

Creating better futures



University of the
West of England



Annual Report and Financial Statements 2014 • 15

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

UWE Bristol is investing with confidence in our future.

We enter 2016 confident in the significant value our strategic investments are realising for the University, the Bristol city-region and beyond.

Our £250m infrastructure investment programme has so far delivered a Students' Union building, over 400 high quality student rooms, significant enhancement of learning and social spaces across our estates, and work has started for the innovative £50m building for our Faculty of Business and Law to be completed in 2017.

UWE Bristol has a distinctive and important role in the region, driving economic growth and helping employers flourish. The coming year will see more investments in our infrastructure, including a high-tech University Enterprise Zone (UEZ), one of four in the UK supported by the Department for Business, Innovation and Skills, and attracting further support from the West of England Local Enterprise Partnership and the business community. The UEZ is expected to generate over 500 new jobs and more than £50m for the local economy.

Our Strategy 2020 sets out our ambition and priorities for the years ahead, focusing on excellence and impact across the University. In addition to our estate infrastructure, we are investing significantly in our people, our ways of working and most importantly the learning experience of our students. Our students come from a rich variety of backgrounds and their talent and work-readiness means they are in high demand from employers. Their achievements, some of which are highlighted in this report, are truly inspirational.



▶▶ Professor Steve West, Vice-Chancellor



▶▶ Gillian Camm, Chair of Board of Governors

Professor Steve West
Vice-Chancellor

Gillian Camm
Chair, Board of Governors

Ambition statement

At UWE Bristol, our core purpose is to advance knowledge, inspire people and transform futures. This purpose informs our ambitions, our priorities, and how we focus and deliver our academic activities.

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

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

Underpinning all of this are a number of significant change activities that are underway across the University, as well as improvements we are making to our operations and activities, to keep us on track against where we want to get to by 2020.

To achieve these ambitions, we have identified four priorities we are now focusing on University-wide:

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

These are supported by two key enablers:

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

Many of the stories highlighted over the next few pages are the result of the significant work we have undertaken across all of these areas over the last 12 months.

Embedded in the city

Bristol's economy is among the most resilient in the UK. Culturally, the city is diverse, dynamic and exciting – and the West of England, as a whole, is a powerful draw for investors and a magnet for innovation and entrepreneurialism. From engineering giants to high-tech SMEs, there is an ongoing demand for people who are highly skilled, motivated and able to hit the ground running.

'The success of a city is largely down to its people. UWE Bristol's staff and graduates have made an enormous impact in this respect. Developing our home-grown talent is vital, ensuring that young people have the skills, aptitudes and knowledge needed to build our sustainable economy.'

George Ferguson
Mayor of Bristol

That's where UWE Bristol comes in. We work with organisations to identify skills gaps and emerging opportunities – and we design practice-based courses to match. As a result, our graduates are ready and able to do jobs that already exist or are known to be in the pipeline. They are primed for meaningful and rewarding careers.

As a university, we have won praise from the UK's City Growth Commission for fuelling economic growth by 'pioneering progressive practices'. We have close and long-standing links with a wide array of organisations – and are regarded by many as the 'go to' university for collaboration and recruitment.

Our wider influence and impact

Our influence extends much further afield as well. We attract students from over 140 countries each year. We are making an important contribution globally to many influential fields of research. And, at any one time, there are more than 5,000 people studying for UWE Bristol degrees at our international partner institutions.

Add a plethora of activity in professional development, research collaboration, knowledge transfer and consultancy and you have the recipe for the way we go about things at UWE Bristol. We are, above all, a university that's engaged in the present and focused on the future.



Practice-oriented learning

We want our students to become ready and able graduates, who feel confident in their abilities and the part they have to play in the world. We achieve that by designing and delivering inspiring, practice-oriented courses; by investing in, and continually enhancing, our student experience; and, most importantly, by nurturing the skills and attributes that enable our graduates to realise their ambitions. The combination of all this means UWE Bristol is currently in the top universities in the UK for employability, with graduate employment rates consistently above the national average.

Partnership and practice

We have worked with a number of organisations to develop new practice-led courses this year, with placement opportunities built in as standard. The BBC Natural History Unit, for example, was keen to recruit production staff from a broader cross-section of society, so they came to us. We joined forces to develop our hugely popular MA in Wildlife Filmmaking, which we now deliver together, and which allows our students to gain plenty of hands-on experience.

Likewise with our new BSc in Wildlife Ecology and Conservation Science. We have designed, and will be teaching, this course in conjunction with Bristol Zoo Gardens. Other renowned bodies such as WWF and Slimbridge Wetland Centre are also on board.

In the Faculty of Environment and Technology partnership, work experience and accreditation is paramount. Thus:

In the Architecture and the Built Environment our partners include: BAM, Midas ARUP, GVA and Cushman & Wakefield with accreditation by RIBA, ARB and CIBSE.

For Computer Science and Creative Technologies we have collaborations with Airbus, CERN and programmes accredited by British Computer Society and CILIP. In the growing computer games area we work with TIGA and we are a Sony Playstation First academic partner.

Engineering Design and Mathematics place great emphasis on cross-disciplinary solutions with, amongst others AgustaWestland, Rolls-Royce, QinetiQ, the MOD. Their programmes are accredited by IMechE, RAeS, IET and IMA.

Geography and Environmental management work with the Geographical Association, Environment Agency and the Institution of Environmental sciences accredited by RTPI Chartered Institute of Logistics and Transport.

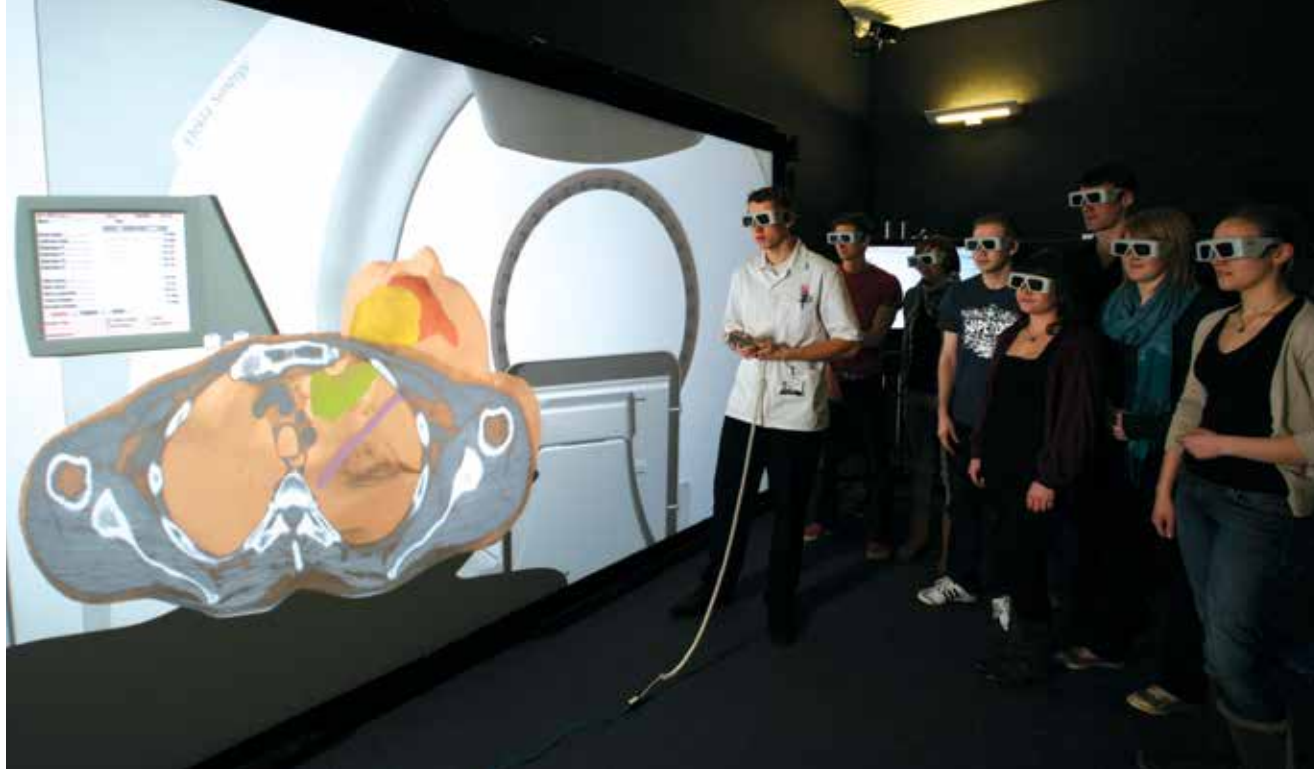
◀ MA Wildlife Filmmaking – widening the talent base for BBC Natural History Unit



▶▶ 300 students move into Bush House, Arnolfini

These collaborations and partnerships are a cornerstone of the faculty and the success and merit of this approach is evidenced in the metrics and indicators used by UWE Bristol and the wider sector; this is practice-oriented learning writ large.

Another exciting practice-oriented project that came to fruition this year is the new City Campus, which will see our Arts students studying at inspiring creative venues city-wide. Drawing on our strong links with M Shed, Spike Island, Watershed and Arnolfini, the new campus will allow UWE Bristol students to engage directly with artists and get involved in the work of our city's most prominent creative spaces.



▶▶ UWE Bristol's virtual linear accelerator allows students to practise administering radiotherapy programmes.

Technology and expertise

In 2015 UWE Bristol became the first university in the UK to acquire specialist 'Eclipse' software. This enables our students to plan simulated radiotherapy programmes with pinpoint accuracy – and using the University's virtual linear accelerator, they can also practise administering these programmes. The NHS needs more experts with a thorough grasp of this technology, hence our decision to invest in such a highly specialist resource.

Meanwhile, our investments in technology – along with the practice-focused nature of our teaching and close understanding of NHS requirements – has resulted in our radiography students consistently picking up awards. UWE Bristol students have received the Student Radiographer of the Year Award from the Society and College of Radiographers for five of the last six years.

Healthy situation

We aim to offer as much hands-on learning we can, and over the last 12 months, we have invested in state-of-the-art simulation facilities, which means that our health and social care students can now prepare even more effectively for clinical practice.

The facilities include a replica hospital ward, consultation rooms, a maternity unit, a children's unit and a comprehensive range of programmable manikins. The new environment means students can become more familiar with the people, conditions and equipment they will encounter later – which should instill them with greater confidence and skills when it comes to their placements and going into practice.

Ambition and achievement

We encourage all UWE Bristol students to get excited about learning and where it can take them, and to pursue the areas of learning that most interest them. Our co-creation approach often produces exciting results, as was the case with Jennifer Angus's 2014 postgraduate thesis on under-used urban spaces.

An MSc in Urban Planning graduate, Jennifer won an Excellence in Spatial Planning award from the Royal Town Planning Institute, for her original and innovative dissertation on an emerging policy issue.

Jennifer had honed in on the fact that every town and city has empty high-street shops, vacant brownfield sites and disused industrial buildings – and that while these sometimes provide temporary homes for cultural projects, business pop-ups or social enterprises, they are often seen by planners as mere stopgaps.

Jennifer suggested the need to think about these kind of locations in a more strategic way, and that doing so could be the catalyst that sparks the regeneration of many stagnant urban areas.

▶▶ A student nurse listens to the breathing sounds of a manikin patient in our simulation suite



Research with impact

The latest national research quality assessment (REF 2014) confirmed that among modern universities, UWE Bristol is a front-runner. Through our research, we are addressing pressing challenges and finding inspiring solutions – and much of our activity feeds directly into our teaching, to enhance the learning experience we offer, and keep our students at the cutting edge.

In REF 2014, 57% of the research submitted by UWE Bristol was ranked ‘world leading’ or ‘internationally excellent’ and 75% of the research submitted was highly rated in terms of impact.

Striving to make a difference

Our Centre for Appearance Research is one example of where UWE Bristol researchers are leading the way globally. The effects of low body confidence on young people’s performance and aspirations; helping patients to manage the distress of hair loss resulting from chemotherapy; and looking at how social media affects adolescents’ body image – are just some of the topics under scrutiny. Internationally known for its psychological and interdisciplinary studies, the team is working closely with Dove as part of their Self Esteem project, and their work has already benefitted hundreds of thousands of people worldwide.



- ▶▶ YP Face IT, an online resource for young people with a visible difference, was developed at the Centre for Appearance Research.

Living with robots

A team at our renowned Bristol Robotics Laboratory (BRL) has been looking at how robots and smart sensors can help older people to stay independent for longer. Imagine if an elderly person could interact easily with a talking robot that could keep an eye on their health and nutrition, tell them who was at the door and detect when they needed exercise. Working with academic, healthcare and commercial partners, our BRL team is researching this and other aspects of assisted living.

Together with the University’s Centre for Transport and Society, local authorities and others, BRL is also involved in the VENTURER trial, which is exploring the feasibility and use of driverless cars in the UK.



- ▶▶ Molly and the Anchor Robotics Personalised Assisted Living facility – helping elderly people with assistive needs with new robotic solutions in a home environment.



▶▶ Microbial fuel cell trial at Glastonbury 2015

‘... a gamechanger for how we do refugee camps.’

Andy Barnstable

Head of Sanitation, Oxfam



Using urine to generate electricity

The ‘Pee Power’ project, which took place earlier this year, attracted a lot of global attention. Working with Oxfam and others, scientists at our BioEnergy Centre have investigated power generation from microbial fuel cells fed by a readily available biofuel – urine. The system was trialed in a special urinal at the 2015 Glastonbury Festival, and hopes are high that ‘urine-tricity’ will become a standard feature of humanitarian aid efforts, providing much-needed power to refugee camps and disaster zones.

Nurturing enterprise

Working with the Local Enterprise Partnership, UWE Bristol has been selected to create one of the four University Enterprise Zones in the UK. Opening in 2016, the development will promote collaboration between higher education and industry and serve as a hatchery and grow-on area for businesses specialising in robotics, health technology, biosciences and biomedicine.

Meanwhile, our Innovation Net (I-Net) programme has now supported around 1,650 businesses, creating almost 1,000 jobs, over 500 new products and £28m gross added value. And other SMEs and start-ups have benefitted this year from I4G (Innovation for Growth), a £4m research and development support scheme run by UWE Bristol and financed by the government’s Regional Growth Fund.

- ▶▶ UWE Bristol has one of the four University Enterprise Zones in the UK to promote collaboration between higher education and key industry sectors including healthcare.

Making changes, making progress

As we continue confidently along our Strategy 2020 path, we have mapped out a clear plan for change, with programmes that focus on developing and enhancing our learning and research, our campus environments, our people and how we work.

We have made good progress across all of these areas in the last 12 months, consolidating and building on our position as a university that champions new ways of thinking and working. And ensuring that we continue to evolve and set the pace for change, in line with the needs of our students, our staff and the wider economy.



- ▶ Investment continues in the City Campus developments at Bower Ashton and Arnolfini with top-notch facilities for Journalism and Drama.

‘We believe the higher education system should evolve in response to demand from students and employers, reflecting the needs of the economy.’

Jo Johnson
Minister for Universities and Science

Prioritising excellence in teaching

As a central pillar of our strategy, we continue to place heavy emphasis on bringing practice-oriented learning to the fore across the University, and further enhancement in courses to give it a central focus.

Supporting the development of our academic staff is another important aspect of upholding and raising the quality of our teaching further. This is something we do on a variety of fronts, through our Learning & Teaching Fellowships, through the national recognition of excellence in teaching, and through our Education Innovation Centre, which helps UWE Bristol staff to further their practice and connect with each other on research and education projects.

Improving the way we work

We are setting our sights high in terms of the high quality student and staff experience we aspire to offer. And that means constantly looking at how we can improve, ironing out inefficiencies and making use of the latest technology so we can become even more responsive.

With this in mind, we have improved the processes and systems supporting many of our core activities over the last year – creating teams spanning multiple faculties and functions, to help us unpick areas that aren’t working as well as they could be, and bringing in the necessary changes.



▶▶ Student change makers have completed 40,000 hours of volunteering for Bristol Green Capital 2015.

Image: Jon Craig



▶▶ Reading buddies

Image: Hannah More Primary School, Bristol



▶▶ Helping children from low participating areas of Bristol aspire to university

Driving social mobility

- ▶▶ We have been working again this year to address inequality in education across the region, where participation in higher education is as low as 5% in some areas and over 90% in others.
- ▶▶ We are now one of the UK's largest investors in widening participation, committing some £15.8m in the last year to promoting access and supporting students from disadvantaged backgrounds.
- ▶▶ Initiatives we are involved in like the Children's University, the Embark employability award for schools, and reading buddies, are examples of how we are working to remove barriers, raise aspirations and boost achievement among young people who would otherwise not benefit from higher education.
- ▶▶ Along with the University of Bristol and many other organisations, we have also been working as part of Bristol European Green Capital 2015 to provide 100,000 hours of volunteering opportunities for students. Volunteers get involved in everything from textile recycling to community transport, and the formal certification they gain is a valuable boost for their CVs.

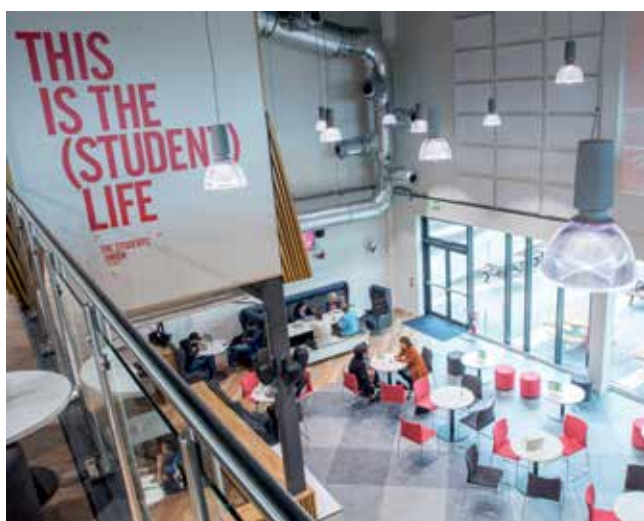


▶▶ The new Faculty of Business & Law opening in 2017

Investing in our environment

We have committed to investing £250m in our estate between now and 2020, and are now well into this programme with the new Students Union building open for business for August 2015, and an increase in student accommodation on Frenchay campus and more to come, as well as new skills simulation facilities to keep our student learning state of the art.

The new home for our Business and Law Faculty – which was also under construction this financial year – will offer us an exciting new way of working. The state-of-the-art facilities will allow for continual interaction between people from inside and outside the University, which will reinforce the practice-based approach and real-world connections for which UWE Bristol is renowned.



▶▶ The £9m-plus Students' Union building at Frenchay Campus opened in 2015

'My vision is for a 'living' building where business professionals, students and academics can mingle formally and informally. Enabling students to have contact with the real world of work and help them develop the skills they need.'

Jane Harrington

Deputy Vice-Chancellor and Provost

Supporting students

Student wellbeing is important. UWE Bristol launched the Intervention Initiative in 2014. Public Health England commissioned research at UWE Bristol to develop a resource to help students recognise and understand sexual and domestic violence on and off campus, and to intervene safely when they witness it. Sadly an issue on campuses across the UK, the initiative comprises an eight-week programme, and the resources developed at UWE Bristol are now free to be used by other universities and colleges in England.

Ultimately we are here to support our students to realise their potential, and our Library Services are a crucial ingredient within that. They provide our students with fantastic learning resources, and a 365 day, 24 hour service, as well as supporting their skills development, alongside our academic staff. The efforts of our library team were recognised this year with a 91% satisfaction score in the latest National Student Satisfaction Survey, as well as a Student Experience Impact Award from our Students' Union.

UWE Bristol in numbers

95%

Six months after graduation, over 95% of UWE Bristol graduates are in work or engaged in further study. Our graduate employment rates have been consistently above the university average.

72%

More than 72% of our graduates are in professional or managerial roles after six months, compared with less than 68% for the sector as a whole.

Nearly 100%

Three-and-a-half years after graduation, almost 100% of our graduates are working or on study programmes.

140

UWE Bristol students come from 140-plus countries.

Number 1

UWE Bristol's Careers and Employability Service is rated in the UK for its work with employers.

Number 1

In 2015, Stonewall's Workplace Equality Index highlighted that UWE Bristol is now the UK's number one university in supporting lesbian, gay and bisexual staff.

42,000

The number of hours contributed so far by UWE Bristol students as part of the Bristol Green Capital initiatives.

UWE
Bristol

University
of the
West of
England



Operating and Financial Review 2014/15

Financial strategy and future prospect

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

- Continue to maintain and build on the successful financial management in meeting the challenges and opportunities of an increasingly changeable higher education operating and economic environment. To do this, we will generate the cash required to support our strategic programme of investment in both our academic enterprise and maintaining and enhancing our infrastructure. We will control costs, making strategic decisions on activities that are either not financially sustainable or are not in alignment with the University Strategic Plan.
- Ensure financial sustainability of the University by borrowing for investment at a level that will not put the University at risk. We will maintain a sustainable recurrent investment in the academic, corporate and

support operations and dispose of properties surplus to requirement. We will control costs by establishing and funding agreed staffing levels throughout the University, with regular critical review, and to invest in creating adaptive capacity.

- Enable the financial management of the University by continuing our ongoing programme of process reviews, investment in information systems development and business processes and improving efficiencies, all of which contribute to the enhancement of our student and staff experiences.

In short, our financial strategy is to maintain operating surpluses that generate sufficient operating cash flows. This together with proceeds from sale of excess properties, donations and the use of borrowing facilities to finance our strategic programmes will enable the long term sustainability of the University and the potential to deliver our Strategy 2020.

Prospects

Government funding through HEFCE recurrent and capital grants has reduced significantly and will continue to reduce further in place of the new home undergraduate fee arrangements. With the continuing Government's austerity programme, concerns remain in the sector about further direct funding cuts and reduction of other grants such as Disability Students Allowances and Student Opportunity Funds. The standard fee of £9,000 capped by the Government since its introduction in 2012/13 is worth in real term £8,600 in 2015/16 (Source: Office of Budget Responsibility). Effectively, the sector has provided at least a 4.5% efficiency gain for the Government over the period with most, including this University, having delivered more. It is worth noting that after taking into account a range of scholarships and bursaries for students from lower income families, our average actual fee level is substantially lower.

The Government has affirmed the removal of the student number cap and the deregulation of places for higher performing students. The University is meeting its ambitious targets in this respect across a number of disciplines.

In the 2015 Budget Statement, the Government proposed that from 2017/18, universities that reach a certain threshold, governed by a new Teaching Excellence Framework, will be able to uplift the standard tuition fees by an inflationary factor. As the proposal is currently under consultation and formulation, for our financial forecasts and planning purposes, we have assumed home undergraduate fees level will remain at £9,000 for the next few years. Together with the cash limited nature of HEFCE funding, means that a very significant proportion of our income will not move in line with inflation. This inevitably creates financial pressure

in an inflationary environment; against assumptions of pay awards on top of incremental drift arising from scale increases and promotions, rising pension costs, removal of employers national insurance rebate from April 2016, inflation on energy and increasing depreciation charges; making it increasingly challenging to maintain the University's financial surplus strategy. As staff constitute 57% of income, continued control of both staff numbers and pay levels over the next few years will be critical.

Over the past few years we have been working on a number of initiatives to strengthen the University's financial base, both to deal with existing and known pressures and to put the University into the best possible position to deal with the rapidly changing and uncertain financial environment. These include:

- A fundamental restructuring of the way in which support services and processes are delivered across the University and will seek further continuous improvement and efficiency.
- A number of strategic programmes now in place to ensure the delivery of the ambitions set out in the University Strategy Plan 2020 and associated key performance targets.
- Review and challenge of the portfolio of our academic activities.

The University has identified a number of key financial ratios which it monitors as part of its financial strategy. Performance over the last 3 years is shown on the next page.

Key financial ratios – as a % of income	2014/15	2013/14	2012/13
Operating surplus	6.0%	6.3%	4.1%
Operating surplus pre FRS17 pension charges	6.8%	6.7%	5.3%
Cashflow generation (net of financing costs)	12.6%	9.7%	8.3%
Staff costs	57%	55%	55%

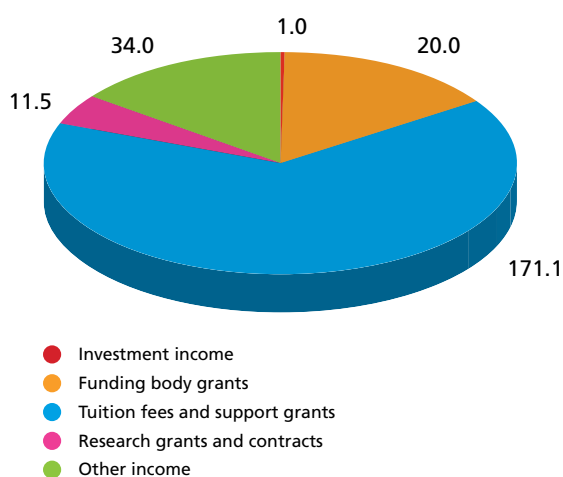
Key financial values

Total income	237.6	235.6	222.5
Total expenditure	223.3	220.8	213.3
Surplus from operations	14.3	14.8	9.2
Cashflow generated from operations	29.5	22.2	17.7
Cashflow generated post financing activities	29.9	22.8	18.5
Borrowings and cash at year end:			
Gross debt	72.2	76.1	78.9
Cash, deposits and short term investments	111.3	107.1	99.6
Net cash	39.1	31.0	20.7
Net assets at year end	146.6	135.1	118.1

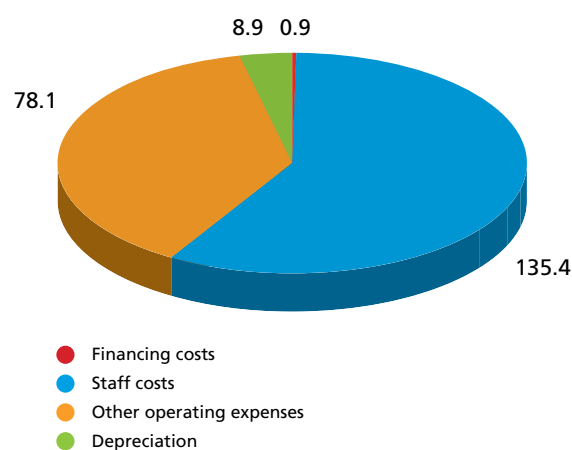
Financial Statistics

Income and Expenditure in 2014/15

Income by type 2014/15 (£m)

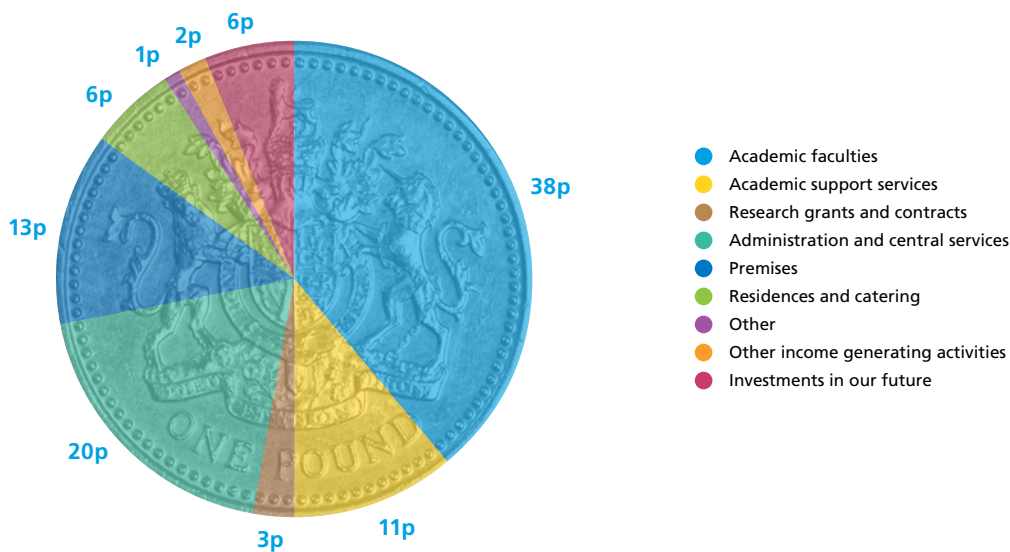


Expenditure by type 2014/15 (£m)



Financial Statistics

How did we spend our £ in 2014/15?



Financial performance 2014/15

Financial performance during the year was positive with an operating surplus after accounting pensions charges of £14.3m (2014: £14.8m). Despite the robust performance in student recruitment and costs control, the results reflect the impact of HEFCE funding reductions and rising staff costs particularly pension charges.

Total income for the year was £237.6m (2014: £235.6m) – a £2.0m (0.8%) increase due to:

- Tuition fees and education contracts – increasing by £17.8m (11.6%), due to the third year of implementing the new home tuition fee regime and increases in overseas undergraduate intake.
- A decrease in funding body grants of £16.2m (44.7%), mainly reflecting funding cuts by HEFCE and National College for Teaching and Leadership. Since the introduction of the new student fees regime basic recurrent grant from HEFCE has reduced by 72%.

- An increase in Research grants and contracts of £0.9m (8.5%), due to successes in winning some major research contracts.

Total expenditure was £223.3m (2014: £220.8m) – a £2.5m (1.1%) increase due to:

- Staff costs increasing by £6.7m (5.2%), which reflected cost of living and incremental pay awards, increasing academic staff numbers and additional employer's pension contributions and deficit recovery payments.
- Other operating expenses decreasing by £5.6m (6.7%), due primarily to the withdrawal of the National Scholarship Programme by the Government, and the changing relationship with Hartpury College who are now raising their student fees directly.
- Depreciation charge for the year increasing by £1.5m due to the completion of a number of major new buildings and accelerated charge on buildings that are scheduled for demolition.

Capital investment

Our £250m Masterplan programme is well underway with a number of projects completed during the year, including:

- The Bower Ashton Campus Redevelopment Phases 1 and 2, completed in September 2014,
- The Strategic academic space refurbishments in Faculties of Environment and Technology and Health and Applied Sciences, completed in September 2014,
- Phase 1 of a new student accommodation, Wallscourt Park Residences complex, completed in January 2015,
- The Student Union Building completed in July 2015,
- The purchase of Bush House for the City Campus, completed in July 2015.

Total capital investment in the year amounted to £29.3m (2014: £14.9m). This is expected to increase significantly in 2015/16. Sources of future capital expenditure will include:

- The Business and Law Building,
- The ongoing strategic academic space refurbishments,
- The Bower Ashton Campus Redevelopment Phase 3,
- The IT Infrastructure Transformation Programme,
- The Heart zone and Campus Infrastructure.

Cashflow and Treasury management

Cashflow generated from operations for the year was £29.5m (2014: £22.2m). After receipts from capital grants of £3.0m, cash outflows in respect of capital expenditure of £29.3m and other items, net cash inflow was £8.2m (2014: inflow of £11.3m).

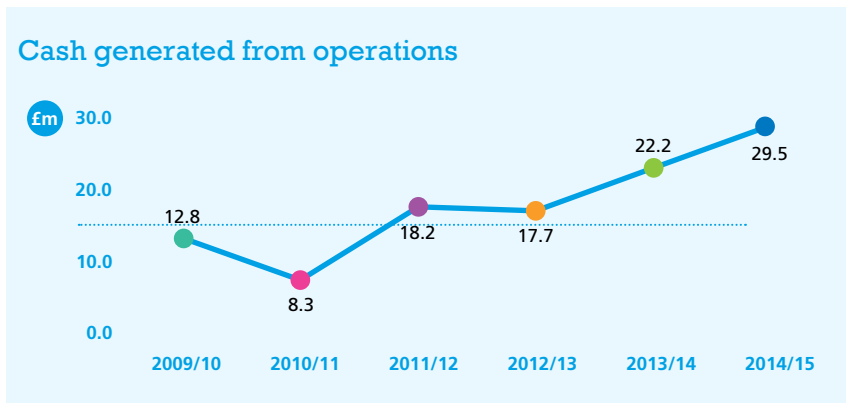
The University has a long term bank loan of £95m on a repayment basis. The loan matures in March 2034 and is currently linked to the Base Rate. The University has the right to fix the interest rate for a proportion or the whole of the loan, at a time of its choosing. The loan is subject to a set of conditions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

During the year, the University has obtained an additional loan facility of £60m from the European Investment Bank. The facility is available to be drawn down over the next 3 years. At the year end, no amount has been drawn down.

Total gross debt at 31 July was £72.2m (2014: £76.1m).

The University currently holds substantial cash balances; at the year end, the University had cash/money market and financial instrument balances totalling £111.3m (2014: £107.1m). Our treasury strategy is determined in the context of expected future revenue and capital plans and the need to ensure that sufficient funds are available to meet commitments on a day to day basis.

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



Our counterparty policy is monitored closely to achieve an appropriate balance of counterparty risk and diversification. Due to its ambitious and imminent capital expenditure plans, the University has restricted its short term deposits to no longer than 1 year. During the year the University achieved an average interest return that was higher than interest payable on its borrowings.

Student Numbers

The number of students enrolled during the year was 32,365 of which 25,578 are full-time students and 6,787 part-time students. Included in the head count are 4,924 Trans National students who are students studying overseas under partnership arrangements.

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

Students Numbers (FTE)	2014/15	2013/14	2012/13
Undergraduate			
Home and EU	17,321	18,508	19,536
Overseas and Offshore	2,061	1,668	1,522
Trans National Education	4,744	4,198	2,965
Postgraduate Taught			
Home and EU	2,495	2,848	2,548
Overseas and Offshore	794	686	576
Trans National Education	74	67	65
Postgraduate Research			
Home and EU	193	198	278
Overseas and Offshore	69	72	99
Total student numbers	27,751	28,245	27,589

Pensions

Pensions for the majority of the University's staff are currently provided either through the Teacher's Pension Scheme (TPS) or the Avon Pension Fund (APF). The ongoing costs and risks associated with both pension schemes are a

very important element of the future financial sustainability of the University. A small number of staff are members of the Universities Superannuation Scheme (USS).

Teacher Pension Scheme

The TPS is a non-funded occupational scheme backed by the Exchequer. It is a national multi-employer scheme providing pensions for the UK education sector and is restricted to our academic and research staff. The ongoing service costs are

financed by contributions from the University and its staff. The University accounts for the scheme as if it were a defined contribution scheme.

Avon Pension Fund

The APF is a Local Government Pension Scheme (LGPS) and is a funded defined benefit scheme, with assets held in separate trustee administered funds.

On an FRS17 basis, at 31 July the University's share of the scheme had assets of £193.7m (2014: £172.6m) and liabilities of £271.0m (2014: £233.4m) giving a deficit of £77.3m (2014: £60.8m). A summary of the increase in the FRS17 deficit since July 2014 for Avon Pension Fund shows:

	£m
July 2014 deficit	60.8
Actuarial losses – reducing inflation rate offset by discount rate and improvements in mortality assumptions	14.7
Shortfall of current service costs to actual contributions	1.4
Other net changes	0.4
July 2015 deficit	77.3

At the last actuarial valuation as at 31 March 2013, on a Trustee's funding basis, APF had a deficit of £876m, of which, £46m is attributable to the University. To deal with the funding deficit the University agreed a 20 year deficit

recovery plan whereby the University is required to make additional deficit related contributions of £1.8m per annum index-linked.

Public benefit statement

The principal objectives of the University, in accordance with Section 124 of the Education Reform Act 1988, are concerned with the provision of higher education and the conduct of research. Supporting this, the University also undertakes other activities including knowledge exchange, consultancy and the provision of accommodation, catering and conference services.

As UWE Bristol is an exempt charity under the terms of the Charities Act 2011, the trustees of the charity are the members of the Board of Governors. The Higher Education Funding Council for England (HEFCE) is the principal regulator of English higher education institutions covered within the act.

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

The Board of Governors has due regard to any detrimental harm that may arise from the University's activities and particularly to the impact of its campus developments on its immediate locality. We aim to minimise this impact through

extensive community discussion and consultation in addition to working closely with South Gloucestershire and Bristol City Councils.

The University does not currently incur private benefit from its activities undertaken in pursuance of its purposes. However it is alert to the possibility of commercialising proprietary technology or intellectual property that may arise as part of its activities, as a means of increasing investment in pursuance of the primary objectives.

The Board of Governors recognise that students, both undergraduate and postgraduate, are the principal beneficiaries of the provision of higher education while the public at large are beneficiaries of the University's Research and Knowledge exchange and community engagement activities. The annual report and financial statements provide extensive information on the public benefit of the University's activities as described above. However, of particular relevance to public benefit is our commitment to widening participation, engagement with the community and wider public and our contributions to environmental sustainability and a healthy society.



▶▶ Bristol Bright Night

Widening participation

The University is increasingly known for how it connects with the regional economy and communities and how it works in partnership with organisations across the globe. In particular, UWE Bristol is recognised for its commitment to inclusivity, social justice and equality of opportunity.

The University has just published a new widening participation strategy that applies to the whole student life-cycle so that the needs of a diverse student body can be addressed at all stages of university life. The direction set out within the University's Strategy is further reflected within our Access Agreement where an inclusive student experience will remain paramount to the future direction of the University.

The Access Agreement remains focused on five key target groups who may experience educational disadvantage and describes how the University will endeavour to reduce this disadvantage. The focus is on four key metrics of the student journey: university entry; university retention; university

success (at graduation); and progression post-university into graduate level jobs.

In order to deliver in these areas, the University will continue to commit almost £15.8m in additional funds for access and student success measures. This will represent 34.8% of additional income above the basic fee and demonstrates the University's continuing firm commitment to the recruitment, achievement and success of students who are identified as widening participation students.

Included within this commitment is over £4m in financial support distributed through a bursary scheme that will provide bursaries for first year students. This will be followed by progression bursaries to support them through their subsequent year of study; this bespoke fund will provide flexible support to priority students to secure their retention and support their achievement.

Community and Public Engagement

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

As the lead for the local Children's University, we work with a wide range of schools, community organisations, businesses and others to develop an inspiring offer of learning destinations available to students. Providing accreditation for out of school learning opportunities in the city, the Children's University is recognised for raising children's attainment, aspirations and sense of adventure; critical factors in tackling the low numbers of young people progressing to university from some of the wards in the city region.

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

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

Sustainability

The University is committed to supporting the global sustainability agenda for a strong, healthy and just society living within environmental limits in everything that it does. Central to this commitment is the ambition to create an environment and culture in which all student and staff members have the opportunity to develop and use the skills and understanding required to contribute to global sustainability and health throughout their careers.

The strategic leadership for sustainability is guided by the University Senior Management Team. The Sustainability Board, chaired by the Assistant Vice-Chancellor for Environment and Sustainability, is responsible for the delivery of our ambitious Sustainability Plan 2013-2020.

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

The University is now certified to the ISO14001 Environmental Management System and we are proud of our actions in the Bristol Green Capital year that have contributed to this achievement.

Our Education for Sustainable Development programme has enabled all UWE Bristol students to have the opportunity to put into practice the concepts of sustainable development, with 96% of our graduates having sustainability skills, knowledge and experience.

Our annual Healthy University Feel Good February event attracted 6,200 staff and students to participate in over 200 events. UWE Bristol is the first large organisation to be accredited in all 8 areas of the Bristol Workplace Wellbeing Charter.

Through the introduction of car park charging the University has raised £500k to invest in sustainable travel initiatives. We have used this money to bring in additional external grant funding totalling £105k. Delivered projects include the creation of a new pool car fleet of electric and hybrid vehicles; state of the art secure cycle parking; shower and changing facilities; installation of electric vehicle charging points and a student bike loan fleet.

Our resource management programme has delivered a recycling and reuse rate of 62%, with less than 5% of our waste going to landfill due to further segregation at waste processing plants. Our furniture reuse scheme has led to the reuse of more than 40 tonnes of items giving an annual saving to UWE Bristol of £170k in avoided procurement and waste disposal costs. The University has also donated £40k worth of surplus furniture to local charities. Through the Bristol Big Give campaign students in UWE Bristol halls of residence have donated 10 tonnes of items, representing a donation of around £20k to the British Heart Foundation.

Campus expansion is creating an overall increase in our absolute carbon emissions. However, this increase is being minimised through projects such as lighting upgrades, which are delivering a 93% reduction in energy use and carbon emissions in this area. We have invested £45k to upgrade the Grounds Maintenance mechanical equipment and vehicles from petrol to battery powered significantly reducing noise, vibration and emissions.

Equal Opportunities and Diversity

UWE Bristol operates a Single Equality Scheme, containing specific equality objectives, to ensure that we are making measurable progress towards our 2020 ambition of becoming known nationally and internationally as an inclusive university. These objectives are being delivered and amongst the many achievements of the last two years we have:

- Ranked 11th place (2014: 35th place) in the top 100 Stonewall Workplace Equality Index. Within this list, UWE Bristol is ranked as the top University,
- achieved Athena SWAN Bronze awards in the Departments of Nursing and Midwifery and Allied Health Professions, and Engineering Design and Maths,
- offered a broad portfolio of face-to-face and online equality and diversity-related training to staff,

- brought together leaders across phases of education to share equality and diversity best practices and challenges,
- actioned the recommendations of the Disability Working Group to address the needs of disabled staff,
- appointed six new Diversity Champions from the Vice Chancellor's Advisory Board who took up their roles on Age, Disability, Gender, Race, Religion and Belief, and Sexual Orientation; and,
- supported the Student Union's anti-abuse campaign (in partnership with local charity 'Stand Against Racism and Inequality').

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

Student and Staff Involvement

The University places considerable value on the active participation of its employees in policy making and on good communication with them. The University's developments are communicated regularly through a number of distinct channels, with opportunities for engagement and discussion.

A number of other initiatives have also been taken to further enhance the employee voice, including the approval by the Academic Board and the Board of Governors of changes to the Academic Board structure to significantly increase both the space for the academic voice and the number of elected positions within the structure.

The University also has a number of mechanisms in place to facilitate communication with students and it makes extensive use of appropriate channels to disseminate

information, receive, and act upon, feedback not least through partnership with the Students' Union to train and recognise the contribution made by over a thousand student representatives on the University's programmes. The Students' Union President is an ex officio member of the Board of Governors of the University and a number of Student Union representatives are members of the Academic Board and other committees. There are regular formal and informal consultations with the Students' Union and a Student/Governor Forum is maintained by the Board of Governors under the leadership of the Students' Union President. Both the Student and Staff Governor Forums meet three times a year and provide the Board of Governors with an opportunity to engage with a wide audience of the University's most critical stakeholders.

Health and Safety

The University's Safe Places, People and Practice Strategy provides a firm platform to ensure that health and safety becomes inherently embedded in all that UWE Bristol does. There is much that has been achieved again in the year in terms of health and safety. Key milestones achieved in 2014/15 have been:

- construction safety remains a priority focus and the Campus 2020 Programme Board is being appraised bimonthly on construction safety performance,
- the revised Management of Stress at Work Health and Safety Standard (HSS08) being launched in January 2015 which has ensured the completion of Stress Risk Assessments by all Faculties and Services and the overall completion of a UWE Bristol Stress Risk Assessment, and,
- the continuation of targeted audit with good progress, most Professional Services are now at 100% action plan completion and for the Faculties, all are well over 90%.

For the main University health and safety risks, Ionising Radiation, Genetically Modified Organisms and Fire Safety Management there is overall assurance there are reasonable management processes in place that ensure compliance with all relevant legislation.

There is a significant increase in reported accidents of 24%, (207 compared with 167). The number of serious accidents also increased from 4 to 9, although five of these RIDDOR accidents occurred in the external environment. The theme was the 'vehicle-pedestrian interface', significantly route diversions due to construction work. A Campus Interface Coordinator has been appointed to complete a comprehensive vehicle-pedestrian interface risk assessment for all campuses.

For 2015-2016 the core theme continues to be 'intrinsic engagement of all' and one of the key work priorities is the implementation of the next three year audit programme for UWE Bristol based upon risk. This audit will again provide an evaluation for the University on its implementation of health and safety management across all of its Faculties and Services, ensuring clear priorities for action that will seek to ensure the ongoing embedding of the Safe Places, People and Practice Strategy and the UWE Bristol ambition that it is inherently a 'safe and healthy working and learning environment' that engages its staff, students, partners and visitors'.

Corporate Governance and Internal Control

Organisation

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

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

Responsibility for overall day-to-day management of the University is through the Vice-Chancellor, supported by a senior team which includes the Deputy Vice-Chancellors, Pro Vice-Chancellors, Directors and Heads of Professional Services.

Constitution and Powers

The University is a statutory corporation, established as a Higher Education Corporation as defined by the Education Reform Act 1988 which also sets out its powers. The activities of the University are conducted in accordance with: the provisions of the Education Acts; orders or directions made by the Secretary of State; other enactments or

The University is committed to best practice in all aspects of corporate governance and has adopted the Committee of University Chairs Governance Code of Practice with the exception that, the number of meetings held by the full Board of Governors are in line with the expectations of the Articles of Government and not the Code.

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

regulations from time to time in force; and its Instrument and Articles of Government ("Articles") and internal rules and bye-laws.

The Articles set out the requirements, and define the responsibilities of, a Board of Governors and Academic Board alongside the responsibilities of the Vice-Chancellor.

Board of Governors

Independent Members

- Chris Booy
- Gillian Camm
(Chair, Chair of Nominations and Governance Committee, Chair of Remuneration Committee)
- Sandra Forbes
(Chair of Strategic Planning and Performance Committee)
- Rob Fraser (*from 26 March 2015*)
- Iain Gray (*to 16 June 2015*)
- Dr Martin Hagen
(Chair of Audit Committee)
- Richard Holmes (*from 1 December 2014*)
- David Lamb
- Mark Mason (*from 1 December 2014*)
- Jocelyn McNulty
- Sonia Mills
(Deputy Chair, Chair of Finance, Estates and IT Committee)
- Simon Moore

Academic Board Nominees

- Professor Jane Harrington
- Professor Alex Gilkison

Student Nominee

Charles Roper

Co-opted Members

- Professor John Craven
- Graham van der Lely

Ex-Officio

Professor Steve West

The Board of Governors

The Board of Governors is responsible for determining the educational character and mission of the University, ensuring the efficient use of resources, and approving the macro budget for the institution.

The Board comprises independent, staff and student members appointed in accordance with the Instrument of Government. The majority of members are non-executive including the Chair and the Deputy Chair. The University's Chief Executive, the Vice-Chancellor, is an ex-officio member of the Board. Appointments to the Board of Governors are considered by the Nominations and Governance Committee which makes recommendations for the Board's approval.

The Board is entitled to establish committees for any purpose or function, other than those which are assigned elsewhere in the Articles to the Vice-Chancellor or to the Academic Board or designated as the sole responsibility of the Board of Governors. The main committees which operated during the 2014/15 year were: the Audit Committee; Finance Estates

and IT Committee; Strategic Planning and Performance Committee; Nominations and Governance Committee; and Remuneration Committee. All of these committees are formally constituted with written terms of reference, and comprise a majority of lay members one of which is designated the Chair. The decisions of the Committees are formally reported to the Board.

An Emergency Committee may, where a matter is urgent, exercise delegated powers not explicitly reserved by the Articles of Government between meetings of the Board of Governors. The committee membership includes the Chair and Deputy Chair of Governors, and the Chairs of each sub-committee. Once again it was not necessary to convene the Emergency Committee in 2014/15.

In accordance with the Articles, the Board has appointed a Clerk to the Governors who provides independent advice on matters of governance to all members of the Board.

Academic Board

The Academic Board is responsible for the quality and standards of its awards and to provide advice to the Vice-Chancellor on the strategic direction of the University's academic activity. The Academic Board provides the Board of Governors with assurance that the University's academic strategy is fit for purpose and approves new additions and revisions to academic policy. It has oversight of all academic

provision through the Academic Regulatory Framework and the quality management and enhancement framework.

During the year to 31 July 2015 the Academic Board was chaired by the Vice-Chancellor, its membership consisted of 50 per cent Executive members and 50 per cent non Executive members elected from the academic and student community.

Leadership and Management

The Vice-Chancellor is the Chief Executive Officer of the University and is accountable to the Board of Governors for the organisation, direction and management of the University. The Vice-Chancellor is the Accountable Officer under the terms of the Financial Memorandum between the University and HEFCE. The Vice-Chancellor is supported and advised by the Directorate and the Vice-Chancellor's Advisory Board.

The Directorate consists of the Vice-Chancellor, the Deputy Vice-Chancellor (Academic), the Deputy Vice-Chancellor/ Chief Operating Officer, the Pro Vice-Chancellor (Student Experience), the Pro Vice-Chancellor (Research and Business Engagement), the Pro Vice-Chancellor (Commercial Director and Corporation Secretary) and the Director of Finance & Planning. This group functions as the Strategic Portfolio Board for the University, approving and overseeing the management and delivery of the University's major projects.

The group also oversees the University's approach to change management and strategies for finance and resources, commercial development, management information and global developments.

The Vice-Chancellor's Advisory Board provides the strategic and operational leadership for the University. In 2014/15 the Advisory Board included members of the Directorate, Pro Vice-Chancellors and Executive Deans and Heads of Professional Services. The Advisory Board is responsible for advising the Vice-Chancellor on the development, delivery and monitoring of the University's strategy, performance against targets, the identification and management risk and the effective management of the University's financial, human and physical resources, and health and safety. The Advisory Board reports to, or seeks the advice of the Board of Governors and Academic Board on its activities, as appropriate.

Register of Interests

The University maintains a Register of Interests of members of the Board of Governors and key post holders, which may

be requested from the Clerk to the Board of Governors.

Expenses paid to or on behalf of Trustees

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

Trustees are entitled to claim reasonable expenses incurred in undertaking their duties as Trustees in accordance with

the University's financial regulations. In 2014/15 a total of £4,145 (£7,660 in 2013/14) for expenses were paid to or on behalf of 18 Trustees. This covered: travel expenses to formal and informal meetings and other University events; fees for training and development events; travel, accommodation and other expenses incurred in representing the University at external events; subscriptions and costs of publications to inform them in carrying out their role.

Internal Control

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

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

The Board of Governors regularly discusses risk and related reports from its Committees, in particular the Audit Committee. These discussions set the tone and influence the culture of risk management and determine the risk appetite of the University, what types of risk are acceptable and set the standards and expectations of staff with regard to conduct and probity in relation to risk management.

The Board of Governors is advised and assisted in its review of internal control by the work of the internal auditors, Audit Committee and the Vice-Chancellor's Executive. Their agendas ensure regular monitoring of the risk and control processes and that these accord with the internal control guidance for directors as included in the Stock Exchange's 'Combined Code', as deemed applicable to higher education.

On behalf of the Board of Governors the Audit Committee considers reports, recommendations and reviews on the effectiveness of the University's arrangements for risk management, internal control and governance and it has expressed itself satisfied that they can provide reasonable though not absolute assurance that the systems and controls are effective. The Audit Committee also considers reports

and updates from HEFCE as they affect the University's business and monitors adherence to the regulatory requirements.

The Audit Committee is required to report to the Board of Governors on internal controls and to alert it to any emerging issues. Amongst other responsibilities the Audit Committee is responsible for oversight of risk management and ensuring that the Risk Management Policy is applied.

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

The above policy and related procedures continue to be developed and the Board of Governors is satisfied that the University's internal control and risk management processes meet the requirements set out by HEFCE in their circular 25/2014 "HEFCE's Accounts Direction to higher education institutions for 2014–15 financial statements".

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

Responsibilities of the Board of Governors

In accordance with the Education Reform Act 1988, the Board of Governors of the University is responsible for the administration and management of the affairs of the University and is required to present audited financial statements for each financial year. The Board has adopted a Statement of Primary Responsibility, as recommended by the Committee of University Chairs, which is published on the University's website.

The Board of Governors is responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the University and to enable it to ensure that the financial statements are prepared in accordance with the Education Reform Act 1988, the Statement of Recommended Practice on Accounting for Further and Higher Education and other relevant accounting standards. In addition, the terms and conditions of a Financial Memorandum agreed between HEFCE and the Board of Governors require the University, through its Accountable Officer the Vice-Chancellor, to present financial statements for the financial year which give a true and fair account of the state of affairs of the University and the results and cash flows for that year.

In causing the financial statements to be prepared, the Board of Governors has ensured that:

- suitable accounting policies, selected and consistently applied;
- judgements and estimates that are reasonable and prudent; and
- applicable accounting standards have been applied, subject to disclosure and explanation in the financial statements of any material departures therefrom.

The Board of Governors has taken reasonable steps to:

- fulfil its responsibilities under the Articles and to ensure that funds from HEFCE, the National College for Teaching and Leadership (NCTL) and other publicly funded bodies,

including research councils, are used only for the purposes for which they have been granted and in accordance with the Financial Memorandum issued by HEFCE and any other conditions which it may from time to time prescribe;

- ensure that appropriate financial and management controls are in place to safeguard public and other funds;
- safeguard the assets of the University and prevent and detect fraud and other irregularities;
- secure the economical, efficient and effective management of the University's resources and expenditure.

The key elements of the University's system of internal financial control include:

- Board of Governors' approval of annual estimates of income and expenditure and monitoring of the financial performance of the University;
- an internal financial memorandum, which defines the responsibilities and delegated authority of management post holders;
- a comprehensive planning process, which integrates the preparation of annual income, expenditure and capital budgets;
- regular reviews of the performance of each of the University's Planning and Budgetary Units, including monthly reviews of financial results involving variance reporting and the updating of forecasts;
- clearly defined and formalised requirements for approval and control of expenditure, with investment decisions being subjected to detailed appraisal and review; and,
- comprehensive financial regulations approved by the Board of Governors which detail financial controls, procedures and guidelines.

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

We have audited the group and parent institution financial statements (the "financial statements") of the University of the West of England for the year ended 31 July 2015 which comprise the consolidated income and expenditure account, the consolidated balance sheet, the University's balance sheet, the consolidated cash flow statement, the

consolidated statement of total recognised gains and losses and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Respective responsibilities of the Board of Governors and Auditors

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

This report, including the opinions, has been prepared for and only for the Board of Governors as a body in accordance with paragraph 14(2) of the University's articles and section 124B of the Education Reform Act 1988 and for no other purpose. We do not, in giving these opinions, accept or assume any responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the group's and parent institution's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the Board of Governors;

and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Annual Report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit.

If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the group's and institution's affairs as at 31 July 2015, and of the group's income and expenditure, recognised gains and losses and cash flows for the year then ended;

- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the Statement of Recommended Practice – Accounting for Further and Higher Education.

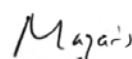
Opinion on other matters prescribed in the HEFCE Audit Code of Practice issued under the Further and Higher Education Act 1992

In our opinion, in all material respects:

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

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

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



Mazars LLP

Chartered Accountants and Statutory Auditors, Bristol
25/11/2015

Statement of Accounting Policies

I. General Policies

a. Accounting convention

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

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

b. Basis of consolidation

The consolidated accounts incorporate the accounts of the institution and those of its subsidiaries which are active and material on a line by line basis. Intra-group sales and profits are eliminated fully on consolidation. The consolidated accounts do not include those of: (i) The University of the West of England Students' Union, which is an autonomous body not under the control of the University or; (ii) Wallscourt Foundation which has charitable objectives primarily concerned with assisting the provision of higher education at the University of the West of England but is legally independent of the University and not under its control.

c. Taxation

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

Value Added Tax ("VAT"). As a result the major part of VAT paid by the University is irrecoverable, since the provision of education is an 'exempt' activity for VAT purposes. The subsidiaries of the University are potentially liable to both corporation tax and VAT.

d. Pension costs

Retirement benefits for employees of the University are provided by defined benefit schemes; the Teachers' Superannuation Scheme (an unfunded Government scheme), the Avon Pension Fund (a Local Government Pension Scheme administered by Bath and North East Somerset Council) and to the Universities Superannuation Scheme (a higher education sector wide mutual scheme). All these schemes are funded by contributions from the University and its employees. The financial positions of all these funds are disclosed in their respective audited financial statements.

Where the University is unable to identify its share of the underlying assets and liabilities of a relevant superannuation scheme on a consistent and reasonable basis, as required by FRS17, it accounts for the scheme as if it were a defined contribution scheme. As a result, the annual amount charged to the Income and Expenditure account represents the contributions payable to the scheme in respect of the accounting period.

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

II. Income and Expenditure Account

a. Block grants and other recurrent Grants

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

b. Tuition fees

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

c. Research grants and contracts

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

d. Investment income

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

e. Release of capital grants

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

f. Long term contract income

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

g. Sale of property

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

h. Maintenance of premises

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

III. Balance Sheet

a. Land and buildings

Buildings inherited from the former Avon County Council on 1 April 1989 were valued at that date at their depreciated replacement cost, which was calculated by applying 'rebuild costs' to each building's floor area. These rebuild costs were based on authoritative tables of such costs published by the Royal Institution of Chartered Surveyors. An estimate was made of the remaining useful economic life of each building which was applied to a total life of 50 years, or a longer period for buildings already exceeding that age, in order to arrive at the depreciated value. No adjustment is made to this valuation until it is clear that there has been a material change. Depreciation is charged at 2% per annum on that valuation. Expenditure on buildings (including refurbishments and expenditure needed to bring a building

i. Finance and operating leases

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

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

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

j. Foreign currency

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

k. Access funds and training and development agency bursaries

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

into full operation) since that valuation is capitalised if it is probable that increased future economic benefits will arise as a result of the expenditure. Such expenditure is depreciated on a straight line basis over the estimated useful life of the corresponding asset. All other expenditure on buildings is treated as an expense in the accounting period in which it is incurred.

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

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

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

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

Land is stated at cost and is not depreciated.

b. Investment properties

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

c. Roads and car parks

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

d. Equipment, furniture and software

Expenditure on items or groups of items of equipment, furniture and software costing more than £25,000 is capitalised, and then depreciated on a straight line basis over a 3 to 5 year period. Equipment purchased under finance lease is depreciated over the term of the lease.

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

e. Disability Discrimination Act (DDA) assets

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

f. Stocks

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

g. Term deposits and cash at bank

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

h. Investments

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

i. Provisions

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

Consolidated Income and Expenditure for the year ended 31 July 2015

	Note	2014/15 £m	2013/14 £m
Income			
Funding council grants	1	20.0	36.2
Tuition fees and education contracts	2	171.1	153.3
Research grants and contracts	3	11.5	10.6
Other operating income	4	34.0	34.4
Endowment and investment income	5	1.0	1.1
Total Income		237.6	235.6
Expenditure			
Staff costs	6	135.4	128.7
Other operating expenses	7	78.1	83.7
Depreciation	7, 9	8.9	7.4
Interest payable and other finance costs	7	0.9	1.0
Total Expenditure		223.3	220.8
Surplus before exceptional item		14.3	14.8
Surplus on sale of fixed assets	8	9.6	-
Surplus Transferred to General Reserve		23.9	14.8

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

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

Consolidated Balance Sheets at 31 July 2015

	Note	Group		University	
		2015 £m	2014 £m	2015 £m	2014 £m
Fixed Assets					
Tangible fixed assets	9	227.3	207.1	218.2	197.6
Investments	10	-	-	12.7	12.7
		227.3	207.1	230.9	210.3
Endowment Asset					
	11	1.8	1.8	1.8	1.8
Current Assets					
Stocks		0.3	0.2	0.3	0.2
Debtors	12	22.4	11.4	22.8	11.8
Properties held for sale		-	1.5	-	1.5
Current asset investments		59.2	78.0	57.0	77.0
Cash at bank and in hand		52.1	29.1	50.9	27.1
		134.0	120.2	131.0	117.6
Creditors:					
Amounts falling due within one year	13	(70.9)	(60.3)	(70.9)	(60.3)
Net Current Assets		63.1	59.9	60.1	57.3
Total Assets less Current Liabilities		292.2	268.8	292.8	269.4
Creditors:					
Amounts falling due after more than one year	14	(68.2)	(72.8)	(68.2)	(72.8)
Provision for liabilities and charges	15	(0.1)	(0.1)	(0.1)	(0.1)
Net Assets excluding Pension Liability		223.9	195.9	224.5	196.5
Pension liability	27	(77.3)	(60.8)	(77.3)	(60.8)
Net Assets		146.6	135.1	147.2	135.7
Deferred Capital Grants					
	16	45.2	42.9	45.2	42.9
Reserves					
Avon endowment	17	46.6	46.6	46.6	46.6
Permanent endowment	18	1.8	1.8	1.8	1.8
		48.4	48.4	48.4	48.4
Income and expenditure	19	130.3	104.6	130.9	105.2
Pension reserve	20	(77.3)	(60.8)	(77.3)	(60.8)
		53.0	43.8	53.6	44.4
Total Reserves		101.4	92.2	102.0	92.8
Total Funds		146.6	135.1	147.2	135.7

The financial statements were approved by the Board of Governors on 23 November 2015 and signed on its behalf by:



Professor Steve West
Vice-Chancellor



Gillian Camm
Chair, Board of Governors

Consolidated Statement of Total Recognised Gains and Losses for the year ended 31 July 2015

	Note	2014/15 £m	2013/14 £m
Surplus on continuing operations after depreciation of assets at cost		23.9	14.8
Actuarial loss in respect of pension schemes in the year	20	(14.7)	(0.1)
Total Recognised Gains		9.2	14.7
Closing Reserves and Deferred Capital Grants			
Opening reserves and endowments		92.2	77.5
Total gain recognised in the year		9.2	14.7
Closing Reserves		101.4	92.2
Opening deferred capital grants		42.9	40.6
Net increase in the year		2.3	2.3
Closing deferred capital grants		45.2	42.9
Net Assets as at 31 July		146.6	135.1

Consolidated Cash Flow Statement for the year ended 31 July 2015

	Note	2014/15 £m	2013/14 £m
Net cash inflow from operating activities	21	29.5	22.2
Returns on investments and servicing of finance			
Interest received		0.9	1.1
Interest paid		(0.5)	(0.5)
		0.4	0.6
Capital expenditure and financial investment			
Tangible fixed assets acquired	9	(29.3)	(14.5)
Proceeds from disposal of asset		4.6	-
Deferred capital grant received	16	3.0	3.0
		(21.7)	(11.5)
Net cash inflow before management of liquid resources		8.2	11.3
Management of liquid resources: current asset investments	22	18.8	19.5
Cash inflow before financing		27.0	30.8
Financing	22	(4.0)	(3.8)
Increase in cash		23.0	27.0
Reconciliation of net cash flow to movement in net funds			
Increase in cash		23.0	27.0
Increase in investments	22	(18.8)	(19.5)
Repayments of loan		3.9	3.8
Salix loan from HEFCE		-	(1.0)
Change in net funds in the year		8.1	10.3
Net funds at 1 August		31.0	20.7
Net Funds at 31 July	22	39.1	31.0

Notes to the Financial Statements

	2014/15	2013/14
	£m	£m
1. Funding Council Grants		
Basic recurrent grant	17.1	32.2
Training and Development Agency	0.3	0.8
Other grants	1.9	2.5
Release of capital grants	0.7	0.7
	20.0	36.2
2. Tuition Fees and Education Contracts		
Full time – Home and EU	114.1	99.3
Full time – Overseas	21.3	17.2
Part time	6.4	6.6
Health Authority Education Contracts	23.6	24.2
Short course fees	5.7	6.0
	171.1	153.3
3. Research Grants and Contracts		
Research Councils	3.1	3.0
UK based charities	1.5	1.1
European Commission	2.1	1.7
Other research grants and contracts	4.8	4.8
	11.5	10.6
4. Other Operating Income		
Residences and catering	18.8	17.3
Other services rendered	3.2	5.0
Rent receivable	1.3	1.5
Other educational contracts	3.4	2.9
Other income	7.3	7.7
	34.0	34.4
5. Endowment and Investment Income	1.0	1.1
6. Staff Costs		
Salaries and wages	112.8	105.7
Social security costs	8.3	7.8
Pension costs	14.3	15.2
	135.4	128.7
Average FTE staff numbers by category		
	2014/15	2013/14
	Numbers	Numbers
Academic faculties	1,325	1,271
Learning support services	240	248
Other student support services	332	315
Administration and central services and premises	816	814
	2,713	2,648

Notes to the Financial Statements (continued)

6. Staff Costs (continued)

Emoluments of the Vice-Chancellor

	2014/15	2013/14
Vice-Chancellor	£	£
Salary	247,747	243,377
Performance related pay	18,852	18,253
Subtotal	266,599	261,630
Benefits in kind	611	604
Pension costs	34,932	34,316
	302,142	296,550

The performance related pay was awarded by measurements against targets set by the Board of Governors.

Remuneration of higher paid staff excluding the Vice-Chancellor

	2014/15	2013/14
	Numbers	Numbers
£100,000–£110,000	5	3
£110,001–£120,000	4	2
£120,001–£130,000	2	2
£130,001–£140,000	1	1
£140,001–£150,000	1	1

Expenses paid to or on behalf of Trustees

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

Trustees are entitled to claim reasonable expenses incurred in undertaking their duties as Trustees in accordance with the University's financial regulations. In 2014/15 a total of £4,145 (£7,660 in 2013/14) for expenses were paid to or on behalf of 18 Trustees. This covered: travel expenses to meetings and other University events; fees for training and development events; travel, accommodation and other expenses incurred in representing the University at external events and subscriptions and costs of publications to inform them in carrying out their role.

7. Analysis of expenditure by activity

	Staff	Other		Interest	Total	Total
	Costs	Operating	Dep'n	Payable	2014/15	2013/14
	£m	Expenses	£m	£m	£m	£m
Academic faculties	72.3	16.8	0.9	-	90.0	87.6
Academic support services	16.8	8.7	1.0	-	26.5	24.9
Research grants and contracts	5.3	2.8	-	-	8.1	7.2
Administration and central services	26.8	19.9	-	-	46.7	48.4
Premises	5.2	21.2	4.1	-	30.5	30.2
Residences and catering	4.5	6.0	2.9	0.5	13.9	12.8
Other services rendered	1.9	2.7	-	-	4.6	5.5
Other	1.2	-	-	-	1.2	3.1
FRS17 change (Note 27)	1.4	-	-	0.4	1.8	1.1
	135.4	78.1	8.9	0.9	223.3	220.8

Operating expenditure includes:

	2014/15	2013/14
	£000	£000
External auditors- audit	39	45
External auditors- non audit	1	-
Internal auditors	90	105
	130	150

Notes to the Financial Statements (continued)

8. Exceptional Item

The exceptional surplus of £9.6m (2013/14: £0) relates to the surplus realised on the sale of St Mathias campus. The sale price is to be received in 4 tranches with the first tranche received during the year. The remaining 3 tranches are shown as debtors. Amounts to be received after one year is shown as long term debtors.

9. Tangible Fixed Assets

Group	Investment Property £m	Freehold Land and Buildings £m	Assets in Course of Construction £m	Equipment £m	Total £m
Cost or Valuation					
At 1 August 2014	7.5	229.5	14.7	17.4	269.1
Additions	-	20.8	7.9	0.6	29.3
Transfer of asset in construction	-	13.8	(13.8)	-	-
Loss on revaluation	(0.2)	-	-	-	(0.2)
Write offs and disposals	-	(0.9)	-	-	(0.9)
At 31 July 2015	7.3	263.2	8.8	18.0	297.3
Depreciation					
At 1 August 2014	-	48.4	-	13.6	60.2
Charge for the year	-	6.7	-	2.2	8.9
Write offs and disposals	-	(0.9)	-	-	(0.9)
At 31 July 2015	-	54.2	-	15.8	70.0
Written Down Value					
At 31 July 2015	7.3	209.0	8.8	2.2	227.3
Written Down Value					
At 31 July 2014	7.5	181.1	14.7	3.8	207.1
University					
Cost or Valuation					
At 1 August 2014	7.5	218.3	14.7	17.3	257.8
Additions	-	20.8	7.9	0.6	29.3
Transfer of asset in construction	-	13.8	(13.8)	-	-
Loss on revaluation	(0.2)	-	-	-	(0.2)
Write offs and disposals	-	(0.9)	-	-	(0.9)
At 31 July 2015	7.3	252.0	8.8	17.9	286.0
Depreciation					
At 1 August 2014	-	46.6	-	13.6	60.2
Charge for the year	-	6.5	-	2.0	8.5
Write offs and disposals	-	(0.9)	-	-	(0.9)
At 31 July 2015	-	52.2	-	15.6	67.8
Written Down Value					
At 31 July 2015	7.3	199.8	8.8	2.3	218.2
Written Down Value					
At 31 July 2014	7.5	171.7	14.7	3.7	197.6

Notes to the Financial Statements (continued)

9. Tangible Fixed Assets (continued)

The investment property, Northavon House, was valued by the District Valuer in accordance with RICS Appraisal and Valuation Standards as at 31 July 2015. The District Valuer confirmed the valuation of Northavon House at that date at £7.3m based on existing use and open market value. A decrease of £0.1m in the valuation has been charged to revenue as depreciation.

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

The University's Bower Ashton redevelopment project has been developed in support of the UWE Bristol strategy 2020. The redevelopment project involves the adaptation of existing facilities and the construction of new buildings for the Faculty of Arts, Creative Industries and Education. One of the buildings that has been demolished is reflected as write offs in the financial statements. Accelerated depreciation on the other building which is scheduled for demolition in 2017 is included in the depreciation on freehold land and buildings.

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

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

	2015	2014
	£m	£m
Cost	4,144	4,144
Accumulated depreciation	2,774	1,870
Charge for the year	904	904

10. Investments

	Group		University	
	2015	2014	2015	2014
	£m	£m	£m	£m
Subsidiary companies	-	-	12.7	12.7
	<u>-</u>	<u>-</u>	<u>12.7</u>	<u>12.7</u>

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

Subsidiary companies

The following companies, all of which are incorporated in England and Wales, were wholly owned by the University at 31 July 2015.

Bristol Polytechnic Enterprises Limited	Property Management
Bristol UWE Health Training Limited	Dormant
Bristol UWE Sport Limited	Non Trading
Currency Supply Chain Solutions Limited	Non Trading

The University owns 67% of the following company which is incorporated in England.

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

	2015	2014
	£000	£000
Bristol UWE Sport Limited	-	-
Bristol UWE Health Training Limited	-	-
Bristol Polytechnic Enterprises Limited	(57.0)	18.0
Argillasys Limited	(25.0)	-

11. Endowment Assets

	Group and University	
	2015	2014
	£m	£m
At 31 July	1.8	1.8
	<u>1.8</u>	<u>1.8</u>

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

Notes to the Financial Statements (continued)

12. Debtors	Group		University	
	2015 £m	2014 £m	2015 £m	2014 £m
Long term debtors	4.4	-	4.4	-
Amount due from subsidiary	-	-	0.4	0.4
Other debtors	16.2	10.4	16.1	10.3
Other prepayments	1.8	1.0	1.9	1.1
	22.4	11.4	22.8	11.8

Long term debtors relates receipts due on sale of St Matthias campus. The remainder of £6.6m will be received over the next 3 years at £2.2m per year. The current portion of those debtors is included in other debtors.

Analysis of Long term debtors	2015 £m
Due less than one year	2.2
Due between one and two years	2.2
Due between two and five years	2.2
	6.6

13. Creditors: Amounts falling due within one year	Group		University	
	2015 £m	2014 £m	2015 £m	2014 £m
Research grants received in advance	19.4	18.1	19.4	18.1
Social security and taxation	4.7	4.2	4.7	4.2
Bank loan	4.0	3.9	4.0	3.9
Obligations under finance lease	0.5	0.6	0.5	0.6
Other receipts in advance	5.4	3.6	5.4	3.6
Accruals and deferred income	36.9	29.9	36.9	29.9
	70.9	60.3	70.9	60.3

14. Creditors: Amounts falling due after more than one year	Group and University	
	2015 £m	2014 £m
Bank Loan	67.5	71.3
Revolving Green Fund	0.6	0.9
Obligations under finance lease	0.1	0.6
	68.2	72.8
Analysis of Loan and net Finance Lease		
Due between one and two years	8.1	8.4
Due between two and five years	11.6	11.7
Due in five years or more	48.5	52.7
	68.2	72.8

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

In July 2015 the University entered into a loan Agreement with the European Investment Bank (EIB). The facility of £60m is repayable over 20 years, and has been procured to assist with the University's Capital Expenditure programme. The funds may be drawn down in tranches (maximum of 5) over the next 3 years; each tranche may be drawn at a fixed or floating rate (linked to Libor) at the University's choosing. All funds to be drawn down by July 2018. No drawdowns have been made as at 31 July 2015.

Notes to the Financial Statements (continued)

15. Provision for Liabilities and Charges

	Group and University	
	2015	2014
	£m	£m
Early Retirement Costs		
At 1 August	0.1	0.2
Transfer to Income and Expenditure account	-	(0.1)
At 31 July	0.1	0.1

Early Retirement Costs represents the present value of the University's future obligation in relation to staff who have taken early retirement. This represents the SSAP24 provision not covered by FRS17 actuarial valuation. No valuation has been carried out for this fund as the values are not considered material.

16. Deferred Capital Grants

	Group and University	
	2015	2014
	£m	£m
At 1 August	42.9	40.6
Received during the year	3.0	3.0
Released to Income and Expenditure Account	(0.7)	(0.7)
At 31 July	45.2	42.9

Capital grants received are from the Higher Education Funding Council and Department of Business and Innovation Skills.

17. Reserves: Avon Endowment

	Group and University	
	2015	2014
	£m	£m
Avon Endowment	46.6	46.6

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

18. Permanent Endowment

	Group and University	
	2015	2014
	£m	£m
At 31 July	1.8	1.8

19. Income and Expenditure

	Group		University	
	2015	2014	2015	2014
	£m	£m	£m	£m
At 1 August	104.6	88.7	105.2	89.3
Surplus during the year	23.9	14.8	23.9	14.8
FRS17 change	1.8	1.1	1.8	1.1
At 31 July	130.3	104.6	130.9	105.2

Notes to the Financial Statements (continued)

20. Pension Reserve	Group and University	
	2015	2014
	£m	£m
At 1 August	60.8	59.6
Actuarial loss	14.7	0.1
FRS17 net change	1.8	1.1
At 31 July	77.3	60.8

21. Reconciliation of Surplus for the year to Net Operating Cash Flows	Group and University	
	2015	2014
	£m	£m
Operating surplus for the year before exceptional income	23.9	14.8
Surplus on sale of St Matts	(9.6)	-
Depreciation	8.9	7.4
FRS17 change in the year	1.8	1.1
Deferred capital grants released to income	(0.7)	(0.7)
Interest received	(0.9)	(1.1)
Interest paid	0.5	0.5
(Increase)/Decrease in debtors	(4.4)	2.0
Increase/(Decrease) in creditors falling due within one year	10.6	(2.2)
(Decrease)/Increase in creditors falling due after one year	(0.7)	0.3
Loss on revaluation of investment property	0.1	0.1
Net Cash Inflow from Operating Activities	29.5	22.2

22. Analysis of changes in Net Funds	2015	Cash	2014
		Flows	
	£m	£m	£m
Cash at bank and in hand	52.1	23.0	29.1
Current asset investments	59.2	(18.8)	78.0
Loan falling due after one year	(68.2)	4.0	(72.2)
Loan falling due within one year	(4.0)	(0.1)	(3.9)
	39.1	8.1	31.0

Notes to the Financial Statements (continued)

23. Training and Development Agency Bursaries

	Group and University	
	2015	2014
	£m	£m
Grant received	1.9	1.9
Disbursement to students	(1.9)	(1.9)
	-	-

24. Obligations under Operating Leases of Land and Buildings

	Group and University	
	2015	2014
	£m	£m
Commitment expires within 1 year	0.6	0.4
Commitment expires between 2 to 5 years	0.5	0.8
Commitment expires after 5 years	0.4	0.4
	1.5	1.6

25. Contingent Liability

- (a) The University is a member of U M Association Ltd (UMAL). UMAL is a discretionary Mutual Association owned by Higher Education and Further Education Institutions. It was formed to provide an alternative to traditional insurance in respect of the layer of claims which historically occur frequently. By self-managing the pool created by retaining funds in respect of such claims, the Members have gained control of costs and pricing, the cover provided, underwriting and claims data. Traditional insurance is purchased in the general insurance market by the Association for catastrophe claims. The Mutual offers all classes of material damage, business interruption, including terrorism risks, and liability covers, together with accident and travel cover.
- (b) In 2001/02 the University entered into an agreement with its subsidiary Bristol UWE Health Training Limited ("BUHT") in connection with its request that BUHT purchase shares in BQC Performance Management Limited ("BQC") for £0.44m. As sole shareholder in BUHT, the University guarantees the purchase of shares in BQC for the same consideration in the event that BUHT is deemed insolvent.
- (c) At 31 July 2015 value of capital commitments were £46.4m (31 July 2014 £12.6m). The University also has a commitment to replace sport pitches that was included as part of St Matthias campus sale. Planning permission has been received to build a replacement sports pitches on existing University land.
- (d) The University participates in the Universities Superannuation Scheme (USS) and a contingent liability exists in relation to the pension valuation recovery plan. The contingent liability relates to the amount generated by past service of current members and the associated proportion of the deficit. Given that the scheme is a multi-employer scheme and the company is unable to identify its share of the underlying assets and liabilities, the contingent liability is not recognised as a provision on the balance sheet.

26. Related party transactions

Due to the nature of the University's operations and the composition of the Board of Governors (being primarily drawn from local public and private sector organisations), it is inevitable that transactions will take place with organisations in which a member of the Board of Governors may have an interest. All transactions involving organisations in which a member of the Board of Governors may have an interest are conducted at arm's length and in accordance with the University's financial regulations and normal procurement procedures.

These financial statements reflect the following transactions with related parties, which were undertaken on arms' length basis and under normal commercial terms.

Notes to the Financial Statements (continued)

26. Related party transactions (continued)

Name of Organisation	Nature of Interest	Detail	(Income)/ Expenditure £000	(Debtor)/ Creditor £000
Capita Property and Infrastructure Limited	UWE Governor acts as Non-Executive Chairman	Project Management and Travel Arrangements	374	(17)
Hartpury College	UWE Governor acts as Chairman of Hartpury College	Franchise expenditure	3,097	604
Kaplan Holborn College	UWE Governor is an Academic Board Member	Use of Facilities – Teaching and Accommodation. Also UWEBIC Partnership	(1,150)	108
UWE Students Union	President of the Students' Union is a Governor of UWE Board	Hire of University facilities and catering by the Student Union, the University provides block grant and Sports Hall grant.	1,289	(8)
Wallscourt Foundation	Vice-Chancellor acts as Director and Trustee	Provision of grants, donations and other property related transactions	1,026	-
Wessex Water	Chair of the UWE Board of Governors acts as a Non-Executive Director	Water and sewerage charges	630	-

Notes to the Financial Statements (continued)

27. Pension Schemes

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

The pension cost for the University was as follows:

	2014/15	2013/14
	£m	£m
Teachers' Pension Scheme	6.9	6.5
Avon Pension Fund (includes FRS17 charge)	7.4	8.3
USS	0.5	0.4
	<hr/>	<hr/>
	14.8	15.2
	<hr/>	<hr/>

Teachers' Pension Scheme (TPS)

Contributions to the TPS are assessed not less than every 5 years by the Government Actuary. Contributions are paid by the University at the rate specified by the Government Actuary. During the year the University's contribution was 14.1% of pensionable salaries and the employees' contribution was 6.4% to March 2012. Since April 2012, employees' contribution rates ranged from 6.4% to 11.29% depending on the employee's full time equivalent pay. The scheme is unfunded and, therefore, no valuations of the fund's assets are published. With effect from September 2015, employer's contribution rate was increased to 16.4%.

The Avon Pension Fund

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

The total cash contribution made for the year ended 31 July 2015 was £10.5m of which employers' contribution totalled £7.4m and employees' contribution totalled £3.1m. In addition, during the year the University made a total deficit recovery payment of £1.9m (2014: £2.8m).

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

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

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

The agreed rates of contribution for employees are banded from 5.5% to 7.5% depending on an individual's full time pay.

The fund has been accounted for within these financial statements in accordance with the provisions of FRS17.

Notes to the Financial Statements (continued)

27. Pension Schemes (continued)

The material assumptions used by the actuary for FRS17 purposes at 31 July 2015 were:

	31 July 2015	31 July 2014
Inflation CPI	2.2%	2.3%
Rate of increase in salaries	3.7%	3.8%
Rate of increase in pensions	2.2%	2.3%
Discount rate for liabilities	3.8%	4.3%

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

	31 July 2015	31 July 2014
	Years	Years
Retiring today		
Males	23.4	23.3
Females	25.9	25.8
Retiring in 20 years		
Males	25.8	25.7
Females	28.8	28.7

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

	Rate of return expected at 31 July 2015	Value at 31 July 2015	Rate of return expected at 31 July 2014	Value at 31 July 2014	Rate of return expected at 31 July 2013	Value at 31 July 2013
		£m		£m		£m
Equities	6.5%	107.7	7.0%	95.3	7.0%	102.5
Bonds – Government	2.5%	17.4	3.2%	15.3	2.5%	17.0
Bonds – Other	3.6%	21.9	4.1%	17.8	3.4%	14.0
Property	6.1%	15.7	6.2%	13.5	6.0%	11.3
Cash/Liquidity	0.5%	4.3	0.5%	6.0	0.5%	2.8
Other	6.5%	26.7	7.0%	24.7	7.0%	11.3
		193.7		172.6		158.9

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

	31 July 2015	31 July 2014
	£m	£m
Market value of assets	193.7	172.6
Present value of the liabilities	(271.0)	(233.4)
Deficit in the scheme – Net pension liability	(77.3)	(60.8)

Amounts charged to the income and expenditure account

	31 July 2015	31 July 2014
Current service cost	(8.7)	(8.1)
Settlements and curtailments	(0.3)	(0.1)
Total operating charge	(9.0)	(8.2)

Notes to the Financial Statements (continued)

27. Pension Schemes (continued)

	31 July 2015 £m	31 July 2014 £m
Analysis of finance income and charges		
Expected return on pension scheme assets	9.8	9.5
Interest on pension liabilities	(10.2)	(10.0)
Net change	(0.4)	(0.5)
Analysis of amounts recognised in statement of recognised gains and losses (STRGL)		
Actual return less expected return on pension scheme assets	6.8	(1.4)
Changes in assumptions underlying the present value of the scheme liabilities	(21.5)	1.3
Actuarial gain/(loss) recognised in STRGL	(14.7)	(0.1)
Movement in deficit is as follows:		
Deficit in scheme at 1 August	(60.8)	(59.6)
Movement in the year:		
Current service cost	(8.7)	(8.1)
Contributions	7.6	7.7
Curtailments or settlements	(0.3)	(0.2)
Net Interest/Return on assets	(0.4)	(0.5)
Actuarial loss	(14.7)	(0.1)
Deficit in scheme at 31 July	(77.3)	(60.8)
Analysis of the movement in the present value of the scheme's liabilities:		
At 1 August	(233.4)	(218.5)
Current service cost	(8.7)	(8.1)
Interest cost	(10.2)	(10.0)
Contribution by the scheme participants	(3.0)	(2.8)
Actuarial gains and losses	(21.5)	1.3
Benefits paid	6.1	4.9
Curtailments	(0.3)	(0.2)
At 31 July	(271.0)	(233.4)
Analysis of the movement in the present value of the scheme's assets:		
At 1 August	172.6	158.9
Expected rate of return on scheme assets	9.8	9.5
Actuarial gains and losses	6.8	(1.4)
Contribution by the employer	7.6	7.7
Contribution by the scheme participants	3.0	2.8
Benefits paid	(6.1)	(4.9)
At 31 July	193.7	172.6

Notes to the Financial Statements (continued)

27. Pension Schemes (continued)

	2015 £m	2014 £m	2013 £m	2012 £m	2011 £m
Difference between the expected and actual return on assets					
Amount	(21.5)	(1.4)	15.5	(4.2)	5.3
Percentage of scheme assets	7.9%	0.8%	9.7%	3.1%	4.2%
Experience gains/(losses) on scheme liabilities					
Amount	6.8	(1.3)	(4.3)	(7.7)	(8.5)
Percentage of the present value of scheme liabilities and assets	3.5%	0.5%	1.9%	3.8%	4.8%
Actuarial gain/(loss) recognised in STRGL					
Amount	(14.7)	(0.1)	11.2	(11.8)	(3.2)
Percentage of present value of year end scheme liabilities	5.4%	0.1%	5.1%	5.9%	1.8%

Universities Superannuation Scheme (USS)

The University participates in the Universities Superannuation Scheme (USS), a defined benefit scheme which is contracted out of the State Second Pension (S2P). The assets of the scheme are held in a separate fund administered by the trustee, Universities Superannuation Scheme Limited. The University is required to contribute a specified percentage of payroll costs to the pension scheme to fund the benefits payable to the University's employees. In 2015, the percentage was 16% (2014: 16%). The University is unable to identify its share of the underlying assets and liabilities of the scheme on a consistent and reasonable basis and therefore, as required by FRS17 "Retirement benefits", accounts for the scheme as if it were a defined contribution scheme.

The total cost charged to the profit and loss account is £0.5m (2014: £0.4m). There was an accrual at the end of the financial year in respect of these contributions of £0.1m (2014 £0.1m), which was fully paid in August 2015.

The latest available triennial actuarial valuation of the scheme was at 31 March 2014 ("the valuation date"), which was carried out using the projected unit method and is currently being audited by the scheme auditor. Base on this 2014 valuation it is expected that employer contributions will increase to 18% from 1 April 2016.

The 2014 valuation was the third valuation for USS under the scheme-specific funding regime introduced by the pensions Act 2004, which requires schemes to adopt a statutory funding objective, which is to have sufficient and appropriate assets to cover their technical provisions. At the valuation date, the value of the assets of the scheme was £41.6 billion and the value of the scheme's technical provisions was £46.9 billion indicating a shortfall of £5.3 billion. The assets therefore were sufficient to cover 89% of the benefits which had accrued to members after allowing for expected future increases in earnings.

As at 31 March 2015, USS has 147,137 active members. Further disclosure is not made in these financial statements as there are only a small number (70) University employees in the scheme.

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UWE Bristol | University of the West of England
Frenchay Campus
Coldharbour Lane
Bristol BS16 1QY
+44 (0)117 965 6261

www.uwe.ac.uk