



UNIVERSITY OF
BATH



Annual Accounts

for the year ended 31 July 2022





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Foreword by Pamela Chesters CBE, Chair of Council



The University has had a successful year and on behalf of Council I would like to place on record our thanks to the whole university community for contributing so positively to this outcome, which has been delivered despite the continued challenges of COVID-19, the uncertainty around the Government response to the Augar Review and global conflicts that have affected our community, most recently the war in Ukraine.

Particular thanks must go to the leadership team, under the stewardship of our Vice Chancellor, Professor Ian White. It was a pleasure to welcome our new Deputy Vice-Chancellor, Professor Phil Allmendinger, Pro-Vice-Chancellor (Research) Professor Sarah Hainsworth OBE and Pro-Vice-Chancellor (Education) Professor Julian Chaudhuri, who all took up office during the year. Together with the existing executive members they have formed a formidable team.

We have been pleased to see the progress in taking forward our research objectives, building on our institutional themes and promoting interdisciplinarity and witnessing the early shoots of this being recognised in successful grant applications.

Our student experience continues to be an area of considerable strength and we were delighted to be named as University of the Year 2023 by The Times and Sunday Times Good University Guide. The constructive dialogue between us and our Students Union sabbatical officers is undoubtedly a significant factor in achieving this. Continued work on Curriculum Transformation and other initiatives will ensure our education offer remains relevant and future proofed.

Among the many other highlights, I am also pleased to report that we gained an institutional Silver Athena Swan Award, for work which forms a key part of our commitment to diversity and inclusion.

Looking forward however, the outlook for the sector continues to be very challenging. We anticipate significant cost pressures with UK tuition fees remaining stagnant, international student uptake uncertain, hospitality services not yet returned to pre COVID-19 levels and all against a backdrop of rising inflation affecting our whole supply chain. We recognise too, the impact that these pressures have on the wellbeing of individual members of staff and students within our community as they adjust to changing circumstances.

Notwithstanding our recent significant capital investment in the Institute of Advanced Automotive Propulsion Systems (IAAPS) and the new School of Management building, our infrastructure is not universally suitable for an ambitious institution such as Bath. As we move into a steadier state of hybrid working, this will present opportunities to consider how to optimise its usage, while at the same time taking into account our commitment to addressing the climate emergency.

Nevertheless, careful stewardship of our resources has left us financially better placed than many. So we remain optimistic that we will be able to continue to advance our strategic aims investing carefully while taking measured risks to advance the initiatives being developed through our academic strategic planning processes.

Bath continues to be a very successful institution as measured against both internal and external benchmarks. We are not complacent and know we can do more. I have every confidence that our leadership team will continue to drive this upward trajectory, enabling staff and students alike to excel in their chosen disciplines.

Pamela Chesters CBE
Chair of Council



The introduction to the Annual Accounts by the Vice-Chancellor and President, Professor Ian White.



It is a pleasure to introduce this year's Annual Accounts, not least as the last academic year has been filled with many remarkable achievements at individual and collective levels.

I am proud of how our University has flourished, building on the innovation, collaboration and agility of previous years and learning from the challenges we have faced. We have successfully advanced our four strategic pillars of driving excellence in education, high impact research, fostering an outstanding and inclusive community and enhancing our strategic partnerships. The ongoing advice and leadership provided by members of Council, our governing body, and Pamela Chesters CBE, Chair of Council, has been invaluable and I would like to take this opportunity to thank them for the important role they continue to play in our success.

Advances in education and student experience

At the culmination of this reporting period, we have been named University of the Year 2023 by The Times and The Sunday Times Good University Guide.

This is particularly special, because we earned this accolade as a result of advancements across the board, including coming fourth in the UK for undergraduate university experience and fifth for graduate prospects in the associated Times rankings. We are ranked 7th best university in the UK by the Guardian University Guide 2023 and 8th in the UK in the Complete University Guide 2023 and were placed in the top 100 globally in the QS Graduate Employability Rankings, these rankings all representing rises over the previous year. The HESA graduate

outcomes survey for the cohort graduating in 2019/20 showed that 92.9% of Bath's full-time UK domiciled first-degree graduates working in the UK are in high-skilled employment 15 months after completing their studies.

Of course, these results represent a huge amount of hard work across our academic and professional services staff. It is heartening to see the work of our community also leading to strong recruitment performance, with our undergraduate entry tariff increasing and record numbers of applications this year. The first part of the academic year was still very much concerned with safely navigating the pandemic, and much credit is due to our teaching staff for the swift return to face-to-face education, with 92% of our scheduled teaching in-person, which was greatly appreciated by our students.

And for our graduating students, it was a joy to see our graduation ceremonies return to Bath Abbey this summer. These included cohorts from 2019/20 and 2020/21 whose ceremonies had been postponed by the pandemic, in addition to last year's graduates, all of whom had the opportunity to celebrate their achievements with friends and family.

We are committed to continuous improvement, and over the last year we have entered the implementation phase of our 'Curriculum Transformation' programme which looks to enhance further our educational provision.

We strive to provide a well-rounded student experience and a culture of care. This year, University of Bath students recorded overall satisfaction of 86.3% in the National Student Survey 2022, more than ten percentage points greater than the median score of Universities UK members (75.6%). I am also pleased that University won a national award in July, in recognition of the excellent support offered to students throughout the pandemic, being named 'Best Campus Experience of the Year' by the College & University Business Officers association.

We are building on strong foundations and looking at how we enhance all aspects of the student experience, developing a strategic implementation plan in partnership with student representatives. Overall, we strive to support our students to develop the personal attributes needed to fulfil their future ambitions in employment, leadership and making a positive impact wherever they work and live.

Progressing our research agenda

It has been an important year for our research ambitions. Published in May 2022, the Research Excellence Framework (REF) 2021 results showed that 92% of research submitted achieved the two highest classifications of 'world leading' or 'internationally excellent'. Equally importantly, it showed a clear strengthening of our research intensity.

The last 12 months have seen us build on the three institutional themes of Sustainability, Health & Wellbeing, and Digital, and support the growth of our research through the Bath Beacons initiative. We celebrated our first Research Culture Week and launched our Research with Impact campaign to promote some of our research highlights externally.

This year, we also opened the new £70m Institute of Advanced Automotive Propulsion Systems (IAAPS). The 11,300 m² purpose-built facility at the Bristol & Bath Science Park will not only help drive research and innovation into developing future generations of clean and efficient propulsion systems but will also house the South West's first Green Hydrogen production facility.

The next few years will see us continue to grow our research power and impact, particularly at international level.

An outstanding and inclusive community

We have made a series of senior appointments this year to help lead the implementation of our strategic objectives. We were delighted to welcome Professor Deborah Wilson, our new Dean of the Faculty of Humanities & Social Sciences; Ian Blenkharn, Director of Education & Student Services; Chris Youles, Chief Information & Digital Officer; Gordon Cox, Director of Development & Alumni Relations; Dev Biddlecombe, Director of Estates; Alice Ludgate, Director of Student Support and Safeguarding; and Catherine Baldwin, our new Director of Recruitment and Admissions.

We have also introduced new ways of working for staff, including hybrid working for office-based professional services colleagues. We have been taking action and making preparations to support both staff and students through cost-of-living pressures. We have also made clear progress on our Climate Action commitments, including becoming the first University to include Carbon Literacy in induction for all new students, becoming the first UK university to sign the Green Chemistry Commitment, introducing a new travel and expenses policy, a sustainable food commitment and we continue to make real contributions to carbon reduction through our research. We have also established a Culture and Inclusion team, led by Professor Rajani Naidoo, Vice-President Community & Inclusion. There has been a range of activity across our student and staff communities both to celebrate inclusion, build on successes such as the Athena Swan Silver award for our institution and also to help us explore challenges and to think in new ways.

Enhancing our strategic partnerships

Our enterprise and innovation agenda has come to the fore this year, and our first Enterprise Day, held in April 2022, brought together business leaders, academics and students to nurture collaboration between academia and industry. Not only have the number of University spin outs increased in the last year, but student enterprise activity has significantly increased, with a 29% rise in full business plans submitted to our expert panel. Launched in November 2021, the £17.0m Innovation Centre for Applied Sustainable Technologies, along with the opening of the new IAAPS facility, will enable researchers to work with industry to support the UK's transition to net zero. Based in the Carriage Works in Swindon, iCAST is a collaboration between the Universities of Bath and Oxford, the High Value Manufacturing Catapult's Sustainability Partnership (National Composites

Centre, and Centre for Process Innovation) innovation experts at SETsquared, Local Enterprise Partnerships, investors and companies. Supported by the Research England Development Fund, iCAST will operate as a research and development and collaboration hub for companies working on clean growth technologies.

We have also opened a new building housing our School of Management which, in addition to nine lecture theatres, a 250-seat auditorium and a Behavioural Research Lab, includes an Employability Hub for visiting industry partners to help prepare students for the workplace, and collaboration spaces where students, faculty and employers can meet, study and work.

This year, we have appointed four new distinguished international visiting professors as part of the Global Chair scheme: Professor Chuyang Tang from the University of Hong Kong; Professor Tianhong Cui of the University of Minnesota; Professor Carolyn Ann Emery of the University of Calgary, and Professor Konstantina Nikita from the National Technical University of Athens. As leaders in their respective fields, we are honoured to be hosting them and to build such strong international partnerships in research and practice.

It has been heartening to see the continued positive trajectory of so many areas of our work. In the years to come, we can expect challenge as well as an opportunity, but I am deeply proud of what our University community has achieved so far, and look forward with anticipation to see the fruition of the plans we are developing together.

Professor Ian White
Vice-Chancellor and President

University Strategy 2021-26 - Key Operational Performance Indicators

Strategic Review

Our new Strategy 2021-2026 describes our mission to deliver world-class research and teaching, educating our students to become future leaders and innovators, and benefiting the wider population through our research, enterprise and influence.

Our vision is to be an outstanding and inclusive University community, characterised by excellence in education, research, and innovation; working in partnership with others for the advancement of knowledge, in support of the global common good.

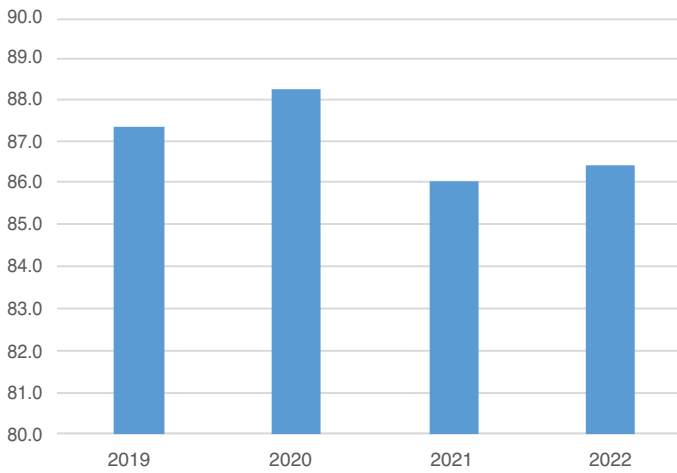
We seek to advance our impact by:

- growing our reputation for University education through internationally leading courses which are rigorous, relevant and pioneering and which attract highly achieving students from diverse backgrounds, enhanced by high-value placement and extracurricular opportunities to help students to take their ideas and passions to the next level
- growing our research strength to drive research quality, achievement and impact at international levels
- growing our identity as a strong learning community in which collective endeavour and a culture of care enable the flourishing of all
- growing our strategic civic, corporate and international partnerships to allow us to fulfil our ambitious vision in education, research and enterprise

We have identified the following Key Operating Performance Indicators (KOPIs) to help us monitor our delivery of our Strategy and these are summarised in the table below.

KPI	Strategic Pillar			
	Driving Excellence in Education	Driving high impact Research	Fostering an outstanding and inclusive Community	Enhancing Strategic Partnerships
1	NSS – overall satisfaction	Total research income	Non-continuation	Consultancy & research contract income
2	Graduate outcomes	% highly cited papers	ONS wellbeing measure	QS world ranking
3	Entry qualifications	Research partnerships	% female professors	Local community engagement

Satisfaction rates %

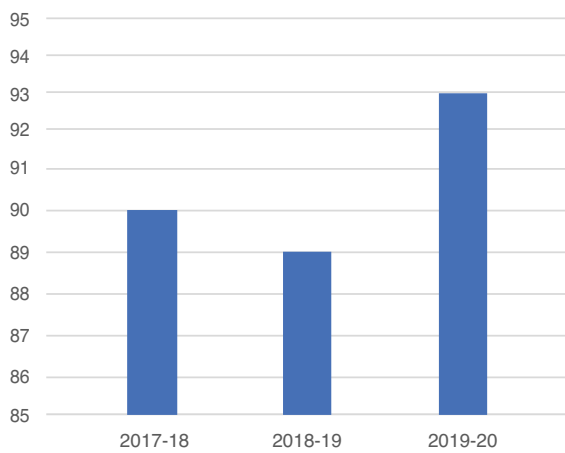


Driving excellence in education

NSS – Overall satisfaction

The quality of our teaching is measured by reference to students who either ‘definitely’ or ‘mostly’ agree with the National Student Survey (NSS) question “Overall I am satisfied with the quality of my course.” In the 2022 survey we scored 86.3%, the 3rd highest score in the UK. Our target is to rank in the top 15% of the sector and exceed our benchmark score of 77%, this year we met both targets.

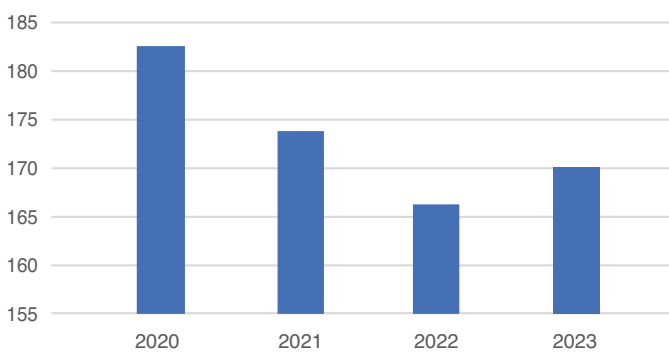
High-skilled employment %



Graduate Outcomes

We use the percentage of students in high-skilled employment as the measure of our graduate outcomes, the result from 2019-20 shows an improvement to 92.9% from 89.0% in the previous year. Our target is to rank in the top 10% of the sector and our 2019-20 result ranks 5th from 133 universities so we have met this target.

Average tariff scores

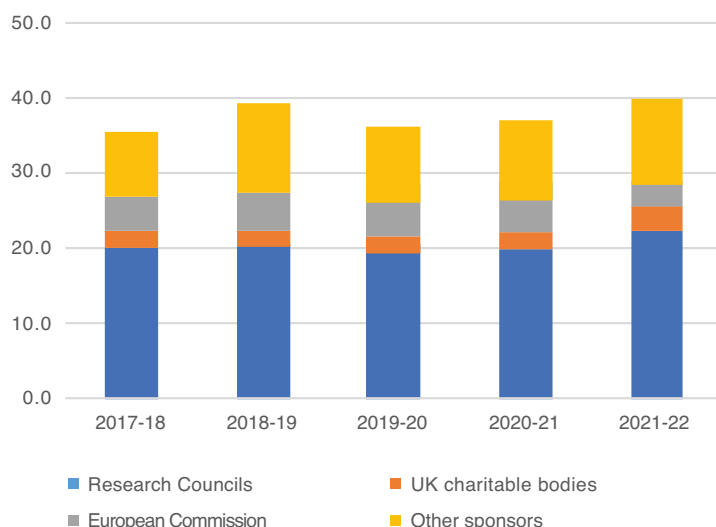


Entry Qualifications

We use average tariff scores to monitor the quality of our home undergraduate intake, these are sourced from The Times & Sunday Times Good University Guide for Entry standards.

Our 2023 result, using our October 2022 intake, was 170 and this gave us a ranking of 14th. Our target is to maintain performance relative to the sector, over the past five years we stayed in the sector ranking range of 10th – 15th.

Research Income £m



Driving high-impact research

Total research income

We will monitor our research income as a measure of the relevance, sustainability, and peer recognition of our research activity and progress towards the goal of increasing our research power to an income of £75m by 2025-26. The opening of IAAPS facility on the Bristol & Bath Science Park will accelerate the increase. Our result for 2021-22 is income of £40.5m, up 8.9% from £37.2m in the previous year.

Percentage of highly cited papers

We monitor the percentage of highly cited research papers as a measure of both the vibrancy and quality of our research. For this purpose, highly cited papers are defined as outputs in the top 10% of field-weighted citations for their year of publication. Each data point reflects a snapshot of citations at a given point in time. In the four most recent rolling publishing periods (2014-18 to 2017-21), the percentage of our papers which are highly cited has remained constant at 18%. The target for this KPI is for a one percentage point increase per annum, from a baseline of 18% to 23% by 2026 and our performance against this will be assessed next year.

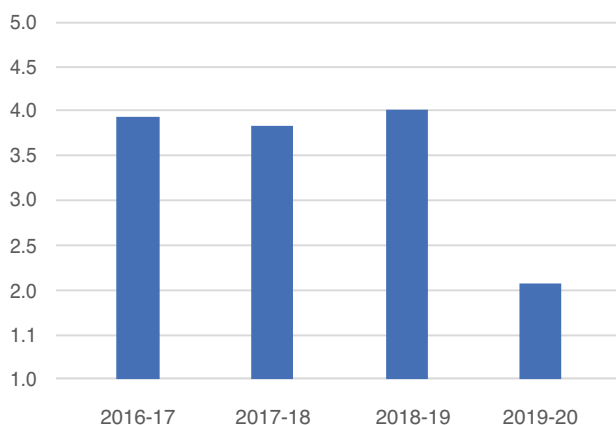
Research Partnerships

We will monitor our research partnerships as a measure of success in working in partnership, particularly with industry and commerce, we use the research partnerships indicator published by Research England as part of the Knowledge Exchange Framework (KEF). The KEF indicator in question is itself based on two underlying metrics: i) the cash contribution to collaborative research as a proportion of public funding; and ii) co-authorship with non-academic partners as a proportion of total outputs. The metrics are three-year averages which are normalised and averaged to give a single score against which the sector is ranked.

We currently rank in the top 40% of the sector for Research Partnerships and the target is to improve this rank to the top 30% of the sector by 2025-26.

Our research portfolio at the year-end is £164.0m, an increase of 5.1% from £156.0m reported for 2020-21.

Non Continuation rates %



Fostering an outstanding and inclusive community

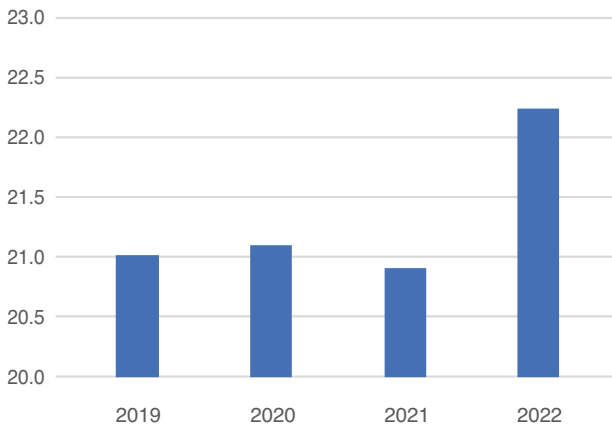
Non-Continuation rates

We use undergraduate non-continuation rates as a measure of how supportive our learning environment is. Our target is a non-continuation rate below the sector benchmark or below 3% whichever is lower. Our latest result is 2.1% which meets this target.

Office for National Statistics (ONS) Staff Wellbeing measure

We use staff surveys to collect data on the wellbeing of our staff as measure of our success in supporting our staff and the effectiveness of the welfare structures in place. A specific target has not been set for this KPI. Average levels of well-being reported by our staff in recent years follow a similar trend to the national average. Nevertheless, amongst our staff there is a consistent expression of slightly lower levels of well-being than the UK average. It is not possible to benchmark our results against an HE sector average, however, generic results from historic staff surveys have shown that staff in professional or knowledge-based organisations connect more deeply with a broader range of societal issue.

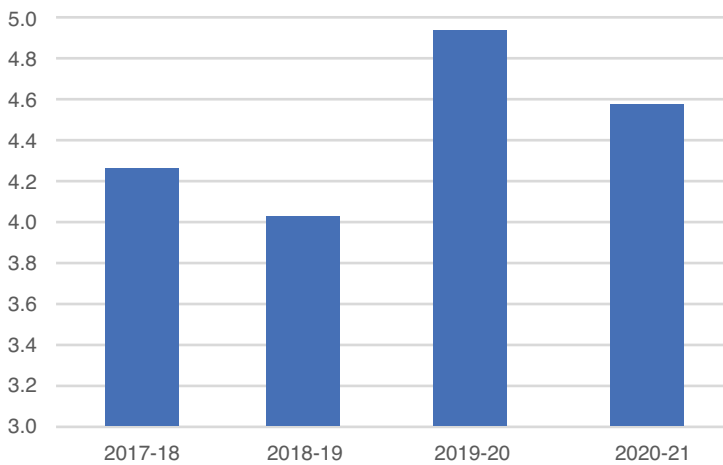
% of Female Professors



% of Female Professors

We use this metric to measure one element of the diversity within our staff population and the effectiveness of our promotion and addressing the gender gap at senior levels. No specific target is set but progress has been made as the % of female professors has doubled from 11.5% in 2013 to 22.2% in 2022. Despite this improvement we remain below the average proportion observed amongst our comparator group and the wider sector. Allowances should be made, however, for differences in the proportion of female academics between subjects. The science, technology, engineering, and maths (STEM) subjects that dominate our subject mix typically attract fewer female academics than nursing, anthropology, creative arts, and liberal arts subjects that are not available at Bath.

Consultancy and Research Contract income (£m)

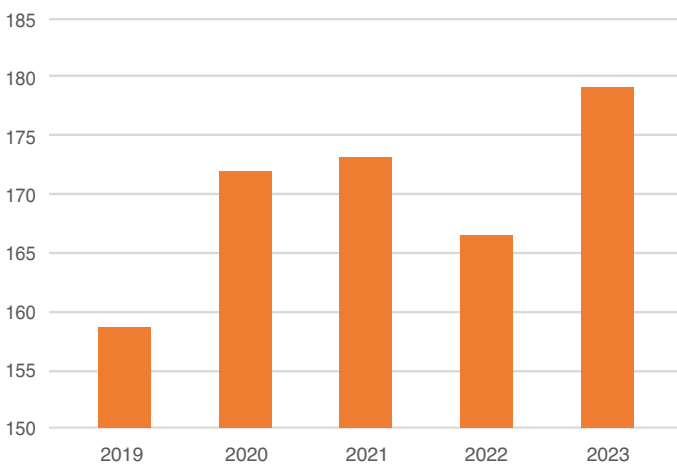


Enhancing strategic partnerships

Consultancy and contract research income

We use total consultancy and research income as a measure of the strength of our strategic partnerships with business and industry. Income is as reported in Higher Education Business and Community Interaction Survey (HE-BCIS). for small and medium enterprises (SMEs) and other commercial businesses. In 2021-22 our income was £4.6m, a fall from £4.9m the previous year. Our target is to increase this income to £6.3m by 2025-26.

Position in QS World Rankings



QS World Rankings

We use the Quacquarelli Symonds (QS) international rankings as a measure of international peer recognition, which should be strengthened by our educational alliances and research partnerships. In recent years our overall ranking has fluctuated between a high of 158th and a low of 173rd. Currently we are ranked 179th and our target is to be ranked higher than 150th by 2025-26. To facilitate an improvement, we have created a Working Group to consider the actions required to improve our ranking.

Local Community engagement (attendees at public events)

We monitor the number of people attending our activities, as a measure of our social, community and cultural engagement. The number of attendees will fluctuate from year to year, but a target has been set for an average of 70,000 attendees per year. In 2020-21, there were 65,908 attendees at free public events run by us. This is slightly short of the target but, by comparison, in 2019-20 there were 572,000 attendees at free public events run by us.

Public Benefit Statement 2021/22

Charitable purposes

Our **Mission** is to deliver world class research and teaching, educating our students to become future leaders and innovators, and benefiting the wider population through our research, enterprise and influence.

This Mission derives from our constitutional charitable **Objects** to “**advance learning and knowledge by teaching and research**, particularly in science and technology, and in close association with industry and commerce”. These Objects are set out in our Royal Charter of 1966 and constitute the University’s charitable purposes for the public benefit.

Members of the University Council, as trustees, have had due regard to the guidance on public benefit published by the Charity Commission in exercising their trustees’ powers or duties. The induction programme for new members of Council includes coverage of the Commission’s guidance. The full Council membership receives periodic briefings on regulatory matters, including the Charity Commission’s guidance and the requirements of the Office for Students.

Our commitment to delivering public benefit is at the core of our Mission. In furtherance of our Mission, our key objective during 2021/22 was to deliver excellence in our two primary charitable purposes, research and education.

Excellence in research, for us, means:

- our research is internationally-renowned – tackling global challenges and attracting world-class researchers to work with us
- our research collaborations attract prestigious academic and commercial partners – increasing our research power and extending our influence
- our enterprise and innovation delivers scientific and economic impact – benefiting communities locally, regionally, nationally and internationally
- our research environment is vibrant and supportive – nurturing talent from doctoral students and early career researchers through to established academics
- our culture is one of open enquiry and debate – challenging received wisdom and fostering the highest standards of research integrity

Excellence in education, for us, means:

- our teaching is inspiring and highly valued, delivered through a focussed range of curricula that are academically rigorous, research driven and practice-based
- our learning is enhanced through high-quality spaces, effective technologies, and support for students’ active participation
- our community is inclusive, supportive and engaged, enriched by the diverse and international backgrounds of our students and staff
- our students are empowered to make positive contributions to society – locally, nationally or internationally – through attributes including awareness, understanding, reflection and intellectual curiosity
- our graduates have high levels of personal, professional, and academic skills enabling them to fulfil their potential and thrive in their chosen employment

In our University Strategy 2021-2026, we have reaffirmed in our Vision Statement that our charitable objectives are undertaken for the public benefit:

Our Vision is to be an outstanding and inclusive University community, characterised by excellence in education, research and innovation, working in partnership with others for the advancement of knowledge, in support of the global common good.

Research

In accordance with our Mission and charitable purposes, we aim to benefit society through our research. Our research ethos has a strong focus upon impact, tackling challenges of global significance from sustainability to health and wellbeing. One of the four strategic pillars of our Strategy is ‘driving high-impact research’. Our faculty comprises some of the finest researchers from around the world. As established in our Royal Charter, we value research partnerships and work with business, industry, the professions, the public sector and the voluntary sector. Consequently, our research benefits a wide range of stakeholders with international as well as national beneficiaries, ranging from individuals with improved health to international corporates with more energy efficient products. ‘Enhancing strategic partnerships’ is also one of the four strategic pillars of our Strategy.

Through advancing knowledge, our research has a wide range of public benefits:

- stimulating economic development
- informing public policy and professional practice
- innovating, informing and inspiring
- advancing individual and societal wellbeing
- building international connections

The international excellence of the University’s research was recently evidenced by the outcomes of the Research Excellence Framework (REF2021) evaluation of research quality. In terms of the overall quality of our submission, 92% was judged to be ‘world-leading’ or ‘internationally excellent’. In addition, 90% of our research outputs (e.g. journal articles, books and patents) was rated ‘world leading’ or ‘internationally excellent’ for its reach and significance. In terms of having an environment that supports research, 98% of our submitted research activity was graded as ‘world-leading’ or ‘internationally excellent’.

Our research continues to have tangible economic and social benefits, locally, regionally and nationally. One of the strategic pillars of our Strategy is driving high impact research. During 2021-22, we launched our ‘Research with Impact’ campaign to raise awareness of these benefits, ranging from low-carbon living to positive digital futures and improved health and wellbeing. Further information can be found at: [Research with Impact \(bath.ac.uk\)](https://www.bath.ac.uk/research-with-impact/).

In continuing to invest in the strategic expansion of our research base we will increase its impact and, hence, its public benefit. Construction work on our new, fully integrated research facility for IAAPS was completed during 2021-22 and the facility is now open.

In 2021-22, the value of our research portfolio was around £164 million. We secured £47.8m in awards during the year which was £5.6m, or 14% higher than in 2020/21. Around 50% of our research income is provided by UK research councils and these funders include impact in their criteria for evaluating grant applications. Consequently, we have an objective view of the potential public benefit of much of its research. Data released by UKRI in July shows an increase in our overall success rate by both value (up to 43% from 18%) and number (up to 31% from 23%).

We will continue to strengthen our international networks and partnerships to enhance our international profile and our ability to sustain a world class research capability. Further examples of how our research is delivering public benefit can be found at: <http://www.bath.ac.uk/research/>.

We believe that there is a clear secondary order public benefit in having an informed population, both nationally and internationally, particularly where complex global issues are concerned. We are proactive in engaging the media with our research work and providing expert comment on topical issues, including the impacts of the pandemic and the invasion of Ukraine.

We work actively to ensure that our research is disseminated and understood beyond the world of academia. Our Institute for Policy Research has published a series of Policy Briefs which are circulated to key decision-makers. Our Public Engagement unit also plays a key role in disseminating our research. We utilise a wide variety of media to disseminate knowledge beyond the confines of campus, including MOOCS, Twitter, YouTube and Facebook.

Teaching

In advancing and disseminating knowledge, our teaching has a wide range of public benefits:

- developing people
- providing skills for the workforce
- informing professional practice
- innovating, informing and inspiring
- building international connections

We are a first-choice university destination for students in an increasingly competitive, international recruitment market. Students are attracted by our excellent academic reputation, our outstanding graduate employment record, our world class sports facilities, and the wide array of other social, recreational and personal development opportunities we offer. Our ability to offer placement options across our discipline base, and with leading organisations, is one of the features that distinguishes us from other top UK research-intensive universities. Our graduates have excellent employment prospects, not only because of their discipline-specific knowledge and skills but also because of the emphasis we place on developing well-rounded, enterprising individuals with high aspirations. As a result, our graduates are well-equipped to contribute to economic growth and policy development, as well as making a positive social contribution.

During 2021-22, we were ranked in the top ten in all national university league tables. In response to the high demand for our programmes, our student population has been growing. Despite the ongoing impact of the COVID-19 pandemic, there was growth in our core headcount student population between 2020-21 and 2021-22 of 4.6%. In 2021-22, our core student population comprised 13,854 undergraduates, 4,375 taught postgraduates and 1,697 research postgraduates.

Our students are key beneficiaries of our teaching activities, and we measure our success in terms of their retention rates, their employability and their satisfaction. Our completion and employment rates are some of the best in the sector and our students had an overall satisfaction rating of 86.3% in the National Student Survey 2022, the 3rd highest score for UUK member organisations. Council receives annual reports on completion and employability performance. HESA Graduate Outcomes data for the 2019-20 graduating cohort showed that 92.9% of Bath's (UK domiciled, full time, first degree) graduates who are working in the UK are in high skilled employment. We were ranked in Top 100 of the international QS Graduate Employability Rankings 2022. National data shows that the percentage of our UK-domiciled full-time undergraduate entrants who left within 50 days of commencement (2014-15-2019-20 years of entry) was 2% compared to a benchmark of 2.7% (Source: HESA Performance Indicators - Table T3).

Beneficiaries of our teaching activities range from school age (aspiration raising/mentoring) through to mature learners (continuing professional development and MOOCS), and include undergraduates, taught postgraduates and research postgraduates. We recruit internationally and are committed to promoting a diverse student population. The 2021-22 session saw the fourth year of delivery of our new online programmes in partnership with Wiley. This partnership enables us to deliver teaching in a mode that is likely to be more convenient for mature students and those with caring responsibilities.

During 2019-20, our Access and Participation Plan for 2020-25 was approved by the Office for Students. We have identified that the main area we need to focus on is recruiting more students from lower socio-economic groups and, specifically, narrowing the gap between the percentage of students from the top POLAR4/IMD quintile 5 compared with those from POLAR4/IMD quintiles 1 and 2. We are also committed to encouraging access to the University for BAME students, students with disabilities and mature students, care leavers, refugees, estranged students, carers, and student parents. Further guidance was issued by the Department for Education and the OfS during 2021-22. This has resulted in the Access and Participation Plan being revised to run to 2023-24 rather than 2024-25 but our priority areas remain the same.

In November 2020, we were recognised as a University of Sanctuary by the charity City of Sanctuary, in recognition of our commitment to being a welcoming and safe place for refugees and asylum seekers, to ensuring academic teaching and research flourish in this area, and to developing our collaboration with the wider local community. During 2021-22, we moved rapidly to provide support for staff and students affected by the invasion of Ukraine. We also received a Silver Athena Swan award. Athena Swan is an internationally recognised gender equality initiative.

We recognise that undergraduate tuition fees may be a barrier to accessing our teaching. We publicise the financial support that we can provide to prospective students through our website and Open Days. In 2021-22 we provided £3.92m of financial support to 1,290 undergraduate students in the form of bursaries for individuals paying fees under the 2012 fee regime with a household residual income (HRI) of £25,000 or below. This included £750k of support to 158 students in receipt of our Gold Scholarship Programme, which started in 2017-18 and is jointly funded by the University and sponsors. Our Alumni Funds provided £174k of financial support to 131 undergraduates with an HRI of £42,875 and below. In total, £4.1m of financial support was awarded to 1,349 undergraduate students.

Employers are also beneficiaries of our teaching activities through the skillset of our graduates. In the 2023 QS world ranking, the University of Bath was ranked 102nd in the world in the employer reputation performance measure. We also measure our success in delivering the skills that employers want in terms of our ability to maintain our network of placement sponsors. In 2018-19 we launched our first-degree apprenticeship, the Level 7 Digital and Technology Solutions Specialist Integrated Degree. In 2020/21 we launched our second-degree apprenticeship, the Level 7 Architecture Integrated Degree, and in 2021-22 we undertook development work on a new Level 7 degree apprenticeship in Clinical Psychology.

The wider community also benefits from our ability to attract high quality, engaged students. Working in close partnership with the Students' Union, we offer a wide range of opportunities for personal development, including volunteering, summer internships, personal development and skills training. In providing a wide range of opportunities to learn through experience and enhance personal development and career prospects, we are producing graduates who are well-equipped to act as good citizens and members of local, national and international society.

Students can volunteer to help with outreach activities, encouraging gifted and talented young people from socio-economic groups under-represented in Higher Education, to raise their educational aspirations. We provide a supportive learning environment, with central student services and academic departments working in partnership and have one of the highest retention and success rates in the UK. We have an excellent record for supporting students with disabilities to the successful completion of their studies. We encourage students from diverse backgrounds and provide financial support.

We are keen to ensure that our students and graduates have a strong awareness of the environmental impact of their actions. Students in campus residences are encouraged to take part in an annual competition to reduce energy use and students were involved in the development of our Climate Action Framework.

Creativity, enterprise and innovation

The knowledge that we generate through our research and teaching activities can be exploited to achieve a number of public benefits:

- innovating, informing and inspiring
- engaging communities and working in partnership
- stimulating local economic and social development
- building international connections.

We are sector leaders in knowledge exchange, applying fresh thinking to accelerate economic growth and social advances. Our Innovation Centre is helping to diversify the economic profile of the city by incubating high yield businesses. We are a member of the SETSquared partnership which in November 2019 was ranked as the world's leading University-linked business incubator, a position it has occupied since 2015. In 2022, SETSquared won the 'Innovation and Entrepreneurship Support of the Year' category at the Accreditation Council for Entrepreneurial and Engaged Universities Triple E awards. SETSquared offers the Intrapreneurial Knowledge Exchange Enterprise Pathway (IKEEP) to our students. This is fully funded training aimed at equipping students with the skills to drive innovation and bring fresh thinking to businesses.

We aim to create tomorrow's business leaders and foster an innovative culture. We signpost sources of skills development, funding, and support. We offer enterprise education for students and they are encouraged to develop entrepreneurial skills. A number of students develop business models or launch their own businesses whilst studying.

During 2021-22, we launched the Innovation Centre for Applied Sustainable Technologies (iCAST) in the Carriage Works, Swindon. The project, led by the [Centre for Sustainable and Circular Technologies \(CSCT\)](#) at Bath, is a collaboration between the Universities of Bath and Oxford, the High Value Manufacturing Catapult's Sustainability Partnership (National Composites Centre, and Centre for Process Innovation) innovation experts at SETSquared, Local Enterprise Partnerships, investors and the companies that [iCAST](#) will be working with. iCAST will operate as a research and development and collaboration hub for companies working on clean growth technologies. It will focus on translating sustainable chemical technology research into commercial products to tackle the global challenges of the climate emergency, sustainable development and plastic pollution.

As part of our culture of creativity, enterprise and innovation, we seek to make a positive social, as well as economic, impact. We have outstanding sports facilities and offer a programme of community sport, TeamBath Tribe, encouraging young people in particular to engage in sporting activities. We also offer a public arts programme, including visual arts, theatre, dance and music. Our public lecture series has been delivered online during the pandemic, with lectures being made available on Soundcloud, which has increased the number of individuals accessing them.

International engagement

We believe that there is a benefit to our academic activities and, hence our charitable objectives, in having a truly international culture on campus. Our international culture also has benefits locally and regionally. Our ability to attract internationally renowned researchers contributes to our capacity to contribute to the regional and national knowledge economy. Through our international connections we can provide a conduit to disseminate best international practice and cutting-edge research locally, regionally and nationally. We also believe that a culturally diverse student population makes a positive impact on the experience of all our students.

In addition to the international profile of our teaching and research activities, we are forging international connections through our alumni network and our world class sports facilities. We have around 120,000 alumni, representing 173 countries. Our alumni are encouraged to make philanthropic donations to enhance the student experience, our physical infrastructure and our research capacity. This enhances our capacity to deliver

our charitable objectives. We also have around 1,500 Alumni Experts, spread across 140 countries who support other alumni and students via our online mentoring platform, Bath Connection.

Other impacts of our activities

We are the second largest employer in Bath & North East Somerset, with a head count of employees of around 3,800.

We do not believe that there is any direct harm or detriment to the public arising from our Mission and corporate goals. However, our success in attracting students does mean that our student population puts a significant demand on the residential accommodation in the Bath and North East Somerset area. During 2021-22, we continued to liaise with Bath and North East Somerset Council over the development of our new Campus Masterplan, assessing the future development capacity and balancing demand for new residential accommodation and non-residential accommodation on campus. Our new Campus Masterplan informed the drafting of the policy covering campus development in the B&NES Local Plan: Partial Update.

During 2021-22, we held a Public Information Event for local residents, businesses, charities and councillors to give attendees an opportunity to hear more about the University Strategy and the University's partnership working with other organisations in the region. We also made space available in one of our buildings in the city for a public COVID-19 testing facility.

We hold three meetings a year of the Local Residents' Forum to ensure that our nearest neighbours are briefed on our capital plans and our programme of events for campus. In this way, we try to mitigate the impact of our activities on our immediate community.

We also recognise that our activities have environmental consequences and we have made a number of commitments to promote effective environmental management:

- continually improve our environmental performance as far as the constraints of our physical infrastructure and estate will permit
- make the most efficient and effective use of all resources, encouraging members of our community to develop a sustainable approach
- minimise carbon emissions from regular commuting to and from campus by encouraging the use of public transport, cycling or walking
- implement effective energy and water conservation measures;
- reduce overall waste production and increase the recycled component of the waste stream
- implement a procurement policy that includes consideration of sustainability in all tender evaluations
- work with our suppliers to help us achieve our sustainable and socially responsible procurement policy aspirations in the delivery of our products and services
- support the principles of fair trade and maintain our Fairtrade status
- manage our grounds in an environmentally and biodiversity-sensitive manner

We are fully committed to minimising carbon emissions and were the first UK HEI to undertake the Carbon Trust's Higher Education Carbon Management process in its 'pre-pilot' phase in 2003. Our initial carbon reduction target was to reduce CO₂ emissions from gas combustion and electricity usage by 12.5% from a 2003/04 baseline of 0.11 tonnes/m² building floor area by 2010, which we achieved by December 2010. Council monitors four Key Performance Indicators in relation to sustainability – total

carbon emissions (total impact), carbon emissions per m² GIA (efficiency measure), total water use, and water use per m² GIA. During 2020/21, Council noted reductions in all four measures between 2018/19 and 2019/20, noting that the figures for 2019/20 were impacted by the COVID-19 pandemic and should be treated with some caution.

During 2020/21, we published our Climate Action Framework, building on our target of having net zero carbon emissions in Scope 1 and 2 activities, and cutting our Scope 3 emissions by 50%, by 2030. Core CAF team members were appointed.

We seek to promote the highest standards of scientific and professional integrity and to give due consideration to the ethical, social, and environmental issues arising from our activities. In 2020/21, we published our seventh annual statement on research integrity. In advancing knowledge to improve health and wellbeing, we undertake various projects in medical research and medically associated biological research. This work is funded by the Medical Research Council, the Biotechnology and Biological Sciences Research Council, and major medical charities including the Wellcome Trust, Cancer Research UK, British Heart Foundation, Arthritis Research UK, and Diabetes UK. Research in the UK involving vertebrate animals is regulated, within the framework of the Animals (Scientific Procedures) Act 1986, by the Home Office Animals Scientific Procedures Division and Inspectorate. All work on vertebrate animals is conducted under Home Office Licence. This means that any projects we undertake have been through an ethical review process and have then been assessed by a Home Office Inspector. The University is committed to the three Rs – Refinement, Reduction and Replacement of experiments involving animals.

Our statement in response to the Modern Slavery Act 2015 section 54(1) is published on our website at <http://www.bath.ac.uk/corporate-information/modern-slavery-and-human-trafficking-statement>.

Statement of Corporate Governance 1 August 2021 to 24 November 2022

The University is committed to best practice in all aspects of corporate governance and has adopted the Committee of University Chairs' Higher Education Code of Governance which each year the Council reviews to ensure the University remains fully compliant with it.

We endeavour to conduct our business in accordance with, and with due regard to, the seven "Nolan" principles of public life.

Constitution and powers

The University is an educational charitable and chartered corporation, established by a Royal Charter granted in 1966. As an educational charity, with exempt status, the University's principal regulator is the Office for Students. Our activities are conducted in accordance with, the provisions of the Education Acts; orders or directions made by the Secretary of State; other enactments or regulations from time to time in force; and its Charter, Statutes, Ordinances, and Regulations.

The Charter, Statutes and Ordinances set out the requirements, and define the responsibilities, of Council and Senate, alongside the responsibilities of the Vice-Chancellor and President.

Council

Council is responsible for determining the strategy and mission of the University, ensuring the efficient use of resources, and approving the annual estimates of income and expenditure. The full responsibilities of Council can be found at <https://www.bath.ac.uk/corporate-information/council-terms-of-reference/>

Council comprises independent, staff and student members appointed or elected in accordance with its Charter, Statutes and Ordinances. The majority of members are non-executive, including the Chair. The University's Chief Executive, the Vice-Chancellor, is an ex officio member of Council. Appointments to Council are considered by the Nominations Committee which makes recommendations for Council's approval. The current membership for Council can be found at <https://www.bath.ac.uk/teams/council/>

Council can establish committees for any purpose or function, other than those which are assigned elsewhere in its Charter, Statutes and Ordinances to the Vice-Chancellor and President or to Senate or designated as the sole responsibility of Council. The four main committees are the Audit, Risk and Assurance Committee; Finance Committee; Nominations Committee; and Remuneration Committee. All committees are formally constituted with written terms of reference, and comprised of a majority of lay members, one of which is designated the Chair. The decisions of the Committees are formally reported to Council.

In accordance with its Charter, Statutes and Ordinances, Council has appointed a Secretary to the University Council who provides independent advice on matters of governance to all members.

Senate

Senate is responsible for the quality of the student experience, the quality and standards of the University's awards and for providing advice to the Vice-Chancellor and President on the strategic direction of the University's academic activity. Senate provides Council with assurance that the University's academic strategy, governance and practice are fit for purpose and approves new additions and revisions to academic policy. It has oversight of all academic provision through its regulatory, quality management and enhancement frameworks. The full responsibilities of Senate can be found at <https://www.bath.ac.uk/corporate-information/senate-terms-of-reference/>

It is chaired by the Vice-Chancellor and President; its membership consists of Executive members and non-Executive members elected from the academic and student community. The current membership for Senate can be found at <https://www.bath.ac.uk/teams/senate/>

Leadership and management

The Vice-Chancellor and President is our Chief Executive Officer and is accountable to Council for the organisation, direction and management of the University. The Vice-Chancellor is the Accountable Officer, as required under the Office for Students' ongoing conditions of registration (E3), with the responsibilities set out under Regulatory Advice 10. The Vice-Chancellor and President is supported and advised by the University Executive Board (UEB).

This group is the senior leadership and executive decision-making group for the University; it oversees the University's long-term academic and financial sustainability and the implementation of medium and short-term strategies. UEB also manages corporate risk, makes business decisions on the University development, and progresses the business of Council.

It is chaired by the Vice-Chancellor and President; its membership consists of the Deputy Vice-Chancellor, the Pro-Vice Chancellors, the Vice-Presidents, the Deans, the Chief Operating Officer, and directors of some professional services. The full membership can be found at <https://www.bath.ac.uk/teams/university-executive-board>

The University is organised into the following faculties and school, each led by a Dean:

- The Faculty of Engineering & Design
- The Faculty of Humanities & Social Sciences
- The Faculty of Science
- School of Management

Internal Control and Risk Management

Council is responsible for maintaining a sound system of internal control that supports the achievement of policies, aims and objectives, while safeguarding the public funds and assets for which it is responsible. This system of internal control is designed to manage – rather than eliminate – the risk of failure to achieve policies, aims and objectives: it can therefore only provide reasonable, not absolute, assurance of effectiveness.

Below is a description of the main features of the internal control and risk management systems for the University:

- Council annually approves a Risk Management Strategy and Strategic Risk Register with corporate risks and mitigations identified in terms of our ability to achieve our strategic objectives
- The Vice-Chancellor and President, supported by the UEB, is responsible for operational risk management
- Faculties and key professional service departments have risk registers in place, which are updated annually as part of the annual planning process, or as circumstances require. These seek to cover all risks – governance, management, quality, compliance, reputational and financial
- External auditors are appointed for the audit of the Annual Accounts, and any other audit certification work conducted in accordance with the requirements of the OfS and other public funding bodies
- A professional internal audit team are employed to undertake an annual programme of work intended to test the effectiveness of the internal control and risk management systems
- Council receives assurances on the effectiveness of the internal control and risk management systems via receipt of reports and minutes from the Audit, Risk and Assurance Committee (ARAC) throughout the year
- For ARAC to provide assurances to Council it:
 - approves a programme of internal audits which also seeks and addresses value for money as appropriate. This informs the opinion on value for money in the annual report from Internal Audit
 - considers regular reports from Internal Audit on specific areas of the University together with recommendations for improvement which are then tracked by the committee.
 - considers an annual report on the external audit of the Annual Accounts and meets with external auditors to discuss any concerns identified
 - considers other reports on matters of internal control, including the annual Procurement Report, the annual statement and any associated reports on Public Interest Disclosure and matters of fraud and irregularity
 - receives a report reviewing the corporate risk register at each of its meetings, enabling it to make amendments considering changes in the risk profile in particular areas

Council have considered our processes and are of a view that they are adequate to meet our needs and are in accordance with the direction from the OfS for identifying, evaluating and managing risks during the year.



Statement of Equality Objectives 2019-23

During the year we have made good progress on our equality objectives, and these are included in our statement below.

Increase the proportion of women in senior roles and take positive action to address gender imbalances and the gender pay gap.

- Women in Senior roles - Increased and continued to increase the proportion of female professors from 16.4% to 22.1% since 2017
- Gender pay - Collective agreement pending agreement, with the locally recognised campus trade unions, with a commitment to meaningful, agreed actions to tackle the ethnic, gender and disability pay gap, in addition to take an intersectional approach to the way in which intersectionality and protected characteristics impact on pay equality.

Improve the recruitment of staff and students from underrepresented groups in order to better reflect the society in which we operate. Where gaps in outcomes or opportunities for progression are identified, we will seek to address these.

- Staff Recruitment have reviewed recruitment practices to ensure underrepresented groups are targets for example all job roles are advertised on three diverse job platforms. Departments have run positive action campaigns and to tackle unconscious bias anonymous shortlisting has been adopted
- Seen a significant increase of applications, securing offers and accepting students from postcodes that evidence low participation in higher education (defined by the POLAR 4 dataset or high levels of socio-economic deprivation (defined using IMD datasets). This has seen our student demographic shift in the right direction

Create and maintain a living and working environment that supports the health and wellbeing of all staff and students.

- University is preparing an application to the Mental Health Character to celebrate our developments in this space

Foster a culture of inclusion and belonging through a programme of raising awareness and training.

- We have invested in two posts within Student Policy and Safeguarding team:
 - Culture and Inclusion Training Officer who will lead on designing, delivering, and evaluating training for students, with programme centred around inclusive culture
 - Culture and Inclusion Project Officer who will lead our Be The Change programme, encouraging bystander action, support seeking and reporting behaviours
- Working closely with the Culture and Inclusion Training Officer to raise awareness of the Culture and Inclusion training on offer to students

Create a supportive environment for our LGBT+ community.

- Work towards appearing on the Stonewall Workplace Equality Index

The University is working closely with its LGBTQ+ community, led by staff network Kaleidoscope, has worked towards external recognition of our LGBT+ inclusion and long-term objectives, including exploring benefits of an Inclusive Workplace Index program for LGBT+ inclusion. September the launch of our joint Gender Identify policy Staff and Students, with detailed guidance to our community. Task and Finish group working on a 'tell us once' service linked to identify change.

- Explore the benefits of an institutional Bronze Race Equality Charter award

Developments

We have appointed a Head of Race Equality Taskforce, who has launched the taskforce and its advisory groups in 2021 with our action plan and report being finalised in 2022. We are a member of Race Equality Charter.

We have appointed a Vice-President (Community and Inclusion) who will provide strategic leadership in fostering a thriving, successful and inclusive University community of staff and students at all levels. This post will be leading on our equality, diversity and inclusion strategy, supporting wellbeing and other personnel matters, and representing us on relevant issues externally. It will contribute to fostering inclusion, equality, diversity, and accessibility where the unique value of each individual is recognised as we build a community of trust and care by treating each other with care and respect.

Our Equality Diversity and Inclusion team has undergone a re-brand and is now referred to as the Culture and Inclusion team and reports to the Director of Human Resources.

Our recently appointed Deputy Director for Culture and Inclusion who is responsible for identifying and implementing interventions across the University, from major change programmes to behavioural nudges which will define and deliver the culture we seek. They will work closely with the VP (Community & Inclusion) and the PVC (Student Experience) and have impact across our community.

Development of the Statement of Equality Objectives 2023 – 2026 is in advance stages. Working with a cross section of colleagues across the University. These objectives will be shaped by the vision our strategy has regards fostering an outstanding and inclusive community here at Bath.

Financial Review

Our year was one of consolidation and looking forward following recent years which were dominated by COVID-19. Financial plans for the year reflected greater financial certainty and the return to more operational normality following the pandemic, this was best illustrated by a strong recruitment round in summer 2021. Our income from teaching, research and accommodation grew as these activities returned to pre COVID-19 levels. Income from hospitality also grew but has yet to reach pre COVID-19 levels as work and study patterns have changed and conference activity has yet to return to previous levels. Cash flow from operating activities increased on the previous year to £49.3m (2020-21 £35.2m) along with our internal measure of operating surplus, Historical Cost Operating Surplus, HCOS, at £17.7m (2020-21 £1.1m). This improvement came in part from increased income but more from lower expenditure with expenditure being deferred rather than saved as COVID-19 delayed maintenance and other projects.

Our priorities remain to provide a high-quality educational experience, excellent research and to support the health and wellbeing of all members of our community.

As inflation increased in the later part of the financial year, we started to see the impact of this on our expenditure plans and we expect this to continue, equally we like many other employers have faced recruitment and retention challenges in several areas, which itself meant not all pay budgets were spent in the year.

We have continued to retain significant cash and investment balances in preparation for supporting future investments to support our Strategy. Operating cash inflows were £49.3m (2020-21 £35.2m), we spent £27.6m (2020-21 £48.1m) on capital investments as work was completed on our two

substantial capital projects, a new building for our School of Management and our facility for the Institute of Advanced Automotive Propulsion Systems (IAAPS), both were handed over to us towards the end of the year. Additionally grant income of £38.9m has been recognised now the IAAPS facility is operational.

The result of these cash flows reduced our Net Debt by £16.8m to £45.8m, our cash and investment balances leave considerable scope for investment to support our new strategy. In August 2022 we committed to a debt refinancing exercise which resulted in us repaying our European Investment Bank (EIB) loan and 3 derivative instruments for a total of £55.6m and drawing down a £50.0m private place borrowing due for repayment in 2072, the new borrowings are at a lower all-in cost than the EIB loan.

Our financial strategy is based on generating enough operating cashflow to fund the investment in people and infrastructure that our strategy describes. Council and the Executive monitors our internal measure of surplus, HCOS. This provides a more meaningful measure of our operating performance and excludes the material valuation adjustments which are shown on the SOCI. Further explanation and a detailed reconciliation of the deficit shown in the SOCI to HCOS is included below.

HCOS is one of seven Key Performance Indicators that we use to measure our financial performance and sustainability. This report describes the seven KPIs and then describes the Income, Expenditure and Balance Sheet data that the KPIs are drawn from. These KPIs were approved by Council in May 2019. The report concludes with an outlook for the future.

Key Performance Indicators

Historic Cost Operating Surplus/Total Income

The Statement of Comprehensive Income (SOCi) shows a deficit before gains and losses of £28.0m (2020-21 £32.0m deficit) on page 34.

The table below shows a reconciliation between this figure and the HCOS.

	2021/22	2020/21
	£m	£m
(Deficit) before gains and losses from SOCI	(28.0)	(32.0)
Capital Grants	(41.3)	(4.2)
Adjustment for pension schemes	72.5	3.8
Impairment of land and buildings	-	21.5
Valuation adjustment for depreciation	16.8	13.4
Valuation adjustment for derivatives	(2.3)	(1.4)
HCOS	17.7	1.1

The HCOS takes the income and expenditure values recorded in the SOCI and adjusts them for valuation or material one-off items. These items are either infrequent e.g. capital grants or subject to market valuations e.g. pension valuations and so distort the underlying recurrent operating activity. Removing these items allows us to set and monitor a budget surplus at a consistent % of income, historically this has been 3%. Including these items in the budgeted surplus would mean that as a % of income our target surplus could be materially different year on year and would make consistent reporting of the surplus challenging. The rationale for these adjustments is described further below.

Area	Rationale
Capital Grants	Capital grants are dependent on capital spend which is recorded in the balance sheet. Including capital grants, which are now recognised only when the construction of the fixed assets has been completed, creates spikes in income and therefore surplus, this is evidenced by the recognition of the IAAPS grant of £38.9m in capital grants released in the year.
Pension valuations	Both USS & LGPS are subject to periodic actuarial valuations and these valuations are heavily impacted by economic assumptions outside of the routine operational activity of management and therefore the valuation charges and credits are recognised after the HCOS.
Depreciation	Our buildings are subject to annual valuations and total depreciation is based on these “fair” values, this is impacted by market conditions and building cost inflation, outside the control of management. This adjustment reflects the valuation element of the total depreciation charge and is recognised after the HCOS.
Derivatives	We hold several derivatives instruments in place to protect against interest rate and exchange movements. These instruments are measured at market value and this is impacted by interest, inflation, and exchange rates and as these may fluctuate significantly and are outside of routine operational management they are recognised after the HCOS.

The following financial KPIs are those monitored by management and the further commentary represents a summary of our results and comparison with previous years.

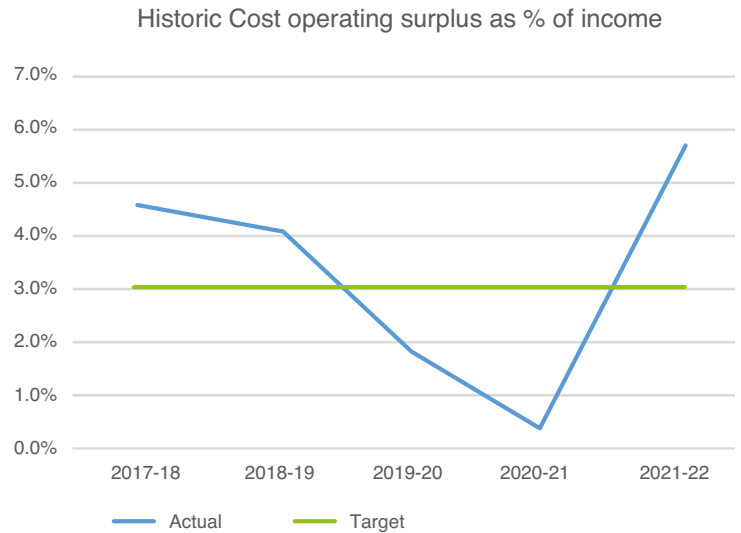


KPI - 1. HCOS/Total Income

Our HCOS surplus is disclosed in the table above as the best measure of our ability to generate cash and as such represents the level of surplus required to generate cash to fund our capital expenditure programme and meet loan payments.

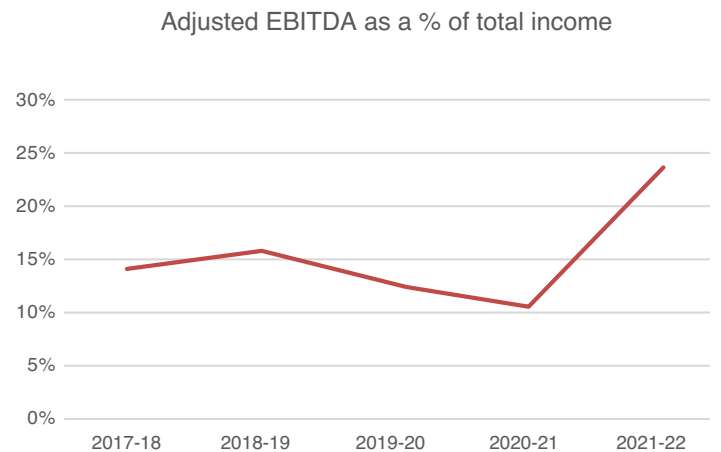
For 2021-22 this was budgeted at 0.7%, effectively a breakeven position, but it improved as expenditure was lower with the actual result 5.6%, £17.7m.

A commentary on income and expenditure is included later in this review.



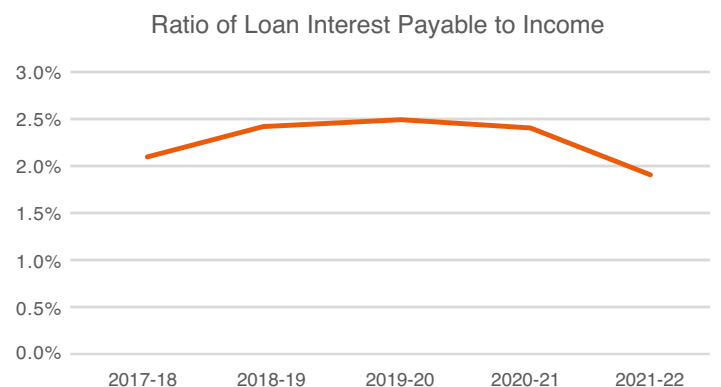
KPI - 2. Adjusted EBITDA

Adjusted EBITDA is widely used by the sector. This metric is earnings before interest, tax, depreciation, and amortisation, it is also adjusted to remove pension provision. We have this to provide a sector comparison of operating performance. EBITDA is reported at 23.9% of income (11.2% 2020-21). The improvement is a result of the higher HCOS achieved and depreciation returning to a normal level following the IAAPS impairment in 2020-21 of £21.5m.



KPI - 3. Ratio of Interest Payable to Income

Interest payable to income is the metric used to show how much of our income is spent on paying the interest on our loans. Similar measures are used by some of our lenders to assess our financial performance. In 2021-22 our result was 1.9% (2.3% 2020-21). The majority of our borrowing is at fixed rates so our additional income created an improvement in cover.



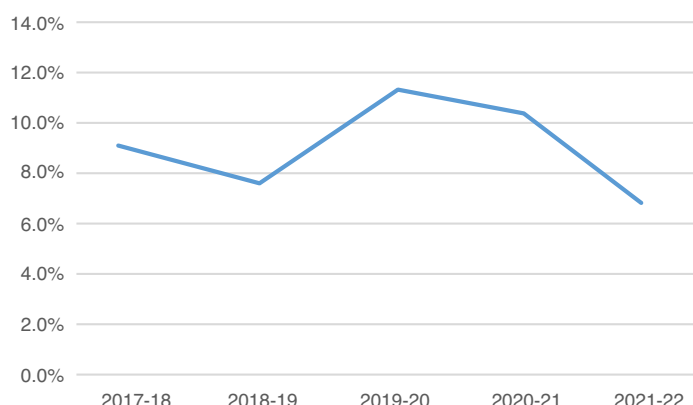
KPI - 4. Net Debt to Net Assets – Gearing

Our gearing has fallen to 7.1% (10.8% 2020-21).

Net Debt to Net Assets is a measure to show the extent to which our assets are financed by debt. Whilst low compared to many sectors we have a high gross debt value relative to the HE sector. This reflects our financial strategy to borrow to fund investment whilst maintaining a high level of liquidity. Gearing is also a metric monitored by lenders and whilst the definition of debt varies our financial covenant gearing levels are well below the 50% threshold set by lenders.

In 2021-22 our Net Debt fell by £16.8m to £45.8m (2020-21 £62.6m).

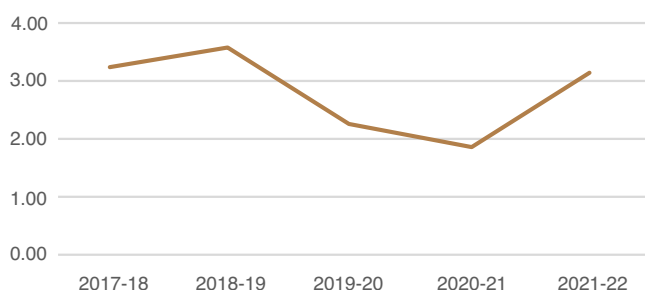
Net debt as a % of total net assets



KPI - 5. Ratio of current assets to current liabilities

The ratio of current assets to current liabilities, known as the current ratio. This shows our ability to cover our current liabilities by current assets. Our financial strategy is to maintain high levels of liquidity so the ratio is higher than many in the sector. The increase in the ratio to 3.1:1 (2020-21 1.9:1) is due to the reduction in current liabilities as the IAAPS capital grant has now been recognised as income.

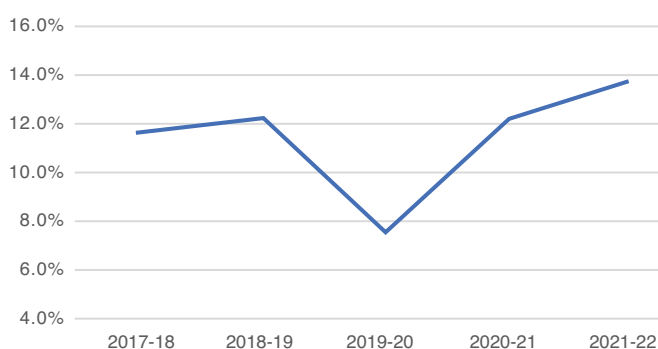
Ratio of Current Assets to Current Liabilities



KPI 6. Net cash inflow from operating activities as % of income

This measure shows the cash flow from our ongoing regular activities as a proportion of total income. It does not include long-term capital expenditure or investment returns. It can be used to determine our ability to self-finance new investments or reduce debt. Operating cash inflow is £49.3m which represents 13.6% of income (£35.2m and 12.2% 2020-21).

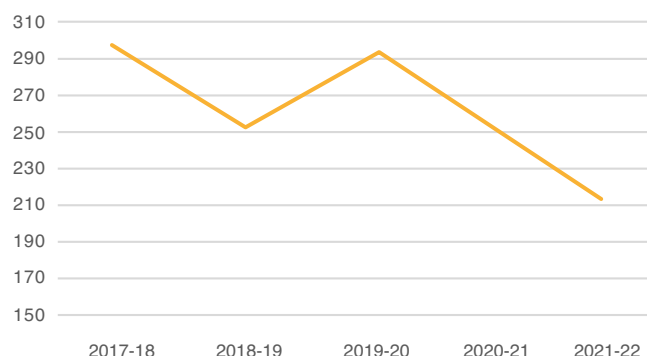
Net cash inflow to income



KPI 7. Net Liquidity days

This metric indicates the number of days that we could operate without generating any cash inflows by showing the ratio of expenditure to income expressed in days. Our strategy is to retain high levels of liquidity and as a result our ratio is 212 days (2020-21 253 days). The reduction is caused by the inclusion of the USS charge in expenditure, without this the metric would be 258 days.

Net Liquidity Days



Income

Total income increased by 24.9% from £289.5m to £361.8m, this includes the recognition of capital grants for the construction of the IAAPS facility of £38.9m.

Tuition fee income increased by 8.8% to £188.8m reflecting the additional students now registered following static income during the COVID-19 pandemic. Tuition fee income represents 52% of total income.

Total Funding body grants increased from £39.3m to £67.1m as it includes £28.9m received from UKRI for the IAAPS facility. Increases also came through for i-Cast, HEIF grants.

Research grants were £40.5m (2020-21 £37.2m) an increase of 8.9% and reflects the growing portfolio of contracts we hold and greater activity following the interruption created by the COVID-19 pandemic and the focus on research growth which is part of our strategy.

Other income at £63.1m has increased by 70% (2020-21 £37.1m). This increase includes capital grant income from West of England Combined Authority (WECA) for IAAPS along with significant increase in accommodation income over the previous year. Hospitality and Sports income have also increased but are yet to reach pre-pandemic levels as campus footfall remains below pre-pandemic levels. Endowment and donation income at £2.3m is consistent over both years.

Tuition Fee Income

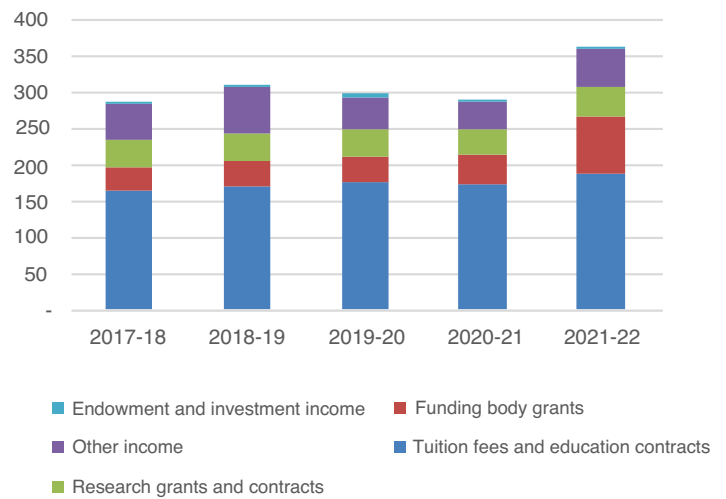
Tuition Fee income increased by 8.8% to £188.8m (£173.6m 2020-2021).

Fees from full time UK students rose by £6.7m (7.5%) to £96.0m with the undergraduate fee remaining at £9,250 this increase came from student number growth.

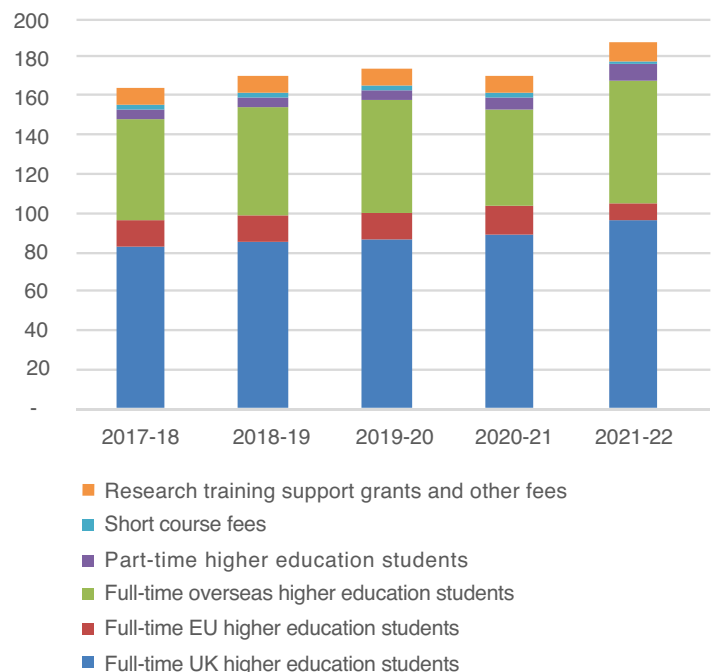
Fees from full time overseas students now includes European students paying the overseas fee rates and total fee income increased by 7.5m (11.7%) to £71.5m. This includes cohorts of students paying home level fees as they registered pre-Brexit. This source now represents 37.9% of all tuition fee income. Full time EU fees fell from £13.8m to £8.3m reflecting the transition of new students to overseas fees.

Fees from part-time students, short course and training student grants grew by £1.0m to £21.3m.

Total Income £m



Fee Income £m



Analysis of Fee-paying students as at 1st December	2020-21	2021-22
	01/12/2020	01/12/2021
Full time Home fee status		
Undergraduate	11,888	12,021
Postgraduate Taught	804	712
Postgraduate Research	723	690
Full time Overseas fee status		
Undergraduate	1,674	1,681
Postgraduate Taught	780	1,146
Postgraduate Research	245	231
TOTAL	16,114	16,481

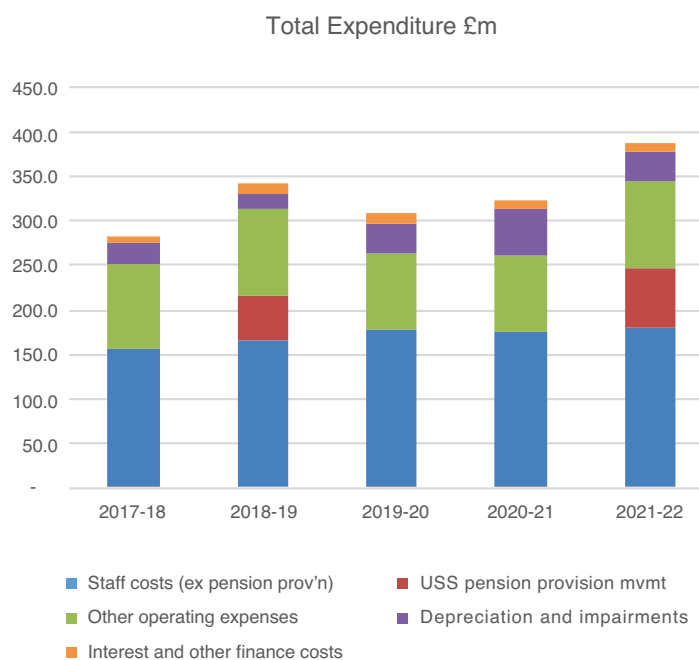
The table above summarises student numbers at 1 December 2020 and 2021 respectively, this is the census date for HESA.

Expenditure

Expenditure reported in the SOCI increased by £68.3m to £389.8m, this increase includes a charge of £67.1m for the increase in the USS pension provision following the implementation of the March 2020 valuation.

Recurrent expenditure excluding this charge is £322.7m, the equivalent value for 2020-21 is £303.5m which represents an increase of 6.3%. This reflects both increasing activity and strategic investment, along with some inflationary pressures that started to impact spending in certain areas.

Our staff costs at £180.2m have increased by £5.8m (3.3%) over 2020-21, whilst average FTE numbers fell by 89 (2.8%) to 3,803 the impact of pay awards, including a one-off University cost of living support and employer costs, notably National Insurance and pension contributions increased the total cost of staff by more than the FTE increase. Education and Research staff costs were £94.6m, 54.3% of total staff costs before pension adjustments. We continue to experience challenges in recruiting staff across all our activities and this resulted in an underspend against budget which contributed to the improved HCOS.



Our operating expenses at £98.6m have increased by 11.9% from £88.1m, much of the expenditure increase is driven by the growth in commercial activities, such as accommodation and retail which continue to find generating operating surpluses challenging. In other central areas of operating expenditure notable underspends were reported within digital expenditure and estate long-term maintenance expenditure and these contributed to the improved HCOS.

In the analysis of expenditure by activity (note 9), Academic Department expenditure increased by £7.6m to £121.6m and represents 37.8% of total expenditure before the USS charge, a slight decrease on previous years of 35.5%. When combined with Academic Services this rises to 47.1% of all expenditure before the USS charge.

Central Administration expenditure increased 14.5% from £17.9m to £20.5m and reflects an increase in activity from the reduced levels of expenditure experienced during the pandemic where only essential expenditure was incurred.

Staff and student facilities increased by 11% to £17.1m as more student focused activity returned to the campus, this is mirrored by expenditure supporting our residences, retail and catering operations which increased by £4.3m, 13%, to £37.3m. Research expenditure increased by 8.8% to £27.2m reflecting the growth in income of 8.7% in the same period.

Depreciation increased by £3.1m, 9.3% reflecting the increase in building valuations reported at 31 July 2021. 2020-21 charge of £53.7m included an impairment of £21.5m for the IAAPS facility.

Other Comprehensive Income

The total comprehensive income in the year is £125.9m (2020-21 £23.5m).

The table below summarises those entries reported after deficit for the year on the SOCI of £29.1m (2020-21 deficit £21.9m) and reason for the change from 2020-21.

Item	Impact 2021-22	Impact 2020-21	Valuation impact
Actuarial gain in respect of pension schemes	£60.9m	£9.5m	31 July 2022 liability discount rates used in establishing the valuation increased to 3.31% from 0.89% and this reduced the liabilities due from the LGPS.
Change in the fair value of tangible fixed assets	£92.5m	£32.3m	Building valuation is determined by either market value or replacement cost less an allowance for use, depreciation. Building costs increased by 8.8% in 2021-2022 against 3.5% the previous year, on a leasehold estate of £758.0m the net increase was £58.0m, market value increases were £34.5m
Change in the fair value of derivatives	£1.6m	£3.5m	Net gain of £1.6m on foreign exchange and interest rate swap derivatives used to manage loan interest rates and investments denominated in US Dollars.

Balance Sheet

Fixed Assets

Our capital additions in 2021-22 were £24.5m (2020-21 £39.5m). The combination of this with depreciation and the revaluation gain reported in the table above saw fixed assets increase from £858.1m to £940.0m. Both the IAAPS facility and the new building for the School of Management were completed in the year and are now classified as Freehold and Leasehold assets respectively. Both the IAAPS facility and the new building for the School of Management were completed in the year and are now classified as Freehold and Leasehold assets respectively.

Current Assets

Current assets increased by £4m to £227.0m. Of this our investments increased by £3.6m to £185.7m and this reflects the additional cash generated through our operations that we have retained as underlying investments fell in the year with short-term cash holdings increasing as volatility in market returns existed throughout the year and some investment disposals were retained as cash.

Creditors, amounts falling in less than one year.

These reduced by £40.4m, to £75.8m, deferred income at 31 July 2021 of £38.9m is now recognised as capital grant income. Operating creditors increased by £6.2m and this included payroll costs for additional cost of living awards made by us to support our staff and were paid in the new year. Loan repayments due next year reduced to £5.0m from £10.0m at 31 July 2021.

Creditors, amounts falling due in more than one year.

These reduced by £11.5m to £228.5m. Bank loan debt reduced by £5.0m and derivatives fell in value by £6.2m to £7.7m as the outlook is for interest rates to rise and therefore the market value of the derivative will fall. These derivatives were disposed of in October 2022 at a settlement of £7.3m.

Pension Provisions.

Pension provisions have increased by £11.8m to £149.9m.

The USS is a multi-employer scheme with no basis to accurately identify our share of the assets and liabilities and therefore our deficit. We are required to estimate a provision for our obligation to make deficit recovery payments based on contributions approved at valuation. The opening balance of £41.1m is based on the March 2018 valuation, in November 2021 the March 2020 valuation was approved by the USS Trustee. This valuation requires larger employer contributions over a longer period than the 2018 valuation and as a result our estimate of future obligations increased by £67.5m to £108.5m.

LGPS is also a multi-employer scheme in which liabilities and assets can be established for individual employers. We saw our pension deficit fall by £55.7m to £41.4m as asset values increased by £4.6m, and liabilities reduced by £51.1m, this reduction occurred as the discount rate used to price future liabilities increased to 3.5% from 1.6%. Contribution rates are determined by triennial valuations which uses a different set of assumptions. The scheme undertook its most recent valuation on 31 March 2019, our current cash contribution rate is 19.3% for future service, against a scheme estimate of 25.9%. Details of contribution rates due following the 31 March 2022 valuation will be published in November 2022 and become effective on 1 April 2023.

Going Concern

Council confirms that it has reasonable expectation that we have adequate resources to continue in operation for the foreseeable future. For this reason, it continues to adopt a going concern basis for preparing the Annual Accounts. In reaching this conclusion it has reviewed our sustainability and is satisfied that the strategies, plans and policies in place will help ensure this financial sustainability is maintained. Council regularly reviews performance using the key performance indicators included in this review in areas that are relevant to financial sustainability. Council, through ARAC regularly reviews strategic and operational risks and any financial assessment of these as determined by management. Council, through Finance Committee, reviews the compliance with financial covenants in our loan documentation.

Financial Risk & Outlook

In financial terms we anticipated that 2021-22 would be a year of recovery and consolidation and our results show a much improved financial position during the year as we returned to more normal levels of activity. This follows the disruption caused by the COVID-19 pandemic which presented an extraordinary series of challenges over the last eighteen months for students and staff alike.

Student recruitment has recovered strongly in particular from those travelling from overseas and as a result accommodation occupancy rates have returned to those levels experienced before the pandemic. Equally as campus footfall has increased other income generating operations have seen income grow, although not to the levels experienced prior to the pandemic. This contributed to our improved surplus for the year.

We had previously set our surplus targets at 3% of income as at this level we will generate the operating cashflow needed to invest in our strategy and to meet our loan repayments. We recognise however that the delivery of our strategy means that we will need to make increased revenue investment in the short term with the knowledge that the regulated home tuition fee level will remain at £9,250 until at least 2024-25. Council recognises that surpluses will have to flex as we deliver our strategy. In particular we anticipate a lower level of surplus in the next 2 years as we invest in growing our research activity. After this we expect to establish a new surplus target which will reflect the capital and revenue investment planned in our research, teaching, digital and carbon reduction plans. More recently we have experienced cost pressure in staff and operating expenses as inflation starts to rise. The long-term effect of this is difficult to assess and this will have an impact on how the investment identified above is prioritised and approved. The improved HCOS this year provides an improved financial position from which to fund these investments. These investments are discretionary and along with the discretionary elements of our operating budgets provide us with flexibility in the event of a downturn or sustained period of inflation. Whilst regulated fees are fixed in the medium-term, we either set the price, or prices are linked to costs, for around 70% of our income providing further scope to address cost inflation.

Equally we will start to see the financial benefits of our most recent investments in the School of Management and IAAPS. These investments will help deliver our strategic objectives of increasing our income from non-regulated fees and growing our research income. Our impressive REF outcome also means we will be receiving more income to support to Research activity.

In addition to the inflationary pressure that we have recently seen start to impact on our costs we risk being affected by other sector specific challenges including the maintenance of regulated tuition fees at their current levels and volatile pension costs, these are impacted by market conditions and initial results of the March 2022 LGPS valuation indicate an increase in employer contributions. USS contributions are fixed based on the March 2020 valuation, future valuations will directly impact employer contributions.

COVID-19 will have some lasting effects on how we work and study. We have established a successful blended learning experience and in the coming months we will learn of the benefits offered through the adoption of hybrid working by staff, this will present opportunities to change the way we use our space. In parallel with this significant investment in the maintenance and upgrading of our estate over the coming years has been identified and recognised in our spending plans. We are very aware of the impact the built environment has on our carbon emissions and our ability to meet our net zero target by 2030. Achievement of our carbon targets will require changes to our buildings, our procurement, and our behaviours which our carbon action framework team are developing.

Martin Williams
Director of Finance

Independent auditors' report to the Council of the University of Bath (the "institution")

Report on the audit of the financial statements

Opinion

In our opinion, the University of Bath's group financial statements and parent institution financial statements (the "financial statements"):

- give a true and fair view of the state of the group's and of the parent institution's affairs as at 31 July 2022 and of the group's and of the 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 (United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and applicable law); and
- have been properly prepared in accordance with the requirements of the Office for Students' Accounts Direction (OfS 2019.41).

We have audited the financial statements, included within the Annual Accounts (the "Annual Accounts"), which comprise the Consolidated and University Balance Sheets as at 31 July 2022; the Consolidated and University Statement of Comprehensive Income, the Consolidated and University Statement of Changes in Reserves, and the Consolidated Cash Flow Statement for the year then ended; the Consolidated Accounting Policies; and the notes to the financial statements.

Basis for opinion

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

Independence

We remained independent of the group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, which includes the Financial Reporting Council (FRC)'s Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

Conclusions relating to going concern

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

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

However, because not all future events or conditions can be predicted, this conclusion is not a guarantee as to the group and parent institution's ability to continue as a going concern.

Our responsibilities and the responsibilities of the Council with respect to going concern are described in the relevant sections of this report.

Reporting on other information

The other information comprises all of the information in the Annual Accounts other than the financial statements and our auditors' report thereon. The Council is responsible for the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or any form of assurance thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If we identify an apparent material inconsistency or material misstatement, we are required to perform procedures to conclude whether there is a material misstatement of the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report based on these responsibilities.

Responsibilities for the financial statements and the audit

Responsibilities of the Council for the financial statements

As explained more fully in the Statement of Corporate Governance, set out on page 16, Council is responsible for the preparation of the financial statements in accordance with the applicable framework and for being satisfied that they give a true and fair view. The Council is also responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Council is responsible for assessing the group and 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 Council either intends to liquidate the group and parent institution or to cease operations, or has no realistic alternative but to do so.

Auditors' responsibilities for the audit of the financial statements

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

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

Based on our understanding of the institution/industry, we identified that the principal risks of non-compliance with laws and regulations related to UK health & safety and employment legislation together with Office for Students regulations, and we considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the financial statements such as the Office for Students' Accounts Direction (OfS 2019.41). We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls) and determined that the principal risks were related to fraudulent transactions designed to overstate the financial performance and position of the group. Audit procedures performed included:

- reviewing committee meeting minutes and holding discussions with management, including consideration of known or suspected instances of non-compliance with laws and regulations and fraud;
- using computer based audit techniques to identify and test higher risk manual journals, in particular those having unusual account combinations;
- reviewing the appropriateness of the assumptions used by the group in estimating the value of fixed assets, derivatives, and the defined benefit pension scheme deficits; and
- obtaining third party confirmations of all the group's banking and financing arrangements

There are inherent limitations in the audit procedures described above. We are less likely to become aware of instances of non-compliance with laws and regulations that are not closely related to events and transactions reflected in the financial statements. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

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

Use of this report

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

Other required reporting

Opinions on other matters prescribed in the Office for Students' Accounts Direction (OfS 2019.41)

In our opinion, in all material respects:

- funds from whatever source administered by the institution for specific purposes have been properly applied to those purposes and, if relevant, managed in accordance with relevant legislation;
- funds provided by the Office for Students, UK Research and Innovation (including Research England) and the Education and Skills Funding Agency have been applied in accordance with the relevant terms and conditions

Under the Office for Students' Accounts Direction, we are required to report to you, if we have anything to report in respect of the following matters:

- The institution's grant and fee income, as disclosed in notes 1-3 to the financial statements, has been materially misstated; or
- The institution's expenditure on access and participation activities for the financial year, as disclosed in note 9 to the financial statements, has been materially misstated

We have no matters to report arising from this responsibility.

PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
Bristol

Consolidated Accounting Policies for year end 31 July 2022

Basis of preparation

The financial statements have been prepared in accordance with both the FE/HE Statement of Recommended Practice (SORP) and with Financial Reporting Standard (FRS) 102. We are a public benefit entity and therefore have applied the relevant public benefit requirements of FRS102.

The financial statements are prepared under the historical cost convention (modified by the revaluation of fixed assets, non-current and current asset investments, and derivative financial instruments).

Going Concern

As the Group has substantial reserves and is forecasting continuing surpluses, the financial statements have been prepared on a going concern basis

Basis of consolidation

These financial statements consolidate the results of our and our subsidiary undertaking for the financial year to 31 July 2022.

The consolidated financial statements do not include those of our Students' Union as it is a separate organisation over which we do not exert control, nor exercise dominant influence, over their policy decisions.

Recognition of income

Income from the sale of goods or services is credited to the Statement of Consolidated Income (SOCi) when the goods or services are supplied to the external customer or the terms of the contract have been satisfied or using a percentage of completion method when certainty that a margin will be made on the sale.

Fee income is stated gross of any expenditure which is not a discount and credited to the SOCi over the period in which the students are studying. Bursaries and scholarships are accounted for gross as expenditure and not deducted from income.

All income from short-term investments and deposits (including those held as endowments) is credited to the SOCi on a receivable basis.

Grant funding

Grant funding, including Funding Council grant; research grants from government sources; and grants (including research grants) from non-government sources are recognised as income when we are entitled to the income and performance related conditions have been met. Income received in advance of the performance related condition 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 include donations and endowments. Those with donor-imposed restrictions are recognised in income when we are 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 the general reserve through a reserve transfer. Donations freely given, with no donor-imposed restriction, are recognised in income when we are entitled to the funds.

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

- restricted donations – the donor has specified that the donation must be used for a particular objective
- unrestricted permanent endowments – the donor has specified that the fund is to be permanently invested to generate an income stream for our general benefit
- restricted expendable endowments - the donor has specified a particular objective other than the purchase or construction of tangible fixed assets, and we have the power to use this capital
- restricted permanent endowments – the donor has specified that the fund is to be permanently invested to generate an income stream to be applied to a particular objective

Capital grants

Capital grants are recognised as income when we are entitled to the income and performance related conditions have been met.

Accounting for retirement benefits

We participate in the following principal pension schemes Universities Superannuation Scheme (USS), the Avon Pension Fund (APF), part of Local Government Pension Scheme (LGPS), the University of Bath Group Pension Plan (UoBGPP) and the IAAPS Ltd Group Pension Plan.

USS & LGPS are hybrid schemes containing elements of defined benefit and defined contributions, however both schemes are accounted as defined benefit schemes. The other schemes are defined contribution schemes and are accounted for on this basis.

All these schemes have assets in separate trustee administered funds. The costs are funded by contributions from the University group and its staff. USS & LGPS are valued every three years by professionally qualified independent actuaries.

Defined benefit scheme

Defined benefit schemes are post-employment benefit schemes other than defined contribution schemes. Our 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 us. We recognise a liability for our obligations under defined benefit schemes net of scheme 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 scheme 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 we are able to recover the surplus either through reduced contributions in the future or through refunds from the scheme.

Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are charged or credited to other comprehensive income. These amounts together with the return on plan assets, less amounts included in net interest, are disclosed as actuarial gains and losses. The cost of the defined benefit plan, recognised in expenditure as staff costs, except where included in the cost of an asset, comprises the increase in pension benefit liability arising from employee service during the period and the cost of plan introductions, benefit changes, curtailments, and settlements. The net interest cost is calculated by applying the discount rate to the net liability. This cost is recognised in expenditure as a finance cost.

Universities Superannuation Scheme (USS)

As a multi-employer scheme, it is not possible to identify our share of the underlying assets and liabilities due to the mutual nature of the scheme. Therefore, as required by Section 28 of FRS 102 "Employee Benefits", we are required to account for it as if it were a defined contribution scheme. The SOCI represents the contributions payable to the scheme in the accounting period.

As we have entered into an agreement (the Recovery Plan) that determines how each employer within the scheme will fund the overall deficit, we recognise a liability for the contributions payable that arise from the agreement. The movement in this liability is recognised as an expense

Local Government Pension Scheme (LGPS)

The LGPS is a funded scheme. The assets of the LGPS are measured using the closing fair values. LGPS liabilities are measured using the projected unit credit method and discounted at the current rate of return on a high-quality corporate bond of the equivalent term to the liabilities. The actuarial valuations are obtained at least triennially and are updated at each balance sheet date. The amounts charged to the operating surplus are the current service costs and the cost of scheme introductions, benefit charges, settlements, and curtailments. They are included as part of staff costs as incurred. Net interest on the net defined benefit liability/asset is also recognised in the SOCI and comprises the interest cost on the defined benefit obligation and interest income on the schemes assets, calculated by multiplying the fair value of the schemes assets at the beginning of the period by the rate used to discount the benefit obligations.

Defined contribution scheme

Defined contribution schemes are post-employment benefit schemes under which we pay fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts. Obligations for contributions to defined contribution pension schemes are recognised as an expense in

the SOCI in the periods during which services were rendered by employees.

Employee benefits

Short-term employment benefits, such as salaries and compensated absences (paid annual leave) are recognised as an expense in the year in which the employees render service to us. Any unused benefits are accrued and measured as the additional amount that we expect to pay as a result of the unused entitlement.

Foreign currency

Transactions denominated in foreign currencies are translated using the rate of exchange ruling at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies are translated at the rates of exchange ruling at the end of the financial period, with all resulting exchange differences being recognised in the SOCI. Exchange differences arising on the translation of a financial liability designated as an effective hedge against a foreign denominated investment are recognised in the SOCI as Other Comprehensive Income.

Leases

Operating leases are where we do not assume substantially all the risks and rewards of ownership, rental costs under operating leases are charged to the SOCI as the costs are incurred. Any lease premium or incentives are spread over the minimum lease term.

Finance leases are where we assume substantially all the risks and rewards of ownership of the asset. Leased assets acquired by way of a finance lease and the corresponding lease liability are initially recognised at an amount equal to the lower of their fair value and the present value of the minimum lease payments at inception of the lease. Minimum lease payments are apportioned between the finance charge and the reduction of the outstanding liability. The finance charge is allocated to each period during the lease so as to produce a constant rate of interest on the remaining balance of the liability.

Fixed Assets

Land and buildings

Land and buildings are measured using the revaluation model. Under the revaluation model, assets are revalued to their fair value. We have a policy of ensuring all assets are revalued by an external valuer every four years, such that the fair value is not materially different to the current value. The basis of the valuation is a combination of depreciated replacement cost, existing use and open market value depending on the nature of the property. Freehold and Leasehold land are not depreciated as they are considered to have an indefinite useful life.

Buildings are depreciated over a maximum period of 50 years. The remaining expected life of buildings is provided by the external valuer and reviewed annually by management and, where material, the future depreciation is adjusted in accordance with FRS102. Land and assets in the course of construction are valued at cost, less any estimated potential impairment against a valuation at completion. Depreciation commences at the beginning of the quarter following occupation.

Building refurbishments are depreciated over the remaining expected life of the building in which the refurbishment takes place, up to a maximum of 25 years. At the next revaluation the entire building will be re-lived as appropriate.

Assets under the course of construction include a mixture of new buildings and refurbishments and improvements to existing buildings.

Interest is capitalised where it is incurred in the construction of new buildings which are substantially funded by loans arranged by us. The cost is depreciated in line with the building.

Equipment

Equipment costing less than £25k per individual item is written off in the year of acquisition unless it forms part of a group of related items or part of a capital project, in which case it is capitalised. Capitalised equipment is stated at cost or, where donated, at valuation, and depreciated, on a straight-line basis, as follows:

- general equipment – 5 - 10 years
- furniture - 5 years
- catering equipment - 7 years
- equipment required for specific grants - project life (generally 3 years)

Where equipment is donated, the asset is recorded at valuation. The donation is recorded as income in the SOCI in the year it is received.

Where equipment requires commissioning before it can become operational then these costs can be capitalised as part of the equipment, this can include external and internal direct costs.

Intangible Fixed Assets

Computer Software

Where software is acquired, it may be capitalised at cost where the benefit of this cost will exist over several years. Cost includes the purchase price (net of any discounts and rebates) and other directly attributable costs of preparing or configuring the asset for its intended use. Subsequent recurrent licencing costs would be charged as recurrent expenditure. Direct expenditure including employee costs, which enhances or extends the performance of computer software beyond its specifications, and which can be reliably measured, is added to the original cost of the software.

Annual computer software licences will not be capitalised as the cost incurred represents the consumption of the service.

Amortisation is on a straight-line method as follows:

- computer software – 3-5 years

Maintenance of premises

The cost of routine corrective maintenance and planned maintenance are both charged to the SOCI in the period in which it is incurred. We have a planned maintenance programme, which is reviewed on an annual basis.

Investments

Non-current and current asset investments are held at fair value where this can be readily determined and cost where no market exists. Those investments with a maturity of 3 months or less are shown as cash and cash equivalents. The fair value movement in non-current and current asset investments is recognised in the SOCI.

Derivatives

We use derivative financial instruments to reduce exposure to interest rate movements on our loans and foreign exchange movements on our investments. These derivatives are not held for speculation purposes and relate to actual assets or liabilities. Derivatives are held on the Balance Sheet at fair value. We have adopted and complied with the requirements of hedge accounting and as a result movements in fair values are recorded within other comprehensive income where the hedging arrangement is effective and in interest payable where it is deemed to be ineffective.

Stocks

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

Cash and cash equivalent

Cash includes cash in hand, deposits repayable on demand and overdrafts. Deposits are repayable on demand if, in practice, they are 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.

Assets that form Endowment funds are included within Cash at Bank or Investments as appropriate.

Provisions, contingent liabilities, and contingent assets

Provisions are recognised in the financial statements when:

- we have a present (legal or constructive) obligation as a result of a past event; and
- it is probable that a transfer of economic benefit will be required to settle the obligation; and
- a reliable estimate can be made of the amount of the obligation

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

Contingent liabilities arise from a past event that gives us a possible obligation whose existence will only be confirmed by the occurrence or otherwise of uncertain future events not wholly within our control. Contingent liabilities also arise in circumstances where a provision would otherwise be made but either it is not probable that an outflow of resource 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 us a possible asset whose existence will only be confirmed by the occurrence or otherwise of uncertain future events not wholly within our control.

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

Taxation status

We are an exempt charity within the meaning of Schedule 3 of the Charities Act 2011. It is therefore a charity within the meaning of Paragraph 1 Schedule 6 Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes.

Accordingly, we are 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 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.

We receive no similar exemption in respect of (Value Added Tax) VAT. Irrecoverable VAT on inputs is included in the costs of such inputs. Any irrecoverable VAT allocated to fixed assets is included in their cost. Our subsidiary companies are subject to corporation tax and VAT in the same way as any commercial organisation.

Key sources of estimation uncertainty and judgements in applying accounting policies

Fixed assets

Land and buildings are held at fair value. An annual valuation exercise is undertaken by an external qualified chartered surveyor on a sample of buildings to ensure the carrying value of the assets are not materially different to their fair value. We will extrapolate the methodology adopted by the external surveyor to other buildings in the same valuation class to ensure the assets are not materially misstated in the financial statements. Tangible fixed assets, other than investment properties, are depreciated over their remaining useful economic lives taking into account residual value, where appropriate, see note 12 for the carrying amount of property, plant, and equipment. The remaining useful economic life of an asset and any residual value are assessed annually by a qualified member of staff and may vary depending on a number of factors. In reassessing asset lives, factors such as technological innovation and maintenance programmes are taken into account.

Local Government Pension Scheme (LGPS)

The present value of the LGPS defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost (income) for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 25, will impact the carrying amount of the pension liability. Sensitivity analysis is also included in note based on the assumptions used. Furthermore, a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2019 has been used by the actuary in valuing the pensions liability at 31 July 2022. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

Universities Superannuation Scheme (USS)

The present value of the USS provision depends on a number of estimates used by management in respect of discount rate, future salary increases and numbers of staff in the USS. Any changes in these assumptions, which are disclosed in note 20, will impact the carrying amount of the pension liability.

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

Impairment of debtors

We make an estimate for the recoverable value of trade and other debtors. When assessing impairment of trade and other debtors, management considers factors including the current credit rating of the debtor, the ageing profile of debtors and historical experience. See note 14 for the net carrying value of the debtors.

Classification of financial liabilities

All our financial liabilities have been classified as basic financial instruments. In respect of the loans made by North Western Mutual Life Insurance Company and Met Life see note 18, judgement has been applied in determining this classification. As part of the agreement, the issuers of the debt, who are based in the US, have entered into a cross currency swap to ensure that they are not adversely impacted by foreign exchange rate movements between \$ and £, should we repay the debt early. We consider any resultant financial impact for us to represent reasonable compensation for early repayment and as such have classified the debt as basic. As a result, the financial liability is reflected in the financial statements at amortised cost.

Consolidated and University Statement of Comprehensive Income For the year ended 31 July 2022

	Note	Consolidated		University	
		2022 £m	2021 £m	2022 £m	2021 £m
Income					
Tuition fees and education contracts	1	188.8	173.6	188.8	173.6
Funding body grants	2	67.1	39.3	67.1	39.3
Research grants and contracts	3	40.5	37.2	40.5	37.2
Other	4	59.1	34.2	59.1	34.2
Investment income	6	4.0	2.9	4.0	2.9
Donations & endowments	7	2.3	2.3	2.3	2.3
Total income		361.8	289.5	361.8	289.5
Expenditure					
Staff costs	8	180.2	174.4	179.1	173.7
Change in USS pension provision	8	67.1	(3.5)	67.1	(3.5)
Other operating expenses	9	98.6	88.1	98.2	88.0
Depreciation and impairment	12	35.2	53.7	35.2	53.7
Interest and other finance costs	11	8.7	8.8	8.7	8.8
Total expenditure		389.8	321.5	388.3	320.7
(Deficit) before gains and losses		(28.0)	(32.0)	(26.5)	(31.2)
Loss on disposal of fixed assets		-	-	(13.3)	-
Increase in market value of non current asset investments	13	-	0.9	-	0.9
(Decrease)/Increase in market value of current asset investments	15	(1.1)	9.2	(1.1)	9.2
(Deficit) for the year		(21.9)	(21.9)	(40.9)	(21.1)
Actuarial gains in respect of pension schemes	25	60.9	9.5	60.9	9.5
Change in the fair value of tangible fixed assets		92.5	32.3	92.5	32.3
Change in the fair value of derivatives	19	1.6	3.5	1.6	3.5
Total Comprehensive Income in the year		125.9	23.5	114.1	24.3
Represented by					
Endowment comprehensive expense/(income) for the year		(0.5)	1.0	(0.5)	1.0
Restricted comprehensive income/(expense) for the year		0.1	(0.4)	0.1	(0.4)
Unrestricted comprehensive income for the year		50.5	3.9	38.8	4.7
Revaluation comprehensive income for the year		75.8	19.0	75.7	19.0
Total Comprehensive Income in the year		125.9	23.5	114.1	24.3

Consolidated and University Statement of Changes in Reserves For the year ended 31 July 2022

Consolidated

	Endowment Reserve £m	Restricted Reserve £m	Unrestricted Reserve £m	Revaluation Reserve £m	Total £m
At 1 August 2020	7.1	2.2	190.1	365.7	565.1
Surplus/(deficit) for the year	1.0	(0.3)	(9.5)	-	(8.8)
Depreciation on revalued assets	-	-	13.4	(13.4)	-
Other comprehensive expense	-	-	-	32.3	32.3
At 31 July 2021	8.1	1.9	194.0	384.6	588.6
At 1 August 2021	8.1	1.9	194.0	384.6	588.6
Deficit/(surplus) for the year	(0.5)	0.1	38.8	-	33.4
Depreciation on revalued assets	-	-	16.8	(16.8)	-
Other comprehensive income	-	-	-	92.5	92.5
At 31 July 2022	7.6	2.0	244.6	460.3	714.5

University

	Endowment Reserve £m	Restricted Reserve £m	Unrestricted Reserve £m	Revaluation Reserve £m	Total £m
At 1 August 2020	7.1	2.3	190.3	365.7	565.4
Surplus/(deficit) for the year	1.0	(0.4)	(8.7)	-	(8.1)
Depreciation on revalued assets	-	-	13.4	(13.4)	-
Other comprehensive expense	-	-	-	32.3	32.3
At 31 July 2021	8.1	1.9	195.0	384.6	589.6
At 1 August 2021	8.1	1.9	195.0	384.6	589.6
(Deficit)/surplus for the year	(0.5)	0.1	22.0	-	21.6
Depreciation on revalued assets	-	-	16.8	(16.8)	-
Other comprehensive income	-	-	-	92.5	92.5
At 31 July 2022	7.6	2.0	233.8	460.3	703.7

Consolidated and University Balance Sheets as at 31 July 2022

	Note	Consolidated		University	
		2022	2021	2022	2021
		£m	£m	£m	£m
Non-Current Assets					
Fixed Assets	12	940.0	858.1	922.8	858.6
Investments	13	1.6	1.8	5.7	1.8
		941.6	859.9	928.5	860.4
Current Assets					
Stock		0.5	0.7	0.7	0.7
Trade and other Receivables	14	36.1	36.0	39.1	37.5
Investments	15	185.7	182.1	185.7	182.1
Cash and cash equivalents		4.7	4.2	3.9	3.2
		227.0	223.0	229.4	223.5
Creditors : Amounts Falling Due Within One Year	16	(75.8)	(116.2)	(75.8)	(116.2)
Net Current Assets		151.2	106.8	153.5	107.3
Total Assets Less Current Liabilities		1,092.8	966.7	1,082.1	967.7
Creditors : Amounts Falling Due After More Than One Year	17	(228.5)	(240.0)	(228.5)	(240.0)
Provisions					
Pension provisions	20	(149.9)	(138.1)	(149.9)	(138.1)
Total Net Assets		714.4	588.6	703.7	589.6
Restricted Reserves					
Income & expenditure reserve - endowment reserve	21	7.6	8.1	7.6	8.1
Income & expenditure reserve - restricted reserve	22	2.0	1.9	2.0	1.9
Unrestricted Reserves					
Income & expenditure reserve - unrestricted reserve		244.5	194.0	233.8	195.0
Revaluation Reserve		460.3	384.6	460.3	384.6
Total Reserves		714.4	588.6	703.7	589.6

The Financial Statements on pages 34 to 61 were approved by the Council on 24 November 2022 and signed on its behalf by:

Professor Ian White
Vice-Chancellor and President

Mr Calum Mercer
Treasurer

Consolidated Cash Flow Statement for year ended 31 July 2022

	Note	Consolidated	
		2022	2021
		£m	£m
Cash flow generated from operating activities			
(Deficit) for the year		(29.1)	(21.9)
Adjustment for non-cash items			
Depreciation and impairments	12	35.2	53.7
Increase/(decrease) in USS pension provision		69.6	(3.5)
LGPS pension costs less contributions paid	25	3.7	5.4
(Gain) on non-current asset investments	13	-	(0.9)
Loss/(gain) on current investments	15	1.1	(9.2)
(Gain) on hedging arrangements	6	(2.3)	(1.4)
Pension scheme interest charges	11	1.9	1.9
(Increase)/decrease in operating debtors	14	(0.7)	1.0
Increase in operating creditors	16	6.2	8.9
Adjustment for investing or financing activities			
Investment income	6	(1.8)	(1.5)
Interest payable	11	6.8	6.9
Capital grant income	2 & 4	(41.3)	(4.2)
Net cash inflow from operating activities		49.3	35.2
Cash flow from investing activities			
Investment income	6	1.6	1.5
Payments made to acquire fixed assets		(27.4)	(48.2)
Payments made to acquire fixed asset investments		(0.2)	0.1
Capital grant receipts		2.4	6.2
Net inflows from current asset investments		(8.1)	18.2
Net cash outflow from investing activities		(31.7)	(22.1)
Cash flow from funding activities			
Interest paid	11	(6.8)	(6.9)
Repayments of amounts borrowed	18	(10.3)	(5.2)
Net cash outflow from funding activities		(17.1)	(12.2)
Increase in cash and cash equivalents in the year		0.5	0.9
Cash and cash equivalents at the beginning of the year		4.2	3.3
Cash and cash equivalents at the end of the year		4.7	4.2
Increase in cash and cash equivalents in the year		0.5	0.9

Notes to the Annual Accounts

1 Tuition Fees and Education Contracts

	Consolidated & University	
	2022	2021
	£m	£m
Full-time UK students	96.0	89.3
Full-time EU students	8.3	13.8
Full time overseas students	63.2	50.2
Part-time higher education students	9.5	8.5
Short course & apprenticeship fees	2.0	2.0
Research training support grants and other fees	9.8	9.8
	188.8	173.6

2 Funding body Grants

	Consolidated & University	
	2022	2021
	£m	£m
Recurrent Grants		
Office for Students	31.2	30.9
Specific Grants		
Office for Students	4.6	4.2
Office for Students Capital Grants	2.4	4.2
UK Research and Innovation (UKRI) capital grants	28.9	-
	67.1	39.3

3 Research Grants and Contracts

	Consolidated & University	
	2022	2021
	£m	£m
UKRI	22.3	18.9
UK charitable bodies	3.0	2.5
European Commission	3.1	4.7
UK central government, Local Authorities or Health Trust	4.9	4.4
UK industry	2.5	2.9
Other sponsors	4.7	3.8
	40.5	37.2

Notes to the Annual Accounts (continued)

4 Other Income

	Consolidated & University	
	2022	2021
	£m	£m
Residences, catering and conferences	36.5	21.4
Other capital grants	10.0	-
Other services rendered (note 5)	6.9	4.4
Other income	5.7	8.4
	59.1	34.2

5 Other Services Rendered

	Consolidated & University	
	2022	2021
	£m	£m
Academic departments & services	1.5	1.4
Sports and related facilities	4.1	2.3
Other	1.3	0.7
	6.9	4.4

6 Investment Income

	Consolidated & University	
	2022	2021
	£m	£m
Investment Income on Endowments	0.1	0.1
Change in the fair value of derivatives (note 19)	2.3	1.4
Net income and gains from short-term investments	1.1	1.2
Other investment income	0.5	0.2
	4.0	2.9

Notes to the Annual Accounts (continued)

7 Donations & Endowments

	Consolidated & University	
	2022	2021
	£m	£m
Donations with restrictions	0.7	0.3
Unrestricted donations	1.6	2.0
	2.3	2.3

8 Staff Costs

	Consolidated	
	2022	2021
	£m	£m
Salaries	142.1	136.3
Movement in USS pension provision	67.1	(3.5)
Social security costs	13.2	12.5
Other pension costs	31.2	30.4
	253.6	175.7

less: paid on behalf of other organisations	(6.3)	(4.8)
	247.3	170.9

	University	
	2022	2021
	£m	£m
Salaries	141.1	135.6
Movement in USS pension provision	67.1	(3.5)
Social security costs	13.1	12.5
Other pension costs	31.2	30.4
	252.5	175.0

less: paid on behalf of other organisations	(6.3)	(4.8)
	246.2	170.2

Notes to the Annual Accounts (continued)

8 Staff Costs (continued)

Emoluments of the Head of Institution

Total emoluments of the Head of Institution is as follows:

	2022	2021
	£	£
Salary	274,850	270,788
Salary in lieu of pension contributions	36,497	45,449
Benefits in kind	3,009	2,648
	314,356	318,885
Pension contributions	15,346	5,416
	329,702	324,301
Benefits in kind included above:		
Medical Expenses	3,009	2,648
	3,009	2,648

Professor Ian White's basic salary was 8.0 (2020/21 7.8) times the median pay of staff and 14.6 (15.0) times the lowest pay of staff, where median and lowest pay are calculated on a full-time equivalent basis for the salaries paid to our staff. Professor Ian White's total remuneration was 7.3 (2020/21 7.4) times the median total remuneration and 16.5 (2020/21 17.5) times the lowest total remuneration, where median and lowest total remuneration are calculated on a full-time equivalent basis for the total remuneration paid to our staff.

The Vice-Chancellor's salary was set with reference to external benchmarks on recruitment in April 2019, making comparison with Universities of similar scale, complexity and ranking. The salary is not due for review until the third anniversary of his recruitment and until that point will only be adjusted by the Joint Negotiating Committee for Higher Education Staff (JNCHES) annual pay award (review planned for October 2022). There are no performance-related elements in the remuneration package. One of the key principles adopted was for the Vice-Chancellor to be subject to the same policies as other staff wherever practical and details of the remuneration package were subsequently published.



Notes to the Annual Accounts (continued)

8 Staff Costs (continued)

Remuneration of other higher paid staff

Remuneration of other higher paid staff, excluding employer's pension contributions and before salary sacrifice are:

FTE Salary Band	Academic		Professional Services	Consolidated	
	Teaching & Research	Senior Leadership		2022 Number	2021 Number
£100,000 - £104,999	3	1	2	6	15
£105,000 - £109,999	14	1	2	17	12
£110,000 - £114,999	13	1	1	15	14
£115,000 - £119,999	6	1	1	8	6
£120,000 - £124,999	4	-	-	4	5
£125,000 - £129,999	3	1	1	5	4
£130,000 - £134,999	2	-	-	2	3
£135,000 - £139,999	2	-	-	2	1
£140,000 - £144,999	3	1	-	4	5
£145,000 - £149,999	1	-	-	1	3
£150,000 - £154,999	3	-	1	4	1
£155,000 - £159,999	-	1	-	1	1
£170,000 - £174,999	-	-	-	-	1
£180,000 - £184,999	2	-	-	2	1
£185,000 - £189,999	-	-	-	-	2
£190,000 - £194,999	-	-	-	-	1
£205,000 - £209,999	-	-	1	1	-
£215,000 - £219,999	-	1	-	1	1
	56	8	9	73	76

The net reduction of 3 staff is a combination of recruitments, exits and changes bringing staff into this group for the first time. In accordance with OfS guidance, this table only includes staff who completed the full year in post. Due to turnover in the senior team, some roles (including DVC, PVC(R), PVC(E)) will not appear in this data until next year.

Included in the above total are two staff employed by the University's subsidiary, IAAPS Ltd.

Notes to the Annual Accounts (continued)

8 Staff Costs (continued)

	2022	2021
Average staff numbers by major category:	Number	Number
Education & Research	1,306	1,337
Technical & Experimental	150	153
Management, Specialist & Administrative	1,173	1,193
Operational & Facilities Support	454	489
	3,083	3,172

Included within the above full time equivalent totals are 24.7 (2020/21 19.5) staff employed by the University's subsidiary IAAPS Ltd.

Key management personnel

Key management personnel are those persons having authority and responsibility for planning, directing and controlling our activities. Positions held by our key management personnel are

Vice-Chancellor & President	Vice-President (Community & Inclusion)
Deputy Vice-Chancellor & Provost	Vice-President (Enterprise)
Pro-Vice-Chancellor (Education)	Chief Operating Officer
Pro-Vice-Chancellor (Research)	Director of Finance
Pro-Vice-Chancellor (Student Experience)	Director of Policy, Planning and Compliance

	2022	2021
Key management personnel compensation	£1,636,848	£1,797,173
Full time equivalent (number)	7.30	8.67

Compensation includes remuneration and all employer benefits paid or payable in exchange for services provided by our key management personnel in the year.

	2022	2021
Severance Payments		
Total amount of compensation paid for the loss of office	£400,734	£375,757
Number of Staff	69	96

Severance payments include a mixture of redundancy costs, typically at the end of a fixed term contract, settlement agreements and individually agreed exits.

Notes to the Annual Accounts (continued)

8 Staff Costs (continued)		
	Consolidated & University	
	2022	2021
	£m	£m
Access and Participation		
Access investment	1.3	1.4
Financial support	0.1	0.1
Disability support	0.4	0.3
Research and evaluation	0.3	0.2
	2.1	2.0
9 Analysis of Expenditure by Activity		
	2022	2021
	£m	£m
Academic departments	121.6	114.0
Academic services	30.2	30.8
Central administration	20.5	17.9
General educational expenditure	19.8	18.6
Staff & student facilities	17.1	15.4
Premises	44.0	42.4
IAAPS land and buildings write down	-	21.5
Residences, retail & catering operations	37.3	33.0
Research grants and contracts	27.2	25.0
Other services rendered	1.3	1.0
Movement in USS pension liability	67.1	(3.5)
Other expenses	3.7	5.4
Consolidated	389.8	321.5
University of Bath	388.3	320.7
Other Operating Expenses include:		
	Consolidated & University	
	2022	2021
	£	£
External Auditors' Remuneration (Group and University)		
- Audit Services - subsidiary company	13,920	10,380
- University	144,000	87,840
- Covenant reporting	-	2,100
- US federal loan reporting	5,700	5,400
	163,620	105,720

Notes to the Annual Accounts (continued)

9 Analysis of Expenditure by Activity (continued)

	Consolidated & University	
	2022	2021
	£m	£m
Access and Participation		
Access Investment	2.3	2.2
Financial Support	4.3	4.5
Disability Support	0.5	0.4
Research and Evaluation	0.3	0.3
	7.4	7.4

Link to our published access and participation plan (APP):
[access-and-participation-plan-2020-21-to-2024-25.pdf \(bath.ac.uk\)](https://www.bath.ac.uk/access-and-participation-plan-2020-21-to-2024-25.pdf)

Access Investment

We have overspent on access work in 2021/22 compared to what we had committed to in the APP. This is due to increased activity to support students who missed out on information and experiences about higher education during the height of the COVID-19 pandemic. The increased demand from schools and students and the ability to deliver large scale events again has meant there is a small overspend. Given the challenges students (and their supporters) have faced during the height of the pandemic, we decided this appropriate. The overspend in Access was mitigated by an underspend elsewhere.

Financial Support

The APP Finance Support budget recorded an overall underspend of £281k. This was in part due to the lower-than-expected number of recipients eligible for the Accommodation top-up bursary for those first-year undergraduate students with household incomes between £25k and £42k. The budget projected that 200 students would each be eligible, but only 146 met the eligibility criteria. The bursary has been reviewed for 2022/23 and alternative criteria have been put in place to ensure the largest number of students get the financial support they need. The largest underspend against commitments was for our Bath Bursary scheme with fewer than expected students meeting the household income requirements than expected. This will be monitored and if this trend continues, we will review the eligibility for the scheme.

Disability Support for Students

The University had an overspend of £37k against the committed spend. The increased spend includes some previously not included diagnostic assessments for students and an increase of 16k for additional, non-medical, support for students. In part this increase was seen due to proactive work by the University to encourage students to declare disabilities as well as the impact of COVID-19 lockdowns meaning more students were presenting with mental health concerns. An additional project to support autistic students into the world of work was run through a partner charity called Next Steps Foundation.

Research and Evaluation

We spent £0.3m against a budget of £0.4m, the main reason for this was that £0.2m of the forecast (when written in the APP) was for new doctoral students to undertake research projects. These students have now completed these projects but the costs was lower than estimated, and the funding has not continued.

For 2022-23 a new approach to this activity is being taken, aligned to the University Strategy. Due to the pandemic and a new University strategy a different approach will be taken in 2022/23.

Despite underspending against the forecast, we have increased spend compared to the previous year through an additional data analysis focused role, created to support the monitoring and development of the APP.

10 Related Party Transactions

The financial statements of the University include transactions with related parties. In accordance with FRS 102 these are disclosed where members of the University of Bath's Council or Key Management Personnel (KMP) disclose an interest in a body with whom the University undertakes transactions which are considered material to the University's Financial Statements and/or the other party. Due to the nature of the University's operations and the composition of the Board, being drawn from local public and private sector organisations, it is inevitable that transactions will take place with organisations in which a member of Council or KMP may have an interest. All transactions involving organisations in which a member of Council or KMP may have an interest, including those identified below, are conducted at arms length and in accordance with the University's Financial Regulations and usual procurement procedures.

An updated register of the interests of the members of Council is maintained <https://www.bath.ac.uk/corporate-information/2022-23-council-members-register-of-interests>.

The University has taken advantage of the exemption within FRS102 and has not disclosed transactions with other group entities where it holds 100% of the voting rights. Included within the financial statements are the following transactions with related parties:

Notes to the Annual Accounts (continued)

10 Related Party Transactions (continued)

	Expenditure recognised within the financial statements		Balance due to the University at 31 July recognised within the financial statements	
	2022	2021	2022	2021
	£m	£m	£m	£m
University of Bath Students' Union	2.0	1.9	0.2	0.1

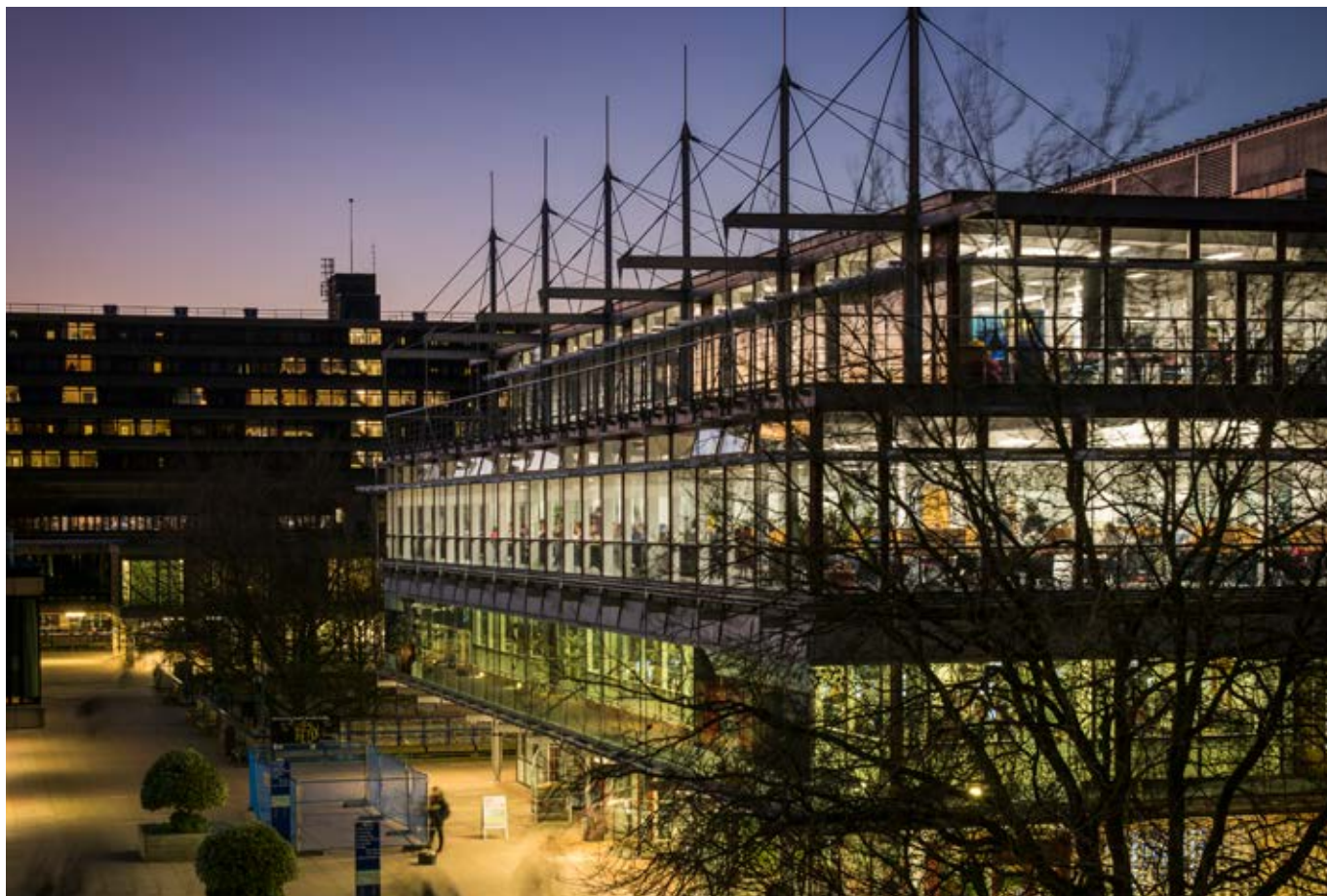
University of Bath Students' Union

The Students' Union provide a range of services and facilities to the University's student body. Two members of Council sit on the governing body of the Student Union.

Reimbursements to members of Council and ARAC for expenditure incurred whilst carrying out their duties amounted to £3,003 (2020/21 £633). 6 members of Council and 1 external member of ARAC (2020/21 3 members of Council) claimed expenses during the year.

11 Interest and Other Finance Cost

	Consolidated & University	
	2022	2021
	£m	£m
Loans not wholly repayable within five years	6.8	6.9
Change in discounted value of future USS payments (note 20)	0.4	0.3
LGPS net interest charge (note 25)	1.5	1.6
	8.7	8.8



Notes to the Annual Accounts (continued)

12 Fixed Assets						
	Land and Buildings		Equipment	Consolidated Assets in the Course of Construction	Intangible Assets	Total
	Freehold	Leasehold				
	£m	£m	£m	£m	£m	£m
Cost / Valuation						
At 1 August 2021	18.5	748.1	103.3	99.0	0.2	969.1
Additions at Cost	-	2.7	8.0	13.5	0.3	24.5
Disposals	-	-	(1.8)	-	-	(1.8)
Revaluations	0.1	58.5	-	0.7	-	59.3
Reclassifications	44.7	68.5	-	(113.2)	-	-
At 31 July 2022	63.3	877.8	109.5	-	0.5	1,051.1
Accumulated Depreciation and Impairment						
At 1 August 2021	0.1	12.3	77.2	21.5	-	111.1
Charge in Year	0.7	30.6	3.9	-	-	35.2
Disposals	-	-	(1.8)	-	-	(1.8)
Revaluations	(0.8)	(32.6)	-	-	-	(33.4)
Reclassifications	21.4	-	-	(21.5)	-	-
At 31 July 2022	21.5	10.3	79.3	-	-	111.1
Net Book Value						
At 31 July 2022	41.8	867.5	30.2	-	0.5	940.0
At 31 July 2021	18.4	735.8	26.1	77.5	0.2	858.0

As at 31 July 2022, we revalued all our freehold and leasehold Buildings. Carter Jonas Limited, an external Chartered Surveyor revalued all buildings carried at market value and a sample of leasehold buildings valued using Existing Use or Depreciated Replacement Cost according to the nature and use of each building. The University applied the same valuation methodology to all leasehold buildings that were not part of the sample so that all leasehold buildings are valued at fair value at 31 July 2022. The Carter Jonas valuation was prepared in accordance with the Valuation Standards published by the Royal Institute of Chartered Surveyors.

The movement in buildings values following the revaluation is written back through an increase in valuation and the reversal of accumulated depreciation charged since the previous valuation exercise.

Provision has not been made for capital commitments funded by University funds, of £21.7m (2020/21 £35.5m) that were contracted at 31 July

Notes to the Annual Accounts (continued)

12 Fixed Assets (continued)

	Land and Buildings		Equipment	University	Intangible Assets	Total
	Freehold	Leasehold		Assets in the Course of Construction		
			£m	£m	£m	£m
Cost / Valuation						
At 1 August 2021	18.6	750.4	103.4	99.0	0.2	971.6
Additions at Cost	-	2.7	7.7	13.5	0.3	24.2
Disposals	-	-	(19.2)	-	-	(19.2)
Revaluations	0.1	58.5	-	0.7	-	59.3
Reclassifications	44.7	68.5	-	(113.2)	-	-
At 31 July 2022	63.4	880.1	91.9	-	0.5	1,035.9
Accumulated Depreciation and Impairment						
At 1 August 2021	0.1	14.1	77.2	21.5	-	112.9
Charge in Year	0.7	30.6	3.9	-	-	35.2
Disposals	-	-	(1.8)	-	-	(1.8)
Revaluations	(0.7)	(32.5)	-	-	-	(33.2)
Reclassifications	21.5	-	-	(21.5)	-	-
At 31 July 2022	21.6	12.2	79.3	-	-	113.1
Net Book Value						
At 31 July 2022	41.8	867.9	12.6	-	0.5	922.8
At 1 August 2021	18.5	736.3	26.2	77.5	0.2	858.7

Freehold and Leasehold Land and Buildings measured by valuation at 31 July 2022 includes the following historical cost:

	Consolidated & University	
	2022 £m	2021 £m
Freehold land and buildings	57.4	12.7
Leasehold land and buildings	584.8	513.6

Leasehold land and buildings includes land with a value of £41.1m at 31 July 2022 (£41.1m at 31 July 2021).

Equipment includes assets donated to us, these are valued at market value as at the date when they were received.

Notes to the Annual Accounts (continued)

13 Non Current Asset Investments

	Consolidated		University	
	2022	2021	2022	2021
	£m	£m	£m	£m
At 1 August				
Other investments	1.8	0.8	1.8	0.8
Acquisition of investments	(0.2)	0.1	3.9	0.1
Movement in market value	-	0.9	-	0.9
At 31 July	1.6	1.8	5.7	1.8

14 Trade and Other Receivables

	Consolidated		University	
	2022	2021	2022	2021
	£m	£m	£m	£m
Prepayments and accrued income	4.4	3.7	4.4	3.7
Amounts receivable from subsidiary	-	-	3.3	1.6
Research grant receivables	10.2	12.7	10.2	12.7
Other receivables	11.7	10.4	11.4	10.3
Other taxation receivables	9.8	9.2	9.8	9.2
	36.1	36.0	39.1	37.5
Due within one year	35.9	36.0	35.7	35.9
Due in more than one year	0.2	-	3.4	1.6
	36.1	36.0	39.1	37.5

Debtors due in more than one year are all Other receivables.

15 Current Asset Investments

	Investments measured at Market Value	Investments measured at Cost	Consolidated & University	
			2022	2021
			Total £m	Total £m
At 1 August	153.4	28.7	182.1	191.1
New investments	19.4	53.4	72.8	13.2
Disposal of investments	(40.1)	(28.0)	(68.1)	(31.4)
Market value movement	(1.1)	-	(1.1)	9.2
At 31 July	131.6	54.1	185.7	182.1

Investments measured at market value includes Quoted investments of £96.6m (2020/21 £106.4m) and those held in unit funds where a market value can be determined of £35.0m (2020/21 £47.0m).

Investments measured at cost include those held in money market funds, certificates of deposit and fixed deposits.

Current Asset investments include £6.3m (2020/21 £6.7m) held in respect of Endowments as disclosed in note 21.

Notes to the Annual Accounts (continued)

16 Creditors: Amounts Falling Due Within One Year

	Consolidated & University	
	2022	2021
	£m	£m
Bank loans	5.0	10.0
Trade payables	19.7	24.3
Social security and other taxation payable	5.8	6.7
Derivatives	2.3	-
Finance lease obligations	0.4	0.3
Deferred income	42.6	74.9
	75.8	116.2

Deferred Income

Included in deferred income are the following items which have been deferred until specific performance related conditions are met.

	Consolidated & University	
	2022	2021
	£m	£m
Donations	0.2	0.6
Research grants received on account	21.7	21.7
Grant income	5.4	42.7
Other income	15.3	9.9
	42.6	74.9

17 Creditors: Amounts Falling Due After More Than

	Consolidated & University	
	2022	2021
	£m	£m
Bank loans	219.4	224.4
Derivatives	7.7	13.9
Finance lease obligations	1.4	1.7
	228.5	240.0

18 Borrowings

	Consolidated & University	
	2022	2021
	£m	£m
<i>Analysis of Financing</i>		
Bank loans and overdrafts are repayable as follows:		
In one year or less	5.0	10.0
Between one and two years	5.0	5.1
Between two and five years	26.4	15.1
In five years or more	188.0	204.2
	224.4	234.4

On 10 August 2022 the University committed to a debt restructure exercise and details of this are reported in Note 26 Post Balance Sheet events.

Notes to the Annual Accounts (continued)

19 Derivatives

The University is using hedge accounting for its interest rate swaps and foreign exchange options and as a result determined the effectiveness of the hedging arrangements. The analysis below shows the results of this assessment:-

Hedging Instrument	Expiry Date	Amount	Consolidated & University					Total Movement	Movement in market value
			Market Value at	Market Value at	Movement in market value	Disposals in year			
			2022	2021	2022	2021			
			£m	£m	£m	£m	£m	£m	
Interest rate swaps	Between 2027 & 2037	£34.8m	7.7	13.9	(6.2)	-	(6.2)	(3.6)	
Foreign exchange options	In 2022	\$32.5m	2.3	(1.3)	2.3	1.3	3.6	(1.3)	

Interest rate swaps are hedging instruments associated with the University's loan portfolio with Lloyds Bank plc and Barclays Bank plc Foreign Exchange options are hedging instruments associated with our current asset investments in USD denominated funds. The movement in market value is reported as follows;

	Consolidated & University	
	2022	2021
	£m	£m
Investment Income (note 6)	2.3	1.4
Other Comprehensive Income	1.6	3.5

	Consolidated & University	
	2022	2021
	£m	£m
Disclosure of Derivatives in the Balance Sheet		
Trade and Other receivables due in less than one year	-	1.3
Creditors amounts falling due in less than one year	2.3	-
Creditors amounts falling due in more than one year	7.7	13.9

On 10 August 2022 the University committed to a debt restructure exercise and details of this are reported in Note 26 Post Balance Sheet events.

Notes to the Annual Accounts (continued)

20 Provisions

	Consolidated & University			
	Obligations to fund deficit on USS Pension (note 25)	Defined Benefit obligations LGPS (note 25)	Total 2022	Total 2021
	£m	£m	£m	£m
At 1 August	41.1	97.0	138.1	143.8
Released in year	-	-	-	(3.5)
Additions in year	67.1	3.7	70.8	5.7
Interest in year	0.4	1.5	1.9	1.6
Actuarial (gain) in respect of pension	-	(60.9)	(60.9)	(9.5)
At 31 July	108.6	41.3	149.9	138.1

21 Endowments

Consolidated & University

Restricted net assets relating to endowments are as follows:

	Restricted		20221	
	Permanent	Expendable	Total	2021 Total
	£m	£m	£m	£m
At 1 August				
Capital	2.5	4.1	6.6	6.0
Accumulated Income	0.2	1.3	1.5	1.1
	2.7	5.4	8.1	7.1
Investment and donation income	0.1	0.3	0.4	0.3
Expenditure	0.2	(0.7)	(0.5)	(0.4)
Reclassification		0.1	0.1	-
(Decrease)/increase in market value of investments	(0.2)	(0.3)	(0.5)	1.1
At 31 July	2.8	4.8	7.6	8.1

Representing:

Capital	2.2	3.9	6.1	7.1
Accumulated Income	0.6	0.9	1.5	1.0
	2.8	4.8	7.6	8.1

Analysis by type of purpose

Lectureships	1.4	2.1	3.5	3.9
Scholarships and bursaries	1.3	2.2	3.5	3.7
Prize Funds	0.1	0.2	0.3	0.3
General	-	0.3	0.3	0.2
	2.8	4.8	7.6	8.1

Analysis by asset

Current asset investments	2.4	3.8	6.2	6.7
Cash and cash equivalents	0.4	1.0	1.4	1.4
	2.8	4.8	7.6	8.1

Notes to the Annual Accounts (continued)

22 Restricted Reserves

Reserves with restrictions are as follows:

	Consolidated & University			
	Other Income	Donations	2022	2021
	£m	£m	Total £m	Total £m
At 1 August	0.4	1.5	1.9	2.2
New grants	0.3	-	0.3	0.1
New donations	-	0.7	0.7	0.3
Expenditure	(0.2)	(0.7)	(0.9)	(0.7)
At 31 July	0.5	1.5	2.0	1.9
Analysis by type of purpose				
Research support	0.3	-	0.3	0.1
Scholarships and bursaries	-	0.5	0.5	0.7
General	0.2	1.0	1.2	1.1
	0.5	1.5	2.0	1.9

23 Contingent Liability

We have entered a number of nomination agreements with two organisations whereby we underwrite the shortfall in the letting of a number of student residences, summarised below. We do not expect any liability to be incurred as a result of these contracts as we expect all residences will be fully let as per the nomination agreements.

Dates	Residences	Legal Entity with whom the agreement is held	Maximum liability 31 July 2022	Maximum liability 31 July 2021
			£m	£m
24/09/2016 - 18/09/2021	"Hello Student"	Empiric (Bath James House) Limited	-	0.3
16/09/2021 - 15/09/2030	Acquilla Court	Eagle One Acqua Sulis Limited and Acquilla MMXX Limited	13.4	14.1
25/09/2021 - 03/09/2022	Twerton Mill	Twerton Bath Limited	-	0.5
17/09/2022 - 15/09/2030	Centurion House	Host Student Housing Management (UK) Limited	0.2	-
Total			13.6	14.9

24 Lease Obligations

The University had total operating lease commitments in respect of leased property as follows:

	Consolidated & University	
	2022	2021
	£m	£m
Lease Commitments		
Lease commitments due in more than one year but less than two years	7.8	5.1
Lease commitments due between two & five years	30.3	20.0
Lease commitments due in more than five years	103.5	24.0
Total Lease commitments	141.6	49.1

Operating leases are held for eight properties (2020/2021 seven) used by us as student accommodation. As we do not control the significant residual value in these properties upon the expiry of the lease period they have not been accounted for as Service Concession Arrangements. The lease arrangements expire between 2024 and 2049, the lease payments are reported in other operating expenses.

The commitments above reflect minimum price increases, based on CPI, which are capped by many agreements, typically, between 4% and 5%.

Notes to the Annual Accounts (continued)

25 Pensions

Universities Superannuation Scheme

We participate in the Universities Superannuation Scheme (USS), a hybrid pension scheme, providing defined benefits (for all members), as well as defined contribution benefits. The assets of the scheme are held in a separate fund administered by the trustee, Universities Superannuation Scheme Limited. USS has over 203,000 members and we had 2,276 (2020/21 2,299) active members at 31 July 2022. USS is a multi-employer scheme and is accounted for as set out in the accounting policies.

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

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

The key financial assumptions used in the 2020 valuation are described below. More detail is set out in the Statement of Funding Principles.

CPI assumption Term dependent rates in line with the difference between the Fixed Interest and Index Linked yield curves, less 1.1% p.a. to 2030, reducing linearly by 0.1% p.a. to a long-term difference of 0.1% p.a. from 2040.

Pension increases
(subject to a floor of 0%) CPI assumption plus 0.05%
Discount rate (forward rates) Fixed interest gilt yield curve plus:
Pre-retirement 2.75% p.a.
Post-retirement 1.00% p.a.

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

Mortality base table
Mortality base table 101% of S2PMA "light" for males and 95% of S3PFS for females
Post-retirement: "97.6% of SAPS S1NMA "light" for males and
102.7% of RFV00 for females "

Future improvements
to mortality CMI_2019 with a smoothing parameter of 7.5 and an initial addition of 0.5% p.a. and a long term improvement rate of 1.8% pa for males and 1.6% pa for females

The current life expectancies on retirement at age 65 are:

	2022	2021
Males currently 65 yrs:	23.9	24.6
Females currently 65 yrs:	25.5	26.1
Males currently 45 yrs:	25.9	26.6
Females currently 45 yrs:	27.3	27.9

Notes to the Annual Accounts (continued)

25 Pensions (continued)**Universities Superannuation Scheme (continued)**

The obligation to fund the past deficit on our 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 payments over the 16 year period ending 31 July 2038 of the contracted obligation to maintain employer contributions at 6.3% to assess the value of this provision.

The liability figures have been produced using the following assumptions:

	2022	2021
Discount rate	3.31%	0.89%
Pensionable salary growth over the period of the plan	2.4% - 4.0%	1.5% - 2.4%
USS membership growth over the period of the plan	1.00%	1.00%

USS is a "last man standing" scheme so that in the event of the insolvency of any of the participating employers in USS, the amount of any pension funding shortfall (which cannot otherwise be recovered) in respect of that employer will be spread across the remaining participant employers and reflected in the next actuarial valuation of the scheme.

Local Government Pension Scheme

We participate in the Avon Pension Fund which is a funded defined benefit pension scheme with the assets held in separate trustee administered funds. The assumptions which have the most significant effect on the determination of contribution levels are as follows:

Return on investments	4.2%
Long-term Salary inflation	3.9%
Pension inflation - CPI	2.4%

Valuation date	31 March 2019
Valuation method	Projected Unit
Market value of assets at date of last valuation	£4,820 million
Market value of assets as a percentage of accrued benefits	95.0%

The contributions payable by us are 19.3% of pensionable pay throughout this period.



Notes to the Annual Accounts (continued)

25 Pensions (continued)**Local Government Pension Scheme**

As a multi-employer scheme where the share of assets and liabilities applicable to each employer can be defined, we have accounted for the scheme under FRS 102 as a defined benefit scheme based on a full actuarial valuation of the Fund as at 31 March 2019, updated to 31 July 2022 by a qualified independent actuary.

The material assumptions used by the actuary were:

At end of year	31 July 2022	31 July 2021
	%	%
Rate of CPI inflation:	2.7	2.6
Rate of increase in salaries:	4.2	4.1
Rate of increase in pensions:	2.8	2.7
Discount rate:	3.5	1.6

Post retirement mortality assumptions for members retiring in normal health

	31 July 2022	31 July 2021
Non-retired members	S3PA CMI_2021_[1.75%] 98% (male) 88% (female)	S3PA CMI_2018_[1.75%] 98% (male) 88% (female)
Retired members	S3PA CMI_2021_[1.75%] 92% (male) 87% (female)	S3PA CMI_2018_[1.75%] 92% (male) 87% (female)
Life expectancy		
Male / female future pensioner 65 in 20 years time	24.6 / 27.3 years	24.8 / 27.4 years
Male / female current pensioner aged 65	23.1 / 25.3 years	23.3 / 25.4 years

The sensitivities regarding the principal assumptions used to measure our share of the scheme liabilities as at the valuation on 31 July 2022 are set out below:

Assumption	Change in Assumption	Impact on scheme liabilities
Discount rate	Increase by 0.1%	Decrease by £3.4 million
Rate of CPI Inflation	Increase by 0.1%	Increase by £3.5 million
Rate of salary growth	Increase by 0.1%	Increase by £0.2 million
Members live longer	1 year longer	Increase by £4.6 million

Notes to the Annual Accounts (continued)

25 Pensions (continued)**Local Government Pension Scheme (continued)***Our University's share of the scheme's assets and liabilities:*

	2022 £m	2021 £m
Market value of assets	155.1	150.5
Present value of scheme liabilities	(196.4)	(247.5)
Net pension liability	(41.3)	(97.0)

Amounts charged to SOCI:

Included in staff costs and operating expenses for the year (note 8)

	2022 £m	2021 £m
Current service cost	8.6	8.8
Administration expenses	0.1	0.1

Total operating charge	8.7	8.9
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	2022 £m	2021 £m
<i>Analysis of amount charged to interest payable</i>		

Net interest charge (note 11)	1.5	1.6
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Net charge	1.5	1.6
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Notes to the Annual Accounts (continued)

25 Pensions (continued)**Local Government Pension Scheme (continued)***Amounts recognised in the Statement of Comprehensive Income*

	2022	2021
	£m	£m
Change in assumptions underlying the present value of the scheme assets	1.0	17.8
of the scheme liabilities	59.9	(8.3)
Actuarial gain recognised in the SOCI	60.9	9.5

The movement in the scheme's deficit during the year is made up as follows:

	2022	2021
	£m	£m
Deficit in scheme at 1 August	97.0	99.5
Movement in the year:		
Current service and curtailment costs	8.8	8.8
Contributions by the employer	(5.2)	(3.5)
Administrative charge	0.1	0.1
Net interest charge	1.5	1.6
Actuarial gains	(60.9)	(9.5)
Deficit in scheme at 31 July	41.3	97.0

Analysis of the movement in the present value of the scheme liabilities:

	2022	2021
	£m	£m
At the beginning of the year	247.5	230.0
Current service cost	8.6	8.8
Interest on pension liabilities	3.9	3.6
Member contributions	1.1	1.3
Actuarial (gain)/losses on liabilities - other	(59.9)	8.3
Curtailments	0.2	0.1
Benefits/transfers paid	(5.0)	(4.6)
At the end of the year	196.4	247.5

Notes to the Annual Accounts (continued)

25 Pensions (continued)**Local Government Pension Scheme (continued)****Analysis of the movement in the market value of the scheme assets:**

	2022	2021
	£m	£m
At the beginning of the year	150.5	130.5
Interest on plan assets	2.4	2.1
Actuarial gains on assets	1.0	17.8
Administrative expenses	(0.1)	(0.1)
Contributions by the employer	5.2	3.5
Contributions by scheme participants	1.1	1.3
Benefits/transfers paid	(5.0)	(4.6)
At the end of the year	155.1	150.5

Analysis of the scheme assets:

	2022	2021
	£m	£m
Equities	64.1	64.3
Government bonds	15.4	14.6
Other bonds	11.3	12.2
Property	11.3	9.5
Cash/liquidity	0.5	2.7
Other	52.5	47.2
At the end of the year	155.1	150.5

University Total pension costs (note 8)

	2022	2021
	£m	£m
Universities Superannuation Scheme: employer only contributions	21.8	20.9
Universities Superannuation Scheme: provision movement	67.1	(3.5)
	88.9	17.4
Avon Pension Fund (LGPS)	8.7	9.3
Contributions to other pension schemes	0.6	0.1
Total pension costs	98.3	26.9

26 Post balance sheet event

On 10 August 2022 the University committed to a number of refinancing transactions and these are summarised below.

It entered into an agreement with the Pension Insurance Corporation for a 50 year £50.0m term settlement private placement with an all-in cost of 3.66%. The private placement funds were received on 8 November 2022.

It issued a prepayment notice to the European Investment Bank to settle its loan, the committed costs were £48,297,435 and settlement was made on 30 September 2022.

It issued break notices to Lloyds Bank plc and Barclays Bank plc to settle its interest rate and inflation derivatives and the committed costs were £7,343,600 and settlement was made on 4 October 2022. The market value of these derivatives at 31 July 2022 was £7,660,608.

Notes to the Annual Accounts (continued)

27 US Department of Education Financial Responsibility - Supplemental Schedule

In satisfaction of its obligations to facilitate students' access to US federal financial aid, we are required by the US Department of Education to present the following Supplemental Schedule in a prescribed format.

The amounts presented within the schedules have been:

- prepared under the historical cost convention, subject to the revaluation of certain fixed assets.
- prepared using United Kingdom generally accepted accounting practice, in accordance with Financial Reporting Standard 102 (FRS 102) and the Statement of Recommended Practice: Accounting for Further and Higher Education (2019 edition).
- presented in pounds sterling.

The schedules set out how each amount disclosed has been extracted from the financial statements. As set out above, the accounting policies used in determining the amounts disclosed are not intended to and do not comply with the requirements of accounting principles generally accepted in the United States of America.

Primary Reserve Ratio

Page	Line item - related disclosures	Expendable Net Assets	Year ended 31 July 2022	Year ended 31 July 2021
			£	£
36	Statement of Financial Position - Net assets without donor restrictions	Net assets without donor restrictions	704,763,681	578,559,087
36/52	Statement of Financial Position - Net assets with donor restrictions	Net assets with donor restrictions	9,602,265	10,014,561
47	Statement of Financial Position - Property, Plant and equipment, net	Property, plant and equipment, net (includes Construction in progress)	939,970,264	858,087,710
36	Note of the Financial Statements - Statement of Financial Position - Property, plant and equipment - pre-implementation	Property, plant and equipment - pre-implementation	837,205,828	768,212,752 (Restated)
47	Note of the Financial Statements - Statement of Financial Position - Property, plant and equipment - post-implementation without outstanding debt for original purchase	Property, plant and equipment - post-implementation without outstanding debt for original purchase	11,065,777	12,398,140
47	Note of the Financial Statements - Statement of Financial Position - Construction in progress	Construction in progress	2,784	77,476,818
36	Statement of Financial Position - Post-employment and pension liabilities	Post-employment and pension liabilities	149,938,711	138,179,723
36/50	Statement of Financial Position - Note Payable and Line of Credit for long-term purposes (both current and long term) and Line of Credit for Construction in process	Long-term debt - for long term purposes	263,103,014	250,238,689
36/50	Statement of Financial Position - Note Payable and Line of Credit for long-term purposes (both current and long term) and Line of Credit for Construction in process	Long-term debt - for long term purposes pre-implementation	263,103,014	250,238,689
52	Statement of Financial Position - Perpetual Funds	Net assets with donor restrictions: restricted in perpetuity	7,644,728	8,138,906

The 31 July 2021 comparator for Statement of Financial Position - Property, plant and equipment - pre-implementation has been restated to the figure that should have been reported at the end of the financial year 2020/21.

Notes to the Annual Accounts (continued)

27 US Department of Education Financial Responsibility - Supplemental Schedule (continued)

Primary Reserve Ratio (continued)

Page	Line item - related disclosures	Total Expenses and Losses	Year ended 31 July 2022	Year ended 31 July 2021
			£	£
34	Statement of Activities - Total Operating Expenses (Total from Statement of Activities prior to adjustments)	Total expenses without donor restrictions - taken directly from Statement of Activities	255,660,325	328,498,949
34	Statement of Activities - Non-Operating (Investment return appropriated for spending), Investments, net of annual spending gain (loss), Other components of net periodic pension costs, Pension-related changes other than net periodic pension, changes other than net periodic pension, Change in value of split-interest agreements and Other gains (loss) - (Total from Statement of Activities prior to adjustments)	Non-Operating and Net Investment (loss)	(1,123,993)	10,167,195
34		Pension-related (credits)/ changes other than net periodic costs	(6,148,306)	12,962,610

Equity Ratio

Page	Line item - related disclosures	Modified Net Assets	Year ended 31 July 2022	Year ended 31 July 2021
			£	£
36	Statement of Financial Position - Net assets without donor restrictions	Net assets without donor restrictions	704,763,681	578,559,087
36/52	Statement of Financial Position - total Net assets with donor restrictions	Net assets with donor restrictions	9,602,265	10,014,561
Page	Line item - related disclosures	Modified Assets	£	£
36	Statement of Financial Position - Total Assets	Total Assets	1,168,550,902	1,082,887,579

Net Income Ratio

Page	Line item - related disclosures		Year ended 31 July 2022	Year ended 31 July 2021
			£	£
34	Statement of Changes in Reserves - total of movement shown for Income & Expenditure Reserve and Revaluation Reserve	Change in Net Assets Without Donor Restrictions	192,879,278	19,944,462
34	Statement of Activities - (Net assets released from restriction), Total Operating Revenue and Other Additions and Sale of Fixed Assets, gains (losses)	Total Revenue and Gains	361,752,992	289,451,747

