published at www.bournemouth.ac.uk/about/financial-information/our-charitable-status Key institutional policies and procedures, including the Scheme of Delegation and the Financial Regulations, remain subject to regular review by the Board.



3. The Articles of Government at the University require the institution to have a Board of Governors (the University Board) and a Senate, each with clearly defined functions and responsibilities, to oversee and manage its activities.
- The University Board is the governing body responsible for matters including the finance, property and staffing of the institution. It is specifically required to determine the educational character and mission of the institution and to set its general strategic direction. The Instrument of Government requires that at least half of all the members of the Board are independent members. The University Board has determined that a majority of its members shall be independent members. The Chair of the Board is an independent Board member. There is also provision for the appointment of co-opted members, and members of the academic and professional service staff, and the student body.
 - Subject to the overall responsibility of the governing body and to responsibilities of the Vice-Chancellor, Senate has oversight of the academic activities of the institution and draws its membership from the staff and the students of the institution. It is particularly concerned with general issues relating to research, education and professional practice as well as student experience.
4. The Vice-Chancellor is the Accountable Officer and is the head of the institution with a general responsibility to the University Board for the organisation, direction and management of the institution. Under

the Office for Students' regulatory framework, the Vice-Chancellor is the accountable officer and in that capacity can be summoned to appear before the Public Accounts Committee of the House of Commons.

5. Although the University Board normally meets at least five times each academic year, much of its detailed work is initially handled by sub-committees. The activities of these committees are formally reported to the governing body.

- Audit, Risk and Governance Committee is responsible for overseeing the University's management of risk; monitoring the effectiveness of the University's governance arrangements (including matters of academic governance and quality); value for money; internal control and advising the Board on the University's audit strategy and the appointment of internal and external auditors. Membership is comprised exclusively of Independent Members. The Committee meets at least four times a year and internal and external audit representatives are in attendance at each meeting. At every meeting, Committee Members have the opportunity to meet with audit representatives without members of the Executive present and do so at least once every year. External auditors undertake the audit of the financial statements of the University and its subsidiaries and give an independent opinion of the financial statements and the use of public funds; and the internal auditors provide independent assurance on systems of internal control, risk management, data assurance, governance and arrangements to promote

value for money. They provide detailed internal audit reports and recommendations for the improvement of the University's system of internal control and follow-up on the implementation of those recommendations. The Committee also receives and considers reports from the OfS and other external bodies as they affect the University's business and monitors adherence with regulatory requirements. It also has oversight of Health & Safety on behalf of the University Board. Audit, Risk and Governance Committee considers in detail the University's financial statements and makes appropriate recommendations to the Board. The Committee also gains assurance over the quality of data submitted within institutional returns via the established data optimisation review process. University senior executives attend meetings of Audit, Risk and Governance Committee, but are not members of the Committee.

- Finance and Resources Committee considers, on behalf of the University Board, matters concerning the effective and efficient use of physical and human resources and provides assurance, advice, and makes recommendations to the Board as appropriate. It advises the Board on the University's overall financial strategy, financial sustainability and financial forecasting. The Committee has delegated authority to approve commitment to some financial transactions and other matters on behalf of the Board. The Committee reviews the University's management accounts and cash-flow forecasts at each meeting, oversees all major investments and advises

the Board on the University's annual budget. It oversees the treasury activities of the University, including reserves and borrowings. On human resources, the Committee sets the framework for the pay and conditions of employment of staff; considers the University's equality and diversity activities and monitors progress against the people elements of the University's BU2025 strategy (including leadership, recruitment and performance management). The Internal and External audit representatives attend the second autumn meeting of the Committee for the consideration of the annual Financial Statements. Members of the Audit, Risk & Governance Committee are also invited to observe that meeting.

- The Student Experience, Quality and Standards Committee's Terms of Reference and Membership were approved by the University Board in November 2021. It is responsible, on behalf of the Board for maintaining oversight of student experience and the quality of that experience and to provide assurance, advice and make recommendations to the Board as appropriate. The Committee was established to strengthen the Board's oversight of academic matters in recognition of its ultimate responsibility for academic governance, quality and standards.
- Remuneration Committee determines the pay and conditions of service of the holders of senior posts. The holders of senior posts are members of the University Executive Team and the Clerk to the Board. Pay and conditions of service of all other staff are determined by the Vice-Chancellor within

a framework approved by the Finance and Resources Committee. The Remuneration Committee has regard to, and is compliant with, the CUC Higher Education Senior Staff Remuneration Code (November 2021) and Guidance on decisions taken about severance payments in HEIs. It reports annually to the Audit, Risk & Governance Committee on the processes it follows in reaching its decisions. It also commissions independent reviews of its own benchmarking processes every 3 years to gain assurances on its decision making processes. An annual report to the Board from the Remuneration Committee is published separately alongside these Financial Statements.

- The Nominations Committee is responsible to the University Board for agreeing, and subsequently overseeing, the process for the appointment of all Board members, the Chancellor, the Pro-Chancellors, the Vice-Chancellor and other holders of senior posts. It is responsible for ensuring that the Board has the necessary skills available to it and for deploying those effectively.
- The Honorary Awards Committee is a joint Senate and University Board Committee which makes annual recommendations to the Board on the Honorary Awards to be conferred at the University's awards ceremonies.
- Members of the University Board are also entitled to attend, as observers, meetings of Senate and its standing committees

6. The membership of Board committees consists of a majority of independent members of the University Board. In the case of Audit, Risk and Governance Committee and Remuneration Committee, only independent members may be appointed. The Board is entitled to co-opt members to Committees who are not Board members, and has done so where particular skills and experience are required.

7. The institution maintains a register of interests of members of the University Board and University Leadership Team which is published on the University's website annually. A hospitality register is also maintained in accordance with anti-bribery legislation.

8. In accordance with the Articles of Government, the Board has appointed a Clerk to the University Board. The Clerk provides independent advice on matters of governance to all members of the University Board.

9. No independent member of the University Board receives payment for being on the Board or for the work they do as trustees, but reasonable expenses incurred as part of their duties are reimbursed. In 20-21 no expenses were claimed by members, largely because all meetings took place remotely and no travel or subsistence costs were incurred. 2021-22 has seen a return to in-person activity and £2,300 was claimed by 6 members, which is still lower than pre-covid levels. A record of expenses paid to members of the University Executive is also published on the University's website quarterly and monitored by the Remuneration Committee.



Statement of Internal Control

1. The University Board is responsible for the establishment and monitoring of systems of internal control. These control systems are embedded in the process of identifying and managing risks, and risk management is a key element of the operational, financial and project management systems within the University. These systems are subject to review by Internal Audit which is carried out by the Internal Auditors on a risk basis.
2. The University Leadership Team has delegated responsibility for performance monitoring and management across the University, including the management of risk, and regularly reviews the University Risk Register. The Risk Register covers business, operational and compliance risk as well as financial risk. The review of the Risk Register is an ongoing process and risks are rated and prioritised according to probability and possible impact alongside the prescribed control measures to address the risk.
3. The University Risk Register (as discussed and agreed with the University Leadership Team) is presented for discussion and review to the Audit, Risk and Governance Committee at each of its meetings with new or changing risks highlighted. The risk register is a key element in informing the Internal Auditor's work programme. The Risk Register is submitted to the Board along with the minutes of the Audit, Risk and Governance Committee meeting. In addition, the Audit, Risk and Governance Committee annually review the risk management process

to ensure its ongoing effectiveness. The Board, on the recommendation of the Committee, has approved a set of Risk Appetite Statements for the University's key business areas, to help inform the assessment of tolerable risk levels.

4. The Audit, Risk and Governance Committee is also responsible for providing assurance to the Board and the Vice-Chancellor on the effectiveness of the University's wider systems of governance which it does through its consideration of the University's accounts, risk management framework, data quality, internal and external audit reports, emergency planning and other internal control processes.
5. The Board reviews and approves the University's Financial Regulations annually. The Board and the Audit, Risk and Governance Committee also regularly review the University's policies and procedures in respect of internal control measures including Conflicts of Interest, Anti-Fraud, Anti-Bribery, Freedom of Speech, Prevent, Modern Slavery, Safeguarding and Public Interest Disclosure. The Audit, Risk and Governance Committee has a standing agenda item under which it receives reports of any incidents arising under these, or any other, policies relating to serious incidents and all reports made to the Office for Students under the reportable events regime.

The Board periodically contracts with appropriate consultants to conduct a review of its own effectiveness and governance arrangements in addition to internal reviews of effectiveness.

An independent external review of governance effectiveness was undertaken in 2020 and reported to the Board in February 2021. A report of the outcomes of that review is published on the University website at www.bournemouth.ac.uk/about/governance/transparency. In summary, the review concluded that "the University's governance arrangements are adequate (designed appropriately) and effective (operating as intended) and that many examples of good practice are evident. The University is open to being challenged and is keen to ensure continuous improvement in best practice governance". Furthermore, the review did not identify any practices or behaviours that raised concerns or suggested that there may be governance failures. It found that the University was compliant with the CUC HE Governance Code (with the exception of element 5.3 where an 'explain' approach is adopted, as described above). The report confirmed that there was no evidence of non-compliance with the OfS conditions of registration E1 and E2, including the requirements to uphold the public interest principles in practice. Some recommendations were made in the interests of seeking continuous improvement and the University had developed an action plan to consider these and implement them as appropriate.

6. In addition to the independent reviews, the Board's committees periodically review their own effectiveness and Board Members, including the Chair, are subject to an ongoing cycle of individual reviews.

7. The statement of internal control covers the financial year to 31 July 2022 and the period after the year end and up to the date the financial statements are signed. The internal control framework arrangements of the University are deemed adequate and effective.

David Furniss
Chair of the Board

Professor John Vinney
Vice-Chancellor and Chief Executive

Responsibilities of the University Board

The University Board are required to present audited financial statements for each financial year.

In preparing the financial statements, the University Board, ensure that:

- suitable accounting policies are selected and applied consistently;
- judgements and estimates are made that are reasonable and prudent;
- applicable Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- the going concern basis is used unless it is inappropriate to presume that the University will continue in operation for the foreseeable future.

The University Board is responsible for keeping proper accounting records which disclose with reasonable accuracy, at any time, the financial position of the University, and which enable it to ensure that the financial statements are prepared in accordance with the relevant legislation of incorporation and other relevant accounting standards. It is responsible for taking steps that are reasonably open to it in order to safeguard the assets of the University and to prevent and detect fraud and other irregularities.


The University Board is responsible for ensuring that funds from the OfS are used only for the purposes for which they have been given and in accordance with the OfS Terms and Conditions of Funding for Higher Education (and any other conditions which the OfS may from time to time prescribe). The University Board must ensure that there are appropriate financial and management controls in place in order to safeguard public and other funds and to ensure they are used properly. In addition, The University Board is responsible for securing economical, efficient and effective management of the University's resources and expenditure, so that the benefits that should be derived from the application of public funds are not put at risk.

The University has a number of mechanisms in place that it uses to ensure compliance with its obligations when utilising public funds, specifically around regularity and propriety. It has in place a set of financial regulations that all staff must comply with, that includes provisions covering procurement; use of funds for the means they have been provided for; value for money considerations and financial controls. The latter includes schemes of delegation and financial authority levels. The University has detailed processes around contracting to ensure that proper due process has been followed and authorisation limits complied with. It also has a number of policies such as fraud prevention that support these measures. In total these give a control environment that means public funds are utilised correctly, for the purpose they were intended and in an efficient and effective manner, so satisfying compliance with regularity and propriety requirements.

The operation of these controls and the overall control framework is reviewed and checked in a number of ways especially by internal and external audit work. Internal audit carry out checks on the financial systems and controls on a cyclical basis each year. External audit also check that funds have been applied for the purposes they were intended and in accordance with the conditions of funding, with specific reference made to that in their report.

Further to this, the University Board has adopted this Statement as a summary of its responsibilities. The Statement conforms to the model Statement of Responsibilities published by the Committee of University Chairs.

- To approve the mission and strategic vision and values of the institution, long-term academic and business plans and key performance indicators, and to ensure that these meet the interests of stakeholders.
- To ensure that processes are in place to monitor and evaluate the performance and effectiveness of the institution against the strategy and plans and approved key performance indicators, which should be, where possible and appropriate, benchmarked against other comparable institutions.
- To delegate authority to the head of the institution (known as the Vice-Chancellor), as chief executive, for the academic, corporate, financial, estate and human resource management of the institution. And to establish and keep under regular review the policies, procedures and limits within such management functions as shall be undertaken by and under the authority of the Vice Chancellor.
- To promote equality and diversity throughout the institution, including in relation to its own operation, and to promote a culture that reflects the University's vision and values.
- In accordance with the Office for Students' (OfS) Condition E3, the University Board must:
 - accept responsibility for the interactions between the University and the OfS and its designated bodies;
 - ensure the University's compliance with all of its conditions of registration and with the OfS's accounts direction; and
 - nominate to the OfS a senior officer as the 'accountable officer' who has the responsibilities set out by the OfS for an accountable officer from time to time.
- To ensure the establishment and monitoring of systems of control and accountability, including financial and operational controls and risk assessment, value for money arrangements and procedures for handling internal grievances and for managing conflicts of interest.
- To establish processes to monitor and evaluate the performance and effectiveness of the University Board itself. To receive assurance that appropriate processes are in place to monitor and evaluate the performance and effectiveness of Senate.
- To conduct its business in accordance with best practice in higher education corporate governance and with the principles of public life drawn up by the Committee on Standards in Public Life.
- To safeguard the good name and values of the institution.
- To appoint the Vice-Chancellor as chief executive, and to put in place suitable arrangements for monitoring his/her performance.
- To appoint a Clerk to the University Board and to ensure that, if the person appointed has managerial responsibilities in the institution, there is an appropriate separation in the lines of accountability.
- To be the employing authority for all staff in the institution and to be responsible for establishing a human resources strategy.
- To be the principal financial and business authority of the institution, to ensure that proper books of account are kept, to approve the annual budget and financial statements, and to have overall responsibility for the institution's assets, property and estate.
- To be the institution's legal authority and, as such, to ensure that systems are in place for meeting all the institution's legal obligations, including those arising from contracts and other legal commitments made in the institution's name. This includes responsibilities for health, safety, security as well as equality, diversity and inclusion.
- To receive assurance that adequate provision has been made for the general welfare of students.
- To act as trustee for any property, legacy, endowment, bequest or gift in support of the work and welfare of the institution.
- To ensure that the institution's constitution is followed at all times and that appropriate advice is available to enable this to happen.
- To maintain and protect the principle of academic freedom as enshrined in freedom of speech legislation.
- To ensure that all students have opportunities to engage with the governance of the University, and that this allows for a range of perspectives to have influence.



David Furniss
Chair of the Board

Independent auditors' report to the Board of Governors of Bournemouth University

Opinion on the financial statements

In our opinion, the financial statements:

- Give a true and fair view of the state of the Group's and of the University's affairs as at 31 July 2022 and of the Group's and the University's income and expenditure, gains and losses, changes in reserves and of the Group's and the University's cash flows for the year then ended; and
- Have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice.

We have audited the financial statements of Bournemouth University ("the University") and its subsidiaries ("the Group") for the year ended 31 July 2022 which comprise the Consolidated Statement of Comprehensive Income and Expenditure, the Consolidated and University Statement of Changes in Reserves, the Consolidated and University Balance Sheet, the Consolidated Statement of Cash Flows and the notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We are independent of the Group and University in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the University's Board of Governors use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Group and University's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the University's Board of Governors with respect to going concern are described in the relevant sections of this report.

Other information

The University's Board of Governors are responsible for the other information. Other information comprises the information included in the Report and Financial Statements, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information we are required to report that fact.

We have nothing to report in this regard.

Opinion on other matters required by the Office for Students ("OfS") and UK Research and Innovation (including Research England)

In our opinion, in all material respects:

- Funds from whatever source administered by the University for specific purposes have been properly applied to those purposes and managed in accordance with relevant legislation.
- Funds provided by the OfS, UK Research and Innovation (including Research England), and the Education and Skills Funding Agency have been applied in accordance with the relevant terms and conditions
- The requirements of the OfS's Accounts Direction (OfS 2019.41) have been met.

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

- The University's grant and fee income, as disclosed in note 4 to the accounts, has been materially misstated.
- The University's expenditure on access and participation activities for the financial year as disclosed in note 8 to the accounts has been materially misstated.

Responsibilities of the University's Board of Governors

As explained more fully in the University's Board of Governors responsibilities statement set out on page 17-18, the members of the governing body are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the University's Board of Governors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial statements

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

Extent to which the audit was capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

- Discussions with management, including consideration of known or suspected instances of non-compliance with laws and regulations and fraud, including direct representation from the Accountable Officer;
- Reviewing minutes of meetings of those charged with governance, reviewing internal audit reports and reviewing correspondence with HMRC, Research England and OfS to identify any actual or potential frauds or any potential weaknesses in internal control which could result in fraud susceptibility;
- Reviewing items included in the fraud register as well as the results in internal audit's investigation into these matters;
- Challenging assumptions made by management in their significant accounting estimates;
- In addressing the risk of fraud, including the management override of controls and improper income recognition, we tested the appropriateness of certain manual journals, reviewed the application of judgements associated with accounting estimates for the indication of potential bias and tested the application of cut-off and revenue recognition.

Our audit procedures were designed to respond to risks of material misstatement in the financial statements, recognising that the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery, misrepresentations or through collusion. There are inherent limitations in the audit procedures performed and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we are to become aware of it.

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

In addition, we also report to you whether income from funding bodies, grants and income for specific purposes and from other restricted funds administered by the University have been properly applied only for the purposes for which they were received and whether income has been applied in accordance with the Statutes and, where appropriate, with the Terms and Conditions of Funding with the OFS and UK Research and Innovation (including Research England).

Use of our report

This report is made solely to the University's Board of Governors, as a body, in accordance with Section 75 of the Higher Education Research Act 2017. Our audit work has been undertaken so that we might state to the University's Board of Governors those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the University and the University's Board of Governors as a body, for our audit work, for this report, or for the opinions we have formed.

David I Anson

David I'Anson (Senior Statutory Auditor)
For and on behalf of BDO LLP,
Statutory Auditor
Southampton, United Kingdom

Date: **16 December 2022**

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127).



Statement of principal accounting policies

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

1. Legal status

Bournemouth University was created as a higher education corporation by an order of the Privy Council dated 26 April 1993 and derives its powers from section 123A and 123B of the Education Reform Act 1988 as amended by the Higher Education and Research Act 2017. The University is an exempt charity established in England and Wales for the purposes of the Charity Act 2011.

2. Basis of preparation

These financial statements have been prepared in accordance with the Statement of Recommended Practice (SORP): the Further and Higher Education SORP 2019 (SORP 2019) and in accordance with Financial Reporting Standards (FRS102). The University is a public benefit entity and therefore has applied the relevant public benefit requirement of FRS102. The financial statements are prepared in accordance with the historical cost convention.

The financial statements have been prepared under the going concern concept that the Board considers to be still appropriate. They have reached this conclusion based on a number of factors. In assessing viability, the Board considered the position presented in the budget which was approved by them in July 2022. As part of the Board's consideration of the appropriateness of adopting the going concern basis in preparing the financial statements, a range of sensitivities have been reviewed. These include estimated impacts based on a reduction in tuition fee income, research and other income, the impact of increases in inflation, potential delays in project procurement and reduction in

savings expected from procurement and our Digital Enablers and Transformation Programme. The scenarios modelled effectively stress-tested each sensitivity, assessing likely worst and best case for each together with a combination of all scenarios to assess the aggregate impact of all the risks considered. Even at these levels the University would still be able to meet its obligations, can comply with its financial covenants and continue to operate to deliver a first-class educational experience to its students for the foreseeable future and at least until December 2023. In order to give further assurance that the University would remain as a going concern should the impact of any of the sensitivities modelled be understated, it has access to revolving credit facilities of £20m together with an overdraft facility of £5m. Present forecasts indicate that these will not be utilised at any time in the next eighteen months at least.

3. Basis of consolidation

The consolidated financial statements show the position of the University and all its wholly-owned subsidiary undertakings for the financial year ended 31 July 2022. Intra-group sales and profits are eliminated on consolidation. The consolidated financial statements do not include those of the Bournemouth University Students' Union as it is separately constituted and the University does not exercise control or significant influence over the Union.

4. Tangible assets

As a consequence of the Education Reform Act 1988, the freehold interest in the land and buildings occupied by the University was

transferred from Dorset County Council with effect from 1 April 1989. On 1 April 1989, the inherited property was valued at £17.2m by a firm of chartered surveyors using the depreciated replacement cost basis. The land was valued at transferred debt. The property is recorded in the financial statements at these values, as adjusted for subsequent disposals.

The de minimis threshold for the capitalisation of tangible assets is £5,000.

The cost of tangible assets is their purchase cost together with any incidental costs of acquisition.

Assets under construction are accounted for at cost, based on the value of direct costs incurred to 31 July. As these assets become complete and operational, they are transferred to the appropriate asset category. They are not depreciated until the accounting period in which they are brought into use. Depreciation is not provided on freehold land. On other assets depreciation is provided on cost or revalued amounts in equal annual instalments over the estimated useful life of the assets. The rates of depreciation are as follows:

Freehold buildings	Between 15 and 50 years
Leasehold improvements	25 years (or period of lease if shorter)
Computers	5 years
Other equipment	Between 5 and 15 years (the majority of other equipment is depreciated over 5 years unless the economic life is substantially different).

Where tangible assets are acquired with the aid of government specific grants they are capitalised and depreciated as above.

5. Negative goodwill

Negative goodwill relates to the freehold purchase of Chapel Gate sports site. Negative goodwill has been recognised on the basis that the fair value of the assets acquired exceeded the consideration paid. Future investment in the site will be netted off against the negative goodwill in the financial year that the investment is recorded.

6. Investments

Listed investments held as non-current assets or endowment assets are stated at market value or cost where no market value is available.

7. Cash and cash equivalents

Cash is represented by cash and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

8. Stocks and work in progress

Stocks and work in progress are stated at the lower of cost and net realisable value.

9. Finance leases and operating leases

Tangible assets held under finance leases and the related lease obligations are recorded in the balance sheet at the fair value of the leased assets at the inception of

the lease. Minimum lease payments are apportioned between the finance charge and the reduction of the outstanding liability. The finance charge is allocated to each period during the lease term so as to produce a constant periodic rate of interest on the remaining balance of the liability. Rental costs under operating leases are charged to the Consolidated Statement of Comprehensive Income and Expenditure in equal annual amounts over the periods of the leases.

10. Taxation

The institution is an exempt charity within the meaning of schedule 3 of the Charities Act 2011 (formerly schedule 2 of the Charities Act 1993), and is considered to pass the tests set out in Paragraph 1 Schedule 6 Finance Act 2010 and, therefore, it meets the definition of a charitable company for UK corporation tax purposes. Accordingly, the institution is potentially exempt from taxation in respect of income or capital gains received within categories covered by section 287 CTA2009 and sections 471, and 478-488 CTA 2010 (formerly s505 of 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.

The institution receives no similar exemption in respect of Value Added Tax. Irrecoverable VAT on inputs is included in the costs of such inputs. Any irrecoverable VAT allocated to tangible assets is included in their cost.

Deferred tax is provided in full on timing differences that exist at the reporting date and that result in an obligation to pay more tax, or a

right to pay less tax in the future. The deferred tax is measured at the rate expected to apply in periods which the timing differences are expected to reverse, based on the tax rates and laws that are enacted or substantively enacted at the reporting date. Unrelieved tax losses and other deferred tax assets shall be recognised only to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. Deferred tax assets and liabilities are not discounted

11. Foreign currencies

Foreign currency transactions are translated into sterling at the rates ruling when they occurred. Foreign currency monetary assets and liabilities are translated at the rates ruling at the balance sheet dates. Any differences are taken to the Consolidated Statement of Comprehensive Income and Expenditure.

12. Maintenance of premises

The University charges maintenance costs to the Consolidated Statement of Comprehensive Income and Expenditure as they are incurred.

13. Donations

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

reserve transfer. Donations with no restrictions are recognised in income when the University is entitled to the funds.

There are four main types of donations and endowments identified within reserves:

- a. restricted donations: the donor has specified that the donation must be used for a particular objective.
- b. unrestricted permanent endowments: the donor has specified that the fund is to be permanently invested to generate an income stream for the general benefit of the University.
- c. restricted expendable endowments: the donor has specified a particular objective other than the purchase or construction of tangible assets, and the University has the power to use the capital.
- d. restricted permanent endowments: the donor has specified that the fund is to be permanently invested to generate an income stream to be applied to a particular objective.

14. Grant funding

Government revenue grants, including funding council block grant and research grants are recognised in income over the period in which the University recognises the related costs for which the grant is intended to compensate. Where part of a government grant is deferred it is recognised as deferred income within creditors and allocated between creditors due within one year and due after more than one year as appropriate.

Grants (including research grants) from non-government sources are recognised in income when the University is entitled to the income

and performance related conditions have been met. Income received in advance of performance related conditions being met is recognised as deferred income within creditors on the balance sheet and released to income as the conditions are met.

15. Capital grants

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

16. Recognition of income

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

Tuition fee income is stated gross of any expenditure that is not a discount and credited to the Consolidated Statement of Comprehensive Income and Expenditure over the period in which the students are studying. Bursaries and scholarships are accounted for gross as expenditure and not deducted from income. Education contracts are recognised when the Institution is entitled to the income, which is the period in which students are studying, or where relevant, when performance conditions have been met.

All income from short-term deposits is credited to the Consolidated Statement of Comprehensive Income and Expenditure in the period in which it is earned.

17. Pension schemes

Retirement schemes for employees of the University are provided by the Teachers' Pension Scheme (TPS), the Universities Superannuation Scheme (USS) and the Local Government Pension Scheme (LGPS) Dorset County Council Pension Fund. These are defined benefit schemes which are externally funded. Each fund is valued every three years by professionally qualified actuaries.

The USS is a multi-employer hybrid pension scheme which provides defined benefits (for all members) as well as defined contribution benefits. It is not possible to identify the assets and liabilities to University members, due to the mutual nature of the scheme and, therefore, this scheme is accounted for as a defined contribution retirement benefit scheme.

A liability is recorded in provisions for any contractual commitment to fund past deficits within the USS scheme.

Defined contribution plan

A defined contribution plan is a post-employment benefit plan under which the company pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts. Obligations for contributions to defined contribution pension plans are recognised as an expense in the income statement in the periods during which services are rendered by employees.

Defined benefit plan

Defined benefit plans are post-employment benefit plans other than defined contribution plans. Under defined benefit plans, the

University's obligation is to provide the agreed benefits to current and former employees, and actuarial risk (that benefits will cost more or less than expected) and investment risk (that returns on assets set aside to fund the benefits will differ from expectations) are borne, in substance, by the University. The University should recognise a liability for its obligations under defined benefit plans net of plan assets. This net defined benefit liability is measured as the estimated amount of benefit that employees have earned in return for their service in the current and prior periods, discounted to determine its present value, less the fair value (at bid price) of plan assets. The calculation is performed by a qualified actuary using the projected unit credit method. Where the calculation results in a net asset, recognition of the asset is limited to the extent to which the University is able to recover the surplus either through reduced contributions in the future or through refunds from the plan.

18. Employment benefits

Short-term employment benefits, such as salaries and compensated absences, are recognised as an expense in the year in which the employees render service to the University. Any unused benefits are accrued and measured as the additional amount the University expects to pay as a result of the unused entitlement. Redundancy costs paid to employees predominately represent cash redundancy payments, pension contributions and payments in lieu of notice which are charged to the Consolidated Statement

of Comprehensive Income and Expenditure when the redundancy is confirmed with the employee.

19. Borrowing costs

Borrowing costs are recognised in the Consolidated Statement of Comprehensive Income and Expenditure in the period in which they are incurred.

20. Hedge accounting

The University has entered into variable to fixed rate interest swap to manage its exposure to interest rate cash flow risk on its variable rate debt. The derivative is measured at fair value at each reporting date. To the extent the hedge is effective; movement in its fair value is recognised in other comprehensive income. Any ineffective portions of those movements are recognised in the Consolidated Statement of Comprehensive Income and Expenditure for the period.

21. Provision

A provision is recognised in the financial statements when a present legal or constructive obligation arising from past events exists and it is probable that an outflow of economic benefits will be required to settle the obligation and a reliable estimate can be made.

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

that an outflow of resources will be required or the amount of the obligation cannot be measured reliably. Contingent liabilities are not recognised on the balance sheet but are disclosed in the notes.

The bad debt provision is calculated based on an individual debtor basis. The dilapidation provision has been calculated with reference to a professional property consultant estimate.

22. Research and development

Research & development expenditure is written off in the year incurred.

23. Agency arrangements

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

24. Reserves

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

Consolidated statement of comprehensive income and expenditure

25. Financial instruments

Financial assets, other than investments, are initially measured at transaction price (including transaction costs) and subsequently held at cost, less any impairment.

Financial liabilities are classified according to the substance of the financial instrument's contractual obligations, rather than the financial instrument's legal form. Financial liabilities are initially measured at transaction price (including transaction costs) and subsequently held at amortised cost.

26. Prior Period Adjustment

Where necessary the University shall correct material prior period adjustments or errors retrospectively in the first set of financial statements approved for issue after identification by restating the comparative amounts for the period(s) in which the error occurred. A disclosure note shall also be provided.

27. Judgements in applying accounting policies and key sources of estimation uncertainty

In preparing these financial statements, the University has made the following judgements:

a. Determine whether leases entered into by the University either as a lessor or a lessee are operating or finance leases. These decisions depend on an assessment of whether the risks and rewards of ownership have been transferred from the lessor to the lessee on a lease by lease basis.

b. Determine whether there are indicators of impairment of the University's tangible and intangible assets. Factors taken into consideration in reaching such a decision include the economic viability and expected future financial performance of the asset and where it is a component of a larger cash-generating unit, the viability and expected future performance of that unit.

c. The critical underlying assumptions in relation to the estimate of the pension scheme defined benefit obligation for the Local Government Pension Scheme such as standard rates of inflation, mortality, discount rate and anticipated future salary increases. Variations in these assumptions have the ability to significantly influence the value of the liability recorded and annual defined benefit expense.

d. The underlying assumptions in relation to the estimate of the present value of the obligation in respect of the funding deficit plan for the USS pension scheme such as the salary inflation over the period of the funding deficit plan and the discount rate to be used.

e. Tangible assets are depreciated over their useful economic lives considering residual values, where appropriate. The actual lives of the assets and residual values are assessed annually and may vary depending on a number of factors. In re-assessing asset lives, factors

such as technological innovation and maintenance programmes are considered. Residual value assessments consider issues such as future market conditions, the remaining life of the asset and projected disposal values.

f. Compensated absences accrual. An estimate is recognised to the extent unused holiday pay entitlement which is accrued at the balance sheet date and carried forward to future periods. This is measured as the undiscounted salary cost of the future holiday entitlement as accrued at the balance sheet date.

g. An assessment to determine whether the cashflows of the derivative and the underlying instrument constitute an effective hedge.

	Note	2022 Consolidated £'000	2022 University £'000	2021 Consolidated Restated £'000	2021 University Restated £'000
Income					
Funding body grants	1	13,412	13,412	13,237	13,237
Tuition fees and education contracts	2	137,609	137,609	134,351	134,351
Research grants and contracts	3	5,144	5,144	4,539	4,539
Other operating income	5	13,340	13,302	9,947	9,924
Endowment and investment income		169	169	416	416
Total income		169,674	169,636	162,490	162,467
Expenditure					
Staff costs	6	100,883	100,883	96,226	96,226
Depreciation	11	13,846	13,846	13,040	13,040
Other operating expenses	7	57,160	57,159	54,315	54,281
Interest and other finance costs	9	4,615	4,615	3,799	3,799
Total expenditure		176,504	176,503	167,380	167,346
Deficit before other gains		(6,830)	(6,867)	(4,890)	(4,879)
Gain on disposal of tangible assets	11	876	876	1,465	1,465
Deficit before tax		(5,954)	(5,991)	(3,425)	(3,414)
Taxation		-	-	-	-
Deficit for year		(5,954)	(5,991)	(3,425)	(3,414)
Fair value gain in respect of cash flow hedge	14	1,542	1,542	744	744
Actuarial gain/(loss) in respect of pension scheme	21	125,462	125,462	(12,410)	(12,410)
Total comprehensive gain/(loss) for year		121,050	121,013	(15,091)	(15,080)

All amounts relate to continuing activities.

The notes on pages 35 to 57 form part of these accounts.

Consolidated and University changes in reserves for the year ended 31 July 2022

Consolidated	Income and expenditure reserve		
	Restricted £'000	Unrestricted £'000	Total £'000
Balance at 1 August 2020 as previously stated	1,500	(10,172)	(8,672)
Impact of prior year adjustment (Note 24)	-	(3,998)	(3,998)
Balance at 1 August 2020 (restated)	1,500	(14,170)	(12,670)
Deficit from the income and expenditure statement (restated)	350	(3,775)	(3,425)
Other comprehensive loss	-	(11,666)	(11,666)
Balance at 31 July 2021 (restated)	1,850	(29,611)	(27,761)
Balance at 1 August 2021	1,850	(29,611)	(27,761)
Deficit from the income and expenditure statement	-	(5,954)	(5,954)
Other comprehensive income	-	127,004	127,004
Balance at 31 July 2022	1,850	91,439	93,289

University	Income and expenditure reserve		
	Restricted £'000	Unrestricted £'000	Total £'000
Balance at 1 August 2020 as previously stated	1,500	(10,237)	(8,737)
Impact of prior year adjustment (Note 24)	-	(3,998)	(3,998)
Balance at 1 August 2020 (restated)	1,500	(14,235)	(12,735)
Deficit from the income and expenditure statement (restated)	350	(3,764)	(3,414)
Other comprehensive income	-	(11,666)	(11,666)
Balance at 31 July 2021 (restated)	1,850	(29,665)	(27,815)
Balance at 1 August 2021	1,850	(29,665)	(27,815)
Deficit from the income and expenditure statement	-	(5,991)	(5,991)
Other comprehensive income	-	127,004	127,004
Balance at 31 July 2022	1,850	91,348	93,198

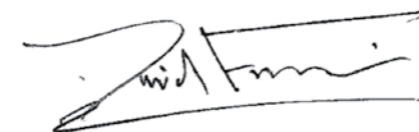
The notes on pages 35 to 57 form part of these accounts.

Consolidated and University balance sheet as at 31 July 2022

Note	2022 £'000		2021 £'000	
	Consolidated	University	Consolidated Restated	University Restated
Non-current assets				
Negative goodwill	10	-	(86)	(86)
Tangible assets	11	175,736	184,830	184,830
Investments	12	28	28	28
		175,764	184,772	184,772
Current assets				
Stocks	13	3	5	5
Investments		43	43	43
Trade and other receivables	14	10,327	9,190	9,166
Cash and cash equivalents		45,087	28,231	28,092
		55,460	37,469	37,306
Creditors: Amounts falling due within one year	15	(36,098)	(35,385)	(35,276)
Net current assets		19,362	2,084	2,030
Total assets less current liabilities		195,126	186,856	186,802
Creditors: Amounts falling due after more than one year	16	(49,872)	(52,923)	(52,923)
Pension provision	21	(50,339)	(160,644)	(160,644)
Other provisions	23	(1,626)	(1,050)	(1,050)
Total Net Assets/(Liabilities)		93,289	(27,761)	(27,815)
Reserves				
Restricted reserve		1,850	1,850	1,850
Unrestricted reserve		91,439	(29,611)	(29,665)
Total reserves		93,289	(27,761)	(27,815)

The notes on pages 35 to 57 form part of these accounts.

Approved and authorised for issue by the University Board on 8 December 2022



David Furniss
Chair of the Board



Professor John Vinney
Vice-Chancellor and Chief Executive

Consolidated statement of cash flows for the year ended 31 July 2022

	Note	2022 £'000	2021 Restated £'000
Cash flow from operating activities			
Deficit for year		(5,954)	(3,425)
Adjustment for non-cash items			
Depreciation	11	13,846	13,040
Impairment of tangible/non-current assets		1,005	-
Decrease in stock	13	2	-
(Increase)/decrease in debtors	14	(12)	1,090
Increase in creditors	15	689	1,538
Gain on investments		-	6
Increase in pension provision	21	15,156	11,816
Increase in other provisions	23	576	1,050
		<u>25,308</u>	<u>25,115</u>
Gain on disposal of tangible assets		(876)	(610)
Investment income		(169)	(495)
Interest payable	9	1,868	1,932
Capital grant income		(2,262)	(1,869)
Net cash from operating activities		<u>23,869</u>	<u>24,073</u>
Cashflows from investing activities			
Proceeds from sale of tangible assets		2,475	3,380
Investment income		169	495
Payments made to acquire intangible assets	10	(86)	(786)
Payments made to acquire tangible assets	11	(7,356)	(10,341)
Capital grant income		2,262	1,869
Net cash used in investing activities		<u>(2,536)</u>	<u>(5,383)</u>
Cashflows from financing activities			
Interest paid	9	(1,868)	(1,932)
Repayments of amounts borrowed	16	(2,609)	(7,577)
Net cash from financing activities		<u>(4,477)</u>	<u>(9,509)</u>
Increase in cash equivalents in year		<u>16,856</u>	<u>9,181</u>
Cash and cash equivalents at beginning of year		28,231	19,050
Cash and cash equivalents at end of year		<u>45,087</u>	<u>28,231</u>
Cash and cash equivalents comprise:			
Cash and cash equivalent		<u>45,087</u>	<u>28,231</u>
		<u>45,087</u>	<u>28,231</u>

The notes on pages 35 to 57 form part of these accounts

Notes to the accounts

	2022 Consolidated £'000	2022 University £'000	2021 Consolidated £'000	2021 University £'000
1. Funding body grants				
OfS recurrent grant	6,473	6,473	5,839	5,839
Research England recurrent grant	3,810	3,810	3,726	3,726
Non-recurrent specific grant	867	867	1,803	1,803
Capital grant release	2,262	2,262	1,869	1,869
	<u>13,412</u>	<u>13,412</u>	<u>13,237</u>	<u>13,237</u>
2. Tuition fees and education contracts				
			Restated	Restated
Full-time students	108,523	108,523	110,657	110,657
Full-time students charged overseas fees	23,042	23,042	18,993	18,993
Part-time fees	2,104	2,104	1,721	1,721
Short course fees	1,041	1,041	785	785
Other teaching contract course fees	2,899	2,899	2,195	2,195
	<u>137,609</u>	<u>137,609</u>	<u>134,351</u>	<u>134,351</u>
Information regarding the restatement of prior year comparatives can be found in note 24				
3. Research grants and contracts				
Research Council	924	924	948	948
UK based charities	611	611	149	149
European commission	1,558	1,558	1,766	1,766
Other grants and contracts	2,051	2,051	1,676	1,676
	<u>5,144</u>	<u>5,144</u>	<u>4,539</u>	<u>4,539</u>
4. Grant and fee income				
			Restated	Restated
Grant income from the OfS	8,503	8,503	8,615	8,615
Grant income from other bodies	10,211	10,211	9,642	9,642
Fee income for taught awards (exclusive of VAT)	134,680	134,680	131,915	131,915
Fee income for research awards (exclusive of VAT)	1,371	1,371	1,256	1,256
Fee income from non-qualifying courses (exclusive of VAT)	1,558	1,558	1,181	1,181
	<u>156,323</u>	<u>156,323</u>	<u>152,609</u>	<u>152,609</u>
Information regarding the restatement of prior year comparatives can be found in note 24				
5. Other operating income				
Residences	7,033	7,033	5,683	5,683
Other services rendered	21	21	20	20
Other income	6,286	6,248	4,244	4,221
	<u>13,340</u>	<u>13,302</u>	<u>9,947</u>	<u>9,924</u>

	2022 Consolidated £'000	2022 University £'000	2021 Consolidated £'000	2021 University £'000
6. Staff				
Staff costs:				
Salaries and wages	67,830	67,830	65,809	65,809
Social security costs	7,357	7,357	6,915	6,915
The financial effects of LGPS and USS pension scheme	12,503	12,503	10,028	10,028
Other pension costs	13,053	13,053	12,456	12,456
Redundancy and associated pension costs	140	140	1,018	1,018
	<u>100,883</u>	<u>100,883</u>	<u>96,226</u>	<u>96,226</u>
		2022 £'000		2021 £'000
a) Emoluments of the Vice-Chancellor:				
Basic salary		285		275
Benefits in kind		3		3
		<u>288</u>		<u>278</u>
Pension contributions		45		65
Payments in lieu of pension contributions		19		-
		<u>352</u>		<u>343</u>

The emoluments of the Vice-Chancellor are shown on the same basis as for higher paid staff. The University's pension contributions on behalf of the Vice-Chancellor are paid at the same rate as for other academic staff. The benefit in kind for the Vice-Chancellor relates to membership of a corporate healthcare scheme.

No independent governors received remuneration apart from reimbursement of expenses incurred in the course of their duties.

The head of the provider's basic salary is 7.6 times (2021: 7.5 times) the median pay of staff, where the median pay is calculated on a full-time equivalent basis for the salaries paid by the provider to its staff.

The head of the provider's total remuneration is 7.8 times (2021: 7.8 times) the median total remuneration of staff, where the median total remuneration is calculated on a full-time equivalent basis for the total remuneration by the provider of its staff.

Justification for the total remuneration package for the Vice-Chancellor

Context in which the University operates

The University operates in a highly competitive national and international market and retention of effective and successful leadership is key to the University's continued success. Our vision is that by 2025 BU will be recognised worldwide as a leading university for inspiring learning, advancing knowledge and enriching society through the fusion of education, research and practice.

Value and performance delivered by the Vice-Chancellor

The University has benefited from the VC's continued work to deliver the next stage of the BU2025 strategy. Particular themes and progress during the 2021-22 academic year include successfully leading the University out of the Covid-19 pandemic; the delivery of the third year of BU2025, and delivery of organisational design to align to BU2025, including departmental leadership and alignment, combined with embedding the new UET structure and Extended University Leadership Team.

The University has exceeded student recruitment targets and budget in a challenging and competitive recruitment market. The VC has led on financial stewardship, including delivery of the Operating Surplus for 2021-22, that has enabled BU to progress the rebuilding of its financial strength in line with all financial targets and having in place funding to deliver long term sustainability for the benefit of students.

There has been a review of strategic research performance and the establishment of the Strategic Investment Areas resulting in business cases for significant investment to deliver BU2025 in the context of the financial constraints under which the University operates.

BU's external international reputation has been enhanced further. Importantly our international reputation has been enhanced by our rise of 18 places in the Times Higher Education Young University Rankings from 77 to equal 62. This secures our position firmly in the top 100 young universities in the world.

The VC has led on raising the profile of the University through networking and influencing key stakeholders, an example being his Associate NED role at the University Hospitals Dorset. He has also led on developing a coherent and robust process of leadership development and succession planning to deliver the high quality student experience and BU2025. Following a successful review of University Governance in 2021, to which the Vice-Chancellor made a very significant contribution, the subsequent delivery of the action plan to implement recommendations.

BU's work on Sustainability and the United Nations Sustainable Development Goals which has seen significant achievements with results published in 2022 in the Times Higher Impact Rankings showing that BU is 42nd in the world (up from 74th the previous year) putting BU in the top 3% of 1,406 universities worldwide. We are now first in the UK for three SDGs – SDG8, 12 and 13.

The leadership focus that the student experience (including NSS scores) must continue to form a key theme throughout the University with the design of actions, processes and structures to address this crucial area of the University's mission.

Process for judging performance of the Vice-Chancellor

Objectives are developed for the Vice-Chancellor by the Chair of the University Board based on the agreed strategic plan. The objectives are based on delivering the strategy (and the relevant KPIs) and contain both short (one year) and long term (multiple year) objectives. Performance is assessed annually against delivery of these objectives using performance definitions for the Vice-Chancellor approved by the Remuneration Committee. A summary performance report is presented to Remuneration Committee by the Chair of the Board.

Processes and oversight arrangements involved in making remuneration decisions

Remuneration Committee has delegated authority on behalf of the Board to approve the total remuneration package for the Vice-Chancellor. The Remuneration Committee operates within the Board approved Terms of Reference and an Operating Framework which sets out the comparative data that must be considered and the key comparator institutions as well as the principles underlying remuneration decisions. The Remuneration Committee also has due regard to the Higher Education Senior Staff Remuneration Code published by the Committee of University Chairs (CUC) and applies it in full.

Further details about Remuneration Committee decisions and processes are published in the Annual Remuneration Reports for 2017/18 onwards which are available on the University website here www.bournemouth.ac.uk/about/governance/transparency.

Justification of level of remuneration and total remuneration package

The Vice-Chancellor's remuneration package is bench-marked against the UCEA all institutions remuneration data and the CUC survey of Vice-Chancellor's remuneration, including the more detailed analysis of the comparator set of institutions. The Remuneration Committee also considers the wider context of pay ratio data and the cost of living awards to other staff. In 2019 the Committee also commissioned an external review of the bench-marking of the Vice-Chancellor's remuneration which concluded that the bench-marking adopted by the Committee was appropriate. The Committee has confirmed that it will undertake this external review of bench-marking every three years and approved the commissioning of that review in October 2022. The Vice-Chancellor's salary is in line with the comparator set and in the range agreed by the Committee as applicable based on the UCEA all institutions data, his long experience and high performance. The Committee has decided to maintain this market-positioning as a reflection of the importance of retaining the Vice-Chancellor's leadership to the delivery of BU2025.

With effect from 1st August 2021 the Committee awarded a salary of £284,468 which is the salary disclosed in these financial statements.

The Vice-Chancellor is entitled to health insurance (or the equivalent value) and is entitled to participate in the Teachers' Pension Scheme as for all other academic staff. Staff exceeding their lifetime allowance who opt out of the pension scheme are entitled to receive a payment in lieu of pension contributions. During 2021/22 the Remuneration Committee approved the application of this policy to the Vice-Chancellor.

6. Staff (continued)

	2022 Number	2021 Number
b) Remuneration of other higher paid staff		
£100,000 to £104,999	2	2
£105,000 to £109,999	1	4
£110,000 to £114,999	2	-
£120,000 to £124,999	1	-
£160,000 to £164,999	-	2
£170,000 to £174,999	2	-
£215,000 to £219,999	-	1
£275,000 to £279,999	-	1
£305,000 to £309,999	1	-

Remuneration of other higher paid staff includes the emoluments of the Vice-Chancellor. Remuneration of other higher paid staff includes basic salary, performance bonuses and all taxable benefits in kind but excludes employer's national insurance and employer's pension costs. No performance bonuses were paid in the financial year.

c) Key management personnel include a number of senior managers across the institution who together have authority and responsibility for planning, directing and controlling activities of the institution. The total compensation paid to key management personnel for services provided to the group was £1.087m (2021: £1.053m). Total compensation includes basic salary, all taxable benefits, employer's national insurance and employer's pension costs. No performance bonuses were paid in the financial year.

	2022 Number	2021 Number
d) Staff numbers employed:		
Academic staff (excluding part-time visiting lecturers)	697	655
Administrative, professional, technical and clerical staff	851	835
Manual and maintenance staff	27	30
	<u>1,575</u>	<u>1,520</u>

e) During the year the institution paid £140k for compensation for loss of office which related to 17 members of staff (2020-21 £1.1m, 39 members of staff).

7. Other operating expenses

	2022 Consolidated £'000	2022 University £'000	2021 Consolidated Restated £'000	2021 University Restated £'000
Staff development	421	421	298	298
Contingent workers and staff secondments	3,935	3,935	2,766	2,766
Other staff costs	277	277	128	128
Travel costs	809	809	80	80
Consumables and laboratory costs	477	477	345	345
Franchise costs paid to partner colleges	682	682	895	895
Student union grants	1,190	1,190	1,073	1,073
Student welfare	2,569	2,569	3,115	3,115
Office expenses	149	149	104	104
Books, periodicals and information services	2,132	2,132	2,007	2,007
Non capitalised equipment and software	6,565	6,565	5,199	5,199
Audit:				
- External auditors remuneration – audit fees	60	60	58	58
- Auditors remuneration – other fees	16	16	15	15
- Internal Auditors remuneration	119	119	101	101
Legal and professional	4,167	4,167	3,058	3,058
Bursaries and scholarships	6,645	6,645	7,827	7,827
Promotions costs	1,866	1,866	1,602	1,602
Rent and rates	8,057	8,057	9,323	9,323
Heat, light, water and power	2,238	2,238	1,840	1,840
Repairs, refurbishment and scheduled maintenance	2,393	2,393	3,831	3,831
Insurance	517	517	482	482
Research and Development	2,703	2,703	2,437	2,437
Other expenses	9,173	9,172	7,731	7,697
	<u>57,160</u>	<u>57,159</u>	<u>54,315</u>	<u>54,281</u>

	2022 Consolidated £'000	2022 University £'000	2021 Consolidated £'000	2021 University £'000
Other operating expenses include				
Independent governors' expenses	2	2	-	-
Hire of other assets – operating leases	26	26	29	29

Information regarding the restatement of prior year comparatives can be found in note 24

8. Access and participation expenditure	2022 £'000	2021 £'000
Access investment	696	540
Financial support provided to students	3,041	3,541
Support for disabled students	985	974
Research and evaluation expenditure	294	254
	<u>5,016</u>	<u>5,309</u>

Access and participation expenditure reduced from £5.3m in 2020-21 to £5.0m in 2021-22. Access investments increased from £0.5m in 2020-21 to £0.7m in 2021-22. Actual expenditure was approximately £0.2m below forecast. The underspend predominately related to non-salary expenditure on Outreach activity.

BU's Access and participation plan for the period 2020-21 to 2024-25 is available on the following link:
[Bournemouth University Access and Participation Plan 2020-21 to 2024-25](#)

Financial support provided to students reduced by £0.5m but was in line with forecast. The reduction in spend was partly linked to a change to a lower rate bursary which was introduced for new entrants from 2020-21 onwards. To accommodate a potential increase in demand for hardship funding, additional funds were allocated to hardship expenditure although the increase in demand did not materialise in 2021-22. Expenditure for bursaries was above forecast, with a higher number of students being supported. More students are receiving a maintenance bursary at all levels of study and students are now eligible for a bursary during a Foundation year.

Support for disabled students and research and evaluation expenditure was generally in line with 2020-21 expenditure levels. Support for disabled students was approximately 7% below forecast whilst expenditure on Research and Evaluation was approximately 17% below forecast. Both the Support for disabled students and the Research and evaluation expenditure underspends, were the result of staff vacancies.

9. Interest and other finance costs	2022 Consolidated £'000	2022 University £'000	2021 Consolidated £'000	2021 University £'000
Pension scheme finance costs	2,747	2,747	1,867	1,867
Loan interest	1,868	1,868	1,932	1,932
	<u>4,615</u>	<u>4,615</u>	<u>3,799</u>	<u>3,799</u>

10. Negative goodwill	2022 £'000
Cost	
As at 1 August 2021	(86)
Amortisation charge for year	86
Net book value	
As at 31 July 2022	<u>-</u>

Negative goodwill arose in 2018-19 when the University completed the freehold purchase of Chapel Gate sports site for £0.8m, the site had a fair market value of £2.0m. Investment in the site is netted off against the negative goodwill in the financial year that the investment is recognised. In 2021-22 £86k capital expenditure was matched against negative goodwill reducing the balance from £86K to nil.

11. Tangible assets: University and its subsidiary company

Tangible fixed assets

	Freehold and leasehold land and buildings £'000	Leasehold improvements £'000	Equipment £'000	Assets in course of construction £'000	Total £'000
Cost/valuation					
At 1 August 2021	229,556	1,891	76,563	7,128	315,138
Additions	906	-	3,163	3,287	7,356
Transfers	4,664	-	2,205	(6,869)	-
Disposals	(5,288)	-	(797)	-	(6,085)
31 July 2022	<u>229,838</u>	<u>1,891</u>	<u>81,134</u>	<u>3,546</u>	<u>316,409</u>
Depreciation					
At 1 August 2021	70,521	1,281	58,506	-	130,308
Charge for the year	7,864	183	5,799	-	13,846
Disposals	(2,684)	-	(797)	-	(3,481)
31 July 2022	<u>75,701</u>	<u>1,464</u>	<u>63,508</u>	<u>-</u>	<u>140,673</u>
Net book value					
31 July 2022	<u>154,137</u>	<u>427</u>	<u>17,626</u>	<u>3,546</u>	<u>175,736</u>
31 July 2021	<u>159,035</u>	<u>610</u>	<u>18,057</u>	<u>7,128</u>	<u>184,830</u>

As a result of the Education Reform Act 1988, the interests in properties occupied by the University, previously held by Dorset County Council (DCC), were formally transferred, under the direction of the Education Assets Board (EAB), to the University itself with effect from 1 April 1989. Similarly, the University also acquired unrestricted title to those moveable assets acquired from funds previously paid by the DCC.

The cost/valuation of land and buildings comprises:

	2022 £'000	2021 £'000
Freeholds		
Assets inherited upon incorporation:		
Property, valued at depreciated replacement cost	17,170	17,170
Land, valued at transferred debt	122	122
	<u>17,292</u>	<u>17,292</u>
Assets valued on an open market basis in 1990	150	150
Assets stated at cost	212,396	212,117
	<u>229,838</u>	<u>229,559</u>

Gain on disposal of assets

In June 2022, the University disposed of a building Royal London House. The University received a payment of £2.5m and the net book value of the building at the time of disposal was £1.6m resulting in an overall gain recognised on disposal of £0.9m.

12. Investments

	Cost at 31 July 2022	Cost at 31 July 2021
Investments - University	£	£
Shares in CVCP Properties plc	28,097	28,097
	<u>28,097</u>	<u>28,097</u>
Subsidiary company	Cost at	Cost at
	31 July 2022	31 July 2021
BU Innovations Limited	2	2
BU Community Business Ltd	1	1
	<u>3</u>	<u>3</u>

CVCP Properties plc

The University is a shareholder in CVCP Properties plc together with other University members of Universities UK, CVCP Properties plc's principal asset is Universities UK's headquarters, Woburn House.

Subsidiary companies

The University is the beneficial owner of the entire issued share capital of the subsidiary companies, BU Innovations Limited, BU Community Business Limited, which are registered in England. The subsidiary companies undertake activities which, for legal and commercial reasons, are more appropriately channelled through limited companies.

BU Community Business Limited was incorporated on 15th May 2019. The company was incorporated to run Chapel Gate, a 65 acres site of established sports facilities

Current asset investments

The £43k report under current assets relates to two Government UK Gilts.

13. Stocks

	2022		2021	
	Group £'000	University £'000	Group £'000	University £'000
Stock	3	3	5	5

14. Trade and other receivables due within one year

	2022		2021	
	Group £'000	University £'000	Group £'000	University £'000
Trade receivables	2,751	2,738	2,750	2,728
Amounts owed by group companies	-	70	-	75
Prepayments and accrued income	6,451	6,381	6,440	6,363
Interest rate cash flow hedge	1,125	1,125	-	-
	<u>10,327</u>	<u>10,314</u>	<u>9,190</u>	<u>9,166</u>

Prepayments and accrued income include £2.2m (2021: £2.1m) of accrued income in connection with teaching, research and consultancy work. The fair value gain in respect of the cash flow hedge was £1.5m (2020-21 £0.7m).

15. Creditors: amounts falling due within one year

	2022		2021	
	Group £'000	University £'000	Group Restated £'000	University Restated £'000
Bank loans	2,634	2,634	2,609	2,609
Trade payables	3,944	3,944	4,287	4,287
Other creditors	2,765	2,765	2,873	2,873
Social security and other taxation payable	2,189	2,189	2,147	2,147
Accruals and deferred income	24,566	24,493	23,469	23,360
	<u>36,098</u>	<u>36,025</u>	<u>35,385</u>	<u>35,276</u>

Information regarding the restatement of prior year comparatives can be found in note 24

Accruals and deferred income include £12.8m (2021: £12.7m) of income received in advance in connection with teaching, research and consultancy work.

The Turing Scheme is a UK government programme to provide funding for international opportunities in education and training across the world. In the financial year 2021-22 the University received £113k grant funding for the Turing scheme and expended £104k with the balance of £9k reported under other creditors.

16. Creditors: amounts falling due after more than one year

Group and University	2022	2021
	£'000	£'000
Bank loans	49,672	52,306
Other creditor	200	200
Interest rate cash flow hedge	-	417
	<u>49,872</u>	<u>52,923</u>

Loan Summary

Bank loans are represented in the below table, the loan amount represents the original amount drawn.

Loan Type	Loan amount £'000	Interest Rate %	Repayable
Fixed	5,000	5.3	2043
Fixed	5,000	4.9	2043
Fixed	3,000	4.2	2043
Fixed	6,400	3.6	2043
Fixed	5,700	3.5	2043
Fixed	25,000	2.9	2037
Fixed	15,000	Base rate + 1.52%	2039

As at 31 July 2022, the University is not exposed to material risks arising from interest rate benchmark reform as LIBOR is replaced with alternative benchmark interest rates. The quantitative exposure is disclosed above.

16. Creditors: amounts falling due after more than one year (continued)

The University has applied the Amendments to FRS 102: Interest rate benchmark reform (Phase 1 and Phase 2). Applying the practical expedient introduced by the amendments, when the benchmark affecting the University's loans are replaced, the adjustments to the contractual cash flows will be reflected as an adjustment to the effective interest rate. Therefore, the replacement of the loans' benchmark interest rate will not result in an immediate gain or loss recorded in profit or loss, which may have been required if the practical expedient was not available or adopted. The University transitioned to the alternative interest rate (SONIA) during the current period.

In respect of the £15.0m loan with an interest rate of base +1.52%, the Group has entered into floating to fixed interest rate swaps with a fixed leg of 1.042% and a variable rate leg GBP 3 Month LIBOR.

The other creditor is repayable grant for £0.2m received for the Revolving Green Fund, a carbon reduction initiative.

An analysis of the capital debt by due date of repayment on the bank loan is set out below:

	2022 £'000	2021 £'000
Repayable within 1 year	2,634	2,609
Repayable within 2-5 years	10,855	10,508
Repayable after 5 years	38,817	41,798
	<u>52,306</u>	<u>54,915</u>

17. Financial instruments

	Consolidated		University	
	2022 £'000	2021 £'000	2022 £'000	2021 £'000
Financial assets that are debt instruments measured at amortised cost	50,031	33,078	49,868	32,992
Financial liabilities measured at amortised cost	(68,148)	(71,076)	(68,148)	(71,076)
Derivative financial instruments designated as hedges of variable interest rate risk	1,125	(417)	1,125	(417)

Financial assets are measured at amortised cost less any impairment and comprise cash, trade receivables, amounts owed by group companies and accrued income.

Financial liabilities measured at amortised cost comprise bank loans, bank overdraft, other creditors and accruals.

Derivative financial instruments designated as hedges of variable interest rate risk comprise interest rate swaps

18. Analysis of net debt

	At 1 August 2021 £'000	Cashflow £'000	Non-cash movement £'000	At 31 July 2022 £'000
Cash at bank and in hand	28,231	16,856	-	45,087
Bank loans	(54,915)	2,609	-	(52,306)
Interest rate swap	(417)	-	1,542	1,125
Net debt at end of year	<u>(27,101)</u>	<u>19,465</u>	<u>1,542</u>	<u>(6,094)</u>

The non cash movement represents the movement on the fair value of the derivative

19. Contingent liabilities**Nomination agreements**

The University has entered into arrangements with UNITE and Campus Living Villages (CLV) for the supply of student accommodation. The buildings are owned and managed by UNITE and CLV but the University has nomination agreements in place such that it guarantees a certain occupation level by its students (for which they pay full costs). The nominations agreement provides a minimum income guarantee for the provider in circumstances where there are too few students nominated. In 2021-22 there were no amounts payable to UNITE (2020-21 £494K) or CLV (2020-21 £301k).

20. Operating lease and capital commitments

At 31 July 2022, the University was committed to making the following payments during the next years in respect of operating leases:

	2022		2021	
	Land and Buildings £'000	Other £'000	Land and Buildings £'000	Other £'000
Operating leases:				
Expiring within one year	6,065	31	6,075	46
Expiring within two and five years	17,540	19	18,855	34
Expiring within six and thirty years	4,731	-	5,073	-
	<u>28,336</u>	<u>50</u>	<u>30,003</u>	<u>80</u>

In 1990, the University entered into a 30-year operating lease on the Talbot Student Village, a 278 room student accommodation facility. The rental is subject to triennial review. The lease has now been extended to September 2024. The Talbot Student Village remains the property of the Talbot Village Trust and at no time can the University take title of it.

In 2008, the University entered into a 16-year operating lease on the Executive Business Centre which is home to the Faculty of Management. In 2012, the University entered into a 7-year operating lease on a student accommodation facility Dorchester House, the lease on Dorchester House has now been extended to 2027.

Provision has not been made for the following capital commitments at 31 July 2022

Capital commitments	2022 £'000	2021 £'000
Commitments contracted at 31 July	<u>2,537</u>	<u>2,253</u>

21. Pensions

The University's employees belong to three principal pension schemes, the Teachers' Pensions Scheme (TPS), the Universities Superannuation Scheme (USS), and the DCSS Local Government Pension Scheme (LGPS). The University also has a smaller number of staff in the National Health Service Pension Scheme (NHSPS). All are defined benefit schemes. The total employer's pension cost for the year ended 31 July 2022 was £13.1m (2021: £12.5m).

Reconciliation to balance sheet

	Year to 31 July 2022	Year to 31 July 2021
	£'000	£'000
DCSS LGPS pension liability	48,373	159,174
USS Pension liability	1,311	722
Pension enhancement liability	655	748
	50,339	160,644

In general, participating in a defined benefit pension scheme means that the Employer is exposed to a number of risks:

Investment risk. The Fund holds investment in asset classes, such as equities, which have volatile market values and while these assets are expected to provide real returns over the long-term, the short-term volatility can cause additional funding to be required if a deficit emerges;

Interest rate risk. The Fund's liabilities are assessed using market yields on high quality corporate bonds to discount future liability cashflows. As the Fund holds assets such as equities the value of the assets and liabilities may not move in the same way; **Inflation risk.** All of the benefits under the Fund are linked to inflation and so deficits may emerge to the extent that the assets are not linked to inflation; and **Longevity risk.** In the event that the members live longer than assumed a deficit will emerge in the Fund. There are also other demographic risks.

In addition, as many unrelated employers participate in the Dorset County Pension Fund, there is an orphan liability risk where employers leave the Fund but with insufficient assets to cover their pension obligations so that the difference may fall on the remaining employers. All of the risks above may also benefit the Employer e.g. higher than expected investment returns or employers leaving the Fund with excess assets which eventually get inherited by the remaining employer.

Teachers' Pension Scheme (TPS)

Under the definitions set out in Financial Reporting Standard 102 - Retirement Benefits, the TPS is a multi-employer pension scheme. As the TPS is underwritten by central government and the University has no future obligation to make contributions to the scheme, this is effectively a defined contribution scheme in so far as it affects the University. As a result, contributions to this scheme are accounted for as if the scheme was a defined contribution scheme.

The University has set out below the information available on the Scheme and the implications for the University in terms of the anticipated contribution rates.

The employers' contribution rates for the University's academic staff were 23.68% of pensionable salaries.

The Teachers' Pension Scheme is a statutory, contributory, unfunded, defined benefit scheme, governed by the Teachers' Pensions Regulations 2010 and the Teachers' Pension Scheme Regulations 2014. Contributions are credited to the Exchequer on a "pay as you go" basis under arrangements governed by the Superannuation Act 1972. A notional asset value is ascribed to the Scheme for the purposes of determining contribution rates.

The Government Actuary's report of March 19 revealed that the total liabilities of the Scheme (pensions currently in payment and the estimated cost of future benefits) amounted to £218.1 billion. The value of the assets (estimated future contributions together with the proceeds from the notional investments held at the valuation date) was £196.1 billion. The assumed real rate of return is 2.8% in excess of prices and 1.25% in excess of earnings. The rate of real earnings growth is assumed to be 2.2%. The assumed gross rate of return is 5.06%.

Universities Superannuation Scheme

The institution participates in Universities Superannuation Scheme (USS). The assets of the scheme are held in a separate trustee-administered fund. Because of the mutual nature of the scheme, the assets are not attributed to individual institutions and a scheme-wide contribution rate is set. The institution is therefore exposed to actuarial risks associated with other institutions' employees and is unable to identify its share of the underlying assets and liabilities of the scheme on a consistent and reasonable basis. As required by Section 28 of FRS 102 "Employee benefits", the institution therefore accounts for the scheme as if it were a defined contribution scheme. As a result, the amount charged to the profit and loss account represents the contributions payable to the scheme. Since the institution has entered into an agreement (the Recovery Plan) that determines how each employer within the scheme will fund the overall deficit, the

institution recognises a liability for the contributions payable that arise from the agreement (to the extent that they relate to the deficit) with related expenses being recognised through the profit and loss account in accordance with section 28 FRS102.

FRS 102 makes the distinction between a group plan and a multi-employer scheme. A group plan consists of a collection of entities under common control typically with a sponsoring employer. A multi-employer scheme is a scheme for entities not under common control and represents (typically) an industry-wide scheme such as Universities Superannuation Scheme. The directors are satisfied that Universities Superannuation Scheme meets the definition of a multi-employer scheme and has therefore recognised the discounted fair value of the contractual contributions under the recovery plan in existence at the date of approving these financial statements.

Pension costs

The total cost charged to the statement of comprehensive income and expenditure is £283,944 (2020-2021: £306,951).

The latest available complete actuarial valuation of the Retirement Income Builder section of the Scheme is at 31 March 2020 (the valuation date), and was carried out using the projected unit method.

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

The 2020 valuation was the sixth valuation for the scheme under the scheme-specific funding regime introduced by the Pensions Act 2004, which requires schemes to have sufficient and appropriate assets to cover their technical provisions. At the valuation date, the value of the assets of the scheme was £66.5 billion and the value of the scheme's technical provisions was £80.6 billion indicating a shortfall of £14.1 billion and a funding ratio of 83%.

The key financial assumptions used in the 2020 valuation are described below. More detail is set out in the statement of Funding Principles (uss.co.uk/about-us/valuation-and-funding/statement-of-funding-principles).

CPI assumption	Terms dependent rates in line with the difference between the Fixed Interest and Index Linked yield curves less: 1.1% p.a. to 2030, reducing linearly by 0.1% p.a. to a long-term difference of 0.1% p.a. from 2040.
Pension increases (subject to a floor of 0%)	CPI assumption plus 0.05%.
Discount rate (forward rates)	Fixed interest gilt yield curve plus: Pre-retirement: 2.75% p.a. Post-retirement: 1.00% p.a.

The main demographic assumption used relates to the mortality assumptions. These assumptions are based on analysis of the scheme's experience carried out as part of the 2020 actuarial valuation. The mortality assumptions used in these figures are as follows:

	2020 valuation
Mortality base table	101% of S2PMA "light" for males and 95% of S3PFA for females.
Future improvements to mortality	CMI 2019 with a smoothing parameter of 7.5, an initial addition of 0.5% p.a. and a long term improvement rate of 1.8% p.a. for males and 1.6% p.a. for females.

The current life expectancies on retirement at age 65 are:

	2022	2021
Males currently aged 65 (years)	23.9	24.6
Females currently aged 65 (years)	25.5	26.1
Males currently aged 45 (years)	25.9	26.6
Females currently aged 45 (years)	27.3	27.9

21. Pensions (Continued)

A new deficit recovery plan was put in place as part of the 2020 valuation, which requires payment of 6.2% of salaries over the period 1 April 2022 until 31 March 2024, at which point the rate will increase to 6.3%. The 2022 deficit recovery liability reflects this plan. The liability figures have been produced using the following assumptions:

	2022	2021
Discount rate	3.31%	0.87%
Pensionable salary growth	3.00%	3.00%

Local Government Pension Scheme

The Local Government Pension Scheme (LGPS) is a defined benefit statutory scheme administered in accordance with the Local Government Pension Scheme Regulations 2013 and currently provides benefits based on career average revalued earnings. Full details of the benefits being valued are as set out in the Regulations as amended and summarised on the LGPS website and the Fund's membership booklet.

The administering authority for the Fund is Dorset County Council. The Pension Fund Committee oversees the management of the Fund whilst the day to day fund administration is undertaken by a team within the administering authority. Where appropriate some functions are delegated to the Fund's professional advisers.

Dorset County Council, after consultation with the Fund Actuary and other relevant parties, is responsible for the preparation and maintenance of the Funding Strategy Statement and the Investment Strategy Statement. These should be amended when appropriate based on the Fund's performance and funding.

Contributions are set every three years as a result of the actuarial valuation of the Fund required by the Regulations. The next actuarial valuation of the Fund was carried out as at 31 March 2022 and will set contributions for the period from 1 April 2023 to 31 March 2026. There are no minimum funding requirements in the LGPS but the contributions are generally set to target a funding level of 100% using the actuarial valuation assumptions.

On the Employer's withdrawal from the Fund, a cessation valuation will be carried out in accordance with Regulation 64 of the LGPS Regulations 2013 which will determine the termination contribution due by the Employer, on a set of assumptions deemed appropriate by the Fund Actuary.

2023 Pension Increase (PI) Order

The 2023 PI Order is used to set the level of pension increases, deferred revaluation and Career Averaged Revalued Earnings (CARE) adjustment with effect from 1 April 2023. This is expected to be significantly higher than the CPI assumption as at 31 July 2022. The PI Order is typically set with reference to the change in CPI inflation over the 12 months to the previous September (announced in October), so the 2023 PI Order is expected to be set with reference to the September 2022 CPI. The change in CPI over the 12 months to September 2022 was 10.1%.

The actual 2023 PI Order is not automatically set with reference to the September CPI. This is only known with certainty in March, once this has been approved by Parliament. It is possible that the actual PI Order will be lower than the change in CPI over the 12 months to September 2022. It is due to this uncertainty that the standard assumptions and approach as at 31 July 2022 make no allowance for a 2023 PI Order of the order of 10.1%. It is common practice for pensions disclosures to recognise experience gains/losses as and when this materialises, and so recognition of the 2023 PI Order would ordinarily be made when this is known with certainty, i.e. when preparing pensions disclosures as at 31 July 2023.

The effect of recognising the 2023 PI order in the balance sheet as at 31 July 2022 would increase the value of the obligations by £11.4m. This has not been recognised as a liability at the balance sheet date as it is not deemed to meet the conditions for recognising a provision since there is no legal obligation as a result of a past event and the amount cannot be reliably estimated as described in the paragraph above.

The main results of, and assumptions for, the valuation of the scheme based on the projected unit method as prepared by the qualified independent actuaries are as follows:

Assumptions as at	31 July 2022	31 July 2021	31 July 2020
	% p.a	% p.a	% p.a
Salary increases	3.0%	3.0%	2.0%
Pension increases	2.65%	2.70%	1.80%
Discount rate	3.50%	1.75%	1.40%

Life expectancy from age 65 (years)	2022	2021
Retiring today		
Males	22.1	23.1
Females	24.2	24.6
Retiring in 20 years		
Males	23.4	24.4
Females	25.6	26.1

Expected return on assets and estimated asset allocation

The return on the Fund (on a bid to bid value basis) for the year to 31 July 2022 is estimated to be -1.17% (2020-21: 17.3%). The actual return on Fund assets over the year may be different.

The estimated asset allocation for Bournemouth University as at 31 July 2022 is as follows.

Asset class	Asset allocation 31 July 2022 £'000	%	Asset allocation 31 July 2021 £'000	%
Equities	83,090	54%	82,990	54%
Other Bonds	7,536	5%	8,638	6%
Diversified Growth Fund	10,318	7%	10,256	7%
Property	15,718	10%	13,622	9%
Cash	2,011	1%	2,117	1%
Liability Driven Investment	17,065	11%	17,952	12%
Infrastructure	11,299	7%	9,549	6%
Multi Asset Credit	6,875	5%	7,291	5%
Total	153,912	100%	152,415	100%

Based on the above, the Employer's share of the assets of the Fund is approximately 4.31%.

Reconciliation of DCSS LGPS pension liability recognised in balance sheet

Net pension deficit as at	31 July 2022 £'000	31 July 2021 £'000
Present value of funded obligation	(202,186)	(311,461)
Fair value of scheme assets	153,912	152,415
Net liability	(48,274)	(159,046)
Present value of unfunded obligation	(99)	(128)
Pension liability in balance sheet	(48,373)	(159,174)

21. Pensions (Continued)

The amounts recognised in the income and expenditure statement are:

	Year to 31 July 2022 £'000	Year to 31 July 2021 £'000
Service cost:	16,879	14,805
Net interest on the defined liability	2,741	1,862
Administration expenses	109	111
Total cost	19,729	16,778

Asset and benefit obligation reconciliations for the year to 31 July 2022

Reconciliation of opening and closing balances of the present value of the defined benefit obligation	Year to 31 July 2022 £'000	Year to 31 July 2021 £'000
Opening defined benefit obligation	311,589	261,420
Current service cost	16,879	14,078
Interest cost	5,438	3,660
Change in financial assumptions	(121,186)	38,720
Change in demographic assumptions	(9,768)	(2,964)
Experience loss/(gain) on defined benefit obligation	995	(2,942)
Estimated benefits paid net of transfers in	(3,753)	(3,188)
Past service costs, including curtailments	-	727
Contributions by Scheme participants and other employers	2,102	2,090
Unfunded pension payments	(11)	(12)
Closing defined benefit obligation	202,285	311,589

Reconciliation of opening and closing balances of the fair value of Fund assets	Year to 31 July 2022 £'000	Year to 31 July 2021 £'000
Opening fair value of Fund assets	152,415	126,530
Interest on assets	2,697	1,798
Return on assets less interest	(4,497)	20,404
Administration expenses	(109)	(111)
Contributions by employer including unfunded	5,068	4,904
Contributions by Scheme participants and other employers	2,102	2,090
Estimated benefits paid plus unfunded net of transfers in	(3,764)	(3,200)
Closing fair value of Fund assets	153,912	152,415

Composition of defined benefit obligation

	Year to 31 July 2022 £'000	Year to 31 July 2021 £'000
Unfunded	99	128
Funded obligations	202,186	311,461
	202,285	311,589

Reconciliation of opening & closing balances of the net pension deficit

	Year to 31 July 2022 £'000	Year to 31 July 2021 £'000
Deficit at beginning of the year	(159,174)	(134,890)
Service cost	(16,879)	(14,078)
Employer contributions	5,057	4,892
Unfunded pension payments	11	12
Past Service Costs	-	(727)
Other finance costs	(2,741)	(1,862)
Actuarial (loss)/gain	125,462	(12,410)
Administration expenses	(109)	(111)
Deficit at end of the year	(48,373)	(159,174)

Sensitivity analysis

The following table sets out the impact of a small change in the discount rates on the defined benefit obligation and projected service cost along with a +/- 1 year age rating adjustment to the life expectancy assumption.

	£'000	£'000	£'000
Adjustment to discount rate	+0.1%	0%	-0.1%
Present value of total obligation	192,271	202,285	207,431
Projected service cost	7,702	8,027	8,363
Adjustment to long term salary increase	+0.1%	0%	-0.1%
Present value of total obligation	202,786	202,285	201,790
Projected service cost	8,032	8,027	8,022
Adjustment to pension increases and deferred revaluation	+0.1%	0%	-0.1%
Present value of total obligation	206,969	202,285	197,721
Projected service cost	8,364	8,027	7,701
Adjustment to life expectancy assumption	+ 1 year	None	- 1 year
Present value of total obligation	208,283	202,285	196,370
Project service cost	8,311	8,027	7,750

21. Pensions (Continued)**5 Year history**

Amounts for the current and previous four periods	Year to 31 July 2022 £'000	Year to 31 July 2021 £'000	Year to 31 July 2020 £'000	Year to 31 July 2019 £'000	Year to 31 July 2018 £'000
Defined benefit obligation	(202,285)	(311,589)	(261,420)	(209,248)	(190,700)
Scheme assets	153,912	152,415	126,530	128,254	115,452
Deficit	(48,373)	(159,174)	(134,890)	(80,994)	(75,248)

Re-measurements in other comprehensive income

	Year to 31 July 2022 £'000	Year to 31 July 2021 £'000
Re-measurement of the net defined liability		
Return on Fund assets in excess of interest	(4,497)	20,404
Change in financial assumptions	121,186	(38,720)
Change in demographic assumptions	9,768	2,964
Experience gain/(loss) on defined benefit obligation	(995)	2,942
Re-measurement of the net defined liability	125,462	(12,410)

Projected pension expense for the year to 31 July 2023

	Year to 31 July 2023 £'000
Service cost	8,027
Net interest on the defined liability (asset)	1,604
Administration expenses	111
Total loss (profit)	9,742
Employer contributions	5,117

22. Related party transactions

The Board has taken advantage of the exemptions provided by FRS102 not to disclose transactions with wholly owned subsidiary companies.

No independent governors received payment for their services as a governor.

The University has a close working relationship with Bournemouth University Students Union which remains a separate entity. The Bournemouth University Students Union president is a member of the University's Board of Governors. During the year ended 31 July 2022 the University gave Bournemouth University Students Union a block grant and payments for services totalling £1.19m (2020-21: £1.07m).

23. Provision for liabilities

In October 2008 the University entered into 16 year lease for an existing office and lecture accommodation building the Executive Business Centre. As at 31 July 2022, the University provided for an estimated future potential dilapidations liability of £1.2m. The valuation was based on a report by a professional property consultant.

In December 2021 the University entered into a 7 year lease for an existing building St. Mary's. As at 31 July 2022, the University provided for an estimated future potential dilapidations liability of £30k.

In January 2024 the University is required to dispose of the Tolpuddle Annexes at our Talbot Campus. As at 31 July 2022 the University provided for an estimated future potential disposal liability of £396k.

24. Restatement of Prior Year

Tuition fee income and related scholarship costs in relation to post graduate courses were incorrectly recognised upfront upon invoicing in the year ended 31 July 2021. This income and related scholarships should have been spread over the period that the course is delivered. This has been corrected in the comparatives of these financial statements. Tuition fee income has been increased in the 2021 financial year by £82k. Other operating expenses have been increased by £239k for related scholarships. On the balance sheet, deferred income net of scholarships as at 31 July 2021 has been increased by £4,155k for tuition fees relating to the period of the course after the year end. Opening reserves as at 1 August 2020 have been reduced by £3,998k.

Impact of prior year adjustment 2020-21	As reported, Year ending 31 July 2021 £'000	Restatement £'000	Restated Year ending 31 July 2021 £'000	Primary Statement
Deficit for Year	(3,268)	(157)	(3,425)	I&E
Total Reserves - closing	(23,606)	(4,155)	(27,761)	Balance Sheet
Total Net Assets/ Liabilities - closing	(23,606)	(4,155)	(27,761)	Balance Sheet
Impact on cash in year	9,181	0	9,181	Cash Flow Statement

25. Federal Loans programme

The University has an obligation as part of our participation in the US Federal Loans program to include Supplemental Information which complies with Federal Register/Vol. 84, No. 184 / Monday, September 23, 2019 / Rules and Regulations. This data has been prepared using UK GAAP and does not include any adjustments required to comply with US GAAP.

Reference	Expendable Net Assets	2022 £'000	2021 £'000	Note
Statement of Financial Position - Net assets without donor restrictions	Net assets without donor restrictions	91,439	-25,456	
Statement of Financial Position - Net assets with donor restrictions	Net assets with donor restrictions	1,850	1,850	
Statement of Financial Position - Related party receivable and Related party note disclosure	Secured and unsecured related party receivable	-	-	
Statement of Financial Position - Related party receivable and Related party note disclosure	Unsecured related party receivable	-	-	
Statement of Financial Position - Property, Plant and equipment, net	Property, plant and equipment, net (includes Construction in progress)	175,736	184,830	11
Note of the Financial Statements - Statement of Financial Position - Property, plant and equipment - pre-implementation	Property, plant and equipment - pre-implementation	136,721	145,232	11
Note of the Financial Statements - Statement of Financial Position - Property, plant and equipment - post-implementation with outstanding debt for original purchase	Property, plant and equipment - post-implementation with outstanding debt for original purchase	-	-	
Note of the Financial Statements - Statement of Financial Position - Property, plant and equipment - post-implementation without outstanding debt for original purchase	Property, plant and equipment - post-implementation without outstanding debt for original purchase	35,469	20,277	11
Note of the Financial Statements - Statement of Financial Position - Construction in progress	Construction in progress	3,546	1,620	11
Statement of Financial Position - Lease right-of-use assets, net	Lease right-of-use asset, net	-	-	
Note of the Financial Statements - Statement of Financial Position - Lease right-of-use asset pre-implementation	Lease right-of-use asset pre-implementation	-	-	
Note of the Financial Statements - Statement of Financial Position - Lease right-of-use asset post-implementation	Lease right-of-use asset post-implementation	-	-	
Statement of Financial Position - Goodwill	Intangible assets	-	-86	10
Statement of Financial Position - Post-employment and pension liabilities	Post-employment and pension liabilities	50,339	160,644	21

Reference	Expendable Net Assets	2022 £'000	2021 £'000	Note
Statement of Financial Position - Note Payable and Line of Credit for long-term purposes (both current and long term) and Line of Credit for Construction in process	Long-term debt - for long term purposes	52,306	160,644	16
Statement of Financial Position - Note Payable and Line of Credit for long-term purposes (both current and long term) and Line of Credit for Construction in process	Long-term debt - for long term purposes pre-implementation	52,306	54,915	16
Statement of Financial Position - Note Payable and Line of Credit for long-term purposes (both current and long term) and Line of Credit for Construction in process	Long-term debt - for long term purposes post-implementation	-	-	
Statement of Financial Position - Note Payable and Line of Credit for long-term purposes (both current and long term) and Line of Credit for Construction in process	Line of Credit for Construction in process	-	-	
Statement of Financial Position - Lease right-of-use asset liability	Lease right-of-use asset liability	-	-	
Statement of Financial Position - Lease right-of-use asset liability pre-implementation	Pre-implementation right-of-use leases	-	-	
Statement of Financial Position - Lease right-of-use asset liability post-implementation	Post-implementation right-of-use leases	-	-	
Statement of Financial Position - Annuities	Annuities with donor restrictions	-	-	
Statement of Financial Position - Term endowments	Term endowments with donor restrictions	-	-	
Statement of Financial Position - Life Income Funds	Life income funds with donor restrictions	-	-	
Statement of Financial Position - Perpetual Funds	Net assets with donor restrictions: restricted in perpetuity	1,850	1,850	
Statement of Activities - Total Operating Expenses (Total from Statement of Activities prior to adjustments)	Total expenses without donor restrictions - taken directly from Statement of Activities	176,504	167,141	
Statement of Activities - Non-Operating (Investment return appropriated for spending), Investments, net of annual spending gain (loss), Other components of net periodic pension costs, Pension-related changes other than net periodic pension, changes other than net periodic pension, Change in value of split-interest agreements and Other gains (loss) - (Total from Statement of Activities prior to adjustments)	Non-Operating and Net Investment (loss)	127,083	-11,665	

25. Federal Loans programme (Continued)

Reference	Expendable Net Assets	2021 £'000	2020 £'000	Note
Statement of Activities - (Investment return appropriated for spending) and Investments, net of annual spending, gain (loss)	Investment income	-79	-1	
Statement of Activities - Pension related changes other than periodic pension	Pension-related changes other than net periodic costs	-	-	

Reference	Modified Net Assets	2022 £'000	2021 £'000	Note
Statement of Financial Position - Net assets without donor restrictions	Net assets without donor restrictions	91,439	-25,456	
Statement of Financial Position - total Net assets with donor restrictions	Net assets with donor restrictions	1,850	1,850	
Statement of Financial Position - Goodwill	Intangible assets	-	-86	10
Statement of Financial Position - Related party receivable and Related party note disclosure	Secured and Unsecured related party receivable	-	-	
Statement of Financial Position - Related party receivable and Related party note disclosure	Unsecured related party receivable	-	-	

Modified Assets

Statement of Financial Position - Total Assets	Total Assets	231,224	222,241	
Note of the Financial Statements - Statement of Financial Position - Lease right-of-use asset pre- implementation	Lease right-of-use asset pre-implementation	-	-	
Statement of Financial Position - Lease right-of-use asset liability pre- implementation	Pre-implementation right-of-use leases	-	-	
Statement of Financial Position - Goodwill	Intangible assets	-	-86	10
Statement of Financial Position - Related party receivable and Related party note disclosure	Secured and unsecured related party receivable	-	-	
Statement of Financial Position - Related party receivable and Related party note disclosure	Unsecured related party receivable	-	-	

Net Income Ratio		2021 £'000	2020 £'000	Note
Statement of Activities - Change in Net Assets Without Donor Restrictions	Change in Net Assets Without Donor Restrictions	121,050	-14,934	
Statement of Activities - (Net assets released from restriction), Total Operating Revenue and Other Additions and Sale of Fixed Assets, gains (losses)	Total Revenue and Gains	170,471	163,872	





