

# FINANCIAL STATEMENTS 2018/19



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# Introduction: Highlights of the year from the Vice-Chancellor



The last year has presented a range of opportunities and challenges for the higher education sector, which continues to evolve at a rapid pace and against a UK-wide and global backdrop of uncertainty. During this time, Oxford Brookes has continued to achieve great things across each of its strategic objectives.

It is encouraging that the hard work and successes of the University have been recognised with numerous accolades over the past year.

Oxford Brookes remains the UK's number one university in the *QS Top 50 Under 50* world ranking for 2020, for the third year running. The University is yet again the only UK institution to make the list of universities under 50 years old.

Oxford Brookes was also ranked as the top UK university for research in the *Times Higher Education* Young University Rankings 2019. The same global ranking also placed Oxford Brookes as the UK's second highest performing university for teaching.

In addition, the University's international reputation for the quality of its courses was recognised in the *QS World University Rankings by Subject* 2019, which ranked Oxford Brookes 'amongst the world's top universities' in 12 individual subject areas.

Alongside our rankings, it's been a fruitful year for developing exciting new initiatives and broadening our provision to further improve the student experience. To pick just one area, Oxford Brookes has validated several degree apprenticeships with more planned for the coming academic year – an important means of extending choice at both undergraduate and postgraduate level.

Both Research and Knowledge Exchange continue to thrive and it has been another excellent year for research funding. We have secured substantial support from the Global Challenges Research Fund, enabling us to make awards to researchers so they can work alongside colleagues in developing countries to tackle the significant challenges that people in these countries are facing.

There are numerous examples of research excellence across our faculties. For example, the Faculty of Health and Life Sciences received more than £2m in research grants and

donations including a Medical Research Council grant to work with innovative stem cell technology. The Faculty of Technology, Design and Environment secured £2.53m of research funding, including funding for research looking at how Syrian refugees in Lebanon fare when moving from education to employment. Within the Faculty of Humanities and Social Sciences, researchers have received funding from the Arts and Humanities Research Council to explore the critical role of family through the perspective of history, emotions and heritage, while in the Oxford Brookes Business School, research collaboration with UCL has been funded by the Nuffield Foundation to quantify the risk of tsunamis in Indonesia.

Closer to home, we continue to focus on making further significant improvements to our campuses. The Sinclair building on Headington Campus is now close to completion. Home to teaching and laboratory spaces for the Faculty of Health and Life Sciences, the majority of the building is now fully occupied, with the ground floor due to be completed in autumn 2019.

On the Headington Hill site, with the demolition of the Helena Kennedy building now complete, space has been created for a new building designed for the Faculty of Technology, Design and Environment. It will be the home to disciplines ranging from engineering and computing to the creative industries.

Over the following pages you can read more about how our staff, students and partners are continuing to do great things across a range of important areas including student experience, research and knowledge exchange, and projects aimed at supporting our local and wider community. On the latter, our students continue to inspire us, delivering a wide range of initiatives from a wellbeing garden at Swindon Campus to working with the charity Children Heard and Seen to support disadvantaged young people in building their confidence and wellbeing.

I look forward to further great examples of positive initiatives over the coming year as we continue to take pride in being one of the UK's top modern universities with a local, national and international reputation for teaching and research excellence.

**PROFESSOR ALISTAIR FITT  
VICE-CHANCELLOR**

# Financial highlights

## During the year to 31 July 2019 (2018 figures) the University group\*:

- achieved all financial targets and key performance indicators
- incurred an operating deficit of £3.9m (£12.0m deficit)
- excluding building write-off, actuarial pension adjustment and pension advance payment, generated an operating surplus of £12.4m (£7.0m)
- generated income of £202.9m (£199.6m)
- increased income by £3.3m or 1.7%
- reduced expenditure by £4.5m or 2.1%.

## Financial strength

At the balance sheet date the University group had:

- generated a net inflow of cash from operating activities of £22.1m after allowing for the one off £5m deficit payment to the Local Government Pension Scheme (£27.9m)
- cash and short-term deposits of £102.5m including £75m raised for investment (£32.9m)
- net current assets of £81.4m (£8.4m)
- total net assets of £143.7m (£171.7m)
- pension scheme deficits of £134.1m (£99.9m).

## Investments and borrowings

During the year the University group:

- invested £23.2m in fixed assets, including intangibles (£26.0m)
- raised £75m for investment in student residences.

\*These financial statements represent the University Group, which consists of Oxford Brookes University and Oxford Brookes Enterprises Limited.



# Committee members

## Board of Governors (Trustees)

The membership of the Board of Governors, who are also Trustees, up to the date of signing the financial statements, were as follows:

### Independent Members

Susan Howdle (until 31/7/19)	Chair, Westminster College Oxford Trust Ltd
Martin Howell (until 31/7/19)	Chairman, Oxford Health NHS Foundation Trust
Simon Jones	Fellow of the British Computer Society and engaged in a range of IT and leadership advisory roles
Robert Kirtland	Chairman, Critchleys Chartered Accountants, Oxford
Leslie Morphy (Chair)	Non-Executive Director, Home Group, Non-Executive Director, Surrey and Borders Partnership NHS Foundation Trust, various other trustee positions
Simon Mumford (from 02/10/19)	Partner at Pinsent Masons LLP
Paul O'Connor	Director, Healthcare Leadership Solutions Ltd, Director, Attain Health Management Services Ltd
Marek Pruszewicz (from 02/10/19)	Director of Communications, IPPF, Director, Ian Fleming Publications Ltd
Katherine Ryan	Headteacher, Matthew Arnold School, Oxford
Yasmin Sidhwa	Artistic Director, Mandala Theatre Company, Oxford
Katrina Sinclair (from 02/10/19)	Apple Inc, Talent Development
Lucy Weston	Chair, Soha Housing, Non Executive Director, Oxford Health NHS Foundation Trust, Director, SIB Property Ltd
Lyn Williams	Chairman of Trustees of Uniac Pension Fund (for Unilever), various other trustee positions

### Student and Staff Governors

Harry Bower (from 01/07/19)	President of the Students' Union, Oxford Brookes University
Sean Keeley (from 01/07/18 until 30/06/19)	President of the Students' Union, Oxford Brookes University
Dr Roger Dalrymple (Teaching staff Governor)	Programme Lead in the Faculty of Humanities & Social Sciences, Oxford Brookes University
Charlotte Field (Non-teaching staff Governor, until 14/06/19)	Head of UK Recruitment & Widening Participation, Oxford Brookes University
Adrian Thomas (Non-Teaching Staff Governor from 01/08/19)	Director Global Student Recruitment, Oxford Brookes University

### Co-opted Committee Members

Jeremy Dawson	Partner, Dawson Partnerships
Cecilia Harvey (from 02/10/19)	CEO Hive Dynamics

### Ex-Officio Member

Professor Alistair Fitt	Vice-Chancellor, Oxford Brookes University
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### Finance and Resources Committee

Robert Kirtland (Chair)	Independent Governor
Leslie Morphy	Independent Governor
Simon Jones	Independent Governor
Lucy Weston	Independent Governor

### Audit Committee

Katherine Ryan (Chair)	Independent Governor
Lyn Williams (Deputy Chair)	Independent Governor
Martin Howell	Independent Governor
Paul O'Connor	Independent Governor
Jeremy Dawson	Co-opted member

### Remuneration Committee

Martin Howell (Chair until 31/07/19)	Independent Governor
Simon Jones	Independent Governor
Leslie Morphy	Independent Governor
Yasmin Sidhwa	Independent Governor

### Nominations Committee

Leslie Morphy (Chair)	Independent Governor
Professor Alistair Fitt	Vice-Chancellor, Oxford Brookes University
Martin Howell	Independent Governor
Robert Kirtland	Independent Governor
Yasmin Sidhwa	Independent Governor

President of the Students' Union when considering the appointment of a Chancellor

### Vice-Chancellor's Group

Professor Alistair Fitt	Vice-Chancellor
Chris Blackburn	Pro Vice-Chancellor and Dean of Business School
Cathy Burleigh	Director of Finance & Legal Services
Brendan Casey	Registrar and Chief Operating Officer
Alison Cross (until 31/12/18)	Director of Human Resources
Ruth Davies (from 03/19)	Director of Human Resources
Professor Linda King	Pro Vice-Chancellor, Research and Global Partnerships
Professor Anne-Marie Kilday	Pro Vice-Chancellor Student and Staff Experience
Dr Astrid Schloerscheidt	Pro Vice-Chancellor and Dean of Faculty of Health and Life Sciences
Paul Inman	Pro Vice-Chancellor and Dean of Faculty of Technology, Design and Environment
Dr David Ellis	Interim Pro Vice-Chancellor and Dean of Humanities and Social Sciences

### Advisors

#### Bankers

Barclays Bank plc  
Public Sector Team  
Level 27  
1 Churchill Place  
London  
E14 5HP

#### External Auditors

Ernst & Young  
1 Colmore Square  
Birmingham  
B4 6HQ

#### Internal Auditors

PricewaterhouseCoopers LLP  
Cornwall Court  
19 Cornwall Street Snow Hill  
Birmingham  
B3 2DT

### Legal Structure

Oxford Brookes University is a higher education corporation established under the Education Reform Act 1988 ("ERA"). The University's powers are defined in section 124 of the ERA, as amended by the Further and Higher Education Act 1992 and subject to any relevant regulations, orders or directions made by the Secretary of State or Privy Council, and are principally to provide further and higher education, carry out research and to publish the results connected with that research.

The corporation has exempt charitable status as defined in the Charities Act 2011. The charitable purpose of the University is the advancement of education for the public benefit. As an exempt charity the University is regulated by the Office for Students. The Board of Governors, both collectively and individually as trustees, have complied with the duty to have due regard to the guidance on public benefit published by the Charity Commission and in particular its supplementary public benefit guidance on the advancement of education. Further information on the delivery of the University's charitable objectives for the public benefit can be found in the Operating and Financial Review.



# Strategic report

## Strategy 2020

The Board of Governors of Oxford Brookes University presents its results, including those of its subsidiaries, for the year ended 31 July 2019. The University operates within the strategy developed to 2020 and approved by the Board. This was formulated in 2009/10, approved by the Board of Governors in February 2010 and is reviewed and updated periodically.

Oxford Brookes University's charitable purpose is the advancement of education. The key beneficiaries are our students. Through our students, as well as through knowledge exchange and other community engagement, wider society also benefits. We deliver this charitable purpose for the public benefit by delivering the University's Strategy 2020, set out below, and through specific public benefit initiatives set out later in this document.

### Mission

Oxford Brookes University is committed to leading the intellectual, social and economic development of the communities it serves through teaching, research and creativity that achieve the highest standards.

### Values

In the development and nurturing of intellectual and enterprising creativity we make our highest contribution to society. Social responsibility demands that all aspects of our activity should be sustainable. Equality, inclusivity and the celebration of diversity must be the foundation for all we do. We will never be content with anything other than a wholehearted commitment to the quality of the student experience. We will continue to enhance the value – and the perception of value – of our social as well as educational mission.

### Vision

Oxford Brookes University will provide an exceptional, student-centred experience which is based on both internationally significant research and pedagogic best practice. We will build on a tradition of distinction in academic, professional and social engagement to enhance our reputation as a university which educates confident citizens characterised by their generosity of spirit.

### Strategic goals

#### *Student Experience*

We will be a university that enables a student experience of the highest standard possible.

We will:

- ensure that learning and teaching are at the leading edge and relevant to contemporary contexts.
- provide an environment where students are proactively engaged in shaping their experience by influencing learning and extra-curricular policy, processes and outcomes.

#### *Research and knowledge exchange*

We will be a university that is committed to externally recognised world-leading research which is translated and disseminated for the benefit of our communities.

We will:

- focus on the areas of research which are, or have the potential to be, recognised as world leading and encourage multi and interdisciplinary research activity across the University.
- increase the exploitation and dissemination of the highest quality research and collaboration with other higher education institutions and the public, private and third sector.

#### *Infrastructure and services*

We will be a university characterised by its sector-leading, high quality, sustainable and cost-effective services, operating within a culture of continuous improvement.

We will:

- manage our activities to achieve self-sustaining and robust finances and a strong position relative to the HE sector.
- develop and enhance the quality and efficiency of the University's infrastructure and services.

#### *External*

We will be a university dedicated to improving the human condition in Oxfordshire and around the world.

We will:

- harness the enterprising creativity, knowledge, and commitment of the University's academics, staff and students to benefit urban and rural communities principally within Oxfordshire.
- further develop mutually beneficial partnerships to facilitate the application of the University's education, research, and knowledge transfer nationally and internationally and to prepare the University's graduates to be engaged global citizens.

## Our guiding principles

### **Generosity of spirit**

We believe people flourish in a culture of respect and support, where we celebrate difference and thrive on each other's success. Our students manifest a generosity of spirit as they progress in the world.

### **Enterprising creativity**

We're adaptable and flexible, and consider a fresh approach in everything we do – because we know our sustainability depends on a pioneering spirit.

### **Confidence**

We have confidence in our staff and students, and we know that we prepare our graduates well for a fulfilling and valuable life. Through their success, we continue to earn our outstanding reputation.

### **Connectedness**

Our academic excellence is underpinned by a history of learning by doing. Our connections and our Oxford roots are fundamental to our students' experiences and our successful future.

# Achieving our strategic commitments: Student experience

During 2019, Oxford Brookes continued the implementation of its Academic Framework Review, an ambitious set of initiatives which will fundamentally refresh the structure and organisation of the University's programmes of study.

Several work streams support students' transition and progression into and through programmes of study, reduce complexity for staff and students, and revitalise existing practices around interdisciplinary and multidisciplinary learning.

Changes to the Academic Framework will be incorporated into the implementation of the new Student Records System. The Academic Framework will allow the University to develop its portfolio offer, manage change more effectively, and innovate in teaching and learning.

The introduction of the Teaching Excellence Framework (TEF) has increased the emphasis on the quality of provision and student outcomes. Oxford Brookes received a silver award at an institutional level in June 2017 and has been working on reviewing the key metrics of student satisfaction, retention and employability in preparation for the introduction of the TEF at subject level, planned for spring 2020.

The satisfaction of those studying at Oxford Brookes in the National Student Survey (NSS) 2019 demonstrate that the University is performing close to the national average. Published in July, the results of the NSS show that overall satisfaction of Oxford Brookes students is 81% which compares with an average across UK universities of 83%.

Oxford Brookes performed strongly across a number of the key metrics of the NSS, with 30 of its programmes attaining scores in the upper quartile.

Improvements were evident in the following key areas:

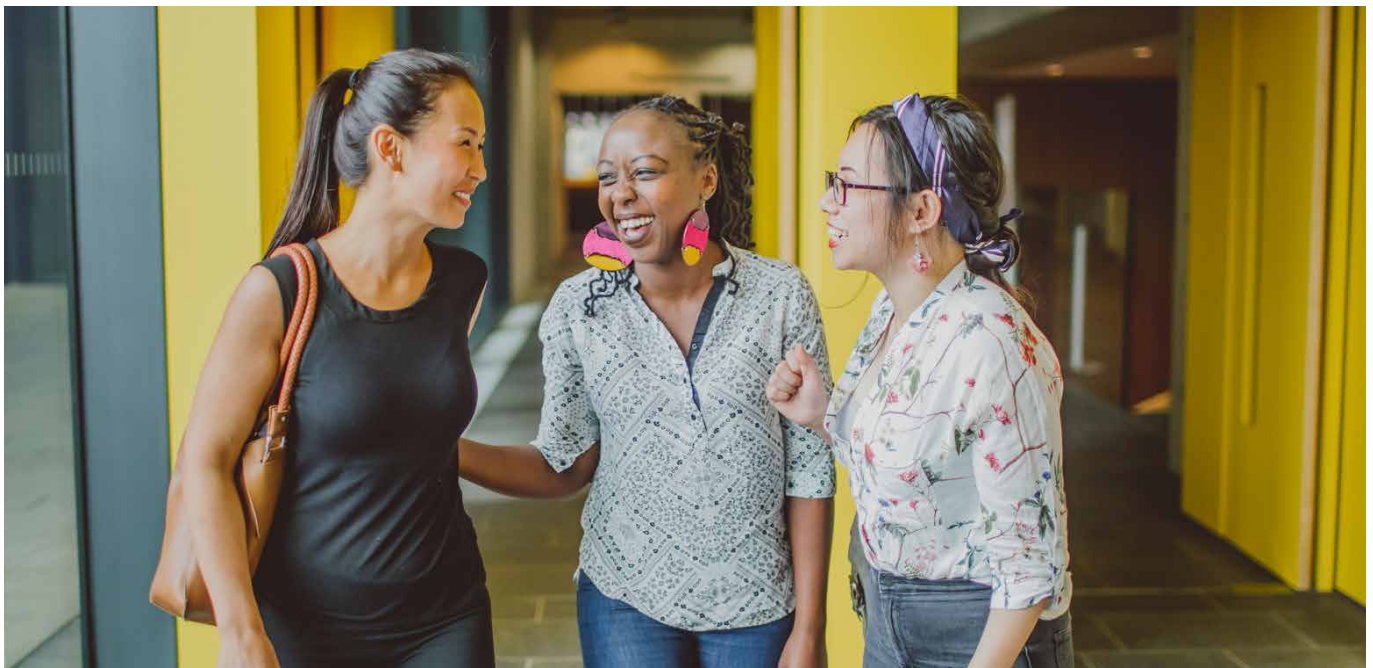
- organisation and management
- learning resources
- student voice
- Students' Union.

The University continues to review the currency of its undergraduate and postgraduate provision in a very competitive market and in looking to the future needs of learners. This includes embracing new models of higher education learning. Oxford Brookes has validated several degree apprenticeships at both undergraduate and postgraduate levels and has more planned for the coming academic year.

Many student-experience enhancement projects moved to business as usual during the year. New emphasis was given to making clear to students how their feedback, views and opinions about their experience have been acted upon through the University-wide *Your Voice, Your Brookes* campaign.

The year also saw new funding being identified to support mental health initiatives at Oxford Brookes and other UK universities. The £1.5m national funding, part of a partnership between Mind and Goldman Sachs, will enable students and staff to receive training to build on existing good practice.

During 2019, the ongoing development of campuses as part of the University's estate investment plan further improved the student experience. Details of this, including planning being granted for new buildings to further enhance the experience of students and staff at Oxford Brookes, can be found in the Infrastructure and Services section (page 10).





# Achieving our strategic commitments: Research and knowledge exchange

Oxford Brookes continues to build on its strong reputation for high-quality research.

In 2018/19 the University had another excellent year of research, knowledge exchange and IP income, despite the continuing highly competitive and challenging funding environment.

UK Research & Innovation (UKRI) recognises the value of international partnerships and has provided universities with core support through the Global Challenges Research Fund (GCRF). This enables researchers to work with colleagues in developing countries in order to help develop solutions to the significant challenges faced by people in these areas of the world. In the past year we were able to make seven GCRF awards for PhD studentships and three for research fellowships.

Innovation and enterprise are also thriving with the establishment of Ice Cube, an innovative student and staff incubator space at Wheatley Campus, and the success of our £1.27m bid to UKRI to establish a University Enterprise Zone to support artificial intelligence and data analysis (AIDA) for service industries; a joint effort between colleagues in Research and Business Development (RBDO) and Technology, Design and Environment (TDE).

In 2018/19 the Faculty of Technology, Design and Environment secured £2.53m external income to support its research and knowledge exchange programmes including £487k (EU Horizon 2020) to Professor Cathrine Brun for her research into the impact of refugee status on people's journeys from education to (un)employment in Lebanon, and £136k (Leverhulme) awarded to Professor Fabio Cuzzolin for his *Theory of Mind* project.

In the Business School, Dr Rozana Himaz secured £42.6k (Lloyd Foundation) as part of a project with UCL on *Future Indonesian Tsunamis: Towards End to End Risk Quantification*.

Dr Anne Humbert has been awarded £164k (EU Horizon 2020) to investigate *Certification Award Systems to Promote Gender Equality in Research*, and Dr Catherine Dilnot has been awarded £64k (Nuffield Foundation) to study how differential choices of school qualifications impact the trajectories of young people into and through university and on into the labour market.

The Faculty of Health and Life Sciences received more than £2m in research grants and donations. Projects ranged from fundamental bioscience to work with local NHS Trusts to enhance the delivery of healthcare including £540k (Medical Research Council) to Dr Jordi Solana to apply innovative technology to stem cells; a substantial donation (£600k) to Professor Nicky Ragge for work on genetic eye disorders; £130k (British Heart Foundation) to Professor Helen Dawes to study heart disease in adolescents; and £260k (National Institute of Health Research) for Professor Mary Boulton and colleagues to support research design in healthcare nationally.

The Faculty of Humanities and Social Sciences received over £600k in grant income including £250k from the Arts and Humanities Research Council/Newton-Khalidi fund to Professor Bill Finlayson and Dr Sam Smith. The historian Professor Joanne Begatio secured AHRC research network funding for *Inheriting the Family: Emotions, History, and Heritage* and Professor Paul Weindling's research on eugenics and human experimentation was supported by the Max Planck Society. A number of early career researchers, including Dr Ingrid Medby and Dr Irmak Karademir-Hazir obtained British Academy small research grants.

These are just a few examples of the strength of research at Oxford Brookes which help to demonstrate that the University is well placed to meet the opportunities and challenges anticipated over the coming years.



# Achieving our strategic commitments: Infrastructure and services

## The estate

Progress continues with the Estate Investment Plan (EIP) with discussions ongoing on the future plans for Harcourt Hill Campus and works currently underway at Headington Campus.

In Headington, Sinclair is nearing completion, providing new teaching and research laboratories for the Faculty of Health and Life Sciences. Floors 1, 2, 3, 4 and the Annex are now complete and fully occupied. The remaining work to the ground floor is due to hand over in October 2019.

On the Headington Hill site, the former Helena Kennedy building has now been demolished, creating space for a new building for the University's Faculty of Technology, Design and Environment. This new building will bring together engineering, computing and a number of disciplines from the creative industries, providing purpose-built space for a variety of practical teaching, research and knowledge exchange.

The construction of the new building will facilitate the University's withdrawal from Wheatley Campus, bringing facilities on Headington Hill up to the standard seen in newer spaces elsewhere on campus.

The Wheatley outline planning application, for use of the site for housing once it has been sold by the University, was refused in November 2018. We have appealed the decision and an inquiry has been set for October 2019. The Planning Inspectorate has confirmed that the Secretary of State will recover the appeal. As such we do not anticipate a decision will be made before Easter 2020.

On a celebratory note, the year also marks the 20th anniversary of our Swindon Campus with a range of events due to be held in 2019/20.

## Halls

Progress continues with the Halls Investment Plan (HIP) which includes updating our older student accommodation and increasing our student bed stock, including the proposed redevelopment of Clive Booth Student Village. In June 2019, the Clive Booth planning application was refused at committee despite officers' recommendations. We are currently taking stock of the decision and the University is considering its next steps following this decision.

Construction was completed on Parade Green, the new hall of residence situated on the site of the old Cowley Barracks, which was officially opened in August 2019 with a special event to mark the site's military history. The student halls, built and managed by Unite Students in partnership with Oxford Brookes, is now home to more than 800 students.

In Paul Kent, Phase 1 of the refurbishment of 104 rooms was completed in July 2019. Tenders for Phase 2 have been received and it is anticipated that a contract will be awarded in November 2019.

The HIP will enable the University to offer quality accommodation at different price points, and to provide accommodation to a greater proportion of our students. This will help to reduce the number of students living in private rented housing, and facilitate the provision of appropriate pastoral care.

## IT infrastructure and services

The University's IT strategy continues to align with the University's goals, specifically delivering IT platform and service excellence, enhancing educational technology services, and facilitating the transformation and delivery of strategic information.

Projects and service improvements successfully delivered during this period include: fibre and network connectivity for refurbished teaching and research spaces, data migrations with the new student information system, installation of audio visual equipment in teaching rooms, achievement of the ISO 27001 Information Security accreditation, delivery of the GDPR compliance programme, and a new Research Impact Tracker application.

Business as usual activity continues to enhance the student experience, support teaching and learning, and develop the University's infrastructure and services.

A short film reviewing IT Services programme activity for 2017/18 can be viewed at [www.brookes.ac.uk/it/review-of-2018](http://www.brookes.ac.uk/it/review-of-2018)

The coming year will focus on investment in the University's digital architecture, identity and access management, connectivity and IT security management.



# Achieving our strategic commitments:

## External

Oxford Brookes is committed to leading the intellectual, social and economic development of the communities it serves through teaching, research and creativity, that achieves the highest standards in Oxfordshire and across all our communities. This ongoing commitment was clearly demonstrated with the University's Social Responsibility Framework which identifies priority strands for the University.

Examples of Oxford Brookes' work in this area include:

### Sharing knowledge

As an institution dedicated to learning, sharing our knowledge is core to our mission and we continue to do this through:

- the Public Engagement Network (PEN), established to share our research with our communities
- the Oxford Brookes Documentary Club, screening films on a wide range of current issues, often featuring high-profile speakers
- events and campaigns including the Curiosity Carnival, Black History Month, the Science Bazaar, LGBT History Month, the Oxford Human Rights Festival and Outburst, a Pegasus Theatre-based festival showcasing Oxford Brookes expertise.

### Making a difference

Oxford Brookes has strengthened its staff volunteering policy following a successful pilot project giving colleagues the opportunity to volunteer during their working hours. The policy now provides one day of paid leave a year plus an additional 16 hours of matched paid leave.

To promote student volunteering opportunities, we have recently appointed a new volunteering coordinator within our Careers department.



Oxford Brookes students have made a difference through a wide range of projects. Just two examples are developing a wildlife and wellbeing garden at Swindon Campus and working with the charity Children Heard and Seen, to deliver projects boosting the confidence and wellbeing of disadvantaged young people.

Our Student Impact Fund, sourced via alumni donations, has also seen significant success with students setting up their own projects to benefit local people.

### Inspiring young and old

Oxford Brookes aims to help individuals achieve their aspirations and support their attainment. Activities this year have included sustained outreach programmes Brookes Engage and Discover Brookes, a number of residential summer schools and a programme of activity for primary school children.

### External partnerships

This year Oxford Brookes has been proud to cement its partnership with Team Oxford which has received lottery funding to connect communities and improve mental and physical wellbeing. Part of Oxford Brookes' role has been to develop a programme of volunteering campaigns and events to develop this work.

We have also partnered Oxford Care Leavers' Association in an innovative scheme to support young care leavers as they enter the world of work.

### Brookes in the community

We continually strive to enhance relationships with our neighbours and are proud of the contribution that Oxford Brookes makes to the local community. We welcome public use of our facilities, including the Centre for Sport, dentist, library, printing, shopping and banking, community exhibition space, venue hire and eateries. Our yearly series of open lectures are free and open to everyone.

Oxford Brookes sponsors the Cowley Road Carnival and the Headington Festival and supports many other local events and campaigns. They include the British Heart Foundation Pack for Good, encouraging students to donate their unwanted items to campus collection banks, and the Oxford Pride festival, celebrating the LGBT+ community. We also joined partners across the city once again for Oxford Green Week, a city-wide initiative celebrating sustainability.

These are just a few examples of how the University has continued to contribute to society – across all our communities.

# Our staff

The overall staff full-time equivalent (FTE) decreased from 1,951 to 1,892 (excluding hourly-paid staff) in the last year, with academic and senior staff making up 43% of the workforce.

There were a number of staffing changes at senior management level.

- Ruth Davies, formerly Director of Human Resources at the University of Gloucester, joined as Director of Human Resources
- Mary Pierre-Harvey, formerly Assistant Director of Strategic Estates at the Palace of Westminster, joined as Director of Estates and Campus Services.

## Other developments

Following the restructure of marketing and communications activities, further enhancements have been made to our structures to support students on their journey from potential applicant to thriving student.

The Admissions Office has moved from Academic and Student Affairs (ASA) to be part of Marketing and Communications, with the remaining activities organised in three areas; Student Services, Registry, and Academic Policy and Regulation.

The Directorate of Strategic Change and Planning, which had previously been a separate directorate has also joined ASA.

The Professional Services Transition Group has been set up to look at the efficiency and effectiveness of key processes and ways of working.

A renewed Equality Diversity and Inclusion (EDI) strategy sets out our ambitions from 2018-2022. We have continued to engage with external charter marks, confirming our status as Disability Confident Employers, successfully renewing the Athena SWAN Silver award for the Faculty of Health and Life Sciences, and improving our ranking in the Stonewall Workplace Equality Index by 35 points.

The third Brookes People Awards took place in September 2018, providing a valued opportunity for our staff to both thank and be thanked. Twelve winning individuals or teams were selected from over 1,000 nominations.

## Trade Union Facility Time Report

The Trade Union (Facility Time Publication Requirements) Regulations came into force on 1 April 2017. These regulations require relevant public sector employers to collate and publish, on an annual basis, a range of data on the amount and cost of facility time within their organisation.

### Table 1 – Relevant Union Officials

What was the total number of your employees who were relevant union officials during the relevant period?

Number of employees who were relevant union officials during the relevant period	Full-time equivalent employee number
37	34.83

### Table 2 – Percentage of time spent on facility time

How many of your employees who were relevant trade union officials employed during the relevant time spent a) 0%, b) 1%-50%, c) 51%-99% or d) 100% of their working hours on facility time?

Percentage time	Number of employees
0%	7
1-50%	37
51-99%	0
100%	0

### Table 3 – Percentage of pay bill spent on facility time

	cost
Total cost of facility time	£91,488
Total pay bill	£100,295,000
Percentage of the total pay bill spent on facility time	0.09%

### Table 4 – Paid trade union activities

As a percentage of total paid facility time hours, how many hours were spent by employees who were relevant union officials during the relevant period on paid trade union activities?

Time spent on paid trade union activities as a percentage of the total paid facility time hours	27%
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# Our students

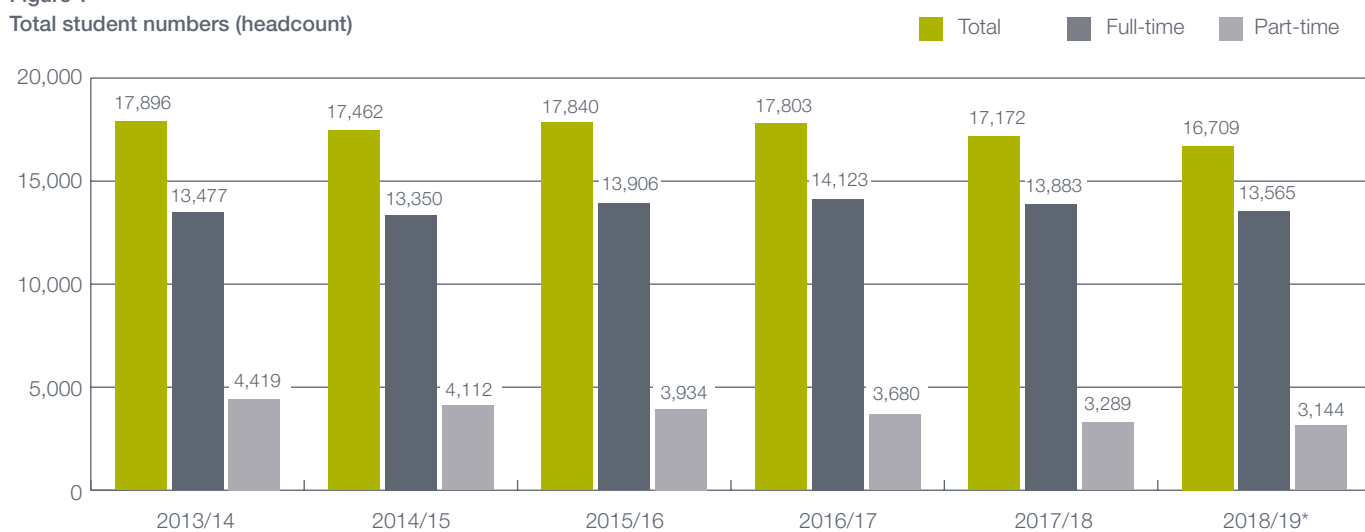
The most recent HESA data shows that total student numbers (headcount) for 2018/19 have dropped by nearly 3% to 16,709 (compared to 17,172 in 2017/18). This decrease has been seen, to varying degrees, across all categories of students: full-time and part-time, undergraduate and postgraduate, home/EU and international.

Figure 1 shows that total numbers have been declining since 2015/16. This downward trend has been sharpest for part-time numbers, although the drop of 4% in 2018/19 (down to 3,144) is less than in previous years. Full-time numbers show a slight decrease, dropping by around 2% compared to the previous year.

Undergraduate numbers have also fallen slightly from 13,118 in 2017/18 to 12,808 in 2018/19. Postgraduate student numbers have dropped by nearly 4% since last year, down to 3,901.

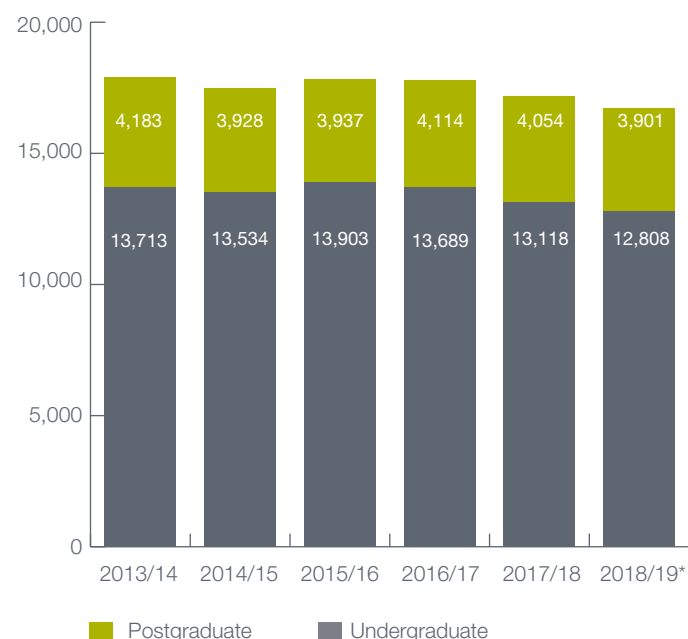
Figure 3 charts the full-time equivalent (FTE) of international and home/EU students over time. This shows that the University's overall student FTE has dropped by just over 2% compared to the previous year. The international student FTE has continued to decrease over the last four years and is an area that the University is actively looking to grow in future years through its International Recovery Plan.

**Figure 1**  
Total student numbers (headcount)



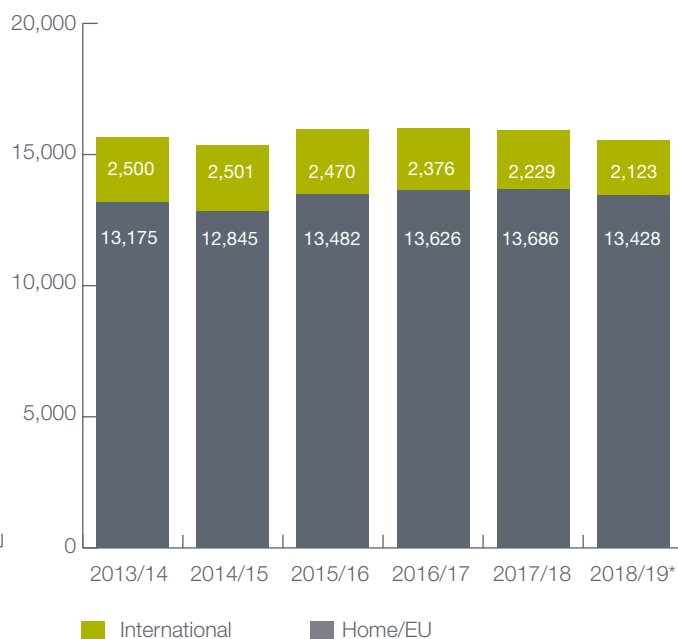
Data source: HESA Return  
\* provisional figures

**Figure 2**  
Undergraduate and postgraduate students (headcount)



Data source: HESA Return  
\* provisional figures

**Figure 3**  
Home and international students (FTE)



Data source: APTT  
\* provisional figures

# Financial results

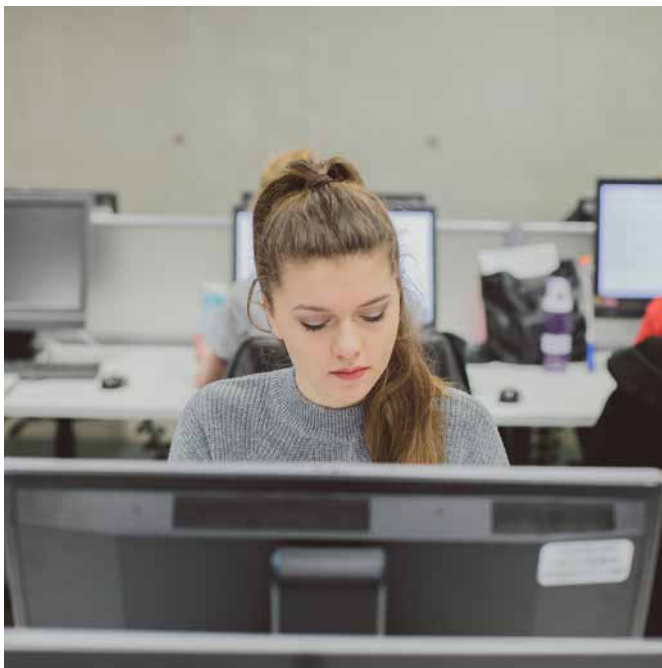
The University's specific targets are detailed annually in a set of key performance indicators (KPIs). The Vice-Chancellor's Group and Board of Governors monitor achievements in relation to the KPIs. Full details of these KPIs can be found in the Performance Report for Governors which is published annually in December. Financial sustainability has been maintained. Financial KPI targets in relation to financial sustainability are:

- to achieve a level of operating surplus that generates sufficient cash to resource agreed strategic investment (ie surpluses identified in the plans) – Achieved
- to contain staff costs to below 55% of turnover and aim for 50% – Achieved 52.83% (excluding £5m pension advance payment)
- to maintain net current assets, ratio of 1:1, and aim for a ratio of current liabilities to current assets of 1:1.25 – Achieved 1:3.51
- to achieve all loan covenant ratios – Achieved

These demonstrate that all financial targets and bank covenants have been met.

The operating deficit was £3.9m, which includes a £5m pension advance payment, LGPS and USS pension actuarial cost of £10.1m and a write off of £1.2m consisting of planning and architecture fees relating to the Clive Booth intensification project.

Risk management at both strategic and operational level is fully embedded, and Governors actively participate in the process. The University constantly strives to improve its environmental sustainability in the areas of travel, building energy use, ethical procurement, conservation and carbon reduction.



## STRATEGIC REPORT FOR THE YEAR ENDED 31 JULY 2019

The University five-year financial forecasts show continued sustainable surpluses that reflect the latest student number forecasts, the Estates Investment Plan and IT Capital plan, and agreed efficiency targets across Faculties and Directorates.

Key Performance Indicator	2019	2018
Operating Deficit	£(3.9)m	£(12.0)m
Surplus / (Deficit) excluding one off items, pension advance payment and write-off of architects fees	£2.3m	£(2.8)m
Surplus excluding one off items and pension actuarial adjustments	£12.4m	£7.0m
Total Income	£202.9m	£199.6m
EBITDA	£22.6m	£19.9m
EBITDA%	11.16%	9.99%
Total comprehensive (deficit) / income for the year	£(28.05)m	£32.22m
Operating deficit as a % of income	(1.93)%	(6.01)%
Unrestricted income and expenditure reserve excluding pension reserve as a % of income	86.08%	84.09%
External borrowings as a % of income	98.69%	63.51%
Gearing: borrowing as a % of reserves	139.33%	73.79%
Operating cash generation as a % of borrowing	11.05%	21.50%
Net cash flow from operating activities as a % of income	10.91%	13.65%
General funds as a % of income	19.96%	34.06%
Staff number average headcount *	3,534	3,521
Staff number average FTE **	1,876	1,971
Staff costs as a % of income	55.50%	56.00%
Staff costs as a % of income excluding pension advance payment (excluding severance in 2018)	52.83%	54.14%

### Undergraduate student satisfaction:

With teaching	81%	85%
With course overall	81%	85%

Postgraduate student satisfaction with course overall	81%	84%
Research projects awarded in year	£5.4m	£5.6m

\* Staff number headcount includes Associate Lecturers

\*\* Staff number FTE excludes Associate Lecturers

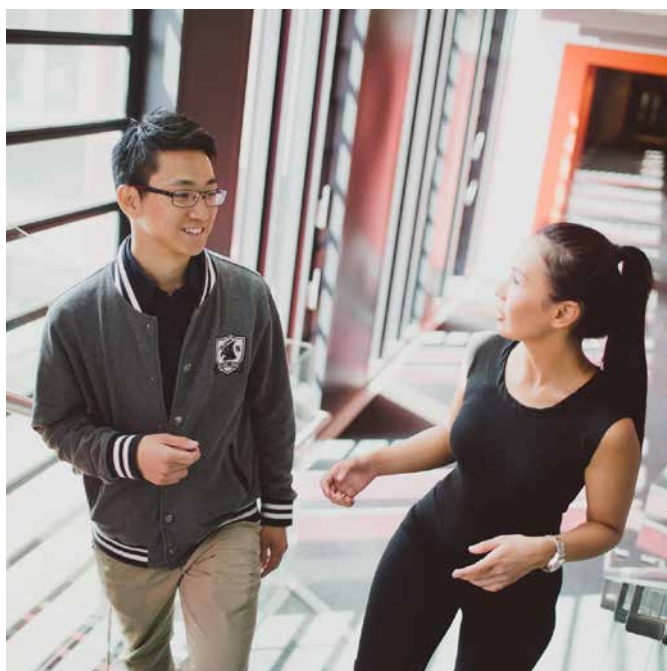
# Financial outlook

The university had a successful year. It reported a deficit of £3.9m, however excluding one off items and pension adjustments the underlying performance was a £12.4m surplus. This was a £7.7m improvement on the planned surplus of £4.7m. Operating cash was £22.1m after a £5m lump sum deficit payment to the Local Government Pension Scheme. The financial position at year end evidences the success of actions taken to deliver on the University's financial strategy which includes: investment to improve home and international student recruitment, investment to support student satisfaction and robust plans to control costs through faculty and directorate efficiency savings together with systems and process improvements.

The surplus is above the University KPI of £10m for surplus. The end of year closing cash balance was £102m, mainly due to capital slippage. The University monitors and reports its cash flow on a regular basis in the quarterly management accounts to the Vice-Chancellor's Group and Finance and Resources Committee for onward submission to the Board of Governors.

The student recruitment target for 2018-19 was met. Overall income is circa £2.9m higher than plan and £3.3m higher than the previous year. This is mainly driven by the success of income diversification, including an increase in Continuing Professional Development and other short courses in Health and Life Sciences.

Looking forward, the five-year plans' income targets are £204m in 2019-20, growing to £214m in 2020-21 and £220m by 2021-22. The latter 4 years of the current plan are being reviewed during this year's planning process to ensure accuracy and deliverability are maintained. The University plans for flexibility so that it has capacity to manage and mitigate adverse events.



There is continued investment in business critical priorities. In 2019-20 £2.6m has been invested in: UK recruitment activities including an operations office for the apprentices income stream; National Student Survey action plans; an International recruitment recovery plan to restore international student numbers to previous levels; undergraduate and postgraduate marketing campaigns; redesigning the website for both UG and PG courses and Oxford Brookes' Brand development.

Another key area of focus for the University is improving the diversity of our student body and increasing student success, which includes significant expansion of our school outreach work across new geographic areas. The University is in progress with a new admissions policy which provides for contextual offers to support a wider diversity of student intake. The Access and Participation plan is circa £8m per annum.

The University continues to be ambitious in its approach to partnerships and overseas collaborations. A new Global Partnerships team has been established. The Metropolitan College in Greece is a notable addition this year and has already reported student numbers for September 2019 slightly above target. In the UK the University continues to expand its provision with its Associate College Partnerships.

The financial plans include major infrastructure investment to support planned growth and enhanced quality of teaching and research. The capital plans provide for investment of £285m over 10 years to 2027 for Estates and Residential Halls investment, which includes £38.5m to meet the increase in students to be accommodated over a smaller footprint, thereby increasing sustainability. The University continues to work towards achieving the sale of the Wheatley campus and the intensification of the Clive Booth Student Village on the Headington Hill site, following planning refusal in both cases. These projects are the focus of particular attention in order to ensure progress against strategic objectives, and are included as priorities in the strategic risk register reported on to the Vice-Chancellors Group, Audit Committee and Board of Governors.

The Residential Halls Investment Plan includes significant refurbishment of owned student accommodation and circa 885 additional student rooms were built by a third party and were available from September 2019. This is a valuable contribution to keeping students out of the private rented sector within the City as currently required by the City Council.

There is planned investment in Information Technology Services (ITS) of £21.9m over five years. This includes replacing the IT architecture (£13m for network and connectivity projects) and other organisational change projects. The new Student Record System, Banner is now live. Significant additional module build and enhancements will take place in 2019-20 alongside transitioning to business as usual. The new system once embedded successfully will enable efficiencies. A professional services transition group has been established to focus on eliminating duplication and increasing efficiency across central and devolved professional service activities.

Value for money (VFM) is embedded within the procurement rules and within the annual planning processes. This is critical to ensure control of the cost base, given static home fees and significant cost pressures on pay, pensions and services. The

University recognises the need to demonstrate transparency to students and parents in how it allocates its resources. UUK has recognised Oxford Brookes' best practice in this area in its recent guide to publishing information for students on VFM..

The Corporate Reporting finance team participated during 2018-19 in the course costing exercise run by the Department for Education supported by KPMG, to provide course costing information to the Augar review. The work done enables the University to review its course portfolio, costs and the viability of courses with faculties to support more informed planning on course numbers and staff student ratios and investment in the estate and facilities. Whilst the future of the Augar review is not certain, the University has modelled the likely scenarios that could result, if fees were to reduce, and this is kept under review.

The University assesses its financial risks and includes this in testing the deliverability of the five year plans. It also identifies and has risk action plans to manage operational risks: including, recruitment of students; improving the quality of the student experience and increasing National Student Survey scores; protection against cybercrime and replacement of aging ITS infrastructure; monitoring occupation rates for student residences and implementation of the student residences strategy; student safety and well-being; recruitment and retention of specialist staff; and financial risks around increased future pay demands and pension contribution increases including changes in employer liability due to external factors. The risk register is monitored by the Vice-Chancellor's Group and reported to the Audit Committee and the Board of Governors at regular intervals during the year.

The date and impact of Brexit remains uncertain. There are action plans in place regarding procurement in case of shortages detrimental to some departments such as Health and Life Sciences . All of the risks are added to the affected areas' risk registers to ensure there are appropriate actions in place. Numbers of EU students are being monitored and the potential impact of Brexit is considered in student number planning.

Treasury management has been managed in-house since 2016. The investment strategy has been updated to accommodate the additional £75m private placement raised in August 2018 to fund the Clive Booth Student Village intensification. The bank base rate increased by 0.25% to 0.75% in August 2018 and therefore interest rates obtainable from the UK banks (A-AAA rated) remain historically low. It is not expected that the base rate will rise in the short term, although the Governor of the Bank of England has signalled that a base rate rise could go either way dependent on how Brexit proceeds.

Funds are invested until needed so that interest can be maximised to offset borrowing costs.

A regular treasury management meeting is held to review cash flow and compliance with covenants in year for which the results are included in the Management Accounts reported to Finance and Resources Committee which is also reported at the Board of Governors.

The current update of the Treasury Management Policy and Strategy is being undertaken, with a view to exploring other potential possibilities for securing an improved return. The treasury management performance and compliance with policy is reported in the Treasury Management Strategy to the Finance and Resources Committee on an annual basis.

The University operates a strong internal control environment. It has an externally appointed internal auditor PwC with whom it agrees the annual audit programme through discussion with governors and senior staff. This annual plan together with a 3 year forward view is agreed and reported to the Audit Committee. The University regularly reviews and updates its policies and processes and reports these as required to the Audit Committee. The Audit Committee Annual Report is produced and scrutinised alongside the Internal Audit Annual Report and the External Auditor Annual Results to ensure that the members are fully informed of the status of key controls, internal procedures and governance arrangements.





# Public benefit

In making decisions on the University's activities, the Governors have given due regard to, and taken into account, the Charity Commission guidance on public benefit in exercising their powers and duties. As an exempt charity, providing higher education and research, Oxford Brookes University's charitable purpose is the advancement of education. The key beneficiaries are our students. Through our students, as well as through knowledge exchange and other community engagement, wider society also benefits.

A large number of the ways in which Oxford Brookes meets its charitable purpose and objective are set out in this report's previous sections, relating to the delivery of the Strategy 2020. For examples of research across all areas of the University which demonstrate public benefit, see Research and Knowledge Exchange on page 9, and for examples of community engagement and wider partnerships, see External on page 11.

## Encouraging progression to university for under-represented groups

Oxford Brookes continues to deliver a comprehensive programme of activity to raise awareness of higher education and to support students from under-represented groups who have the academic ability and potential to succeed and progress to university.

The outreach team has worked with children in Oxfordshire primary schools to help them manage the transition to secondary school, and making them aware of how university fits into their educational journey. Working with students in secondary school and further education colleges, the team has delivered activities both on campus and in school or college, including talks, workshops, mentoring and residential summer schools.

One of our flagship programmes is Brookes Engage, an 18-month programme of monthly activities designed to help students in Years 12 and 13 make a successful transition to university.

We are the lead institution for the collaborative partnership Study Higher, one of the 29 consortia funded by the Office for Students as part of the National Collaborative Outreach Programme (NCOP).

Study Higher aims to increase the number of young people from disadvantaged backgrounds in higher education by delivering outreach events and activities in targeted schools and colleges. Since the NCOP started in 2017, we have worked with over 16,000 students across Berkshire, Buckinghamshire, Oxfordshire and Swindon through a range of collaborative projects.

A key strand of Study Higher's work is having dedicated staff who work closely with schools and colleges to develop opportunities for school outreach work, and who deliver regular mentoring or guidance sessions to target students. In addition, the universities and further education colleges which make up Study Higher, deliver a wide range of activities including summer schools and taster days.

## Providing alternative ways to access Higher Education

Oxford Brookes works with local further education colleges through our Associate College Partnerships (ACPs). These enable the University to provide a low-cost route into higher education and offer opportunities to attain qualifications closer to home in an environment that students from under-represented groups often find more accessible.

Through ACPs, students can progress from a foundation to a bachelor's degree, either at the partner college or at Oxford Brookes. We also offer an increasing range of employer-sponsored apprenticeships, both through our ACP partners and our main on-campus provision.

## Financial support

Oxford Brookes University provides financial support to students, in line with its Access & Participation Plan which is approved by the Office for Students.

During the 2018/19 financial year, support from Oxford Brookes included:

- Oxford Brookes bursaries and scholarships – £4.17m to 2,599 students
- Additional financial aid:
  - International student fund – £81,251
  - Home student hardship fund (undergraduate) – £696,400
  - Home student hardship fund (postgraduate) – £23,917
  - Disability financial aid – £46,754
  - Disability support equipment funding – £8,000
  - Springhill – £36,865
  - Fee waivers – £5,000 to 2 students.

## Sponsoring other educational establishments

Oxford Brookes continues to support the Oxford Academy in its role as sponsor, and works closely with the school to deliver a programme of integrated support designed to raise attainment and increase progression to higher education across all year groups.

The school has continued to improve and received a good rating from Ofsted following an inspection in September 2016. The report also found that the school provides outstanding leadership in the local community.

# Corporate Governance and Internal Control

## Introduction

The University is committed to best practice in all aspects of its corporate governance and has regard to the voluntary Governance Code of Practice contained in the Committee of University Chairmen's 'Guide for Members of Higher Education Governing Bodies in the UK', published in 2009 and re-issued as the 'Higher Education Code of Governance' in 2014. The latest revision was in June 2018.

The code identifies seven primary elements of governance that underpin the value and beliefs articulated in the 'Nolan principles of public life' with the addition of eight aims and principles particular to the nature of higher education. The University is confident that it has in place all of the primary elements and meets the requirements of the supporting 'must' statements that prescribe essential components within each element.

The summary below describes the manner in which the University has applied the principles set out in the UK Corporate Governance Code issued by the London Stock Exchange in 2016 in so far as they relate to universities. Its purpose is to help the reader of the financial statements to understand how the principles have been applied.

## The Board of Governors

The Board of Governors, which meets formally five times a year, is responsible for the University's long-term objectives and for strategies in relation to the educational character and mission of the University, and for providing overall financial and organisational control. The Board comprises nine (independent) Governors, the Chief Executive (the Vice-Chancellor), two Governors representing university staff teaching and non-teaching, and the President of the Students' Union. There is a clear separation of the role of the non-executive Chair from that of the Vice-Chancellor.

The Vice-Chancellor is the accountable officer responsible for satisfying the Board that all conditions of receiving and using grant aid from the Office for Students (OfS) have been met. The University's constitution places responsibility for the University's operations with the Vice-Chancellor who as the accountable officer, supported by the Vice-Chancellor's Group, implements the Board's policies and develops and manages the University's business.

A majority of the Board must, by law, be independent of the University, and they bring with them a wealth of expertise from their respective fields of business and professional activity. Board members are appointed in accordance with the requirements of the Education Reform Act 1988 and appointment processes and terms of office are laid out in the procedures for the appointment of Governors adopted by the Board. The normal term of appointment is four years, after which members may be eligible for reappointment.

No board member may serve more than two consecutive terms of four years, other than the Vice-Chancellor and the student Governor, who may remain members for as long as they hold the position of Vice-Chancellor and President of the Students' Union respectively. The Standing Orders of the Board make provision, by resolution, for the extension of the member's term of office beyond the normal limit of eight years where that is

necessary to allow the member to serve a maximum term of four years as either Chair or Deputy Chair.

## Vice-Chancellor's Group

The Vice-Chancellor's Group comprises the Vice-Chancellor, two Pro Vice-Chancellors with specific responsibility for the student and staff experience and for research and global partnerships, respectively, the Registrar and Chief Operating Officer, the four Pro Vice-Chancellor Deans of Faculty, the Director of Finance and Legal Services and the Director of Human Resources. The team meets formally on a weekly basis.

It is constituted to advise the Vice-Chancellor and support decision-making and also serves as a body which can be used by the Vice-Chancellor for briefing, consultation and communication with senior managers and/or staff as a group.

## Finance and Resources Committee

The Finance and Resources Committee meets at least four times a year. Membership consists of four independent Governors and one co-opted member. The committee is responsible to the Board of Governors for:

- advising the Vice-Chancellor, on a recommendation to the Board, for the coming year's recurrent and capital budgets, and on the cash flow forecast and draft balance sheet arising
- recommending for approval by the Board, a rolling five-year strategic plan, including financial plans (both revenue and capital) projected five-year cash flow and balance sheets, taking account of the requirements of the Bank Lenders, the private providers of finance and of the OfS
- recommending the Estates Investment Plan to the Board, and monitoring and reviewing its application and implementation
- recommending the Human Resources Strategy to the Board, and monitoring and reviewing its application and implementation
- recommending the IT Strategy to the Board, and monitoring and reviewing its implementation
- reviewing changes to and the implementation of other key University strategies from time to time, as necessary
- reviewing and recommending to the Board borrowing or other financial vehicles necessary to fund the strategy, and the release of funds for specific projects
- recommending to the Board, the acquisition or disposal of lands and buildings.

These are the key areas but are not the full terms of reference.

## Audit Committee

The Audit Committee meets at least four times a year. Membership consists of up to four Governors and three co-opted members. The committee is responsible for advising the Board on:

- the effectiveness of the internal audit service and ensuring that their recommendations are appropriately executed

- the effectiveness of internal control and risk management procedures
- the work of the external auditors and whether they are effectively carrying out their responsibilities to the Board of Governors by reporting that the University's financial statements present a true and fair view of the year's activities
- the existence of satisfactory arrangements to promote economy, efficiency and effectiveness
- the approval of the financial statements
- the systems and processes whereby assurance is obtained on the quality of all data returns.

#### Remuneration Committee

The Remuneration Committee meets as necessary to review the policy for the remuneration of the senior staff appointed by the Board of Governors. Membership consists of four independent Governors. The Vice-Chancellor attends at the request of the committee for specific matters. The Vice-Chancellor is excluded from matters concerning his own remuneration.

#### Nominations Committee

The Nominations Committee comprises five Governors including the Vice-Chancellor. It is responsible for advising the Board on the appointment of new Governors and co-opted Governors.

#### Academic Board

The Academic Board of the University is chaired by the Vice-Chancellor and comprises representatives of both the academic and related areas of the University, a proportion of whom are elected representatives. The Pro Vice-Chancellor for the Student and Staff Experience carried out a review of the governance of student experience groups across the University, with a view to improving the coherence and efficiency of the structures for decision-making and action. The new committee structure was approved at the Academic Board meeting on the 30 October 2018. The Academic Board is responsible for:

- general issues relating to the research, scholarship, teaching and courses at the University, including criteria for the admission of students; the appointment and removal of internal and external examiners; policies and procedures for assessment and examination of the academic performance

of students; the content of the curriculum; academic standards and the validation and review of courses; the procedures for the award of qualifications and honorary academic titles; and the procedures for the exclusion of students for academic reasons

- considering the development of the academic activities of the University and the resources needed to support them and for advising the Vice-Chancellor and the Board of Governors thereon
- advising on such other matters as the Board of Governors or the Vice-Chancellor may refer to the Academic Board.

#### Internal control

The key elements of the University's systems of internal financial control, which are designed to discharge the responsibilities of the Board of Governors, include the following:

- clear definitions of the responsibilities of, and the authority delegated to, heads of academic and administrative departments
- a comprehensive medium and short-term planning process, supplemented by detailed annual income, expenditure, capital and cash-flow budgets
- regular reviews of academic performance and monthly reviews of financial results involving variance reporting and quarterly updates of the forecast outturn
- clearly defined and formalised requirements for approval and control of expenditure, with investment decisions involving capital or revenue expenditure being subject to formal detailed appraisal and review
- comprehensive financial regulations, detailing financial controls and procedures, approved by the Finance and Resources Committee and the Board of Governors
- a professional internal audit team whose annual programme is approved by the Audit Committee.

Any systems of internal financial control can, however, only provide reasonable, but not absolute, assurance against material misstatement or loss.



### Charitable status

The University is an Exempt Charity as defined by the Charities Act 2011. From April 2018 the OfS replaced HEFCE as the Principal Regulator for higher education providers which are exempt charities, and University financial statements are prepared in accordance with the provisions of the OfS. Where activities undertaken by the University may fall outside the terms of its charitable status, these are undertaken through Oxford Brookes Enterprises Limited. The majority of the profits of that company are gift aided annually to the University. All the activities operated directly by the University are of a charitable nature and as such not liable to corporation tax.

### Responsibilities of the University's Board of Governors in the Preparation of the Financial Statements

In accordance with the Education Reform Act 1988, the Board of Governors of Oxford Brookes University ('the Board') is responsible for the administration and management of the affairs of the University and is required to present audited financial statements for each financial year.

The Board 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 powers and duties of previous legislation. These are the Education Reform Act 1988, Further and Higher Education Act 1992 and the Higher Education Act 2004. They must also comply with the Regulatory Framework issued by the OfS in April 2018 and the Statement of Recommended Practice (SORP); Accounting for Further and Higher Education 2015, and applicable United Kingdom Law and Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102. The Board, through its designated office-holder, is required to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the University and of the institutional surplus or deficit and cash flows for that year.

In causing the financial statements to be prepared, the Board has to ensure that:

- suitable accounting policies are selected and applied consistently

- judgements and estimates are made that are reasonable and prudent
- applicable UK law and accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements
- financial statements are prepared on the going-concern basis unless it is inappropriate to presume that Oxford Brookes University will continue in operation. The Board is satisfied that the University has adequate resources to continue in operation for the foreseeable future; for this reason the going-concern basis continues to be adopted in the preparation of the financial statements.

The Board has taken reasonable steps to ensure the University:

- has a robust and comprehensive system of risk management, control and corporate governance. This includes arrangements for the prevention and detection of corruption, fraud, bribery and irregularities
- has regular, reliable, timely and adequate information to monitor performance and track the use of public funds
- plans and manages its activities to remain sustainable and financially viable
- informs the Office for Students of any material change in its circumstances, including any significant developments that could impact on the mutual interests of the University and the Office for Students
- uses public funds for proper purposes and seeks to achieve value for money from public funds
- complies with the mandatory requirements relating to audit and financial reporting, set out in the Office for Students Audit Code of Practice and in the Office for Students annual accounts direction.

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



The Board of Governors are responsible for the maintenance and integrity of the corporate and financial information included on the University's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions. The work carried out by the auditors does not involve consideration of these matters and, accordingly, the auditors accept no responsibility for any changes that may have occurred to the financial statements since they were initially presented on the website.

#### Disclosure of information to auditors

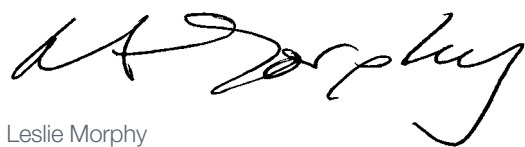
The members who held office at the date of approval of the financial statements confirm that, so far as they are aware, there is no relevant audit information of which the University's auditors are unaware; and each member has taken all the steps that he or she ought to have taken to be aware of any relevant audit information and to establish that the University's auditors are aware of that information.

#### Risk management

The University's strategic risk management process continues to provide effective systems for the identification of the major strategic and financial risks facing the University. During 2018/19 the VCG, Audit Committee and Board of Governors monitored the four highest level strategic risks whilst other risks continued to be managed as part of the established management arrangements.

The key financial risks which materialised in the year had been identified in the financial risk and contingency workshops held in May. No significant risks materialised that had not been identified through the risk management process. The key elements of the University's approach during the year, designed to discharge the responsibilities of the Board of Governors were:

- a review of the University's approach and attitude to risk. This included active participation from senior management and the Board of Governors
- two workshops to identify, evaluate and categorise by severity, risks which impacted on the achievement of strategic objectives
- the production of a new risk register
- the development of risk improvement plans to address the highest categories of risk and the confirmation of the delegation of responsibility to manage the less significant risks
- regular monitoring by the VCG of the risk register and of the implementation of improvement plans for the four highest severity risks
- regular meetings of the Risk Management Working Group, a small group of senior managers, chaired by the Registrar



Leslie Morphy  
Chair of Governors  
28 November 2019

and Chief Operating Officer, to review the output of the risk management process and to consider improvements and developments to the process itself and the development of additional risk management procedures at an operational level. The Group has no delegated authority itself but provides an effective forum to allow the Registrar and the Director of Finance and Legal Services to fulfil their responsibilities

- regular reports both to the Board and the Audit Committee on the development of the process, the most severe risks and progress with improvement plans
- high-level involvement and support which included the Vice-Chancellor taking an active part in one of the risk workshops and chairing the VCG which considered the risk register and improvement plans and other reports on key aspects of the University's performance. Several members of the VCG and most Directors took an active part in at least one of the various workshops
- that the Internal Audit team based their plan of work on the University's risk analysis, modified by their assessment. In addition, the Internal Audit Team reviewed the University's system of risk management
- a workshop convened to specifically review the main risks to the University's financial plans, and to predetermine what actions might be taken if certain events occurred
- a series of workshops to produce new risk registers and improvement plans for each directorate.

#### Review of the effectiveness of internal control and risk management

At its meeting in November 2019, the Board of Governors consider the effectiveness of the arrangements for internal control and risk management that have been in place for the financial year to 31 July 2019 and up to the date of signing the annual financial statements. The Board of Governors came to a conclusion, based upon the Annual Report of the Audit Committee and other internal audit and management assurances, regarding whether the arrangements in place were satisfactory to provide effective internal control and risk management throughout this time. The conclusion reached at the meeting was one of adequate assurance.

#### Going concern

After making appropriate enquiries, the Board of Governors has a reasonable expectation that the University has adequate resources to continue in operational existence for the foreseeable future. For this reason, they continue to adopt the going concern basis in preparing the financial statements.



Professor Alistair Fitt  
Vice-Chancellor  
28 November 2019

# Independent Auditors' Report

## Opinion

We have audited the consolidated and university financial statements of Oxford Brookes University ('the parent institution') and its subsidiary (the 'group') for the year ended 31 July 2019 which comprise Consolidated and University Statement of Comprehensive Income and Expenditure, Consolidated and University Statements of Changes in Reserves, Consolidated and University Statement of Financial Position, Consolidated Cash Flow and the related notes 1 to 30, 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 FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland".

In our opinion, the consolidated and university financial statements:

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

## 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 consolidated and university financial statements section of our report below. We are independent of the group and parent institution in accordance with the ethical requirements that are relevant to our audit of the consolidated and university financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

## Conclusions relating to going concern

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

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

## Other information

The other information comprises the information included in the annual report set out on pages 3 to 21, other than the consolidated and university financial statements and our auditor's report thereon. The Board of Governors is responsible for the other information.

Our opinion on the consolidated and university financial statements does not cover the other information and, except to the extent otherwise explicitly stated in this report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated and university financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated and university 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 consolidated and university 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 the other information, we are required to report that fact.

We have nothing to report in this regard.

## Opinion on other matters prescribed by the Office for Students Terms and conditions of funding for higher education institutions

In our opinion, based on the work undertaken in the course of the audit, in all material respects:

- funds from whatever source administered by Oxford Brookes University have been properly applied to those purposes and managed in accordance with relevant legislation;
- funds provided by the Office for Students have been applied in accordance with the applicable Terms and conditions attached to them; and
- the requirements of the Office for Students accounts direction for the current year's consolidated and university financial statements have been met.

## Responsibilities of the Board of Governors

As explained more fully in the Statement of the Board of Governors' Responsibilities set out on pages 18 to 21, the Board of Governors is responsible for the preparation of the consolidated and university financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Board of Governors determine is necessary to enable the preparation of consolidated and university financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated and university financial statements, the Board of Governors is responsible for assessing the group's and the parent institution's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting

unless the Board of Governors either intend to liquidate the group or the parent institution 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 consolidated and university 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 consolidated and university financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the

Financial Reporting Council's website at <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

#### **Use of our report**

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

Ernst and Young LLP

29/11/2019

#### **Ernst & Young LLP Birmingham**

The maintenance and integrity of the Oxford Brookes University web site is the responsibility of the Board of Governors; the work carried out by the auditors does not involve consideration of these matters and, accordingly, the auditors accept no responsibility for any changes that may have occurred to the consolidated and university financial statements since they were initially presented on the web site.

Legislation in the United Kingdom governing the preparation and dissemination of consolidated and university financial statements may differ from legislation in other jurisdictions.

# Financial statements

## Consolidated and University statement of comprehensive income and expenditure for the year ended 31 July 2019

	Note	Year ended 31 July 2019		Year ended 31 July 2018	
		Consolidated £'000	University £'000	Consolidated £'000	University £'000
<b>Income</b>					
Tuition fees and education contracts	1	130,241	130,239	132,457	132,455
Funding body grants	2	16,849	16,849	15,149	15,149
Research grants and contracts	3	5,837	5,818	4,791	4,773
Other income	4	49,123	46,994	46,327	44,498
Investment income	5	269	269	210	210
Donations and endowments	6	568	568	643	643
<b>Total income</b>		<b>202,887</b>	<b>200,737</b>	199,577	197,728
<b>Expenditure</b>					
Staff costs	7	112,598	111,800	111,765	111,201
Other operating expenses	10	67,651	66,316	67,881	66,613
Depreciation, amortisation and impairment	11,12	17,554	17,537	21,846	21,829
Interest and other finance costs	8	8,649	8,649	9,451	9,451
<b>Total expenditure</b>	9	<b>206,452</b>	<b>204,302</b>	210,943	209,094
<b>Deficit before other gains and losses</b>		<b>(3,565)</b>	<b>(3,565)</b>	<b>(11,366)</b>	<b>(11,366)</b>
(Loss) on disposal of fixed assets	12	(355)	(355)	(623)	(623)
<b>Deficit before tax</b>		<b>(3,920)</b>	<b>(3,920)</b>	<b>(11,989)</b>	<b>(11,989)</b>
Taxation		-	-	-	-
<b>Deficit for the year</b>		<b>(3,920)</b>	<b>(3,920)</b>	<b>(11,989)</b>	<b>(11,989)</b>
Actuarial (loss) / gain in respect of pension schemes	29	(24,126)	(24,126)	44,211	44,211
<b>Total comprehensive (expense) / income for the year</b>		<b>(28,046)</b>	<b>(28,046)</b>	<b>32,222</b>	<b>32,222</b>
Represented by:					
Endowment comprehensive (expense) for the year		(72)	(72)	(94)	(94)
Restricted comprehensive income for the year		94	94	122	122
Unrestricted comprehensive income for the year		(27,477)	(27,477)	33,750	33,750
Revaluation reserve comprehensive income for the year		(591)	(591)	(1,556)	(1,556)
Attributable to the University		(28,046)	(28,046)	32,222	32,222
Attributable to the non-controlling interest		-	-	-	-
		<b>(28,046)</b>	<b>(28,046)</b>	<b>32,222</b>	<b>32,222</b>

All items of income and expenditure relate to continuing activities



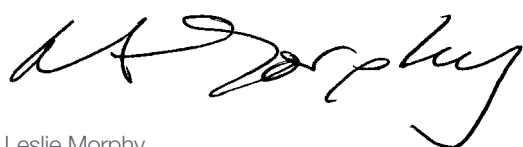
**Consolidated and University statement of change in reserves for the year ended 31 July 2019**

Consolidated	Income and expenditure account			Revaluation reserve	Total
	<i>Endowment</i>	<i>Restricted</i>	<i>Unrestricted</i>		
	£'000	£'000	£'000	£'000	£'000
<b>Balance at 1 August 2017</b>	<b>1,599</b>	<b>809</b>	<b>34,229</b>	<b>102,891</b>	<b>139,528</b>
Surplus / (deficit) for the year	(94)	120	32,194	-	32,220
Other comprehensive income	-	-	-	-	-
Transfers between revaluation and income and expenditure reserve	-	-	1,556	(1,556)	-
Release of endowment and restricted capital funds spent in year	-	-	-	-	-
<b>Total comprehensive expense for the year</b>	<b>(94)</b>	<b>120</b>	<b>33,750</b>	<b>(1,556)</b>	<b>32,220</b>
<b>Balance at 1 August 2018</b>	<b>1,505</b>	<b>929</b>	<b>67,979</b>	<b>101,335</b>	<b>171,748</b>
Surplus / (deficit) for the year	(72)	94	(28,068)	-	(28,046)
Other comprehensive income	-	-	-	-	-
Transfers between revaluation and income and expenditure reserve	-	-	-	-	-
Release of endowment and restricted capital funds spent in year	-	-	591	(591)	-
<b>Total comprehensive income for the year</b>	<b>(72)</b>	<b>94</b>	<b>(27,477)</b>	<b>(591)</b>	<b>(28,046)</b>
<b>Balance at 31 July 2019</b>	<b>1,505</b>	<b>1,023</b>	<b>40,502</b>	<b>100,744</b>	<b>143,702</b>
<b>University</b>	<b>Income and expenditure account</b>			<b>Revaluation reserve</b>	<b>Total</b>
	<i>Endowment</i>	<i>Restricted</i>	<i>Unrestricted</i>		
	£'000	£'000	£'000	£'000	£'000
<b>Balance at 1 August 2017</b>	<b>1,599</b>	<b>809</b>	<b>34,136</b>	<b>102,891</b>	<b>139,435</b>
Surplus / (deficit) for the year	(94)	122	32,194	-	32,222
Other comprehensive income	-	-	-	-	-
Transfers between revaluation and income and expenditure reserve	-	-	1,556	(1,556)	-
Release of endowment and restricted capital funds spent in year	-	-	-	-	-
<b>Total comprehensive expense for the year</b>	<b>(94)</b>	<b>122</b>	<b>33,750</b>	<b>(1,556)</b>	<b>32,222</b>
<b>Balance at 1 August 2018</b>	<b>1,505</b>	<b>931</b>	<b>67,886</b>	<b>101,335</b>	<b>171,657</b>
Surplus / (deficit) for the year	(72)	94	(28,068)	-	(28,046)
Other comprehensive income	-	-	-	-	-
Transfers between revaluation and income and expenditure reserve	-	-	591	(591)	-
Release of endowment and restricted capital funds spent in year	-	-	-	-	-
<b>Total comprehensive income for the year</b>	<b>(72)</b>	<b>94</b>	<b>(27,477)</b>	<b>(591)</b>	<b>(28,046)</b>
<b>Balance at 31 July 2019</b>	<b>1,433</b>	<b>1,025</b>	<b>40,409</b>	<b>100,744</b>	<b>143,611</b>

## Consolidated and University Statement of Financial Position as at 31 July 2019

	Note	As at 31 July 2019		As at 31 July 2018	
		Consolidated £'000	University £'000	Consolidated £'000	University £'000
<b>Non-current assets</b>					
Intangible assets	11	12,209	12,209	7,873	7,873
Fixed assets	12	408,416	407,908	407,415	406,891
Investments	14	104	554	104	554
		<b>420,729</b>	<b>420,671</b>	415,392	415,318
<b>Current assets</b>					
Stock	15	149	128	145	119
Trade and other receivables	16	11,204	12,675	10,148	11,491
Investments	17	80,401	80,401	5,000	5,000
Cash and cash equivalents	24	22,128	20,346	27,932	26,584
		<b>113,882</b>	<b>113,550</b>	43,225	43,194
Less: Creditors: amounts falling due within one year	18	(32,463)	(32,164)	(34,873)	(34,859)
<b>Net current assets</b>		<b>81,419</b>	<b>81,386</b>	8,352	8,335
<b>Total assets less current liabilities</b>		<b>502,148</b>	<b>502,057</b>	423,744	423,653
Creditors: amounts falling due after more than one year	19	(223,517)	(223,517)	(150,369)	(150,369)
<b>Provisions</b>					
Pension provisions	21	(134,136)	(134,136)	(99,850)	(99,850)
Other provisions	21	(793)	(793)	(1,777)	(1,777)
<b>Total net assets</b>		<b>143,702</b>	<b>143,611</b>	171,748	171,657
<b>Restricted Reserves</b>					
Income and expenditure reserve – endowment reserve	22	1,433	1,433	1,505	1,505
Income and expenditure reserve – restricted reserve	23	1,023	1,025	929	931
<b>Unrestricted Reserves</b>					
Income and expenditure reserve – unrestricted		40,502	40,409	67,979	67,886
Revaluation reserve		100,744	100,744	101,335	101,335
<b>Total Reserves</b>		<b>143,702</b>	<b>143,611</b>	<b>171,748</b>	<b>171,657</b>

The financial statements on pages 25 to 51 were approved by the Board of Directors on 28 November 2019 and signed on its behalf by:



Leslie Morphy  
Chair of Governors



Professor Alistair Fitt  
Vice-Chancellor

## Consolidated cash flow statement for the year ended 31 July 2019

	Note	Year ended 31 July 2019 £'000	Year ended 31 July 2018 £'000
<b>Cash flow from operating activities</b>			
(Deficit) for the year before tax		<b>(3,920)</b>	(11,989)
<b>Adjustment for non-cash items</b>			
Depreciation	12	<b>16,479</b>	15,896
Amortisation of intangibles	11	<b>1,075</b>	1,100
Impairment			4,850
Loss on disposal of fixed assets	12	<b>355</b>	623
Service concession lease premium	13	<b>(125)</b>	(125)
(Increase)/decrease in stock	15	<b>(4)</b>	(17)
(Increase) in debtors		<b>(1,060)</b>	(306)
(Decrease)/increase in creditors		<b>(3,713)</b>	3,191
Increase in pension provision	21	<b>10,159</b>	9,790
(Decrease)/increase in general provision	21	<b>(984)</b>	577
<b>Adjustment for investing or financing activities</b>			
Investment income	5	<b>(269)</b>	(210)
Interest payable	8	<b>5,792</b>	5,723
Endowment income		<b>(110)</b>	(87)
Capital grant income		<b>(1,550)</b>	(1,771)
<b>Net cash inflow from operating activities</b>		<b>22,125</b>	27,245
<b>Cash flows from investing activities</b>			
Capital grants receipts		<b>1,253</b>	1,610
Investment income		<b>270</b>	212
Withdrawal of deposits		-	10,000
New deposits		<b>(75,401)</b>	-
Payments made to acquire tangible assets		<b>(13,748)</b>	(22,192)
Payments made to acquire intangible assets		<b>(5,074)</b>	(3,763)
<b>Net cash outflow used in investing activities</b>		<b>(92,700)</b>	(14,133)
<b>Cash flows from financing activities</b>			
Interest paid		<b>(5,629)</b>	(5,568)
Interest element of finance lease and service concession payments		<b>(159)</b>	(154)
New endowments		<b>110</b>	87
New unsecured loans		<b>75,000</b>	
Repayments of amounts borrowed		<b>(1,523)</b>	(1,501)
Capital element of finance lease and service concession payments	13	<b>(3,028)</b>	(2,927)
<b>Net cash inflow (outflow) used in financing activities</b>		<b>64,771</b>	(10,063)
<b>Decrease in cash and cash equivalents in the year</b>		<b>(5,084)</b>	(3,049)
<b>Cash and cash equivalents at beginning of the year</b>	24	<b>27,932</b>	24,883
Cash and cash equivalents at end of the year	24	<b>22,128</b>	27,932

### Basis of Preparation

These financial statements have been prepared in accordance with the Statement of Recommended Practice (SORP): Accounting for Further and Higher Education 2015 and in accordance with Financial Reporting Standards (FRS102). The University has chosen not to adopt SORP2019. 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 (modified by the revaluation of fixed assets and derivative financial instruments).

The consolidated financial statements include the University and all its subsidiaries for the financial year to 31 July 2019. The results of subsidiaries acquired or disposed of during the period are included in the consolidated statement of income and expenditure from the date of acquisition or up to the date of disposal. Intra-group transactions are eliminated on consolidation.

The consolidated financial statements do not include the income and expenditure of the Students' Union as the University does not exert control or dominant influence over policy decisions.

Associated companies and joint ventures are accounted for using the equity method.

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 the external customers or the terms of the contract have been satisfied.

Fee income is stated gross of any expenditure which is not a discount and credited to the Consolidated Statement of Income and Comprehensive Expenditure over the period in which students are studying. Where the amount of the tuition fee is reduced, by a discount for prompt payment, income receivable is shown net of the discount. Bursaries and scholarships are accounted for gross as expenditure and not deducted from income.

Investment income is credited to the statement of income and expenditure on a receivable basis.

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

### Grant funding

Government revenue grants including funding council block grant and research grants are recognised in income over the periods 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.

### Donations and endowments

Non exchange transactions without performance related 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.

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

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

1. Restricted donations – the donor has specified that the donation must be used for a particular objective.
2. 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.
3. Restricted expendable endowments – the donor has specified a particular objective other than the purchase or construction of tangible fixed assets, and the University has the power to use the capital
4. Restricted permanent endowments – the donor has specified that the fund is to be permanently invested to generate an income stream to be applied to a particular objective.

### Capital grants

Government capital grants are recognised in income over the expected useful life of the asset. Other capital grants are recognised in income when the University is entitled to the funds subject to any performance related conditions being met.

### Accounting for retirement benefits

Retirement benefits to employees of the University are provided by defined benefit schemes that are funded by contributions from the University and employees. Payments are made to the Teachers' Pension Scheme (TPS), the Universities' Superannuation Scheme (USS) and the Local Government Pension Scheme (LGPS) administered by Oxfordshire County Council. These are all independently administered schemes. Pension costs are assessed on the latest actuarial valuations of the scheme and are accounted for on the basis of charging the cost of providing pensions over the year during which the University benefits from the employees' services.

The TPS is a multi-employer pension scheme and the University is unable to identify its share of the underlying assets and liabilities of the scheme on a consistent and reasonable basis. The TPS is therefore treated as defined contribution schemes and the contributions are recognised as they are paid each year.

The assets of the LGPS are measured using closing market values. LGPS liabilities are measured using the projected unit method and discounted at the current rate of return on high quality corporate bond of equivalent term and currency to the liability. The increase in the present value of the liabilities of the scheme expected to arise from the employee service in the year is charged to staff costs and the interest on the liabilities is charged to interest and other finance costs to the operating

surplus in The Consolidated Statement of Comprehensive Income and Expenditure. Actuarial gains and losses are also recognised in The Consolidated Statement of Comprehensive Income and Expenditure.

#### 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 Group should recognise a liability for its obligations under defined benefit plans net of plan assets. This net defined benefit liability is measured as the estimated amount of benefit that employees have earned in return for their service in the current and prior periods, discounted to determine its present value, less the fair value (at bid price) of plan assets. The calculation is performed by a qualified actuary using the projected unit credit method. Where the calculation results in a net asset, recognition of the asset is limited to the extent to which the University is able to recover the surplus either through reduced contributions in the future or through refunds from the plan.

#### 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.

#### Service Concession Arrangements

Fixed assets held under service concession arrangements are recognised on the Statement of Financial Position at the present value of the minimum lease payments when the assets are bought into use with a corresponding financial liability.

Payments under the service concession arrangement are allocated between service costs, finance charges and financial liability repayments to reduce the financial liability to nil over the life of the arrangement.

#### Operating leases

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

#### Foreign currency

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

#### Fixed assets

Fixed assets are stated at cost less accumulated depreciation and accumulated impairment losses with the following exceptions:

1. Freehold land had been revalued to fair value on the date of transition to the 2015 FE HE SORP. Going forward the land is measured on the basis of deemed cost, being the revalued amount at the date (31 July 2014) of the revaluation.

2. Freehold and leasehold properties vested in the University under the Education Reform Act 1988, at valuation. The valuation as at 1 April 1991 was carried out by an independent firm of chartered surveyors and rating consultants on the basis of depreciated replacement cost in the case of buildings, except where a market value was more appropriate, and current use market value in the case of land. Going forward the valuation on conversion is treated as deemed cost in the financial statements.

Where parts of a fixed asset have different useful lives, they are accounted for as separate items of fixed assets.

All assets are regularly reviewed for indications of impairment. Where there is impairment the difference between the assessed recoverable value of the building and its written down cost is charged to the Consolidated Statement of Comprehensive Income and Expenditure.

#### Land and buildings

Costs incurred in relation to land and buildings after initial purchase or construction, and prior to valuation, are capitalised to the extent that they increase the expected future benefits to the University.

Freehold land is not depreciated as it is considered to have an indefinite useful life. Freehold buildings are depreciated on a straight line basis over their expected useful lives as follows:

Freehold buildings including refurbishments	10 to 50 years
Long Leasehold property	The lower of the length of the lease, the life of the building, or 50 years

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

#### Equipment

Equipment, including computers and software, costing less than £10,000 is recognised as expenditure. All other equipment is capitalised.

Capitalised equipment is stated at cost and depreciated over its expected useful life as follows:

Equipment	3 to 10 years
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Depreciation methods, useful lives and residual values are reviewed at the date of preparation of each Balance Sheet.

#### Borrowing costs

Borrowing costs which are directly attributable to the acquisition, construction or production of a qualifying asset are capitalised.

#### Intangible assets

Intangible assets are amortised over 3-20 years representing the remaining estimated economic life of the assets.

#### Impairment

A review for impairment of a tangible fixed asset is carried out if events or changes in circumstances indicate that the carrying amount of the tangible fixed asset may not be recoverable.

### Financial instruments

The University has chosen to apply the provisions of sections 11 and 12 of FRS102 in full. Financial assets and financial liabilities are recognised in the University's balance sheet when the University becomes a party to the contractual provisions of the instrument. A financial asset and a financial liability are offset only when there is a legally enforceable right to set off the recognised amounts and an intention either to settle on a new basis, or to realise the asset and settle the liability simultaneously.

The University's financial assets and liabilities all meet the criteria for basic financial instruments prescribed within FRS102 Section 11.8. All financial assets and liabilities are initially recognised at the transaction price plus any additional directly attributable transaction costs. They are subsequently measured as follows:

#### ■ *Investments*

Investments are measured at cost less impairment.

Non-current asset investments are held on the Balance Sheet at amortised cost less impairment.

Current asset investments are held at fair value with movements recognised in the Surplus or Deficit.

#### ■ *Short-term debtors and creditors*

Debtors and creditors with no stated interest rate and receivable or payable within one year are recorded at transaction price. Any losses arising from impairment are recognised in the statement of comprehensive income in other operating expenses.

#### ■ *Loans*

Loans which are basic financial instruments are initially recorded at transaction price, net of transaction costs.

Subsequently, they are measured at amortised cost using the effective interest method.

### Investment in subsidiary

Investments in subsidiaries are carried at cost in the University's Financial Statements.

### Stock

Goods held for resale are included at the lower of cost and net realisable value. Library books and other consumable stocks held by academic departments are excluded.

### Cash and cash equivalents

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

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

### Provisions, contingent liabilities and contingent assets

Provisions are recognised in the financial statements when:

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

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

A contingent liability arises from a past event that gives the University a possible obligation 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.

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

Contingent assets and liabilities are not recognised in the Balance Sheet but are disclosed in the notes.

### Taxation

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

All subsidiary companies are liable to Corporation Tax and Value Added Tax in the same way as any other commercial organisation. The University's principal activities are exempt from Value Added Tax, but certain ancillary supplies and services are liable to Value Added Tax at various rates. Expenditure includes irrecoverable Value Added tax charged by suppliers to the University.

### 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.

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

Unrestricted reserves are balances where there is no restriction on the use of funds.

## Critical accounting judgements and estimation uncertainty

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

### Defined benefit pension schemes (note 29)

The University has obligations to pay pension benefits to certain employees. The cost of these benefits and the present value of the obligations depend on a number of factors, including life expectancy, salary increases, asset valuations and the discount rate on corporate bonds. Management estimates these factors, in liaison with the actuarial valuer, in determining the net pension obligation in the balance sheet. The assumptions reflect historical experience and current trends.

FRS102 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 accounting for a multi-employer scheme where the employer has entered into an agreement with the scheme that determines how the employer will fund a deficit results in the recognition of a liability for the contributions payable that arise from the agreement (to the extent that they relate to the deficit) and the resulting expense in profit or loss in accordance with section 28 of FRS102. The management are satisfied that Universities Superannuation Scheme meets the definition of a multi-employer scheme and has therefore recognised the discounted fair value of the contractual obligations under the recovery plan in existence at the date of approving the financial statements

### Service Concession (note 13)

The University has one service concession arrangement; judgement has been used in the determining when the infrastructure and related liability should be recognised. The contract is until 2050, but Oxford Brookes is able to nominate rooms yearly, with the option of nominating 0-100%, there is the following clause in the agreement.

If Oxford Brookes University does not reserve 100% of the 750 rooms, then Oxford Brookes University cannot provide accommodation for more than 46% of the student population in each academic year, over the term of the contract.

The University has made the decision to include a one year asset and associated liability rather than an asset and liability over the life of the contract as it nominates rooms one year at a time and could provide accommodation for the students via third parties if necessary.

## Revaluation of Land

In the 2016/17 financial statements the University performed a one off revaluation of its land on transition to FRS 102. The District Valuation office carried out the revaluation on the basis of Fair Value which is defined as:

The amount for which an asset could be exchanged, a liability settled, or equity instrument granted, between knowledgeable, willing parties in an arm's length transaction.

The valuations were prepared on an appropriate basis in accordance with the RICS valuation – Professional Standards 2014 and are suitable for financial statements purposes.

Where land is associated with a building the valuer has apportioned the land on a basis of overall value of the property. The valuer has described that the apportionment between land value and buildings value should be 40%:60%. For campus assets the valuer applied depreciated cost methodology. For student residences assets, the valuer applied fair value methodology by reference to market value.

# Notes to the financial statements

## 1 Tuition fees and education contracts

	Year ended 31 July 2019		Year ended 31 July 2018	
	Consolidated £'000	University £'000	Consolidated £'000	University £'000
Full-time home and EU undergraduate students	87,026	87,026	84,957	84,957
Part-time home and EU undergraduate students	1,789	1,789	999	999
Full-time home and EU postgraduate students	6,549	6,549	6,702	6,702
Part-time home and EU postgraduate students	4,489	4,489	3,965	3,966
International students	21,143	21,143	22,110	22,110
Health Authorities	6,191	6,191	10,614	10,614
Other course fees	1,504	1,502	1,366	1,363
Research student tuition fees	1,550	1,550	1,741	1,741
Support Grants	-	-	3	3
	<b>130,241</b>	<b>130,239</b>	<b>132,457</b>	<b>132,455</b>

Full time undergraduate students charged home fees are shown net of fee waivers relating to the £9.250k fee package of £5k (2017-18: £76k)

## 2 Funding body grants

### Recurrent grant

Office for Students	6,590	6,590	5,346	5,346
Research England	5,104	5,104	4,827	4,827
Education and Skills Funding Agency	391	391	374	374
National College for Teaching and Leadership	-	-	56	56

### Specific grants

Higher Education Funding Council	1,849	1,849	1,754	1,754
Higher Education Innovation Fund	1,151	1,151	818	818
Release of Capital grant	1,551	1,551	1,771	1,771
Other	213	213	203	203
	<b>16,849</b>	<b>16,849</b>	<b>15,149</b>	<b>15,149</b>



### 3 Research grants and contracts

	Year ended 31 July 2019		Year ended 31 July 2018	
	Consolidated £'000	University £'000	Consolidated £'000	University £'000
Research Councils	1,267	1,267	1,235	1,235
UK-based charities	1,314	1,314	1,290	1,290
UK Central Government, Local Authorities	1,302	1,302	787	769
UK Industry, commerce, Public Corporations	539	520	419	419
European Commission	1,023	1,023	779	779
EU other	182	182	146	146
Other overseas	210	210	135	135
Other sources	-	-	-	-
	<b>5,837</b>	<b>5,818</b>	<b>4,791</b>	<b>4,773</b>

### 4 Other income

Residences, catering and conferences	30,090	29,658	29,340	28,956
Other income	19,033	17,336	16,987	15,542
	<b>49,123</b>	<b>46,994</b>	<b>46,327</b>	<b>44,498</b>

### 5 Investment income

Investment income on endowments	8	8	8	8
Other investment income	261	261	202	202
	<b>269</b>	<b>269</b>	<b>210</b>	<b>210</b>

### 6 Donations and endowments

New endowments	110	110	87	87
Donations with restrictions	410	410	460	460
Unrestricted donations	48	48	96	96
	<b>568</b>	<b>568</b>	<b>643</b>	<b>643</b>

## 7 Staff costs

	Year ended 31 July 2019		Year ended 31 July 2018	
	Consolidated £'000	University £'000	Consolidated £'000	University £'000
Staff Costs :	£'000	£'000	£'000	£'000
Salaries	78,523	77,739	80,226	79,663
Social security costs	8,351	8,346	8,517	8,516
Severance payments	414	414	3,713	3,713
Movement on USS provision	1,931	1,931	108	108
Movement on LGPS provision	5,372	5,372	5,986	5,986
Other pension costs	18,007	17,998	13,215	13,215
Total	<b>112,598</b>	<b>111,800</b>	111,765	111,201

In 2019 41 (2018 140) members of staff received severance payments

	Year ended 31 July 2019 £	Year ended 31 July 2018 £
Emoluments of the Vice-Chancellor:		
Salary		
Professor Alistair Fitt	233,300	233,300
Pension contributions to USS		
Professor Alistair Fitt	4,899	4,899
	<b>238,199</b>	<b>238,199</b>

In addition the Vice Chancellor received £2,698 (2018 £2,575) for athenaeum subscription

### Justification of Vice-Chancellor's salary

In determining the remuneration of the Vice-Chancellor, the practice of the Remuneration Committee has been to position the Vice-Chancellor's salary at or around the median basic pay for all HE institutions with a similar turnover and subject to the factors below

- Proportionate pay and the general level of pay rises in the university sector
- Comparability with staff in other universities based on comparative information (such as CUC and UCEA surveys);
- The performance in post of the Vice-Chancellor, as reported by the Chair of Governors based on a review against the year's objectives, and the report of the Vice-Chancellor on the performance of other posts;
- The need to recruit and retain well-qualified staff;
- The views of the senior staff and, if requested, by those staff, their representatives; and
- The University's charitable purposes and, in particular, the Good Pay Guide for Charities and Social Enterprises issued by the Association of Chief Executives of Voluntary Organisations.

The Vice-Chancellor declined to accept the recommended salary increase to £244,000pa in July 2017, in light of this decision no salary increase was recommended in July 2018 for the 2018-2019 academic year.

### Median Pay Ratios

- The head of the provider's basic salary is 8.9 times the median pay of staff (2018 8.1), 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 7.9 times the median total remuneration of staff (2018 8.4), where the median total remuneration is calculated on a full-time equivalent basis for the total remuneration by the provider of its staff.

The pay ratios above include atypical workers. The 2019 ratios include agency workers whereas the 2018 ratios do not include agency workers.

## 7 Staff costs continued

### Remuneration of other higher paid staff, excluding employer's pension contributions:

	Year ended 31 July 2019	Year ended 31 July 2018
	No.	No.
£100,000 to £104,999	-	-
£105,000 to £109,999	-	2
£110,000 to £114,999	1	2
£115,000 to £119,999	-	-
£120,000 to £124,999	1	2
£125,000 to £129,999	-	1
£130,000 to £134,999	7	4
£135,000 to £139,999	-	1
£155,000 to £159,999	-	1
£160,000 to £164,999	1	-
£165,000 to £234,999	-	-
£235,000 to £239,999	1	1
	<u>11</u>	<u>14</u>
Average staff numbers by major category :	No.	No.
Teaching and research including management	935	936
Associate lecturers	1,027	878
Support	1,572	1,707
	<u>3,534</u>	<u>3,521</u>

£0k compensation paid (2018:£93k) for loss of office payable to a senior post-holder:

### Key management personnel

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the University. Staff costs includes compensation paid to key management personnel.

Key management personnel at Oxford Brookes University are members of the Vice-Chancellor's Group

	Year ended 31 July 2019	Year ended 31 July 2018
	£'000	£'000
<b>Key management personnel compensation</b>	<b>1,431</b>	1,392

## Related Party Transactions

The University Governors are the trustees for charitable law purposes. Due to the nature of the University's operations and the composition of the Board of Governors, being drawn from local public and private sector organisations, it is inevitable that transactions will take place with organisations in which a Governor may have an interest. All transactions involving organisations in which a member of The Board of Governors may have an interest, including those identified below are conducted at arm's length and in accordance with the University's Financial Regulations and usual procurement procedures.

### Professor Alistair Fitt

**Vice-Chancellor of Oxford Brookes University:**

**Employed by Oxford Brookes University.**

#### Director of Venturefest Oxford Ltd

Purchase transactions of £0.1k (2018:£12k) during the year and nil outstanding at 31st July 2019 (2018:£k). Sales transactions of £6.6k (2018:£1k) during the year and nil outstanding at 31st July 2019 (2018:£k).

#### Director of Oxfordshire Local Enterprise Partnership Ltd

Purchase transactions of £0.5k (2018:£0.5k) during the year and nil outstanding at 31st July 2019 (2018:£k). There were no sales transactions during the year (2018:£nil).

#### Director of The Oxford Trust

There were no purchase transactions during the year (2018:£nil). Sales transactions of £15.5k (2018:£10.9k) during the year and nil outstanding at 31st July 2019 (2018:£10.5k).

#### Director of Oxford Expression Technologies Ltd

Purchase transactions of £6k (2018:£5.2k) during the year and nil outstanding at 31st July 2019 (2018:£k). Sales transactions of £200k (2018:£106k) during the year and nil outstanding at 31st July 2019 (2018:£20k).

#### Director of Universities UK

Purchase transactions of £71.4k (2018:£0.7k) during the year and £34.8k outstanding at 31st July 2019 (2018:£k). There were no sales transactions during the year (2018:£nil).

### Professor Anne Trefethen

**Spouse of Alistair Fitt (Vice-Chancellor)**

**PVC and Trustee of Oxford University**

Purchase transactions of £449k (2018:£561k) during the year and nil outstanding at 31st July 2019 (2018:£41k).

Sales transactions of £334k (2018:£330k) during the year and £23.9k outstanding at 31st July 2019 (2018:nil).

#### Director of JISC, Eduserv

Purchase transactions of £85k (2018:£112k) during the year and no amount outstanding at 31st July 2019 (2018:nil).

There were no sales transactions during the year.

### Brendan Casey

**Registrar and Chief Operating Officer,**

**Vice-Chancellor's Group**

**Trustee of Oxford Brookes Student Union.**

During the year the Institution made awards of £1,035k (2018:£1,090k) to the Students' Union.

Purchase transactions of £98k (2018:£98k) during the year and nil outstanding at 31st July 2019 (2018:nil).

Sales transactions of £820k (2018:£720k) during the year and nil outstanding at 31st July 2019 (2018:£0.7k).

#### Director of Southern Universities Management Services

Purchase transactions of £54k (2018:£52k) during the year and nil outstanding at 31st July 2019 (2018:nil).

There were no sales transactions during the year.

### Martin Howell, Independent Governor

**Chairman of Oxford Health NHS Foundation Trust**

Purchase transactions of £55k (2018:£42k) during the year, and £2k were outstanding at 31st July 2019 (2018:nil).

Sales transactions of £193k (2018:£79k) during the year and £10k were outstanding at 31st July 2019 (2018:£11k).

### Katherine Ryan, Governor

**Head teacher Mathew Arnold School Oxford**

Purchase transactions of £1.4k (2018:£1.5k) during the year and no amount outstanding at 31st July 2019 (2018:£1.2k).

Sales transactions of £17k (2018:£24k) during the year, and no amount outstanding at 31st July 2019 (2018:nil).

### Susan Howdle, Co-opted Member

**Chair of the Westminster College Oxford Trust Ltd**

Purchase transactions of £421k (2018: £420k) during the year and no amount outstanding at 31st July 2019 (2018: nil).

Sales transactions of £325k (2018:£270k) during the year and no amount outstanding at 31st July 2019 (2018:£17k).

### Simon Jones, Governor

**Trustee Director at Eduserv**

Purchase transactions of £85k (2018:£112k) during the year and no amount outstanding at 31st July 2019 (2018:nil).

There were no sales transactions during the year.

### Lucy Weston, Governor

**Non-Executive Director, Oxford Health NHS Foundation Trust**

Purchase transactions of £55k (2018:£42k) during the year, and £2k were outstanding at 31st July 2019 (2018:nil).

Sales transactions of £193k (2018:£79k) during the year and £10k were outstanding at 31st July 2019 (2018:£11k).

### Swindon UTC Ltd

Oxford Brookes University holds 50% of the voting rights in Swindon UTC Ltd, but does not receive any economic benefit.

Purchase transaction of £0.3k (2018:£0.8k) during the year with no amount outstanding at 31st July 2019 (2018:nil).

There were no sales transactions during the year.

## 8 Interest and other finance costs

Notes	Year ended 31 July 2019		Year ended 31 July 2018	
	Consolidated £'000	University £'000	Consolidated £'000	University £'000
Loan interest	<b>5,633</b>	<b>5,633</b>	5,569	5,569
Finance lease interest (service concession finance charge)	13 <b>159</b>	<b>159</b>	154	154
Net charge on pension scheme	29 <b>2,857</b>	<b>2,857</b>	3,728	3,728
	<b>8,649</b>	<b>8,649</b>	9,451	9,451

## 9 Analysis of total expenditure by activity

Academic and related expenditure	<b>77,709</b>	<b>75,976</b>	83,848	83,388
Administration and central services	<b>72,601</b>	<b>72,411</b>	69,556	69,215
Premises (including service concession cost)	<b>27,418</b>	<b>27,368</b>	28,586	28,559
Residences, catering and conferences	<b>22,300</b>	<b>22,123</b>	21,879	21,764
Research grants and contracts	<b>4,113</b>	<b>4,113</b>	4,793	3,991
Other expenses	<b>2,311</b>	<b>2,311</b>	2,281	2,177
	<b>206,452</b>	<b>204,302</b>	210,943	209,094

## 10 Other operating expenses

### Premises related:

Maintenance	<b>10,670</b>	<b>10,581</b>	10,952	10,907
*Rent and rates	<b>5,790</b>	<b>5,714</b>	5,269	5,215
*Books, subscriptions and periodicals	<b>2,073</b>	<b>2,071</b>	1,440	1,440
*Information technology related equipment; supplies and consumables	<b>4,223</b>	<b>4,209</b>	3,793	3,745
Other equipment supplies and consumables	<b>1,921</b>	<b>1,862</b>	2,029	2,013
Food and catering supplies and services	<b>4,187</b>	<b>4,077</b>	3,870	3,865
Stationery, photocopying and printing	<b>1,176</b>	<b>1,004</b>	1,494	1,334
*Temporary staff, professional services and consultants	<b>7,057</b>	<b>6,480</b>	8,337	7,761
*Payments to franchise colleges and partners	<b>7,010</b>	<b>7,010</b>	6,241	6,241
Examiners' fees	<b>120</b>	<b>120</b>	76	71
*Communications and marketing	<b>3,146</b>	<b>3,108</b>	1,335	1,297
Placements, teaching practice and educational visits	<b>264</b>	<b>264</b>	324	324
Conferences, training and tuition fees	<b>1,167</b>	<b>1,126</b>	1,464	1,437
*Subscriptions and copyright fees	<b>2,985</b>	<b>2,980</b>	3,069	3,061
*Transport and travel related	<b>5,495</b>	<b>5,364</b>	5,430	5,289
Student Union grant	<b>1,035</b>	<b>1,035</b>	1,090	1,090
External auditors' remuneration in respect of audit services	<b>86</b>	<b>82</b>	89	86
External auditors' remuneration in respect of other services	<b>3</b>	<b>-</b>	3	0
Internal auditors' remuneration	<b>156</b>	<b>156</b>	103	103
Insurance	<b>464</b>	<b>464</b>	449	449
Bursaries, scholarships and other financial support to student	<b>7,373</b>	<b>7,373</b>	7,432	7,432
*Other costs	<b>1,250</b>	<b>1,236</b>	3,592	3,453
	<b>67,651</b>	<b>66,316</b>	67,881	66,613

\* Changes to allocations for both previous year and current year to align it better with the business.

## 11 Intangible assets: Software

<b>Consolidated</b>	<b>Intangible assets £'000</b>	<b>*Intangible assets in the course of construction £'000</b>	<b>Total £'000</b>
<b>Cost or valuation</b>			
At 1 August 2018	7,545	6,192	13,737
Additions in the year	3,061	2,441	5,503
Transfers	6,117	(6,117)	-
Disposals	(64)	(72)	(136)
At 31 July 2019	<b>16,659</b>	<b>2,446</b>	19,104
<b>Accumulated amortisation</b>			
At 1 August 2018	<b>5,864</b>	-	5,864
Charge for the year	<b>1,075</b>	-	1,075
Disposals	<b>(44)</b>	-	(44)
At 31 July 2019	<b>6,895</b>	-	<b>6,895</b>
<b>Net book value</b>			
<b>At 31 July 2019</b>	<b>9,764</b>	<b>2,446</b>	<b>12,209</b>
At 31 July 2018	1,681	6,192	7,873
<b>University</b>			
<b>Cost or valuation</b>			
At 1 August 2018	7,504	6,192	13,696
Additions in the year	3,061	2,442	5,503
Transfers	6,117	(6,117)	-
Disposals	(64)	(72)	(136)
At 31 July 2019	<b>16,618</b>	<b>2,446</b>	19,063
<b>Accumulated amortisation</b>			
At 1 August 2018	<b>5,823</b>	-	5,864
Charge for the year	<b>1,075</b>	-	1,075
Disposals	<b>(44)</b>	-	(44)
At 31 July 2019	<b>6,854</b>	-	<b>6,895</b>
<b>Net book value</b>			
<b>At 31 July 2019</b>	<b>9,764</b>	<b>2,446</b>	<b>12,209</b>
At 31 July 2018	1,681	6,192	7,873

\* In 2018 intangible assets in the case of construction were included in Note 12, Tangible Assets.

## 12 Tangible assets

<b>Consolidated</b>	<b>Freehold Land and Buildings</b>	<b>Leasehold Land and Buildings</b>	<b>Service concession arrangement Land and Buildings (Note 13)</b>	<b>Fixtures, Fittings and Equipment</b>	<b>*Assets in the Course of Construction</b>	<b>Total</b>
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
<b>Cost or valuation</b>						
At 1 August 2018	446,210	42,253	3,028	27,816	6,693	526,000
Additions	6,688	169	3,108	2,181	5,597	17,743
Transfers	4,291			207	(4,498)	-
Disposals	(1,578)		(3,028)	(3,467)	(155)	(8,228)
<b>At 31 July 2019</b>	<b>455,611</b>	<b>42,422</b>	<b>3,108</b>	<b>26,737</b>	<b>7,637</b>	<b>535,515</b>
<b>Consisting of valuation as at:</b>						
31 July 2014	78,676	-	-	-	-	78,676
Cost	376,935	42,422	3,108	26,737	7,637	456,839
	<b>455,611</b>	<b>42,422</b>	<b>3,108</b>	<b>26,737</b>	<b>7,637</b>	<b>535,515</b>
<b>Depreciation</b>						
At 1 August 2018	83,934	14,428		20,223	-	118,585
Charge for the year	7,808	1,395	3,028	4,248	-	16,479
Disposals	(1,514)		(3,028)	(3,423)	-	(7,965)
<b>At 31 July 2019</b>	<b>90,228</b>	<b>15,823</b>	<b>-</b>	<b>21,048</b>	<b>-</b>	<b>127,099</b>
<b>Net book value</b>						
<b>At 31 July 2019</b>	<b>365,383</b>	<b>26,599</b>	<b>3,108</b>	<b>5,689</b>	<b>7,637</b>	<b>408,416</b>
At 31 July 2018	362,275	27,825	3,028	7,593	6,693	407,415
<b>University</b>						
<b>Cost and valuation</b>						
At 1 August 2018	445,392	42,253	3,028	27,466	6,693	524,832
Additions	6,688	169	3,108	2,181	5,597	17,743
Transfers	4,291	-	-	207	(4,498)	-
Disposals	(1,578)	-	(3,028)	(3,412)	(155)	(8,173)
<b>At 31 July 2019</b>	<b>454,793</b>	<b>42,422</b>	<b>3,108</b>	<b>26,442</b>	<b>7,637</b>	<b>534,402</b>
<b>Consisting of valuation as at:</b>						
31 July 2014	78,676	-	-	-	-	78,676
Cost	376,117	42,422	3,108	26,442	7,637	455,726
	<b>454,793</b>	<b>42,422</b>	<b>3,108</b>	<b>26,442</b>	<b>7,637</b>	<b>534,402</b>
<b>Depreciation</b>						
At 1 August 2018	83,640	14,428	-	19,873	-	117,941
Charge for the year	7,792	1,395	3,028	4,248	-	16,463
Disposals	(1,514)	-	(3,028)	(3,368)	-	(7,910)
<b>At 31 July 2018</b>	<b>89,918</b>	<b>15,823</b>	<b>-</b>	<b>20,753</b>	<b>-</b>	<b>126,494</b>
<b>Net book value</b>						
<b>At 31 July 2019</b>	<b>364,875</b>	<b>26,599</b>	<b>3,108</b>	<b>5,689</b>	<b>7,637</b>	<b>407,908</b>
At 31 July 2018	361,751	27,825	3,028	7,593	6,693	406,891
At 31 July 2019, freehold land and buildings included £108,823k (2018 £108,823k) in respect of freehold land and is not depreciated.						
<b>Leased assets included above:</b>						
<b>Net Book Value:</b>						
At 31 July 2018	-	27,825	3,028	-	-	30,853
At 31 July 2019	-	26,599	3,108	-	-	29,707

\* In 2018 assets in the course of construction included intangible assets to the value of £6.1m. We have restated the opening balance to correctly present these assets as intangibles in the course of construction and remove from tangible assets.

## 12 Tangible assets continued

Consolidated fixtures, fittings and equipment include assets held under finance leases as follows:

	Year Ended 2019	Year Ended 2018
	£'000	£'000
Cost	600	600
Accumulated depreciation	(600)	(450)
Charge for year	-	(150)
Net book value	-	-

## 12 Tangible assets continued

### Revaluations

- As a result of the Education Reform Act 1988, freehold and leasehold properties occupied by the University together with the equipment contained therein were vested in the University with effect from 1st April 1989. A professional valuation was carried out in 1991 on the inherited buildings. The valuation, which was at 1st April 1991, was on the basis of depreciated replacement costs in the case of buildings except where a market value was more appropriate and current use market value in the case of land. The total valuation amounted to £64,380k.
- On transition to the FE HE SORP the University has performed a one-off revaluation of its freehold land to fair value as at 31 July 2014. This revaluation increased the value of the land by a net £73,565k (revaluation of £79,034k less impairment of £5,469k) from £33,119k to £106,684k.

The following land areas were revalued.

	£'000
Student accommodation	38,586
Headington, Gipsy Lane site	7,215
Wheatley campus	27,764
<b>Total</b>	<b>73,565</b>

### Depreciation, amortisation and impairments

	£'000
Fixed assets accumulated depreciation charge for the year	16,449
Intangible assets (software) accumulated amortisation charge for the year	1,075
Impairments	-
<b>Total depreciation, amortisation and impairments</b>	<b>17,574</b>

## 13 Service Concession Arrangements

The University has one on Balance Sheet arrangement where service delivery has commenced.

In 2001 the University entered into a 32 year contract with a third party provider for the provision and maintenance of Cheney Hall of residence, providing accommodation to 750 students. On 31 July 2009 the lease was extended by 17 years to 31 July 2050.

The University received a lease premium of £5.2m, which is amortised over the remaining life of the lease.

The University nominates the number of rooms it requires on a yearly basis; it has the option to reserve all or none of the rooms.

The assets and liabilities relating to one year of this scheme are therefore recognised on the University's Balance Sheet.

### Movement in Service concession arrangement assets

The asset value of the service concession included in the Balance Sheet as at 31 July 2019 is £3,108k (2018: £3,028k).

### Movement in Service concession arrangement liabilities

The total liabilities relating to the service concession included in the Balance Sheet as at 31 July 2019 were £3,108k (2018: £3,028k). The sum of £3,028k was repaid during the year.

### Future commitments

The following table analyses the University's future commitments in relation to service concession arrangements.

	Payable in 1 year £'000
Liability repayments	3,108
Finance Charge	164
Service Charge	1,533
<b>Total</b>	<b>4,805</b>

### Lease Premium

The value of the remaining unamortised lease premium in long term liabilities as at 31 July 2019 was £3,750k (2018: £3,875k). £125k was released in the year to 31st July 2019 (2018:£125k).



## 14 Non-Current Investments

<b>Consolidated</b>	<b>Subsidiary companies £'000</b>	<b>Other fixed assets investments £'000</b>	<b>Total £'000</b>
At 1 August 2018	-	104	<b>104</b>
At 31 July 2019	-	<b>104</b>	<b>104</b>
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
<b>University</b>			
At 1 August 2018	450	104	<b>554</b>
At 31 July 2019	<b>450</b>	<b>104</b>	<b>554</b>
Other non-current investments consist of :			Consolidated and University
Oxford Expression Technologies			70
CVCP Properties plc			34
			<u>104</u>

## 15 Stock

	<b>Year ended 31 July 2019</b>		Year ended 31 July 2018	
	<b>Consolidated £'000</b>	<b>University £'000</b>	Consolidated £'000	University £'000
Goods held for resale	149	128	145	119
	<b>149</b>	<b>128</b>	<u>145</u>	<u>119</u>

## 16 Trade and other receivables

	Year ended 31 July 2019		Year ended 31 July 2018	
	Consolidated £'000	University £'000	Consolidated £'000	University £'000
Amounts falling due within one year:				
Research grants receivables	1,014	1,014	797	797
Other trade receivables	3,852	3,527	3,243	3,020
Other receivables	2,080	1,877	2,041	2,006
Prepayments and accrued income	4,258	4,256	4,068	4,051
Amounts due from subsidiary companies	-	2,001	-	1,617
	<b>11,204</b>	<b>12,675</b>	10,148	11,491

## 17 Current investments

	Year ended 31 July 2019		Year ended 31 July 2018	
	Consolidated £'000	University £'000	Consolidated £'000	University £'000
Short term deposits	80,401	80,401	5,000	5,000
	<b>80,401</b>	<b>80,401</b>	<b>5,000</b>	<b>5,000</b>

Deposits are held with banks and building societies operating in the London market and licensed by the Financial Services Authority. These short term deposits do not meet the definition of cash equivalent. The interest rates for these deposits are fixed for the duration of the deposit at time of placement.

At 31 July 2019 the weighted average interest rate of these fixed rate deposits was 1.12% per annum and the remaining weighted average period for which the interest rate is fixed on these deposits was 66 days. The fair value of these deposits was not materially different from the book value.

## 18 Creditors: amounts falling due within one year

	Year ended 31 July 2019		Year ended 31 July 2018	
	Consolidated £'000	University £'000	Consolidated £'000	University £'000
Unsecured loans	1,542	1,542	1,523	1,523
Service concession arrangements (note 13)	3,108	3,108	3,028	3,028
Trade payables	1,667	1,634	1,999	1,890
Social security and other taxation payable	2,199	2,225	2,518	2,469
Accruals and deferred income	19,952	19,660	21,533	21,677
Other creditors	3,995	3,995	4,272	4,272
	<b>32,463</b>	<b>32,164</b>	<b>34,873</b>	<b>34,859</b>

## 19 Creditors: amounts falling due after more than one year

	Year ended 31 July 2019		Year ended 31 July 2018	
	Consolidated £'000	University £'000	Consolidated £'000	University £'000
Deferred income	21,090	21,090	21,275	21,275
Lease premium	3,750	3,750	3,875	3,875
Unsecured loans	198,677	198,677	125,219	125,219
	<b>223,517</b>	<b>223,517</b>	150,369	150,369

Analysis of unsecured loans:

<b>Due within one year or on demand (Note 18)</b>	<b>1,542</b>	<b>1,542</b>	1,523	1,523
Due between one and two years	3,250	3,250	3,145	3,145
Due between two and five years	5,301	5,301	5,124	5,124
Due in five years or more	190,126	190,126	116,950	116,950
<b>Due after more than one year</b>	<b>198,677</b>	<b>198,677</b>	125,219	125,219
<b>Total unsecured loans</b>	<b>200,219</b>	<b>200,219</b>	126,742	126,742

The University's long-term loans are currently held with Barclays, Lloyds, Santander and private placements with Babson, PRICOA and Allianz. An additional £75,000k private placement with Babson and Pricoa was drawn on 2 August 2018. The University also has a revolving credit facility for £25,000k, this was undrawn at the 31 July 2019.

The loans are unsecured, of the bank loans outstanding £6,000k is fixed at a rate of 5.3% until 1 August 2022, when it reverts back to 4.99%, £6,100k is fixed at 5.97%, £6,100k is fixed at 5.91%, £6,100k at 5.8%, £12,500k is fixed at 5.66% until 1 August 2022 when it reverts back to 5.34%, £6,300k is an RPI inflation linked loan, £9,000k is fixed at 3.97%, £11,000k is fixed at 4.04% and £12,500k is fixed at 5.0%.

The private placements outstanding, £75,000k is fixed for 25 years at 3.08%, £10,000k is fixed at 3.53% for 15 years, £15,000k is fixed at 3.76% for 20 years, £25,000k is fixed at 3.91% for 25 years and £10,000k is fixed at 3.94% for 30 years.

## 20 Financial instruments

	Year ended 31 July 2019		Year ended 31 July 2018	
	Consolidated £'000	University £'000	Consolidated £'000	University £'000
<b>Financial assets</b>				
<i>Financial assets that are equity instruments measured at cost less impairment</i>				
Other investments	104	104	104	104
<i>Financial assets that are debt instruments measured at amortised cost</i>				
Trade and other receivables	8,207	9,567	7,178	8,538
	<b>8,311</b>	<b>9,671</b>	7,282	8,642
<b>Financial liabilities measured at amortised cost</b>				
Loans	200,219	200,219	126,742	126,742
Trade and other payables	15,700	15,703	18,136	18,381
	<b>215,919</b>	<b>215,922</b>	144,878	145,123

## 21 Pension and other provisions

Consolidated	Obligation to fund deficit on USS Pension	Pension scheme provision under FRS102 (note 29b)	Total Pensions Provisions	HESA Provision	Total Other
	£'000	£'000	£'000	£'000	£'000
At 1 August 2018	1,360	98,490	99,850	1,777	1,777
Utilised in year	(37)	-	(37)	(984)	(984)
Additions in 2018/19	1,994	32,329	34,323	-	-
<b>At 31 July 2019</b>	<b>3,317</b>	<b>130,819</b>	<b>134,136</b>	<b>793</b>	<b>793</b>

University	Obligation to fund deficit on USS Pension	Pension scheme provision under FRS102 (note 29b)	Total Pensions Provisions	HESA Provision	Total Other
	£'000	£'000	£'000	£'000	£'000
At 1 August 2018	1,360	98,490	99,850	1,777	1,777
Utilised in year	(37)	-	(37)	(984)	(984)
Additions in 2018/19	1,994	32,329	34,323	-	-
<b>At 31 July 2019</b>	<b>3,317</b>	<b>130,819</b>	<b>134,136</b>	<b>793</b>	<b>793</b>

### USS deficit

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

### HESA Provision

The provision relates to a potential clawback of funding based on an overstatement of student numbers in the 17/18 HESA return.

## 22 Endowment Reserves

Restricted net assets relating to endowments are as follows:

	Expendable endowments	
	2019	2018
	Total	Total
	£'000	£'000
<b>Balance at 1 August 2018</b>	<b>1,505</b>	1,599
New endowments	110	87
Investment income	11	8
Expenditure	(194)	(189)
<b>Total endowment comprehensive income for the year</b>	<b>(72)</b>	(94)
<b>At 31 July 2019</b>	<b>1,433</b>	1,505
Analysis by asset		
Cash & cash equivalents	1,433	1,505
	<b>1,433</b>	<b>1,505</b>

## 23 Restricted Reserves

Reserves with restrictions are as follows:

	Donations	
	2019 Total £'000	2018 Total £'000
<b>Balances at 1 August 2018</b>	931	809
New donations	410	460
Expenditure	(316)	(338)
<b>Total endowment comprehensive income for the year</b>	94	122
<b>At 31 July 2019</b>	1,025	931

## 24 Cash and cash equivalents

	At 1 August 2018 £'000	Cash Flows £'000	At 31 July 2019 £'000
Consolidated			
Cash and cash equivalents	27,932	(5,804)	22,128
	<b>27,932</b>	<b>(5,804)</b>	<b>22,128</b>

## 25 Consolidated reconciliation of net debt

	31 July 2019 £'000	
<b>Net debt 1 August 2018</b>	<b>(96,838)</b>	
Movement in cash and cash equivalents	(5,804)	
Movement in current investments	75,401	
Other non-cash changes	(64,258)	
<b>Net debt 31 July 2019</b>	<b>(91,498)</b>	
<b>Change in net debt</b>	<b>5,340</b>	
<b>Analysis of net debt:</b>	<b>31 July 2019</b>	<b>31 July 2018</b>
	<b>£'000</b>	<b>£'000</b>
Cash and cash equivalents	22,128	27,932
Current Investments	80,401	5,000
<b>Borrowings: amounts falling due within one year</b>		
Unsecured loans	(1,542)	(1,523)
Service concession arrangements (note 13)	(3,108)	(3,028)
	<b>97,879</b>	<b>28,381</b>
<b>Borrowings: amounts falling due after more than one year</b>		
Unsecured loans	(198,677)	(125,219)
<b>Net debt</b>	<b>(100,798)</b>	<b>(96,838)</b>

## 26 Capital and other commitments

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

	2019		2018	
	Consolidated £'000	University £'000	Consolidated £'000	University £'000
Authorised and contracted	2,223	2,223	6,679	6,679
Authorised but not contracted	109,287	109,287	18,069	18,069
	<b>111,510</b>	<b>111,510</b>	24,748	24,748

## 27 Lease obligations

Total rentals payable under operating leases:

	2019			Total £'000	2018 £'000
	Land and Buildings £'000	Plant and Machinery £'000	Other leases £'000		
<b>Payable during the year</b>	4,616	-	3,861	8,477	7,801
<b>Future minimum lease payments due:</b>					
Not later than 1 year	5,179	-	3,855	9,034	7,885
Later than 1 year and not later than 5 years	4,234	-	84	4,318	5,361
Later than 5 years	52,741	-	22.00	52,763	14,542
<b>Total lease payments due</b>	<b>62,154</b>	<b>-</b>	<b>3,961</b>	<b>66,115</b>	<b>27,788</b>

## 28 Subsidiary undertakings

The subsidiary companies (all of which are registered in England & Wales), wholly-owned or effectively controlled by the University, are as follows:

Company	Principal Activity	Status	Note
Oxford Brookes Enterprises Ltd	Consultancy and Management of conference and related commercial facilities	100% owned	16
Oxford Brookes Services Ltd	Dormant	100% owned	

## 29 Pension Schemes

Different categories of staff were eligible to join one of three different schemes:

- Teachers' Pension Scheme England and Wales (TPS), for academic and related staff
- Local Government Pension Scheme (LGPS), for non-teaching staff
- Universities' Superannuation Scheme (USS), for staff who are already in the USS scheme when they join Oxford Brookes University

All schemes are defined-benefit schemes, the assets of which are held in separate trustee administered funds.

	Year Ended 31 July 19 £'000	Year Ended 31 July 18 £'000
TPS: contributions paid	5,118	5,124
LGPS:		
– contributions paid	7,251	7,354
– FRS102 Charge	5,372	5,986
USS		
– contributions paid	835	911
– FRS102	1,957	108
	<b>20,533</b>	<b>19,483</b>

## 29a Teachers' Pension Scheme (TPS)

A formal actuarial review of the TPS is undertaken by the Government Actuary not less than every four years. Contributions are paid by the University at the rate specified. The scheme is unfunded and contributions are made to the Exchequer. The payments from the scheme are made from funds voted by Parliament. As from 1 January 2007, and as part of the cost sharing agreement, the contribution rate was assessed at 20.5% which translates to an employee contribution of 6.4% and an employer contribution of 14.1% payable.

Following the latest actuarial valuation that was carried out as at 31 March 2016, the valuation results specify the rate of employer contribution payable for the four year period from 1 April 2019 and the employer cost cap, both of which are to be set in regulations. The employer contribution rate payable from April 2019 has been set at 22.8% of pensionable pay, with an average employee contribution rate of 9.6%, giving a total contribution rate of 26%. Following agreement between the Department for Education and HM Treasury, the employer contribution rate was implemented on 1 September 2019. As a consequence of this delay in implementing the change, an additional 0.8% of pay will be payable over the remainder of the period to 31 March 2023, to ensure that the level of the notional fund at the next valuation of the scheme is expected to be unaffected by the delay.

The employer contribution rate is expected to be reassessed at the actuarial valuation to be carried out as at 31 March 2020 (and each subsequent four yearly valuation). The next revision to the employer contribution rate is expected to take effect from 1 April 2023. The financial position relative to the employer cost cap will also be reconsidered at each four yearly valuation.

Under the definitions set out in Section 28 of FRS 102, the TPS is a multi-employer defined benefit pension scheme, the assets of which are held separately from those of the University in independently administered funds. As the University is unable to identify its share of the assets and liabilities of the group scheme, it accounts for contributions as if they were to a defined contribution pension scheme. Contributions are charged to the statement of consolidated income in the year to which they relate. The University has set out below the information available on the deficit in the scheme and the implications for the University in terms of anticipated contribution rates.

The assumptions and other data that have the most significant effect on the determination of the contribution levels are as follows:

Latest Actuarial Valuation	31 March 2016
Gross rate of return	4.86% until 2019, then 4.45%
Real rate of return	2.8% until 2019, then 2.4%
Long term salary growth	4.2% pa, 2.2% pa in excess of assumed CPI
Aggregated scheme assets	£196.1bn
Aggregated scheme liabilities	(£218.1bn)
During the year all employers paid the same contribution rate	16.48%
During the year all employee's' contribution varied dependent on time equivalent salary	between 7.4% and 11.7% members full

The value of pension payments made in year to the Teachers' Pension Scheme was £5,118k (2018: £5,124k).

## 29b Local Government Pension Scheme (Retirement Benefits) Disclosure for the accounting year ending 31 July 2019 Local Government Pension Scheme

Non-academic employees of the University can participate in the LGPS, a defined benefit scheme, with the assets held in separate trustee-administered funds.

The last formal triennial actuarial valuation of the scheme was performed as at 31 March 2016 by a professionally qualified actuary.

During the accounting period, the University paid contributions to the pension scheme at the rate of 14.4% of pensionable salaries, plus a yearly deficiency charge of £1,775k from 1st April 2018 and £1,817k from 1 April 2019. On 31 July the University made an advance payment of £5,000k towards the deficiency charge.

The employee rate was between 5.5 and 12.5% of pensionable salaries.

The following information is based upon a full actuarial valuation of the fund at 31 March 2016 updated to 31 July 2019 by a qualified independent actuary.

### Assumptions

The financial assumptions used to calculate scheme liabilities under FRS102 are:

	At 31 July 2019	At 31 July 2018
	%pa	%pa
Price Inflation (RPI)	3.4	3.4
Price Inflation (CPI)	2.4	2.4
Rate of increase in salaries	3.9	3.5
Rate of increase of pensions in payment for LGPS members	2.4	2.4
Discount rate	2.1	2.8

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

	Pensioner Male	Non-pensioner Male (currently aged 45)	Pensioner Female	Non- pensioner Female (currently aged 45)
At 31 July 2018	23.4	25.6	25.5	27.8
At 31 July 2019	22.7	24.0	24.3	25.7



## 29b Local Government Pension Scheme continued

### Scheme assets and expected rate of return for LGPS

For accounting years beginning on or after 1 January 2015, the expected return and the interest cost have been replaced with a single net interest cost, which effectively sets the expected return equal to the discount rate.

#### The assets in the scheme were:

	<b>Year ended 31 July 19 £'000</b>	<b>Year ended 31 July 18 £'000</b>
Equities	70%	70%
Bonds	20%	18%
Property	6%	7%
Cash	4%	5%
<b>Total</b>	<b>282,965</b>	<b>258,066</b>

	31 July 19 % pa	31 July 18 % pa
Expected return	2.1	2.8
Total return on fund assets	16,511	22,870

	<b>Year Ended 31 July 19 £'000</b>	<b>Year Ended 31 July 18 £'000</b>
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#### Analysis of the amount shown in the balance sheet for LGPS:

Scheme assets	282,965	258,066
Scheme liabilities	(413,784)	(356,556)
<b>Deficit in the scheme – net pension liability recorded within pension provisions (Note 21)</b>	<b>(130,819)</b>	<b>(98,490)</b>

Current service cost	18,037	15,478
Total operating charge:	18,037	15,478

#### Analysis of the amount charged to interest payable/credited to other finance income for LGPS

Interest cost	10,168	9,945
Expected return on assets	(7,337)	(6,249)
<b>Net charge to other finance income</b>	<b>2,831</b>	<b>3,696</b>

<b>Total profit and loss charge before deduction for tax</b>	<b>20,868</b>	<b>19,174</b>
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Cumulative actuarial loss recognised as other comprehensive income for LGPS

	<b>At 31 July 2019 £'000</b>	<b>At 31 July 2018 £'000</b>
Cumulative actuarial losses recognised at the start of the year	98,439	132,931
Cumulative actuarial losses recognised at the end of the year	130,819	98,439

## 29b Local Government Pension Scheme continued

### Analysis of movement in the present value of LGPS liabilities

	Year to 31 July 19 £'000	Year to 31 July 18 £'000
<b>Present value of LGPS liabilities at the start of the year</b>	<b>356,556</b>	<b>362,520</b>
Current service cost (net of member contributions)	13,301	15,478
Past service cost	4,736	-
Interest cost	10,168	9,945
Actual member contributions (including notional contributions)	2,681	2,734
Actuarial loss/(gain)	57,630	(27,555)
Change in demographic assumptions	(24,331)	-
Actual benefit payments	(6,958)	(6,531)
Experience (gain)/loss on defined benefit obligation	1	(35)
<b>Present value of LGPS liabilities at the end of the year</b>	<b>413,784</b>	<b>356,556</b>

### Analysis of movement in the fair value of scheme assets

	Year to 31 July 19 £'000	Year to 31 July 18 £'000
<b>Fair value of assets at the start of the year</b>	<b>258,066</b>	<b>229,501</b>
Return on assets less interest	9,174	16,621
Interest on assets	7,337	6,249
Actual contributions paid by University	12,665	9,492
Actual member contributions (including notional contributions)	2,681	2,734
Actual benefit payments	(6,958)	(6,531)
<b>Fair value of scheme assets at the end of the year</b>	<b>282,965</b>	<b>258,066</b>

LGPS assets do not include any of the University's own financial instruments, or any property occupied by the University.

### Remeasurements in other comprehensive income

	Year to 31 July 19 £'000	Year to 31 July 18 £'000
Return on fund assets in excess of interest	9,174	16,621
Change in financial assumptions	(57,630)	27,555
Change in demographic assumptions	24,331	-
Experience gain on defined benefit obligation	(1)	35
<b>Remeasurement of the defined liability</b>	<b>(24,126)</b>	<b>44,211</b>

## 29c The Universities Superannuation Scheme

The institution participates in the Universities Superannuation Scheme (USS). The USS is a multi-employer scheme for which it is not possible to identify the assets and liabilities to the University and members due to the mutual nature of the scheme and therefore this scheme is accounted for as a defined contribution retirement benefit scheme. Throughout the current and preceding years, the scheme was a defined benefit only pension scheme until 31 March 2016 which was contracted out of the State Second Pension (S2P). The assets of the scheme are held in a separate trustee-administered fund. Because of the mutual nature of the scheme, the scheme's assets are not hypothecated to individual institutions and a scheme-wide contribution rate is set. The 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 and therefore, as required by Section 28 of FRS102 "Employee benefits", accounts for the scheme as if it were a defined contribution scheme. As a result, the amount charged to the income and expenditure account represents the contributions payable to the scheme in respect of the accounting period. Since the institution has entered into an agreement (the Recovery Plan that determines how each employer within the scheme will fund the overall deficit), the institution recognises a liability for the contributions payable that arise from the agreement to the extent that they relate to the deficit and the resulting expense in the Statement of consolidated Income. A liability is recorded within provisions for any contractual commitment to fund past deficits within the USS scheme.

### Pension costs

The total cost charged to the Statement of Comprehensive Income is £2,784k (2018:£1,002k), which is made up of the following entries:

	<b>2019</b>	<b>2018</b>
	<b>£'000</b>	<b>£'000</b>
Employer contributions paid	828	894
Interest Payable – Unwinding of discount	25	31
Element of employer contributions allocated against the deficit	(63)	(106)
Difference between actual contributions and past expectations	1,994	183
<b>Total amount charged to Statement of Comprehensive Income</b>	<b>2,784</b>	<b>1,002</b>
Brought Forward Pension Provision	1,360	1,252
Movement	2,020	214
Cash payments made to USS	(63)	(106)
<b>Carried forward Pension Provision (Note 21)</b>	<b>3,317</b>	<b>1,360</b>

The latest available complete actuarial valuation of the Retirement Income Builder is at 31 March 2017 ("the valuation date"), which was carried out using the projected unit method. A valuation as at 31 March 2018 was completed post July 2019. Since the institution cannot identify its share of USS Retirement Income Builder assets and liabilities, the following disclosures reflect those relevant for the scheme as a whole.

The 2017 valuation was the fourth valuation for USS under the scheme-specific funding regime introduced by the Pensions Act 2004, which requires schemes to adopt a statutory funding objective, which is to have sufficient and appropriate assets to cover their technical provisions. At the valuation date, the value of the assets of the scheme was £60.0 billion and the value of the scheme's technical provisions was £67.5 billion indicating a shortfall of £7.5 billion and a funding ratio of 89%.

The key financial assumptions used in the 2017 valuation are described below. More detail is set out in the Statement of Funding Principles.

Pension increases (CPI)	Term dependent rates in line with the difference between the Fixed Interest and Index Linked yield curves, less 1.3% p.a.
Discount rate	Years 1-10: CPI-0.53% reducing linearly to CPI -1.32% Years 11-20: CPI + 2.56% reducing linearly to CPI +1.7% by year 21 Years 21 +:CPI +1.7%

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 2017 actuarial valuation. The mortality assumptions used in these figures are as follows:

	<b>2017</b>
Mortality base table	Pre-retirement: 71% of AMC00 (duration 0) for males and 112% of AFC00 (duration 0) for females. Post-retirement: 96.5% of SAPS S1NMA "light" for males and 101.3% of RFV00 for females.
Future improvements to mortality	CMI_2016 with a smoothing parameter of 8.5 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:

	<b>2019</b>	<b>2018</b>
Males currently aged 65 (years)	24.6	24.5
Females currently aged 65 (years)	26.1	26.0
Males currently aged 45 (years)	26.6	26.5
Females currently aged 45 (years)	27.9	27.8
Scheme assets	£60.0bn	£63.6bn
Total scheme liabilities	£67.5bn	£72.0bn
FRS102 total scheme deficit	£7.5bn	£8.4bn
FRS102 total funding level	89%	88%

A new deficit recovery plan was put in place as part of the 2017 valuation, which requires payment of 5% of salaries over the period 1 April 2020 to June 2034. The 2019 pension liability provision reflects this plan. The provision figures have been produced using the following assumptions as at 31 March 2018 and 2019.

	<b>2019</b>	<b>2018</b>
Discount rate	2.44%	2.64%
Pensionable salary growth	n/a	n/a
Pension increases (CPI)	2.11%	2.02%

If the new schedule of contributions has been agreed by or on 31st July 2019, the USS pension scheme provision would have amounted to £1,953k. £1,364k lower than the USS provision included in these financial statements. This adjustment will be reflected in the Universities Financial Statements for the year ended 31st July 2020.

### 30 Events after the reporting date

There are no known events after the reporting date other than the USS provision disclosed above in note 29b.