

# Financial Statements 2019/20





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## Introduction:

# Highlights of the year from the Vice-Chancellor

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The last year has presented a range of challenges for the higher education sector against a global backdrop of uncertainty caused by the coronavirus pandemic. During this time, Oxford Brookes has continued to achieve great things across each of its strategic objectives.

It is encouraging that the hard work and successes of the University have been recognised with numerous accolades over the past year. Oxford Brookes remains the UK's only university in the QS Top 50 Under 50 world ranking for 2021, for the fourth year running.

Oxford Brookes was also ranked in the top 50 universities in the UK in the Complete University Guide. In the Times Higher Education's Young University rankings for 2020, Oxford Brookes was rated second in the UK for teaching. In addition, the University's international reputation for the quality of its courses was recognised in the QS World University Rankings by Subject 2020, which placed Oxford Brookes 'amongst the world's top universities' in 13 individual subject areas.

Alongside the rankings, it has been a fruitful year for developing exciting initiatives and broadening our provision to further improve the student experience. Just one example is our commitment to degree apprenticeships, which are an important means of extending choice for our students. With this in mind, the University has validated several degree apprenticeships at undergraduate and postgraduate level, with more planned for the coming academic year. We also used the Your Voice, Your Brookes campaign to emphasise to students how their feedback about their experience has been acted upon by the University.

Research, knowledge exchange and IP income continue to thrive despite the challenges of the coronavirus pandemic. Oxford Brookes has been awarded government funding to develop four digital projects to support the UK's recovery from the pandemic. The projects harness the knowledge and expertise of our researchers, focusing on practical solutions. They include an app to measure progress in walking for patients recovering from coronavirus; an app to improve mental health; a mobile exercise app; and an app to promote exercise amongst older people with musculoskeletal problems whose surgery was delayed due to Covid-19. All are being developed with business partners or via our spinout companies.

Our work to foster inclusion and to widen participation and access to all has continued this year. One example is our work as the lead institution for Study Higher, a collaborative partnership increasing the number of young people from disadvantaged backgrounds in higher education. We are also proud to support the Black Lives Matter campaign. In June, we reiterated our commitment to race equality as part of our equality, diversity and inclusion agenda. Increasing diversity and ensuring everyone is treated with respect and dignity is central to who we are as a University.

We continue to focus on making further significant improvements to our campuses. The Sinclair Building was completed in February, providing top-quality teaching and research laboratories for the Faculty of Health and Life Sciences. A new hall of residence, Parade Green, was officially opened in August 2019. Situated on the old Cowley Barracks site, the halls are now home to more than 800 students.

On a celebratory note, the year also marks the 20th anniversary of our Swindon Campus. While the impact of Covid-19 has meant that planned events were unable to take place, we are hoping to revisit these in the coming year.

Over the following pages you can read more about how our staff, students and partners are continuing to do great things across a range of important areas including student experience, research and knowledge exchange, and projects aimed at supporting our local and wider community. On the latter, our students continue to inspire us, delivering a wide range of initiatives from a wellbeing garden at Swindon Campus to working with the charity Children Heard and Seen to support disadvantaged young people. Furthermore, to promote student volunteering opportunities, we have recently appointed a new volunteering coordinator within our Careers department.

I look forward to further great examples of positive initiatives over the coming year, both to tackle the effects of coronavirus, and to push forward knowledge and thinking on a wide variety of other important areas. All of them reflect our continuing pride in being one of the UK's top modern universities with a local, national and international reputation for teaching and research excellence.

**PROFESSOR ALISTAIR FITT**  
**VICE-CHANCELLOR**

## Financial highlights

### During the year to 31 July 2020 (2019 figures in brackets) the University group\*:

- Achieved all financial targets and key performance indicators
- Incurred an operating deficit of £10.1m (£3.9m deficit)
- Excluding actuarial pension adjustment, building write offs and an increase in the holiday pay accrual, generated an operating surplus of £4.2m (£12.4m surplus)
- Generated income of £198.6m (£203.0m).

### Financial strength

At the balance sheet date the University group had:

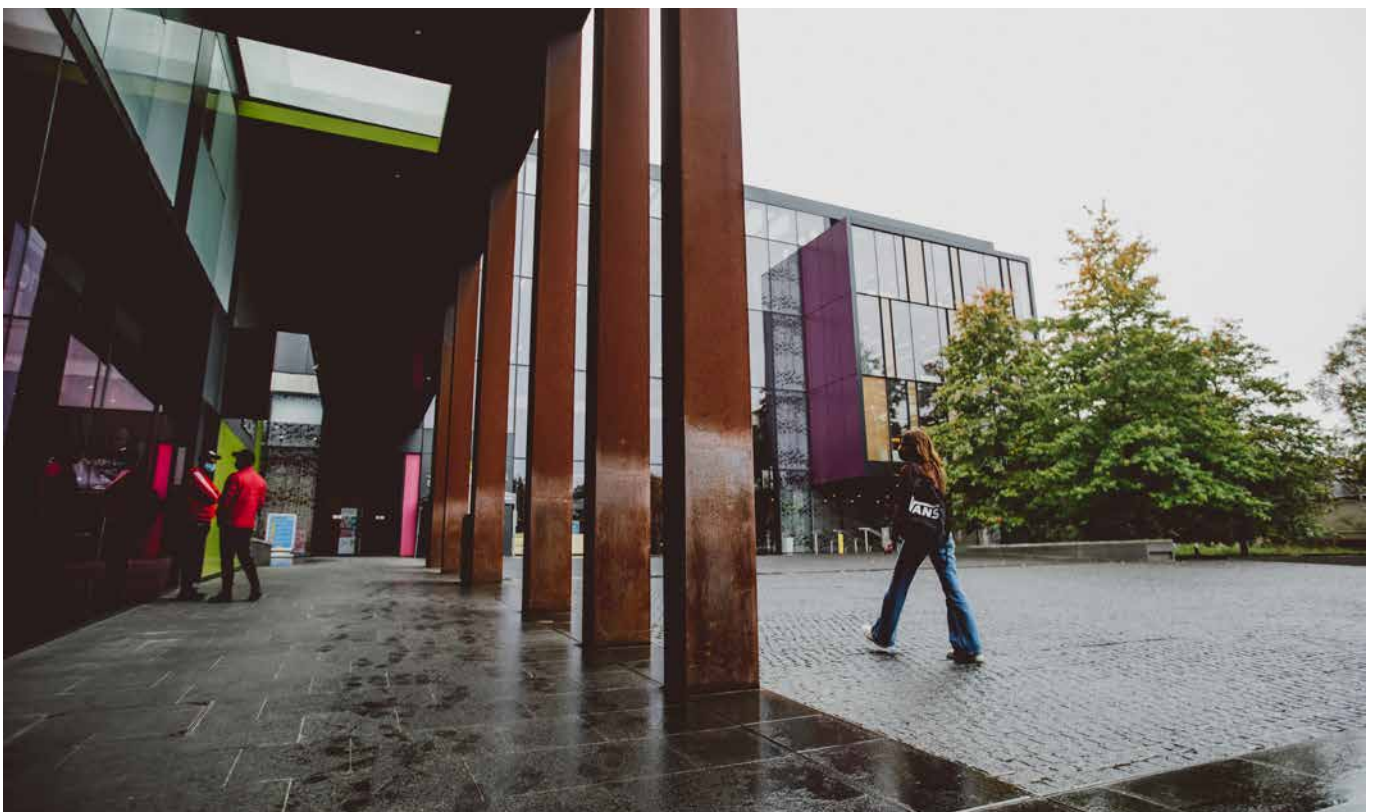
- Generated a net inflow of cash from operating activities of £28.3m (£22.1m)
- Cash and short-term deposits of £108.1m (£102.5m)
- Net current assets of £81.4m (£81.7m)
- Total net assets of £105.3m (£143.7m)
- Pension scheme deficits of £173.9m (£134.1m).

### Investments and borrowings

During the year the University group:

- Invested in fixed assets, including intangibles £17.9m (£23.2m).

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



# Committee members

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## Board of Governors (Trustees)

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

### Independent Members

Peter Vicary-Smith (Chair-Designate 29/11/19 – 31/07/20 Chair from 01/08/20)	Consultant to Competition & Market Authority, Director of The Consumer First Ltd
Simon Jones	Fellow of the British Computer Society and engaged in a range of IT and leadership advisory roles
Robert Kirtland (31/07/20 – Term of Office extended on 16/07/20 until the appointment of a new Chair of F&R / Independent Governor)	Chairman, Critchleys Chartered Accountants, Oxford
Leslie Morphy (Chair until 31/07/20)	Non-Executive Director, Home Group, Non-Executive Director, Surrey and Borders Partnership NHS Foundation Trust, various other trustee positions
Simon Mumford (from 02/10/19)	Partner at Pinsent Masons LLP
Paul O'Connor	Director, Healthcare Leadership Solutions Ltd, Director, Attain Health Management Services Ltd
Marek Pruszewicz (from 02/10/19)	Director of Communications, IPPF, Director, Ian Fleming Publications Ltd
Katherine Ryan (until 31/07/20)	Headteacher, Matthew Arnold School, Oxford
Yasmin Sidhwa	Artistic Director, Mandala Theatre Company, Oxford
Katrina Sinclair (from 02/10/19)	Apple Inc, Talent Development
Lucy Weston	Chair, Soha Housing, Non Executive Director, Oxford Health NHS Foundation Trust, Director, SIB Property Ltd
Lyn Williams	Chairman of Trustees of Uniac Pension Fund (for Unilever), various other trustee positions

### Student and Staff Governors

Daisy Hopkins (from 01/07/20)	President of the Students' Union, Oxford Brookes University
Harry Bower (from 01/07/19 until 30/06/20)	President of the Students' Union, Oxford Brookes University
Dr Roger Dalrymple (Teaching staff Governor)	Programme Lead in the Faculty of Humanities & Social Sciences, Oxford Brookes University Associate Dean Student Outcomes from December 2019
Adrian Thomas (Non-teaching Staff Governor from 01/08/19)	Director Global Student Recruitment, Oxford Brookes University

### Co-opted Committee Members

Jeremy Dawson	Partner, Dawson Partnerships
Cecilia Harvey (from 02/10/19 until 09/11/2020)	CEO Hive Dynamics

### Ex-Officio Member

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

Robert Kirtland (Chair)	Independent Governor
Leslie Morphy (until 31/07/20)	Independent Governor
Simon Jones	Independent Governor
Lucy Weston	Independent Governor
Simon Mumford	Independent Governor
Marek Pruszewicz	Independent Governor

### Audit Committee

Katherine Ryan (Chair) until 31/07/20	Independent Governor
Lyn Williams (Deputy Chair)	Independent Governor
Katrina Sinclair	Independent Governor
Paul O'Connor	Independent Governor
Jeremy Dawson	Co-opted member



### Remuneration Committee

Katrina Sinclair	Independent Governor
Simon Jones	Independent Governor
Leslie Morphy (until 31/07/20)	Independent Governor
Yasmin Sidhwa	Independent Governor

### Nominations Committee

Leslie Morphy (Chair until 31/07/20)	Independent Governor
Professor Alistair Fitt	Vice-Chancellor, Oxford Brookes University
Robert Kirtland	Independent Governor
Yasmin Sidhwa	Independent Governor
Dr Roger Dalrymple (from 28/11/19)	Teaching Staff Governor
President of the Students' Union when considering the appointment of a Chancellor	

### Vice-Chancellor's Group

Professor Alistair Fitt	Vice-Chancellor
Chris Blackburn (until 30/06/20)	Pro Vice-Chancellor and Dean of Business School
Tim Vorley (from 01/06/20)	Pro Vice-Chancellor and Dean of Business School
Cathy Burleigh	Director of Finance & Legal Services
Brendan Casey	Registrar and Chief Operating Officer
Ruth Davies	Director of Human Resources
Professor Linda King	Pro Vice-Chancellor, Research and Global Partnerships
Professor Anne-Marie Kilday	Pro Vice-Chancellor, Student and Staff Experience
Dr Astrid Schloerscheidt	Pro Vice-Chancellor and Dean of Faculty of Health and Life Sciences
Paul Inman (until 31/07/20)	Pro Vice-Chancellor and Dean of Faculty of Technology, Design and Environment
Professor Joe Tah (Interim from 20/07/20)	Pro Vice-Chancellor and Dean of Faculty of Technology, Design and Environment
Dr David Ellis (until 01/11/19)	Interim Pro Vice-Chancellor and Dean of Humanities and Social Sciences
Professor Rachael Langford (from 04/11/19)	Pro Vice-Chancellor and Dean of Humanities and Social Sciences

### Advisors

#### Bankers

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

#### External Auditors

Ernst & Young  
1 Colmore Square  
Birmingham  
B4 6HQ

#### Internal Auditors

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

### Legal Structure

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

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



# Strategic report: Strategy 2020

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

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

## Mission

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

## Values

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

## Vision

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

## Strategic goals

### *Student Experience*

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

We will:

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

### *Research and knowledge exchange*

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

We will:

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

### *Infrastructure and services*

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

We will:

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

### *External*

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

We will:

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

## Our guiding principles

### **Generosity of spirit**

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

### **Enterprising creativity**

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

### **Confidence**

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

### **Connectedness**

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

## Achieving our strategic commitments: Student experience

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During the academic year 2019/20, Oxford Brookes continued the implementation of its Academic Framework Review, an ambitious set of initiatives which will fundamentally refresh the structure and organisation of the University's programmes of study.

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

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

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

The satisfaction of those studying at Oxford Brookes in the National Student Survey (NSS) 2020 demonstrate that the University is performing close to the national average. Published in July, the results of the NSS show that overall satisfaction of Oxford Brookes students is 81% which compares with an average across UK universities of 83%.

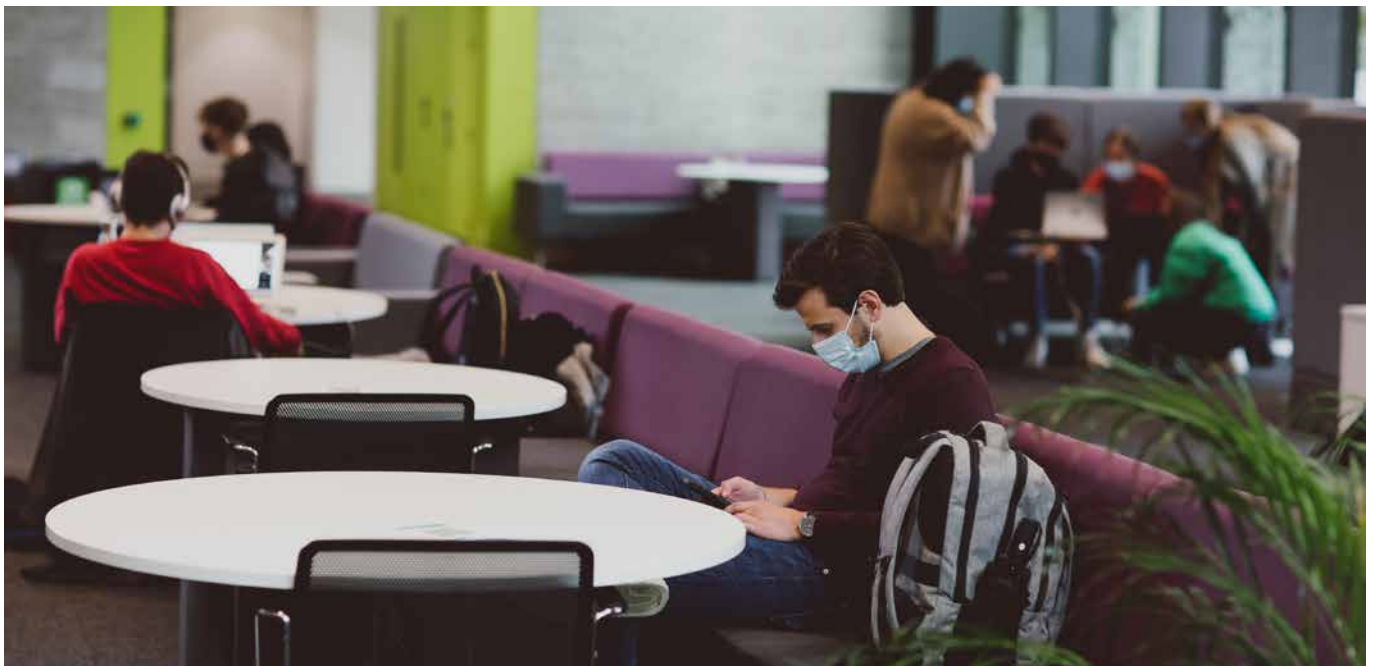
Oxford Brookes performed strongly across a number of the key metrics of the NSS, with more than 30 of its programmes attaining scores in the upper quartile.

Improvements were evident in the following key areas:

- organisation and management
- learning resources
- student voice

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

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





## Achieving our strategic commitments: Research and knowledge exchange

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

In 2019/20 the University had another excellent year of research, knowledge exchange and intellectual property income, despite the challenges of the Covid-19 pandemic and the continuing highly competitive funding environment. Indeed, as shown here, many of Oxford Brookes' researchers and innovators are contributing their skills to help address the impact of the pandemic.

In April 2020, UKRI launched an open call for projects to address Covid-19 through a fast-track peer review process. Our first award, announced in June, was to Dr Nayeli Gonzalez-Gomez, Senior Lecturer in Psychology. Nayeli will study how the quarantine measures during the Covid-19 pandemic might have a knock-on impact on parenting styles and children's sleep, social interactions, screen use, and time spent outdoors. The research will help future policy makers decide how to reduce the impact on children's development in the event of further lockdowns.

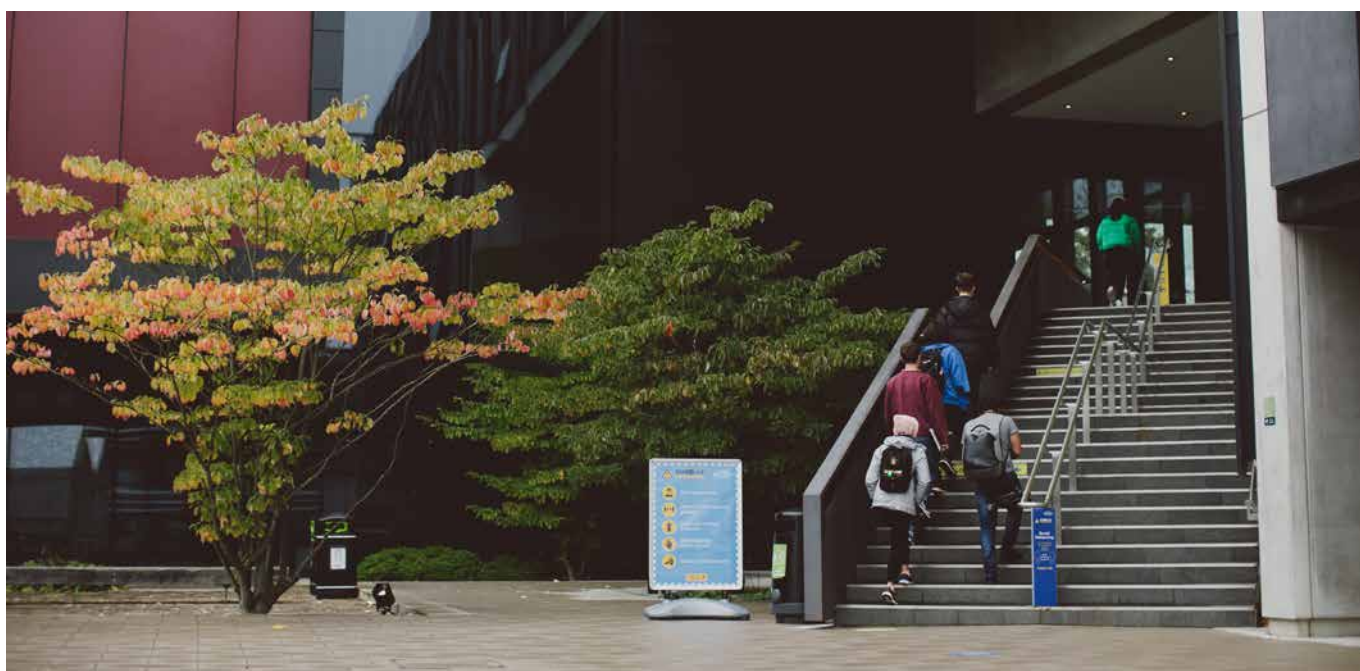
We were also awarded funding to develop four innovative projects that aim to help the UK's recovery from the coronavirus pandemic. This funding is part of a £40m government investment to fast-track new technology while supporting the UK's next generation of cutting-edge small businesses. More than 8,600 projects applied for funding of up to £50,000 in a competition run by Innovate UK, the UK's innovation agency, with just over 800 projects selected from across the UK. The four projects are outlined below.

HandHeld Health, based at Oxford Brookes, is a start-up company creating a mobile exercise app to help people recovering from coronavirus back to full fitness. Bristol-based

company 500 More will work with our Clinical Allied Technology and Trial Services Unit (OxCATTS), to develop an app to monitor people's recovery from Covid by measuring walking. This will help healthcare professionals and patients alike, by empowering them to track their own recovery in a way that is quick, cheap and scientifically validated.

Software company Syndeo, based in Belfast, will work with us to develop an artificial intelligence (AI) app that monitors people's emotional reactions and helps improve their mental health and wellbeing. The app will incorporate insights from experts in organisational behaviour in our Business School. A fourth digital app will offer home-based exercise to help older people with musculoskeletal problems whose surgery or physiotherapy was postponed due to Covid-19. The app is being created together with a social enterprise group, Good Boost, who deliver water-based rehabilitation programmes.

Whilst the coronavirus pandemic has focused our activities in the second half of 2019/20, the long term challenges of climate change are being tackled in a new report detailing a state of nation study by Professor Rajat Gupta and colleagues in the Low Carbon Building Research Group. This report has revealed for the first time a detailed national picture of the actual performance of new-build homes through a detailed analysis of building performance evaluation projects. With the UK committed to achieving net zero emissions by 2050, the report provides building professionals with key insights to inform the future design of homes.



# Achieving our strategic commitments: Infrastructure and services

## The estate

Progress has been made with ongoing discussions on future plans for use of the University's estate and further detail will be shared over the coming year.

On Headington Campus, Sinclair reached completion in early 2020, providing new teaching and research laboratories for the Faculty of Health and Life Sciences. Redevelopment of Floors 1, 2, 3, 4, the Annex, the ground floor and the building's external surrounding is now complete. East Oxford MP and Shadow Chancellor Anneliese Dodds MP visited the recently completed building in February and took the opportunity to speak with staff and students in the new spaces.

On the Headington Hill site, the former Helena Kennedy building has now been demolished, with development now paused while a decision on next steps for this space is made, as part of the wider strategic decisions around use of the University's estate, following its recently completed estate masterplan.

The Secretary of State for Housing, Communities and Local Government announced in April that planning permission should be allowed for the development of housing on the Wheatley Campus. This follows a planning enquiry held in late 2019 – the University is now considering the ruling carefully before agreeing on next steps.

On a celebratory note, the year also marks the 20th anniversary of our Swindon Campus. While the impact of Covid-19 meant that planned events were unable to take place, it is expected that these will be revisited in the coming year where possible.

## Halls

Progress continues with the Halls Investment Plan (HIP) which includes updating our older student accommodation and increasing our student bed stock. A further planning submission to develop the University's existing student accommodation at Clive Booth Student Village is anticipated for the coming year.

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

Following the successful completion of Phase 1 of the refurbishment of Paul Kent Hall of residence in July 2019, Phase 2 began work in January 2020. This work is set to complete by early 2021 and will provide further high-quality accommodation for the University's students.

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

## IT infrastructure and services

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

Projects and service improvements delivered during this period include: VLE upgrade including the deployment of an accessibility aid for teaching materials; simplification and performance improvements to the Halls network; a new workload planning solution; CRM and system integrations with the new student record system; a new responsive IT Service Portal; a REF module added to the research information system; a new Apple Mac device management service and computer provision upgrades across campuses.

Business as usual activity will change and adapt in these unusual times, to continue to deliver an excellent student experience, support teaching and learning, and develop the University's infrastructure and services.

The coming year will focus on supporting Oxford Brookes blended learning provision, the continued investment in the University's digital architecture - connectivity, hosting and IT security management.



## Achieving our strategic commitments: External

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

Examples of Oxford Brookes' work in this area include:

### Sharing knowledge

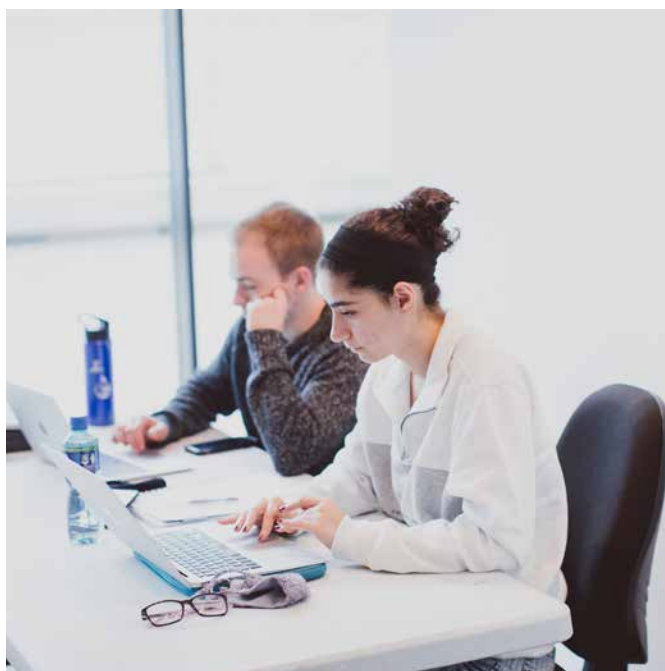
As an institution dedicated to learning, sharing our knowledge is core to our mission and we continue to do this through:

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

### Making a difference

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

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



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

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

### Inspiring young and old

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

### External partnerships

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

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

### Brookes in the community

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

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

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



## Our staff

The overall staff full-time equivalent (FTE) increased marginally from 1,892 to 1,894 (excluding hourly paid staff) in the last year, with academic and senior staff making up 45% of the workforce.

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

- Professor Rachael Langford, formerly Head of the School of Modern Languages within the College of Arts, Humanities and Social Sciences at the University of Cardiff, joined as Pro Vice-Chancellor and Dean of the Faculty of Humanities and Social Sciences.
- Professor Tim Vorley, formerly Deputy Dean and Professor of Entrepreneurship at the University of Sheffield, joined as Pro Vice-Chancellor and Dean of Oxford Brookes Business School.

### Other developments

The Equality Diversity and Inclusion (EDI) Advisory Group, chaired by the Vice-Chancellor, has maintained oversight of progress on our EDI Strategy 2018-2022. We have continued to engage with external charter marks, sustaining our Disability Confident Employer status and further improving our ranking in the Stonewall Workplace Equality Index supported by a Steering Group.

The Faculty of Humanities and Social Sciences attained a Bronze Athena SWAN award and the Oxford Brookes Business School made an award submission. Our Race Equality Steering Group has strengthened its membership to progress our internal action plan. Our EDI work across the board was actively supported and enhanced by the work of our Staff Diversity Networks.



### Trade Union Facility Time Report

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

#### Table 1 – Relevant Union Officials

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

Number of employees who were relevant union officials during the relevant period	Full-time equivalent employee number
40	36.73

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

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

Percentage time	Number of employees
0%	8
1-50%	32
51-99%	0
100%	0

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

	cost
Total cost of facility time	£101,568
Total pay bill	£104,565,879
Percentage of the total pay bill spent on facility time	0.09%

#### Table 4 – Paid trade union activities

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

Time spent on paid trade union activities as a percentage of the total paid facility time hours	29%
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# Our students

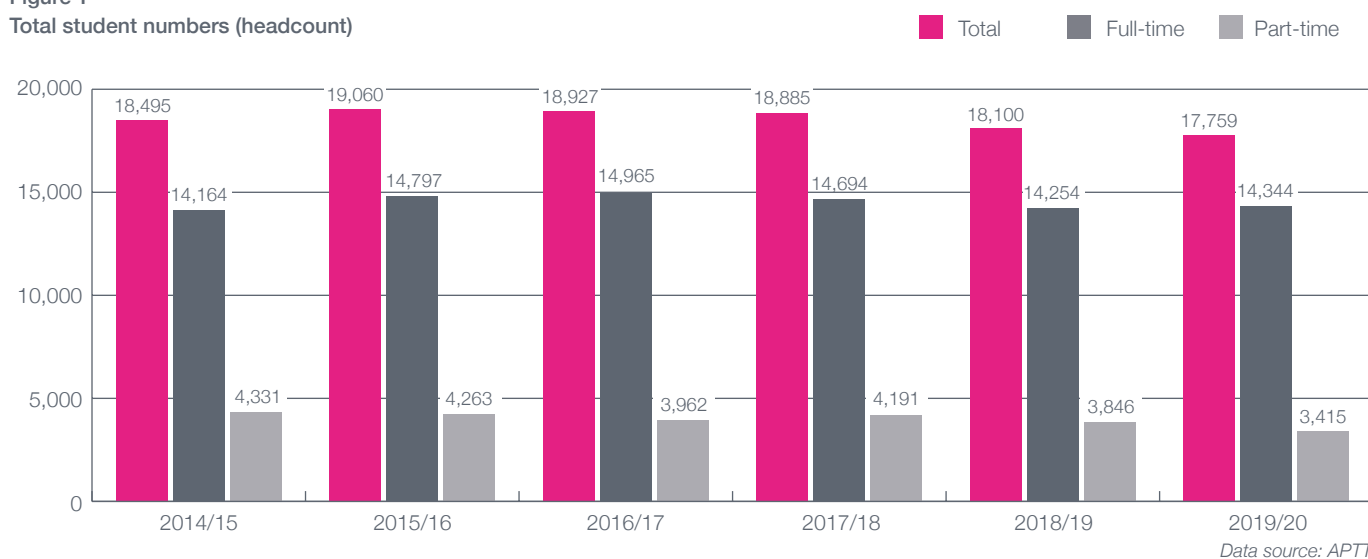
The most recent annual data shows that total student numbers (headcount) for 2019/20 have dropped by 2% on the previous year.

Figure 1 shows that total numbers have been declining since 2015/16. This downward trend has been sharpest for part-time students, which have continued to drop in 2019/20. Having previously decreased, full-time numbers have remained stable.

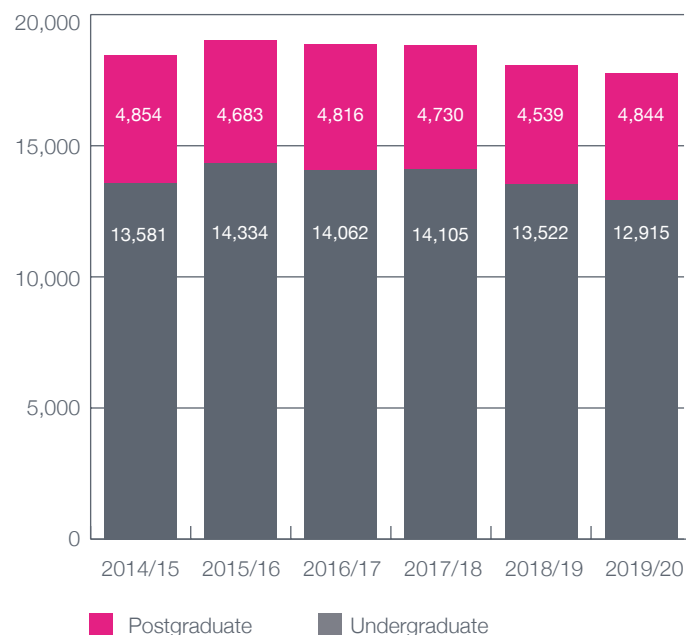
Undergraduate numbers have also fallen slightly in 2019/20, but postgraduate student numbers, which had previously shown a downward trend, have recovered.

Figure 3 charts the full-time equivalent (FTE) of international and home/EU students over time. This shows that following a few years of decline, the University's overall student FTE has remained stable. The International Recovery Plan has contributed to a reversal in the negative trend for International student numbers, with an increase in 2019/20.

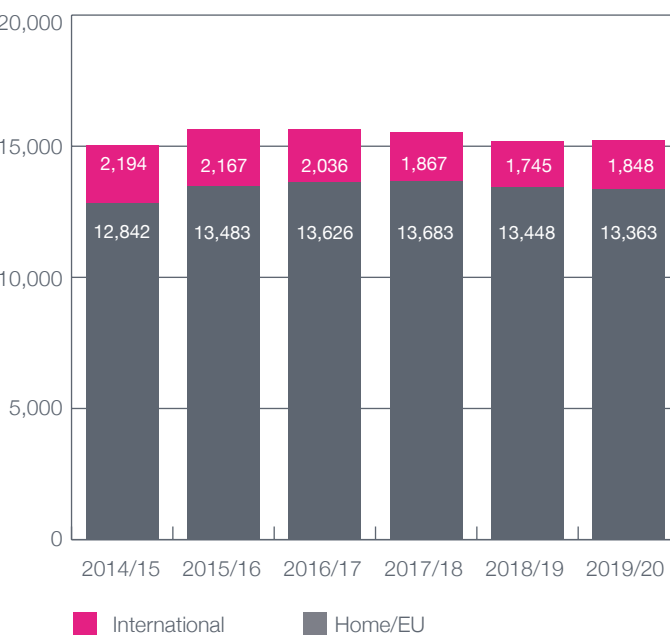
**Figure 1**  
Total student numbers (headcount)



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



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



# Financial results

The University's specific targets are being refreshed. The current Financial KPI targets in relation to financial sustainability are:

- to achieve a level of operating surplus that generates sufficient cash to resource agreed strategic investment (i.e. achieve surpluses approved in the financial plans) – Achieved
- to contain staff costs to below 55% of turnover and aim for 50% – Achieved 53.17% (excluding holiday pay increase, actuarial movement and advance pension deficit payment in 2019)
- to maintain net current assets, ratio of 1:1, and aim for a ratio of current liabilities to current assets of 1:3.19 – Achieved
- to achieve all loan covenant ratios – Achieved.

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

The operating deficit was £10.1m, which includes LGPS and USS pension actuarial costs of £8.6m, pension interest costs of £2.9m, staff holiday accrual of £2.1m.

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



## STRATEGIC REPORT FOR THE YEAR ENDED 31 JULY 2020

The University five-year financial forecasts show continued sustainable surpluses that reflect the latest student number forecasts, the Estates Investment Plan and IT Capital plan, and agreed efficiency targets across Faculties and Directorates. Key performance indicators between 2019 and 2020 are shown in the table below:

Key Performance Indicator	2020	2019
Operating Deficit	-£10.1m	-£3.9m
Surplus / (Deficit) excluding one off items, pension advance payment and write-off of architects fees	-£7.3m	£2.3m
Surplus excluding one off items and pension actuarial adjustments	£4.2m	£12.4m
Total Income	£198.6m	£202.9m
EBITDA	£16.7m	£22.6m
EBITDA%	8.43%	11.13%
Total comprehensive (deficit) / income for the year	-£38.35m	-£28.05m
Operating deficit as a % of income	-5.07%	-1.93%
Unrestricted income and expenditure reserve excluding pension reserve as a % of income	89.02%	85.83%
External borrowings as a % of income	100.21%	98.41%
Gearing: borrowing as a % of reserves	188.90%	196.40%
Operating cash generation as a % of borrowing	14.21%	11.05%
Net cash flow from operating activities as a % of income	14.24%	10.87%
Unrestricted income and expenditure reserve as a % of income	1.44%***	19.91%
Staff number average headcount*	3,449	3,534
Staff number average FTE**	1,905	1,876
Staff costs as a % of income	58.55%	55.34%
Staff costs as a % of income excluding holiday pay increase, actuarial movement and advance pension deficit payment in 2019	53.17%	49.41%

### Undergraduate student satisfaction:

With teaching	80.3%	80.6%
With course overall	81.3%	81.4%

Postgraduate student satisfaction with course overall	81%	81%
Research projects awarded in year	£6.2m	£5.4m

\* Staff number headcount includes Associate Lecturers

\*\* Staff number FTE excludes Associate Lecturers

\*\*\* Unrestricted income and expenditure reserve decreased by £37.6m in 2020



# Financial outlook

## 2019-20 Performance

Despite the sudden lockdown caused by the Covid-19 pandemic in March 2020, the University responded quickly and positively in managing its staff and student relations, contracts and suppliers, ensuring that it enabled blended learning on campus and acting within the government guidelines. (The new Procurement Policy Note (PPN 02/20) set out information and guidance for public bodies on payment of their suppliers to ensure service continuity during and after the current Covid-19, outbreak). Services were curtailed and adapted to the reduced footprint on campuses, including travel between campuses, and key contracts (such as the catering and bus contracts) were re-negotiated. Students were supported to leave or stay on campus, and sufficient services were retained to ensure continuity of service. This early concerted action enabled a more favourable position than anticipated at the end of April (when a £0.7m surplus was estimated), finishing the year with a surplus of £4.2m against the original Financial Plan of £6.4m, before one off and end of year pension adjustments.

## 2020-21 and future years Financial Plans (the growth trend)

The OfS requested an interim one year Financial Plan to be submitted on October 30th 2020. This submission was based on a successful clearing round, as the University clearly benefited through strong campaigning and advertising from the increase in students deciding to go to university in the light of the stalled employment market, created by the dramatic impact of Covid on the economic outlook, as well as the increased number of qualified students after A level results were awarded on the higher of teacher predicted grades or the CAG (Centre Assessed Grade). This context added to the prior 2 years of implementing a global recovery plan for international recruitment and a UK recruitment strategy, both of which showed strong evidence of success in applications data pre-Covid-19. The University was initially prudent in modelling

scenarios of the best, realistic and worst case scenario, to reflect the expected impact on student recruitment in its initial 2020-21 Financial Plan, submitted to the Board of Governors in July 2020. However, Home Undergraduates and subsequently Home Postgraduates and International Undergraduates and Postgraduates, outperformed the realistic scenario assumptions, (a deficit of £12m before savings targets), in all student categories except the Associate College Partnerships which have been declining in recent years. The financial position based on the October students enrolled and on campus, or enrolled in January for semester 2, with some caution applied and incorporating an updated and increased expenditure, resulted in a positive surplus of £1.2m with a reduced savings target. The increase between the realistic case fee income and updated forecast for fee income was £13m. The Financial Plan submitted to the OfS in October reflected this position.

The International Undergraduates and Postgraduates performance reflects a growth trend since 2019 brought about by substantial investment in overseas recruitment including a range of marketing improvements designed to reinvigorate and recover the international market. Early identification of student retention problems in some areas are being addressed from January, when the deposit required will be increased to improve the testing of affordability for enrolling students.

The University Strategy for securing student numbers, focuses on increasing numbers to sustainable levels which have declined from levels reached in around 2012. 2019-20 and 2020-21 have shown a recovery with 2020-21 numbers outperforming target. New targets are being set with the Faculties for the forward four years of the Plans.

Looking forward, the five-year financial plan income targets are £207m in 2020-21, growing to £222m in 2021-22 and £230m by 2022-23 rising steadily in future years to 2024-25. The surplus remains prudent in 2020-21 at £1.2m with a planned recovery in the surplus levels back towards the £10m surplus target. All future years of the interim plan will be reviewed on a regular basis given current events and the related uncertainty, and prior to the OfS deadline for submission of the governor-approved 5 Year Plans on the 1st March 2021.

## Forward Investment Plans

The University's overall growth target reflects its planned footprint, which features a future One Campus approach, built into its Strategy and future Financial Plans. The sale of the Wheatley Campus planned in 2021 and the new build and intensification of the Clive Booth Student Village fit into this vision. The 5 Year Financial Plans include £77m for Estates investment and £124m on Halls investment, which includes £75m for the Clive Booth Student Village.

There is planned investment in Information Technology Services (ITS) of £20m over five years. This includes replacing the IT architecture (£8m for network and connectivity projects) £11m for other organisational change projects and £1m for the new Student Record System, which is now live and will assume a business as usual status from January 2021. In addition there is £14m included to meet Faculty and Estates equipment needs.



There is continued investment in business critical priorities such as: a £1m Covid related response fund and a track and trace system and team £0.25m; an increase to the bad debt provision of £0.9m; investment in international commission and international scholarships £1.4m; additional teaching posts £0.3m; and Covid related expenditure (£0.2m) and compliance related expenditure (£0.4m) in Estates.

A key area of focus for the University is improving the diversity of the student body and increasing student success. The University has instigated a new admissions policy which provides for contextual offers to support a wider diversity of student intake. The Access and Participation plan is £7m in 2020-21 rising to £8m by 2024-25.

The University continues to be ambitious in its approach to partnerships and overseas collaborations. A new Global Partnerships team was established in 2019. The Metropolitan College in Greece was added as a partner in the previous year and the British College of Applied Studies (BCAS) in Sri Lanka has been added as a new partner this year. The University is cautious around the impact of Covid-19 on overseas partners. In the UK the University is reviewing performance with its Associate College Partnerships.

Value for money (VFM) is embedded within the procurement rules and within the annual planning processes. This is critical to ensure control of the cost base, given static home fees and significant cost pressures on future pay, pensions and services. The University recognises the need to demonstrate transparency to students and parents in how the fee income is spent, and this is published on the University website.

### Risk Management

The University assesses its financial risks and presents this alongside the five year financial plans in order to stress test and demonstrate the deliverability of the plans. It also identifies and has risk action plans to manage strategic and operational risks. The strategic risks are identified broadly as: recruitment of Home, EU and International students; improving the quality of the student experience and increasing the National Student Survey scores; protection against cybercrime and replacement of aging ITS infrastructure; monitoring occupation rates for student residences and implementation of the student residences strategy; student safety and well-being; the risks posed by Covid; and exiting the EU after the transition period. The risk register is monitored by the Vice-Chancellor's Group and reported to the Audit Committee and the Board of Governors at regular intervals during the year.

A workshop held on the 22nd October 2020, attended by senior and operational managers and a member of the governing body, assessed the specifically financial risks over the five year period from 2020-21 to 2024-25. The risks focussed on Home EU and International recruitment; current and future pay award, Student Union historic pension liability; student residences void rates; commercial income streams; bursary and hardship funds; Covid related expenditure and staff vacancy rates. Of these, the staff vacancy rate was judged to be the highest value risk in 2020-21 due to reduced turnover caused by the uncertainty in the employment market created by Covid-19.

Overall the assessment of financial risk in 2020/21 is £3.4m against an estimated total financial exposure of £8m. Of the £3.4m, £1.7m is in relation to failure to meet the staff vacancy target. The exposure is less than might have been expected

following the update of the interim budget for 2020/21. This was updated in light of October figures for enrolment and student residential occupation which enables a more timely assessment than that completed for July. This position compares with financial risk evaluated as £2m in 2019-20 and £2.7m in 2018/19.

The workshop also discussed and assessed external exceptional risks where timing and impact are unknown. It was recognised that it is difficult to apply the usual risk assessment methodologies due to the level of uncertainty around the impact and timing on these issues. Therefore, broad assumptions have to be made.

The assessment indicates that there is a low likelihood of risks associated with the disposal of the Wheatley campus impacting the first two years of the financial plans. In later years (2023 onwards), there is the potential for the plan to be impacted by any delay to the Clive Booth Student Village intensification project. Both of these risks are addressed within the University's strategic risk management process and will be proactively managed and monitored.

### External Events

The UK left the EU at the end of the transition period, from 1st January 2021, without an EU trade deal. The exact impact of the exit is not yet known. The University is offering scholarships to EU students joining in 2021-22 which may be scaled down over the following years to ensure that the University continues to be attractive to EU students who previously benefited from the student fee loan. Numbers of EU students, which are around 350 each year, are regularly monitored and the potential impact of losing this student cohort is considered in student number planning and the financial risk annual assessment. Other impacts being assessed include the potential impact on staff, procurement, Tax and VAT and changes to business travel in Europe.

The Covid Pandemic has had a big impact (the predicted surplus at period 6 reduced by £2.5m by the end of 2019-20) which creates continued uncertainty. The University has managed the situation effectively setting up a Major Incident Team and



a Recovery Steering Group, to manage and coordinate key decisions, actions and communications. The Five Year Financial Plan assumes a return to normal operations from September 2021-22. A £1m response fund has been allocated in 2020-21 and other specific funding has also been provided to help manage, and as far as possible mitigate, the impact on the day to day running of the University. It is anticipated that there will be added pressure on our pension funds due to the impact on investment performance.

### Treasury Management

Treasury management presents a challenge especially since the Bank of England lowered the base rate to 0.1% in March 2020 with the near outlook potential for negative rates as a mechanism to stimulate the economy. The University Treasury Management Strategy for cash management remains constrained by interest rates obtainable from the UK banks (A-AAA rated) in line with its low risk strategy and conservation of capital value. The University seeks to make the best available returns within these parameters. The average cash balances held in the year 2019-20 were £106.3m and the return on investments for the period was 0.77%.

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

The forecast cash balance at the end of 2020-21 is £113.8m. This is after allowing for debt service costs of £10.4m on a net debt position of £87.2m. All covenants are comfortably met as at 31 July 2021.

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

### Internal Control Environment

The University operates a strong internal control environment. It has appointed PwC, a third-party internal audit firm, with whom an annual audit programme is agreed through discussion with governors and senior staff. This annual plan together with a 3 year forward view is agreed and reported to the Audit Committee. The Audit Committee meets four times a year, and receives the latest audit reports as well as follow up reporting on previous report recommendations. Largely because of the Covid-19 pandemic, PwC was not able to complete all parts of its planned programme for 2019-20, but considered that it had completed sufficient work to enable it to issue its annual internal audit opinion. The University regularly reviews and updates its policies and processes and reports these as required to the Audit Committee. The Audit Committee Annual Report is produced and scrutinised alongside the Internal Audit Annual Report and the External Auditor Annual Results report to ensure that the members are fully informed of the status of key controls, internal procedures and governance arrangements.

### Going Concern

Financial sustainability remains central to all future planning.

The University has demonstrated that it is operating on a going concern basis as part of the governance reporting requirements

and as part of the year-end external audit requirement.

The University activities, together with the factors likely to affect its future development, performance and position are set out in the Strategic Report. The financial position of the University, its cash flows, liquidity position and borrowing facilities are described in the Financial Highlights section and the cash flow statement is in the main body of the annual financial statements.

The University updated its 2020-21 Financial Plan based on actual numbers of students on campus and those enrolled from January to arrive in semester two. The updated Plan changed from a £4.5m deficit recorded in the July 2020 version of the Plan modelled on the basis of a realistic scenario and approved by the Board of Governors in October to a £1.2m surplus. This was revised upwards to £6.1m in January as a result of the November 2020 financial monitoring. Student numbers at 1st December 2020 reported to the Board on the 24 February 2021 showed current enrolment at 96.8% of target (6,329 enrolments against a target of 6537). This is a slight drop on the position at the 15th October 2020 as the drop-out rate increased to 4% between October and December compared to 2% in the prior year. This was partially offset by late enrolments. This represents a very positive enrolment picture in a year when Covid was initially forecast to reduce enrolment by between 20 and 60%.

The University built in additional expenditure of £5.7m to ensure the Updated Plan remained robust. This included: £1.4m additional costs of International commissions and scholarships and a £0.9m increase in the provision for bad debt. Future cost savings built into the Updated Plan were also revisited, further non-pay savings of £0.4m were identified to add to the previously identified £2.1m.

The pay award for 2020-21 was suspended giving a saving of c £2m and this saving remains in the Updated Plan, although most other pay savings were withdrawn in light of the improved position. These will only be revisited should this be necessitated by Covid-related changes to the financial forecast in year. A recruitment freeze and the requirement for all renewed or additional posts to go through the Recruitment Approval Board remain in place as does the related £0.7m saving.

All covenants are met in the Updated and forward years Plans and the position has improved based on the November 2020 financial monitoring.

The University adopts a cautious approach to financial risk management. Cash funds are placed in low risk deposit accounts and capital value is protected. It does not expose essential funds to undue risk. External borrowings and finance leases are well established and no new debt has been taken on during the year.

Two covenants with two different banks which are the most restrictive in terms of the level of surplus (or adjusted operating cash) that needed to be generated for the year, were renegotiated for the year ending 31 July 2020. Although the increase in the level of headroom this achieved was not ultimately required.

The University has also worked with two banks to amend covenants to comply with the requirements of FRS 102. The main impact being the change in accounting for the Cheney service concession from c.£4m operating expense to c.£3m debt service charge and c.£1m operating expense. The University continues to meet its scheduled repayments and remains compliant with the revised covenants that are attached to the external debt. The 2020-21 Financial Plan and forecasts show that this will continue to be the case.



### **Forecasting through going concern period, including plausible worst-case scenario**

The University has continually reassessed its latest forecast in light of the changing conditions, such as changing government restrictions due to the pandemic. The latest forecast, prepared in January 2021, takes into account actual performance to the end of November 2020. The University has also run a severe but plausible downside scenario as part of their risk assessment process. The key variables that are subject to most judgement are reductions in residences income, no commercial income and reduction to home and overseas tuition fees due to potential increased student attrition rates. The scenarios include the going concern period for the financial statements and extend to the five years to July 2025. The forecast and the plausible downside scenario, has been considered by the Board of Governors.

The forecast uses the November 2020 actual results as its starting point. For 2020/21 it includes the impact of the third lockdown on residences income to March 2021, significant and prudent attrition rates in certain areas with recruitment, expenditure and uncommitted capital spend continuing to run behind expectations. The forecast assumes a return to some normality in 2021/22 but with a lower student base due to the built-in attrition rates. The forecast shows the University does not require any additional financing during that period.

The OfS requires that universities have access to a minimum liquidity of 30 days operating expenditure. It is a reportable event to the OfS if this is not the case. This equates to a minimum cash balance for the University of at least £15m. Based on the University forecast it is at no risk of breaching this requirement.

The severe but plausible downside scenario of a £6.4m reduction to surplus assumed that residences and commercial income would be further reduced along with a decrease in tuition fees. The tuition fee decrease is however unlikely to materialise due to a successful January intake. This scenario, before mitigating actions and assuming all impacts are before April, shows a cash low point in April 2021 of £79m which is still well within the requirements of the OfS.

In making these statements, the Board of Governors has considered the Going Concern Report from the Director of Finance and Legal Services and they consider that the University is a going concern from the date of approval of the Financial Statements on the 24 February 2021 for the following 12 months.

The University is well placed to manage its business risks successfully, despite the external shock imposed by the pandemic. It remains cautious in the face of the uncertainty facing the higher education sector during this time, building in financial resilience and flexibility to its plans. The Board of Governors has a reasonable expectation that the university has adequate resources to continue in operational existence for the foreseeable future, such that the going concern basis of accounting continues to be adopted in preparing these annual financial statements.

### **Conclusion**

Student recruitment in 2019-20 met the targets set. Recruitment in 2020-21 has seen an increase on prior year in nearly all categories. Whilst it is recognised that overseas students in particular could withdraw and there is an unknown impact on home students due to Covid-19, the University starts from a strong position. Outside of these circumstances, the University continues on a steady and modest growth trajectory. The University will continue to operate its tight control on finances which helped secure a positive operating surplus in 2019-20 (excluding actuarial pension adjustment, building write offs and an increase in the holiday pay accrual). A major area of focus for the forthcoming year will be the launch and adoption of the 2035 Strategy and the new branding which will continue to strengthen student experience and recruitment. This will ensure sustainable growth, continuous improvement in its teaching, research and knowledge exchange delivery and will secure ongoing financial sustainability. The University looks forward with optimism and with clear plans that remain flexible to cope with and withstand external shocks and events.

## Public benefit

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

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

### Encouraging progression to university for under-represented groups

Oxford Brookes continues to deliver a comprehensive programme of activity to raise awareness of higher education and to support students from under-represented groups who have the academic ability and potential to succeed and progress to university. We work with students from as young as age 10, through key transition points in their educational journey. This year we have piloted targeted work with specific under-represented groups, including one to one mentoring with young refugees and asylum seekers.

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

We are the lead institution for the collaborative partnership Study Higher, one of the 29 consortia funded by the Office for Students as part of the Uni Connect programme.

Study Higher aims to increase the number of young people from disadvantaged backgrounds in higher education by delivering outreach events and activities in targeted schools and colleges. Since the NCOP started in 2017, we have worked with over 18,000 students across Berkshire, Buckinghamshire, Oxfordshire and Swindon through a range of collaborative projects.

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

### Providing alternative ways to access Higher Education

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

We also offer a range of higher and degree apprenticeships, both through our ACP partners and our main on-campus provision. Apprenticeships enable individuals to work alongside gaining a higher level qualification, and in this way provide a route into degree level study for those who would not otherwise be able to access it.

### Financial support

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

During the 2019/20 financial year, support from Oxford Brookes included:

- Oxford Brookes bursaries and scholarships – £4.26m to 2,831 students
- Additional financial aid:
  - International student fund – £102,129
  - Home student hardship fund (undergraduate) – £1,255,437
  - Home student hardship fund (postgraduate) – £65,798
  - Disability financial aid – £33,310
  - Disability support equipment funding – £5,200
  - Springhill – £34,415.

### Sponsoring other educational establishments

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

# Corporate Governance and Internal Control

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## Introduction

The University is committed to best practice in all aspects of its corporate governance and has regard to the voluntary Governance Code of Practice contained in the Committee of University Chairmen's 'Guide for Members of Higher Education Governing Bodies in the UK', published in 2009 and re-issued as the 'Higher Education Code of Governance' in 2014. The latest revision was in September 2020.

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

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

## The Board of Governors

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

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

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

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

## Vice-Chancellor's Group

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

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

## Finance and Resources Committee

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

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

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

## Audit Committee

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

- the effectiveness of the internal audit service and ensuring that their recommendations are appropriately executed
- the effectiveness of internal control and risk management procedures
- the work of the external auditors and whether they are effectively carrying out their responsibilities to the Board of Governors by reporting that the University's financial statements present a true and fair view of the year's activities



- the existence of satisfactory arrangements to promote economy, efficiency and effectiveness
- the approval of the financial statements
- the systems and processes whereby assurance is obtained on the quality of all data returns.

#### Remuneration Committee

The Remuneration Committee meets as necessary to review the policy for the remuneration of the senior by the Board of Governors. Membership consists of four independent Governors. The Vice-Chancellor is not a member of the Remuneration Committee. The Vice-Chancellor attends at the request of the committee for specific matters. The Vice-Chancellor is excluded from matters concerning his own remuneration.

#### Nominations Committee

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

#### Academic Board

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

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

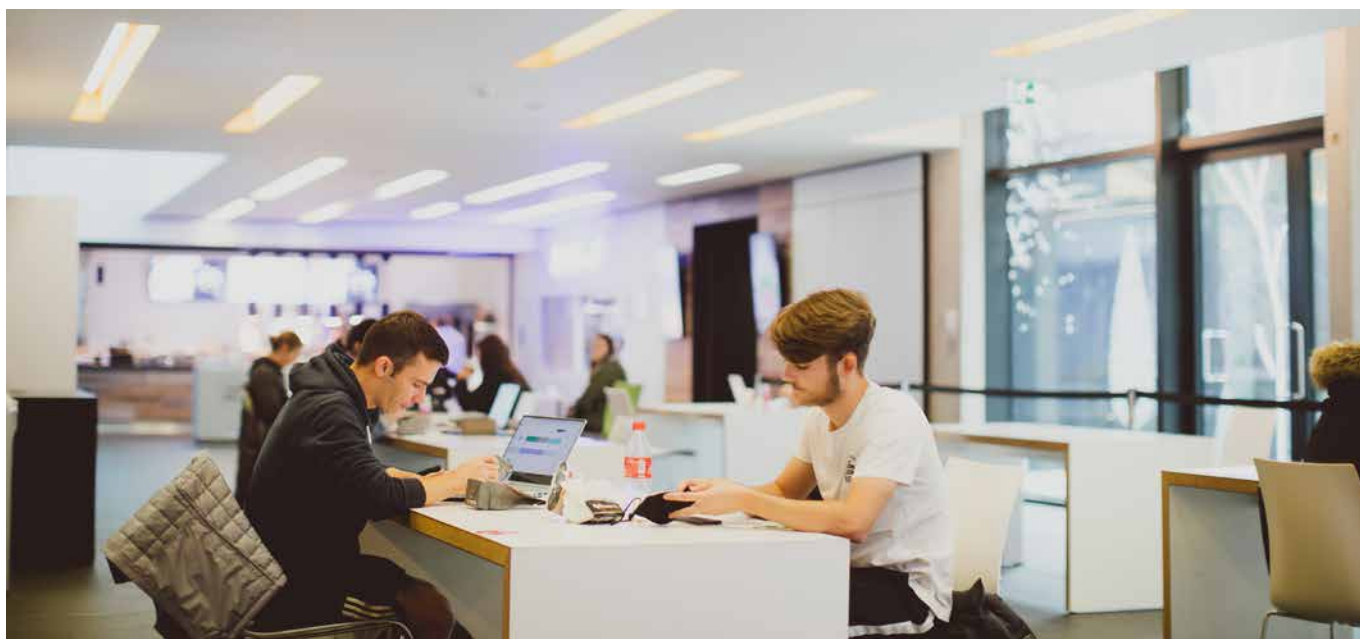
validation and review of courses; the procedures for the award of qualifications and honorary academic titles; and the procedures for the exclusion of students for academic reasons

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

#### Internal control

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

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



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

#### Charitable status

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

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

The Board is responsible for keeping proper accounting records, which disclose with reasonable accuracy at any time the financial position of the University and which enable it to ensure that the financial statements are prepared in accordance with the powers and duties of previous legislation. These are the Education Reform Act 1988, Further and Higher Education Act 1992 and the Higher Education Act 2004. They must also comply with the Regulatory Framework issued by the OfS in April 2018 and the Statement of Recommended Practice (SORP): Accounting for Further and Higher Education 2019, and applicable United Kingdom Law and Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102. The Board, through its designated office-holder, is required to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the University and of the institutional surplus or deficit and cash flows for that year.

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

- suitable accounting policies are selected and applied consistently;

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

The Board has taken reasonable steps to ensure the University:

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

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



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

#### Disclosure of information to auditors

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

#### Risk management

The University's strategic risk management process continues to provide effective systems for the identification of the major strategic and financial risks facing the University. During 2019/20 the Vice Chancellor's Group, Audit Committee and Board of Governors monitored the highest level strategic risks whilst other risks continued to be managed as part of the established management arrangements.

The key financial risks which materialised in the year had been identified in the financial risk and contingency workshops held in May with the marked exception of the Covid pandemic. As this was an event rather than a risk the University put into action the Major Incident Team initially, moving to the establishment of a Covid Recovery Team. Work to manage the impact of Covid remains in place since March given its continuance. The key elements of the University's approach during the year (excepting Covid), designed to discharge the responsibilities of the Board of Governors were:

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

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

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

Risk management procedures also considered threats arising from the Covid pandemic and incorporated those into processes, as appropriate.

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

At its meeting in November 2020 the Board of Governors consider the effectiveness of the arrangements for internal control and risk management that have been in place for the financial year to 31 July 2020 and up to the date of signing the annual financial statements. The Board of Governors came to a conclusion, based upon the Annual Report of the Audit Committee and other internal audit and management assurances, regarding whether the arrangements in place were satisfactory to provide effective internal control and risk management throughout this time. The conclusion reached at the meeting was one of adequate assurance.

#### Going concern

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



Peter Vicary-Smith  
Chair of Governors



Professor Alistair Fitt  
Vice-Chancellor



# Independent Auditors' Report

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## Opinion

We have audited the financial statements of Oxford Brookes University ('the parent institution') and its subsidiaries (the 'group') for the year ended 31 July 2020 which comprise the Consolidated and University Statement of Comprehensive Income, Consolidated and University Statement of Changes in Reserves, Consolidated and University Statement of Financial Position, Consolidated Cash Flow and the related notes 1 to 30, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the group's and of the parent institution's state of affairs as at 31 July 2020, and of the Group's and parent institution's income and expenditure, gains and losses and changes in reserves and of the Group's cash flows for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been properly prepared in accordance with the Statement of Recommended Practice: Accounting for Further and Higher Education, relevant legislation and Office for Students requirements.

## Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report below. We are independent of the group and parent institution in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

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

## Emphasis of matter – Disclosure in relation to the effects of COVID-19

We draw attention to the Basis of Preparation note in the financial statements, which describes the financial and operational consequences the University is facing as a result of Covid-19 which is impacting the financial and operational position and performance during 2020/21 and beyond. Our opinion is not modified in respect of this matter.

## Conclusions relating to going concern

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

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

## Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The Board of Governors is responsible for the other information.

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

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

We have nothing to report in this regard.

## Opinion on other matters prescribed by the Office for Students

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

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

### **Matters on which we are required to report by exception**

We have nothing to report in respect of the following matters in relation to which the Office for Students require us to report to you where:

- the University's grant and fee income, as disclosed after note 6 to the financial statements, has been materially misstated
- the University's expenditure on access and participation activities for the financial year has been materially misstated.

### **Responsibilities of the Board of Governors**

As explained more fully in the Statement of the Board of Governors' Responsibilities set out on pages 20 to 23, the Board of Governors is responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Board of Governors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

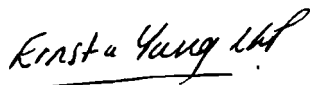
In preparing the financial statements, the Board of Governors is responsible for assessing the group's and the parent institution's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Governors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

### **Auditor's responsibilities for the audit of the financial statements**

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

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

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



Stephen Reid (Senior statutory auditor)  
Ernst & Young LLP  
Edinburgh

# Financial statements

## Consolidated and University statement of comprehensive income and expenditure for the year ended 31 July 2020

	Note	Year ended 31 July 2020		As restated* Year ended 31 July 2019	
		Consolidated £'000	University £'000	Consolidated £'000	University £'000
<b>Income</b>					
Tuition fees and education contracts	1	133,166	133,166	130,241	130,239
Funding body grants	2	17,058	17,058	16,849	16,849
Research grants and contracts	3	6,212	6,212	5,837	5,818
Other income	4	41,263	39,619	49,694	47,565
Investment income	5	182	182	269	269
Donations and endowments	6	701	701	568	568
<b>Total income</b>		<b>198,582</b>	<b>196,938</b>	<b>203,458</b>	<b>201,308</b>
<b>Expenditure</b>					
Staff costs	7	116,264	115,471	112,598	111,800
Other operating expenses	10	65,579	64,743	68,222	66,887
Depreciation, amortisation and impairment	11,12	17,517	17,502	17,554	17,537
Interest and other finance costs	8	8,647	8,647	8,649	8,649
<b>Total expenditure</b>	9	<b>208,007</b>	<b>206,363</b>	<b>207,023</b>	<b>204,873</b>
<b>Deficit before other gains and losses</b>		<b>(9,425)</b>	<b>(9,425)</b>	<b>(3,565)</b>	<b>(3,565)</b>
(Loss) on disposal of fixed assets	11, 12	(656)	(656)	(355)	(355)
Gain (Loss) on investments		5	5	-	-
<b>Deficit before tax</b>		<b>(10,076)</b>	<b>(10,076)</b>	<b>(3,920)</b>	<b>(3,920)</b>
Taxation		-	-	-	-
<b>(Deficit) / Surplus for the year</b>		<b>(10,076)</b>	<b>(10,076)</b>	<b>(3,920)</b>	<b>(3,920)</b>
Actuarial (loss) / gain in respect of pension schemes	30	(28,278)	(28,278)	(24,126)	(24,126)
<b>Total comprehensive (expense) / income for the year</b>		<b>(38,354)</b>	<b>(38,354)</b>	<b>(28,046)</b>	<b>(28,046)</b>
Represented by:					
Endowment comprehensive (expense) for the year		(105)	(105)	(72)	(72)
Restricted comprehensive income for the year		(1)	(1)	94	94
Unrestricted comprehensive income for the year		(37,642)	(37,657)	(27,477)	(27,477)
Revaluation reserve comprehensive income for the year		(606)	(591)	(591)	(591)
Attributable to the University		<b>(38,354)</b>	<b>(38,354)</b>	(28,046)	(28,046)
Attributable to the non-controlling interest		-	-	-	-
		<b>(38,354)</b>	<b>(38,354)</b>	<b>(28,046)</b>	<b>(28,046)</b>

All items of income and expenditure relate to continuing activities

\*Restatements relates to an increase in other income of £571k due to patent royalty income which was previously shown net of costs associated with the income. There is a corresponding increase of £571k in other operating expenses. Deficit remains as previously reported.



## Consolidated and University statement of change in reserves for the year ended 31 July 2020

Consolidated	Income and expenditure account			Revaluation reserve	Total
	<i>Endowment</i>	<i>Restricted</i>	<i>Unrestricted</i>		
	£'000	£'000	£'000	£'000	£'000
<b>Balance at 1 August 2018</b>	<b>1,505</b>	<b>931</b>	<b>67,977</b>	<b>101,335</b>	<b>171,748</b>
Deficit from the income and expenditure statement	(72)	94	(3,942)	-	(28,046)
Other comprehensive income	-	-	(24,126)	-	(24,126)
Transfers between revaluation and income and expenditure reserve	-	-	591	(591)	-
Release of endowment and restricted capital funds spent in year	-	-	-	-	-
<b>Total comprehensive expense for the year</b>	<b>(72)</b>	<b>94</b>	<b>(27,477)</b>	<b>(591)</b>	<b>(28,046)</b>
<b>Balance at 1 August 2019</b>	<b>1,433</b>	<b>1,025</b>	<b>40,500</b>	<b>100,744</b>	<b>143,702</b>
Surplus/(deficit) from the income and expenditure statement	(105)	(1)	(9,970)	-	(10,076)
Other comprehensive income	-	-	(28,278)	-	(28,278)
Transfers between revaluation and income and expenditure reserve	-	-	606	(606)	-
Release of endowment and restricted capital funds spent in year	-	-	-	-	-
<b>Total comprehensive income for the year</b>	<b>(105)</b>	<b>(1)</b>	<b>(37,642)</b>	<b>(606)</b>	<b>(38,354)</b>
<b>Balance at 31 July 2020</b>	<b>1,328</b>	<b>1,024</b>	<b>(2,858)</b>	<b>100,138</b>	<b>105,348</b>
<b>University</b>	<b>Income and expenditure account</b>			<b>Revaluation reserve</b>	<b>Total</b>
	<i>Endowment</i>	<i>Restricted</i>	<i>Unrestricted</i>		
	£'000	£'000	£'000	£'000	£'000
<b>Balance at 1 August 2018</b>	<b>1,505</b>	<b>931</b>	<b>67,886</b>	<b>101,335</b>	<b>171,657</b>
Deficit from the income and expenditure statement	(72)	94	(3,942)	-	(3,920)
Other comprehensive income	-	-	(24,126)	-	(24,126)
Transfers between revaluation and income and expenditure reserve	-	-	591	(591)	-
Release of endowment and restricted capital funds spent in year	-	-	-	-	-
<b>Total comprehensive expense for the year</b>	<b>(72)</b>	<b>94</b>	<b>(27,477)</b>	<b>(591)</b>	<b>(28,046)</b>
<b>Balance at 1 August 2019</b>	<b>1,433</b>	<b>1,025</b>	<b>40,409</b>	<b>100,744</b>	<b>143,611</b>
(Deficit)/surplus from the income and expenditure statement	(105)	(1)	(9,970)	-	(10,076)
Other comprehensive income	-	-	(28,278)	-	(28,278)
Transfers between revaluation and income and expenditure reserve	-	-	606	(606)	-
Release of endowment and restricted capital funds spent in year	-	-	-	-	-
<b>Total comprehensive income for the year</b>	<b>(105)</b>	<b>(1)</b>	<b>(37,642)</b>	<b>(606)</b>	<b>(38,354)</b>
<b>Balance at 31 July 2020</b>	<b>1,328</b>	<b>1,024</b>	<b>(2,767)</b>	<b>100,138</b>	<b>105,257</b>

## Consolidated and University Statement of Financial Position as at 31 July 2020

	Note	As at 31 July 2020		As restated at 31 July 2019	
		Consolidated £'000	University £'000	Consolidated £'000	University £'000
<b>Non-current assets</b>					
Intangible assets	11	13,145	13,145	12,227	12,227
Fixed assets	12	407,153	406,662	408,398	407,890
Investments	14	104	554	104	554
		<u>420,402</u>	<u>420,361</u>	<u>420,729</u>	<u>420,671</u>
<b>Current assets</b>					
Stock	15	30	9	149	128
Trade and other receivables	16	11,090	12,295	11,204	12,675
Investments	17	70,557	70,557	80,401	80,401
Cash and cash equivalents	24	37,528	35,725	22,128	20,346
		<u>119,205</u>	<u>118,586</u>	<u>113,882</u>	<u>113,550</u>
Less: Creditors: amounts falling due within one year	18	(37,422)	(36,853)	(32,463)	(32,164)
<b>Net current assets</b>		<b>81,783</b>	<b>81,733</b>	81,419	81,386
<b>Total assets less current liabilities</b>		<u>502,185</u>	<u>502,094</u>	<u>502,148</u>	<u>502,057</u>
Creditors: amounts falling due after more than one year	19	(222,115)	(222,115)	(223,517)	(223,517)
<b>Provisions</b>					
Pension provisions	21	(173,929)	(173,929)	(134,136)	(134,136)
Other provisions	21	(793)	(793)	(793)	(793)
<b>Total net assets</b>		<u>105,348</u>	<u>105,257</u>	<u>143,702</u>	<u>143,611</u>
<b>Restricted Reserves</b>					
Income and expenditure reserve – endowment reserve	22	1,328	1,328	1,433	1,433
Income and expenditure reserve – restricted reserve	23	1,024	1,024	1,023	1,025
<b>Unrestricted Reserves</b>					
Income and expenditure reserve – unrestricted		2,858	2,767	40,502	40,409
Revaluation reserve		100,138	100,138	100,744	100,744
<b>Total Reserves</b>		<u>105,348</u>	<u>105,257</u>	<u>143,702</u>	<u>143,611</u>

The financial statements on pages 25 to 55 were approved by the Board of Directors on 24 February 2021 and signed on its behalf by:



Peter Vicary-Smith  
Chair of Governors



Professor Alistair Fitt  
Vice-Chancellor

## Consolidated cash flow statement for the year ended 31 July 2020

	Note	Year ended 31 July 2020 £'000	Year ended 31 July 2019 £'000
<b>Cash flow from operating activities</b>			
(Deficit) for the year before tax		<b>(10,076)</b>	(3,290)
<b>Adjustment for non-cash items</b>			
Depreciation	12	<b>15,878</b>	16,479
Amortisation of intangibles	11	<b>1,639</b>	1,075
Loss on disposal of fixed assets	12	<b>656</b>	355
Service concession lease premium	13	<b>(125)</b>	(125)
(Increase)/decrease in stock	15	<b>118</b>	(4)
(Increase) in debtors		<b>60</b>	(1,060)
(Decrease)/increase in creditors		<b>5,053</b>	(4,343)
Increase in pension provision	21	<b>11,515</b>	10,159
(Decrease)/increase in general provision	21	<b>-</b>	(984)
<b>Adjustment for investing or financing activities</b>			
Investment income	5	<b>(182)</b>	(269)
Interest payable	8	<b>5,736</b>	5,792
Endowment income		<b>(151)</b>	(110)
Capital grant income		<b>(1,847)</b>	(1,550)
<b>Net cash inflow from operating activities</b>		<b>28,274</b>	22,125
<b>Cash flows from investing activities</b>			
Capital grants receipts		<b>1,191</b>	1,253
Investment income		<b>195</b>	270
Withdrawal of deposits		<b>9,844</b>	-
New deposits		<b>-</b>	(75,401)
Payments made to acquire tangible assets		<b>(10,967)</b>	(13,748)
Payments made to acquire intangible assets		<b>(2,901)</b>	(5,074)
Proceeds from sale of tangible assets		<b>25</b>	-
<b>Net cash outflow used in investing activities</b>		<b>(2,613)</b>	(92,700)
<b>Cash flows from financing activities</b>			
Interest paid		<b>(5,573)</b>	(5,629)
Interest element of finance lease and service concession payments		<b>(164)</b>	(159)
New endowments		<b>151</b>	110
New unsecured loans		<b>-</b>	75,000
Repayments of amounts borrowed		<b>(1,542)</b>	(1,523)
Capital element of finance lease and service concession payments	13	<b>(3,133)</b>	(3,028)
<b>Net cash inflow (outflow) used in financing activities</b>		<b>(10,261)</b>	64,771
<b>Decrease in cash and cash equivalents in the year</b>		<b>15,400</b>	(5,804)
<b>Cash and cash equivalents at beginning of the year</b>	24	<b>22,128</b>	27,932
Cash and cash equivalents at end of the year	24	<b>37,528</b>	22,128



### Basis of Preparation

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

The consolidated financial statements include the University and all its subsidiaries for the financial year to 31 July 2020. The results of subsidiaries acquired or disposed of during the period are included in the consolidated statement of income and expenditure from the date of acquisition or up to the date of disposal. Intra-group transactions are eliminated on consolidation.

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

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

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

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

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

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

### Going Concern

Financial sustainability remains central to all future planning.

The University has demonstrated that it is operating on a going concern basis as part of the governance reporting requirements and as part of the year-end external audit requirement.

The University activities, together with the factors likely to affect its future development, performance and position are set out in the Strategic Report. The financial position of the University, its cash flows, liquidity position and borrowing facilities are described in the Financial Highlights section and the cash flow statement is in the main body of the annual financial statements.

The University updated its 2020-21 Financial Plan based on actual numbers of students on campus and those enrolled from January to arrive in semester two. The updated Plan changed from a £4.5m deficit recorded in the July 2020 version of the Plan modelled on the basis of a realistic scenario and approved by the Board of Governors in October to a £1.2m surplus. This was

revised upwards to £6.1m in January as a result of the November 2020 financial monitoring. Student numbers at 1st December 2020 reported to the Board on the 24 February 2021 showed current enrolment at 96.8% of target (6,329 enrolments against a target of 6537). This is a slight drop on the position at the 15th October 2020 as the drop-out rate increased to 4% between October and December compared to 2% in the prior year. This was partially offset by late enrolments. This represents a very positive enrolment picture in a year when Covid was initially forecast to reduce enrolment by between 20 and 60%.

The University built in additional expenditure of £5.7m to ensure the Updated Plan remained robust. This included: £1.4m additional costs of International commissions and scholarships and a £0.9m increase in the provision for bad debt. Future cost savings built into the Updated Plan were also revisited, further non-pay savings of £0.4m were identified to add to the previously identified £2.1m.

The pay award for 2020-21 was suspended giving a saving of c £2m and this saving remains in the Updated Plan, although most other pay savings were withdrawn in light of the improved position. These will only be revisited should this be necessitated by Covid-related changes to the financial forecast in year. A recruitment freeze and the requirement for all renewed or additional posts to go through the Recruitment Approval Board remain in place as does the related £0.7m saving.

All covenants are met in the Updated and forward years Plans and the position has improved based on the November 2020 financial monitoring.

The University adopts a cautious approach to financial risk management. Cash funds are placed in low risk deposit accounts and capital value is protected. It does not expose essential funds to undue risk. External borrowings and finance leases are well established and no new debt has been taken on during the year.

Two covenants with two different banks which are the most restrictive in terms of the level of surplus (or adjusted operating cash) that needed to be generated for the year, were renegotiated for the year ending 31 July 2020. Although the increase in the level of headroom this achieved was not ultimately required.

The University has also worked with two banks to amend covenants to comply with the requirements of FRS 102. The main impact being the change in accounting for the Cheney service concession from c.£4m operating expense to c.£3m debt service charge and c.£1m operating expense. The University continues to meet its scheduled repayments and remains compliant with the revised covenants that are attached to the external debt. The 2020-21 Financial Plan and forecasts show that this will continue to be the case.

### Forecasting through going concern period, including plausible worst-case scenario

The University has continually reassessed its latest forecast in light of the changing conditions, such as changing government restrictions due to the pandemic. The latest forecast, prepared in January 2021, takes into account actual performance to the end of November 2020. The University has also run a severe but plausible downside scenario as part of their risk assessment process. The key variables that are subject to most judgement are reductions in residences income, no commercial income and reduction to home and overseas tuition fees due to potential increased student attrition rates. The scenarios include the going concern period for the financial statements and extend to the five years to July 2025. The forecast and the plausible downside scenario, has been considered by the Board of Governors.

The forecast uses the November 2020 actual results as its starting point. For 2020/21 it includes the impact of the third lockdown on residences income to March 2021, significant and prudent attrition rates in certain areas with recruitment, expenditure and uncommitted capital spend continuing to run behind expectations. The forecast assumes a return to some normality in 2021/22 but with a lower student base due to the built-in attrition rates. The forecast shows the University does not require any additional financing during that period.

The OfS requires that universities have access to a minimum liquidity of 30 days operating expenditure. It is a reportable event to the OfS if this is not the case. This equates to a minimum cash balance for the University of at least £15m. Based on the University forecast it is at no risk of breaching this requirement.

The severe but plausible downside scenario of a £6.4m reduction to surplus assumed that residences and commercial income would be further reduced along with a decrease in tuition fees. The tuition fee decrease is however unlikely to materialise due to a successful January intake. This scenario, before mitigating actions and assuming all impacts are before April, shows a cash low point in April 2021 of £79m which is still well within the requirements of the OfS.

In making these statements, the Board of Governors has considered the Going Concern Report from the Director of Finance and Legal Services and they consider that the University is a going concern from the date of approval of the Financial Statements on the 24 February 2021 for the following 12 months.

The University is well placed to manage its business risks successfully, despite the external shock imposed by the pandemic. It remains cautious in the face of the uncertainty facing the higher education sector during this time, building in financial resilience and flexibility to its plans. The Board of Governors has a reasonable expectation that the university has adequate resources to continue in operational existence for the foreseeable future, such that the going concern basis of accounting continues to be adopted in preparing these annual financial statements.

#### **Grant funding**

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

Grants (including research grants) from non-government sources are recognised in income when the University is entitled to the income and performance related conditions have been met. Income received in advance of performance related conditions being met is recognised as deferred income within creditors on the balance sheet and released to income as the conditions are met.

#### **Donations and endowments**

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

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

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

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

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

#### **Capital grants**

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

#### **Accounting for retirement benefits**

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

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

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

#### **Defined Benefit Plan**

Defined benefit plans are post-employment benefit plans other than defined contribution plans. Under defined benefit plans, the University's obligation is to provide the agreed benefits to

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

#### Employment benefits

Short term employment benefits such as salaries and compensated absences are recognised as an expense in the year in which the employees render service to the University. Any unused benefits are accrued and measured as the additional amount the University expects to pay as a result of the unused entitlement.

#### Finance leases

Leases in which the University assumes substantially all the risks and rewards of ownership of the leased asset are classified as finance leases. Leased assets acquired by way of finance lease and the corresponding lease liabilities are initially recognised at an amount equal to the lower of their fair value and the present value of the minimum lease payments at inception of the lease.

#### Service Concession Arrangements

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

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

#### Operating leases

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

#### Foreign currency

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

#### Fixed assets

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

1. Freehold land had been revalued to fair value on the date of transition to the 2015 FE HE SORP. Going forward the land is measured on the basis of deemed cost, being the revalued amount at the date (31 July 2014) of the revaluation.
2. Freehold and leasehold properties vested in the University under the Education Reform Act 1988, at valuation. The valuation as at 1 April 1991 was carried out by

an independent firm of chartered surveyors and rating consultants on the basis of depreciated replacement cost in the case of buildings, except where a market value was more appropriate, and current use market value in the case of land. Going forward the valuation on conversion is treated as deemed cost in the financial statements.

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

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

#### Land and buildings

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

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

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

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

#### Equipment

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

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

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

#### Borrowing costs

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

#### Intangible assets

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

#### Impairment

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

#### Financial instruments

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

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

- **Investments**  
Investments are measured at cost less impairment. Non-current asset investments are held on the Balance Sheet at amortised cost less impairment. Current asset investments are held at fair value with movements recognised in the Surplus or Deficit
- **Short-term debtors and creditors**  
Debtors and creditors with no stated interest rate and receivable or payable within one year are recorded at transaction price. Any losses arising from impairment are recognised in the statement of comprehensive income in other operating expenses.
- **Loans**  
Loans which are basic financial instruments are initially recorded at transaction price, net of transaction costs. Subsequently, they are measured at amortised cost using the effective interest method.

#### Investment in subsidiary

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

#### Stock

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

#### Cash and cash equivalents

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

Cash equivalents are short term (maturity being less than three months from the placement date), highly liquid investments that are readily convertible to known amounts of cash with insignificant risk of change in value.

#### Provisions, contingent liabilities and contingent assets

Provisions are recognised in the financial statements when:

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

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

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

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

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

#### Taxation

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

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

#### Reserves

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

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

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

### Critical accounting judgements and estimation uncertainty

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

#### Defined benefit pension schemes (note 30)

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

FRS102 makes the distinction between a group plan and a multi-employer scheme. A group plan consists of a collection of entities under common control typically with a sponsoring employer. A multi-employer scheme is a scheme for entities not under common control and represents (typically) an industry-wide scheme such as Universities Superannuation scheme. The accounting for a multi-employer scheme where the employer has entered into an agreement with the scheme that determines how the employer will fund a deficit results in the recognition of a liability for the contributions payable that arise from the agreement (to the extent that they relate to the deficit) and the resulting expense in profit or loss in accordance with section 28 of FRS102. The management are satisfied that Universities Superannuation Scheme meets the definition of a multi-employer scheme and has therefore recognised the discounted fair value of the contractual obligations under the recovery plan in existence at the date of approving the financial statements.



**Service Concession (note 13)**

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

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

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

**Revaluation of Land**

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

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

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

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

# Notes to the financial statements

## 1 Tuition fees and education contracts

	Year ended 31 July 2020		Year ended 31 July 2019	
	Consolidated £'000	University £'000	Consolidated £'000	University £'000
Full-time home and EU undergraduate students	92,117	92,117	87,026	87,026
Part-time home and EU undergraduate students	1,105	1,105	1,789	1,789
Full-time home and EU postgraduate students	6,727	6,727	6,549	6,549
Part-time home and EU postgraduate students	4,578	4,578	4,489	4,489
International students	24,517	24,517	21,143	21,143
Health Authorities	1,889	1,889	6,191	6,191
Other course fees	948	948	1,504	1,502
Research student tuition fees	894	894	1,550	1,550
Further Education	391	391	-	-
	<b>133,166</b>	<b>133,166</b>	<b>130,241</b>	<b>130,239</b>

Full time undergraduate students charged home fees are shown net of fee waivers relating to the £9.250k fee package of £0k (2018-19: £5k)

## 2 Funding body grants

	Year ended 31 July 2020		Year ended 31 July 2019	
	Consolidated £'000	University £'000	Consolidated £'000	University £'000
<b>Recurrent grant</b>				
Office for Students	5,725	5,725	6,590	6,590
Research England	5,555	5,555	5,104	5,104
Education and Skills Funding Agency	335	335	391	391
<b>Specific grants</b>				
Higher Education Funding Council	1,944	1,944	1,849	1,849
Higher Education Innovation Fund	1,404	1,404	1,151	1,151
Release of Capital grant	1,847	1,847	1,551	1,551
Other	248	248	213	213
	<b>17,058</b>	<b>17,058</b>	<b>16,849</b>	<b>16,849</b>

### 3 Research grants and contracts

	Year ended 31 July 2020		Year ended 31 July 2019	
	Consolidated	University	Consolidated	University
	£'000	£'000	£'000	£'000
Research Councils	2,313	2,313	1,267	1,267
UK-based charities	1,194	1,194	1,314	1,314
UK Central Government, Local Authorities	943	943	1,302	1,302
UK Industry, commerce, Public Corporations	322	322	539	520
European Commission	1,173	1,173	1,023	1,023
EU other	166	166	182	182
Other overseas	101	101	210	210
	<b>6,212</b>	<b>6,212</b>	<b>5,837</b>	<b>5,818</b>

### 4 Other income

	Year ended 31 July 2020		As restated* Year ended 31 July 2019	
	Consolidated	University	Consolidated	University
	£'000	£'000	£'000	£'000
Residences, catering and conferences	22,319	21,811	30,090	29,658
Other income	18,944	17,808	19,604	17,907
	<b>41,263</b>	<b>39,619</b>	49,694	47,565

\* restatement relates to an increase in other income of £571k due to patent royalty income which was previously shown net of costs associated with the income, there is a corresponding increase of £571k in other operating expenses (note 10)

## 5 Investment income

	Year ended 31 July 2020		Year ended 31 July 2019	
	Consolidated £'000	University £'000	Consolidated £'000	University £'000
Investment income on endowments	7	7	8	8
Other investment income	175	175	261	261
	<b>182</b>	<b>182</b>	269	269

## 6 Donations and endowments

New endowments	151	151	110	110
Donations with restrictions	447	447	410	410
Unrestricted donations	103	103	48	48
	<b>701</b>	<b>701</b>	568	568

**Note:** The source of grant and fee income, included in notes 1 to 3 is as follows:

### Grant and Fee income

Grant income from the OfS	9,265	9,265	10,000	10,000
Grant income from other bodies	14,005	14,005	12,685	12,666
Fee income for research awards (exclusive of Vat)	894	894	1,550	1,550
Fee income from non-qualifying courses (exclusive of Vat)	1,339	1,339	1,504	1,502
Fee income for taught awards (exclusive of Vat)	130,933	130,933	126,738	126,738
	<b>156,436</b>	<b>156,436</b>	152,320	152,299



## 7 Staff costs

	Year ended 31 July 2020		Year ended 31 July 2019	
	Consolidated £'000	University £'000	Consolidated £'000	University £'000
Staff Costs :	£'000	£'000	£'000	£'000
Salaries	83,446	82,653	78,523	77,739
Social security costs	8,834	8,834	8,351	8,346
Severance payments	628	628	414	414
Movement on USS provision	(1,259)	(1,259)	1,931	1,931
Movement on LGPS provision	9,864	9,864	5,372	5,372
Other pension costs	14,751	14,751	18,007	17,998
Total	<b>116,264</b>	<b>115,471</b>	112,598	111,800

In 2020 33 (2019 41) members of staff received severance payments

	Year ended 31 July 2020 £	Year ended 31 July 2019 £
Emoluments of the Vice-Chancellor:		
Salary		
Professor Alistair Fitt	233,300	233,300
Pension contributions to USS		
Professor Alistair Fitt	4,705	4,899
	<b>238,005</b>	<b>238,199</b>

In addition the Vice Chancellor received £2,830 (2019 £2,698) athenaeum subscription

### Justification of Vice-Chancellor's salary

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

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

The Vice-Chancellor declined to accept the recommended salary increase to £244,000pa in July 2017, in light of this decision no salary increase was offered in July 2019 for the 2019-2020 academic year.

### Median Pay Ratios

- The head of the provider's basic salary is 8.4 times the median pay of staff (2019 8.9), where the median pay is calculated on a full-time equivalent basis for the salaries paid by the provider to its staff.
- The head of the provider's total remuneration is 7.4 times the median total remuneration of staff (2019 7.9), where the median total remuneration is calculated on a full-time equivalent basis for the total remuneration by the provider of its staff.

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

	<b>Year ended 31 July 2020</b>	Year ended 31 July 2019
	<b>No.</b>	No.
£100,000 to £104,999	-	-
£105,000 to £109,999	-	-
£110,000 to £114,999	<b>1</b>	1
£115,000 to £119,999	<b>1</b>	-
£120,000 to £124,999	<b>1</b>	1
£125,000 to £129,999	<b>2</b>	-
£130,000 to £134,999	<b>1</b>	7
£135,000 to £139,999	<b>4</b>	-
£155,000 to £159,999	-	-
£160,000 to £164,999	<b>1</b>	1
£165,000 to £234,999	-	-
£235,000 to £239,999	<b>1</b>	1
	<b>12</b>	11
Average staff numbers by major category :		
	<b>No.</b>	No.
Teaching and research including management	<b>987</b>	935
Associate lecturers	<b>939</b>	1,027
Support	<b>1,523</b>	1,572
	<b>3,449</b>	3,534

Employees can have more than one contract of employment and, if these contract are in different categories, the employee will be counted more than once

£0k compensation paid (2019:£0k) for loss of office payable to a senior post-holder:

**Key management personnel**

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

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

	<b>Year ended 31 July 2020</b>	Year ended 31 July 2019
	<b>£'000</b>	£'000
<b>Key management personnel compensation</b>	<b>1,451</b>	1,431

<b>Access and Participation</b>	<b>Year ended 31 July 2020</b>
Access Investment	870
Financial Support	66
Disability Support (excluding expenditure included in the two categories above)	799
Research and Evaluation	117
	<b>1,852</b>

## 7 Staff costs continued

### Related Party Transactions

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

#### Professor Alistair Fitt

**Vice-Chancellor of Oxford Brookes University:  
Employed by Oxford Brookes University.**

##### Director of Venturefest Oxford Ltd

Purchase transactions of £1.1k (2019:£0.1k) during the year and nil outstanding at 31 July 2020 (2019:nil).

Sales transactions of £3.6k (2019:£6.6k) during the year and nil outstanding at 31 July 2020 (2019:nil).

##### Director of Oxfordshire Local Enterprise Partnership Ltd

Purchase transactions of £10.3k (2019:£0.5k) during the year and nil outstanding at 31 July 2020 (2019:nil).

Sales transactions of £5.5k (2019:£k) and nil outstanding at 31 July 2020 (2019:nil).

##### Director of The Oxford Trust

Purchase transactions of £0.1k (2019:nil) during the year and nil outstanding at 31 July 2020.

Sales transactions of £2.1k (2019:£15.5k) and nil outstanding at 31 July 2020 (2019:nil).

##### Director University Alliance from 1st September 2019

Purchase transactions of £48.5k during the year and nil outstanding at 31 July 2020.

Sales transactions of £0.2k and nil outstanding at 31 July 2020.

##### Director of Universities UK

Purchase transactions of £0.4k (2019:£71.4k) during the year and nil outstanding at 31 July 2020 (2019:£34.8k).

There were no sales transactions during the year (2019:nil).

##### Director of The Office of the Independent Adjudicator for Higher Education

Purchase transactions of £114.7k (2019:£113.1k) during the year and nil outstanding at 31 July 2020 (2019:nil).

There were no sales transactions during the year (2019:nil)

#### Professor Anne Trefethen

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

##### PVC and Trustee of Oxford University

Purchase transactions of £351.6k during the year (2019:£449k) and nil outstanding at 31 July (2019:nil)

Sales transactions of £223.3k (2019:£334k) during the year and £153.6k outstanding at 31 July 2020 (2019:nil).

##### Director of JISC, Eduserv

Purchase transactions of £395k (2019:£85k) during the year and £6.3k outstanding at 31 July 2020 (2019:nil).

There were no sales transactions during the year (2019:nil).

#### Brendan Casey

**Registrar and Chief Operating Officer,  
Vice-Chancellor's Group**

**Trustee of Oxford Brookes Student Union until**

##### 1 September 2019

During the year the Institution made awards of £1,004k (2019:£1,035k) to the Students' Union.

Purchase transactions of £20.2k (2019:£98k) during the year and £7.4k outstanding at 31 July 2020 (2019:nil).

Sales transactions of £558.8k (2019:£820k) during the year and £51k outstanding at 31 July 2020 (2019:nil).

##### Director of Southern Universities Management Services

Purchase transactions of £55.4k (2019:£54k) during the year and nil outstanding at 31 July 2020 (2019:nil).

There were no sales transactions during the year.

#### Anne-Marie Kilday

**Pro Vice-Chancellor (Student and Staff Experience)  
Vice-Chancellor's Group**

**Trustee of Oxford Brookes Student Union from  
1 September 2019**

During the year the Institution made awards of £1,004k (2019:£1,035k) to the Students' Union. Purchase transactions of £20.2k (2019:£98k) during the year and £7.4k outstanding at 31 July 2020 (2019:nil). Sales transactions of £558.8k (2019:£820k) during the year and £51k outstanding at 31 July 2020 (2019:nil).

#### Simon Jones, Governor

**Trustee Director at Eduserv**

Purchase transactions of £395k (2019:£85k) during the year and £6.3k outstanding at 31 July 2020 (2019:nil).

There were no sales transactions during the year.

#### Co-Opted Governor, St Michael's Primary School

Purchase transactions of £1k (2019:£0.8k) during the year and no amount outstanding at 31 July 2020 (2019:nil).

Sales transactions of £0.4k (2019:nil) during the year, and no amount outstanding at 31 July 2020 (2019:nil)

#### Katherine Ryan, Governor

**Head teacher, Mathew Arnold School Oxford**

No purchase transactions (2019:£1.4k) during the year and no amount outstanding at 31 July 2020 (2019:nil).

Sales transactions of £14k (2019:£17k) during the year, and no amount outstanding at 31 July 2020 (2019:nil).

#### Lucy Weston, Governor

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

Purchase transactions of £52.5k (2019:£55k) during the year, and no amount outstanding at 31 July 2020 (2019:£2k).

Sales transactions of £71k (2019:£193k) during the year and £9k were outstanding at 31 July 2020 (2019:£10k).

#### Lyn Williams

**Chairman of Trustees of Uniac Pension Fund (Unilever)**

Not currently a University Supplier.

Sales transactions of £11k (2019:nil) during the year and no amount outstanding at 31 July 2020 (2019:nil).

## 8 Interest and other finance costs

	Notes	Year ended 31 July 2020		Year ended 31 July 2019	
		Consolidated	University	Consolidated	University
		£'000	£'000	£'000	£'000
Loan interest		<b>5,572</b>	<b>5,572</b>	5,633	5,633
Finance lease interest (service concession finance charge)	13	<b>164</b>	<b>164</b>	159	159
Net charge on pension scheme	29	<b>2,911</b>	<b>2,911</b>	2,857	2,857
		<b>8,647</b>	<b>8,647</b>	8,649	8,649

## 9 Analysis of total expenditure by activity

	Year ended 31 July 2020		Year ended 31 July 2019	
	Consolidated	University	Consolidated	University
	£'000	£'000	£'000	£'000
Academic and related expenditure	<b>77,019</b>	<b>75,648</b>	77,709	75,976
Administration and central services	<b>71,982</b>	<b>71,954</b>	72,601	72,411
Premises (including service concession cost)	<b>29,455</b>	<b>29,546</b>	27,418	27,368
Residences, catering and conferences	<b>20,376</b>	<b>20,063</b>	22,300	22,123
Research grants and contracts	<b>6,652</b>	<b>6,630</b>	4,113	4,113
Other expenses	<b>2,522</b>	<b>2,522</b>	2,882	2,882
	<b>208,007</b>	<b>206,363</b>	207,023	204,873

### Access and Participation

Access Investment	<b>965</b>	<b>965</b>
Financial Support	<b>5,659</b>	<b>5,659</b>
Disability Support	<b>421</b>	<b>421</b>
Research and Evaluation (i)	<b>115</b>	<b>115</b>
	<b>7,160</b>	<b>7,160</b>

(i) 1,852k of these costs are already included in the overall staff costs figures included in the financial statements, see note 7



## 10 Other operating expenses

Notes	Year ended 31 July 2020		As restated* Year ended 31 July 2019	
	Consolidated	University	Consolidated	University
	£'000	£'000	£'000	£'000
<b>Premises related:</b>				
Maintenance	10,833	10,802	10,670	10,581
Rent	5,843	5,921	5,790	5,714
Books, publications and periodicals	1,579	1,579	2,073	2,071
Information technology related equipment; supplies and consumables	4,119	4,085	4,223	4,209
Other equipment supplies and consumables	1,794	1,748	1,921	1,862
Food and catering supplies and services	2,875	2,836	4,187	4,077
Stationery, photocopying and printing	1,074	971	1,176	1,004
Temporary staff, professional services and consultants	5,979	5,489	7,057	6,480
Other hired and contracted services	7,044	7,044	7,010	7,010
Examiners' fees	54	48	120	120
Communications and marketing	3,968	3,958	3,146	3,108
Placements, teaching practice and educational visits	174	174	264	264
Conferences, training and tuition fees	839	811	1,167	1,126
Subscriptions and copyright fees	3,822	3,816	3,556	3,550
Transport and travel related	3,494	3,409	5,495	5,364
Student Union grant	1,004	1,004	1,035	1,035
External auditors' remuneration in respect of audit services	140	134	86	82
External auditors' remuneration in respect of other services	3	-	3	-
Internal auditors' remuneration	77	77	156	156
Insurance	463	463	464	464
Bursaries, scholarships and other financial support to student	7,606	7,606	7,373	7,373
Other costs	2,795	2,768	1,250	1,236
	<b>65,579</b>	<b>64,743</b>	68,222	66,887

\* restatement relates to an additional £571k of expenditure from patent royalties which had previously been net of income (note 4)

## 11 Intangible assets: Software

<b>Consolidated</b>	<b>Intangible assets £'000</b>	<b>*Intangible assets in the course of construction £'000</b>	<b>Total £'000</b>
<b>Cost or valuation</b>			
At 1 August 2019	16,659	2,446	19,105
Restatement of opening balance*	17	-	17
Restated balance 1 August 2019	<u>16,676</u>	<u>2,446</u>	<u>19,122</u>
Additions in the year	1,753	834	2,587
Transfers	2,439	(2,439)	-
Disposals	(687)	-	(687)
At 31 July 2020	<u><b>20,181</b></u>	<u><b>841</b></u>	<u><b>21,022</b></u>
<b>Accumulated amortisation</b>			
At 1 August 2019	<b>6,895</b>	-	6,895
Charge for the year	<b>1,639</b>	-	1,639
Disposals	<b>(657)</b>	-	(657)
At 31 July 2020	<u><b>7,877</b></u>	<u>-</u>	<u><b>7,877</b></u>
<b>Net book value</b>			
<b>At 31 July 2020</b>	<u><b>12,304</b></u>	<u><b>841</b></u>	<u><b>13,145</b></u>
At 31 July 2019	<u>9,781</u>	<u>2,446</u>	<u>12,227</u>
<b>University</b>			
<b>Cost or valuation</b>			
At 1 August 2019	16,618	2,446	19,064
Restatement of opening balance	17	-	17
Restated balance 1 August 2019	16,635	2,446	19,081
Additions in the year	1,753	834	2,587
Transfers	2,439	(2,439)	-
Disposals	(687)	-	(687)
At 31 July 2020	<u><b>20,140</b></u>	<u><b>841</b></u>	<u>20,981</u>
<b>Accumulated amortisation</b>			
At 1 August 2019	<b>6,854</b>	-	6,854
Charge for the year	<b>1,639</b>	-	1,639
Disposals	<b>(657)</b>	-	(657)
At 31 July 2020	<u><b>7,836</b></u>	<u>-</u>	<u><b>7,836</b></u>
<b>Net book value</b>			
<b>At 31 July 2020</b>	<u><b>12,304</b></u>	<u><b>841</b></u>	<u><b>13,145</b></u>
At 31 July 2021	<u>9,781</u>	<u>2,446</u>	<u>12,227</u>

\*restatement relates to the correction of the opening balance between intangibles and tangible assets (note 12)

## 12 Tangible assets

### Consolidated

	Freehold Land and Buildings	Leasehold Land and Buildings	Service concession arrangement Land and Buildings (Note 13)	Fixtures, Fittings and Equipment	Assets in the Course of Construction	Total
	£'000	£'000	£'000	£'000	£'000	£'000
<b>Cost or valuation</b>						
At 1 August 2019	455,611	42,422	3,108	26,737	7,637	535,515
Restatement of opening balance*	(5,960)	-	-	5,943	-	(17)
Restated balance 1 August 2019	449,651	42,422	3,108	32,680	7,637	535,498
Additions	2,300	32	3,125	2,423	7,404	15,284
Transfers	1,952	-	-	384	(2,336)	0
Disposals	(1,098)	-	(3,108)	(2,016)	(45)	(6,267)
<b>At 31 July 2020</b>	<b>452,805</b>	<b>42,454</b>	<b>3,125</b>	<b>33,471</b>	<b>12,660</b>	<b>544,515</b>
<b>Consisting of valuation as at:</b>						
31 July 2014	78,676	-	-	-	-	78,676
Cost	374,129	42,454	3,125	33,471	12,660	465,839
	<b>452,805</b>	<b>42,454</b>	<b>3,125</b>	<b>33,471</b>	<b>12,660</b>	<b>544,515</b>
<b>Depreciation</b>						
At 1 August 2019	90,228	15,823	-	21,049	-	127,100
Restatement of opening balance*	(158)	-	-	158	-	-
Restated balance 1 August 2019	90,070	15,823	-	21,207	-	127,100
Charge for the year	8,033	1,640	3,108	3,097	-	15,878
Disposals	(497)	-	(3,108)	(2,011)	-	(5,616)
<b>At 31 July 2020</b>	<b>97,606</b>	<b>17,463</b>	<b>-</b>	<b>22,293</b>	<b>-</b>	<b>137,362</b>
<b>Net book value</b>						
<b>At 31 July 2020</b>	<b>355,199</b>	<b>24,991</b>	<b>3,125</b>	<b>11,178</b>	<b>12,660</b>	<b>407,153</b>
At 31 July 2019	359,581	26,599	3,108	11,473	7,637	408,398
<b>University</b>						
<b>Cost and valuation</b>						
At 1 August 2019	454,793	42,422	3,108	26,442	7,637	534,402
Restatement of opening balance*	(5,960)	-	-	5,942	-	(18)
Restated balance 1 August 2019	448,833	42,422	3,108	32,384	7,637	534,384
Additions	2,300	32	3,125	2,423	7,404	15,284
Transfers	1,952	-	-	384	(2,336)	-
Impairments	-	-	-	-	-	-
Disposals	(1,098)	-	(3,108)	(1,782)	(45)	(6,033)
<b>At 31 July 2020</b>	<b>451,987</b>	<b>42,454</b>	<b>3,125</b>	<b>33,410</b>	<b>12,660</b>	<b>543,636</b>
<b>Consisting of valuation as at:</b>						
31 July 2014	78,676	-	-	-	-	78,676
Cost	373,311	42,454	3,125	33,381	12,660	464,960
	<b>451,987</b>	<b>42,454</b>	<b>3,125</b>	<b>33,410</b>	<b>12,660</b>	<b>543,636</b>
<b>Depreciation</b>						
At 1 August 2019	89,918	15,823	-	20,754	-	126,495
Restatement of opening balance*	(158)	-	-	158	-	-
Restated balance 1 August 2019	89,760	15,823	-	20,912	-	126,495
Charge for the year	8,016	1,640	3,108	3,097	-	15,861
Impairments	-	-	-	-	-	0
Disposals	(497)	-	(3,108)	(1,777)	-	(5,382)
<b>At 31 July 2020</b>	<b>97,279</b>	<b>17,463</b>	<b>-</b>	<b>22,232</b>	<b>-</b>	<b>136,974</b>
<b>Net book value</b>						
<b>At 31 July 2020</b>	<b>354,708</b>	<b>24,991</b>	<b>3,125</b>	<b>11,178</b>	<b>12,660</b>	<b>406,662</b>
At 31 July 2019	359,073	26,599	3,108	11,473	7,637	407,890

At 31 July 2020, freehold land and buildings included £108,823k (2019 £108,823k) in respect of freehold land and is not depreciated.  
Assets in the course of construction

### Leased assets included above:

#### Net Book Value:

At 31 July 2019	-	26,599	3,108	-	-	29,707
At 31 July 2020	-	24,991	3,125	405	-	28,521

\*Restatement relates to the componentisation of the fixture and fittings from certain building assets and £17k to the correction of the opening balance between intangibles and tangible assets (note 11)

## 12 Tangible assets continued

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

	Year Ended 2020	Year Ended 2019
	£'000	£'000
Cost	1,030	600
Accumulated depreciation	(600)	(600)
Charge for year	(25)	-
Net book value	405	-

## 12 Tangible assets continued

### Revaluations

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

The following land areas were revalued.

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

### Depreciation, amortisation and impairments

	£'000
Fixed assets accumulated depreciation charge for the year	15,878
Intangible assets (software) accumulated amortisation charge for the year	1,639
Impairments	-
<b>Total depreciation, amortisation and impairments</b>	<b>17,517</b>

## 13 Service Concession Arrangements

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

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

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

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

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

### Movement in Service concession arrangement assets

The asset value of the service concession included in the Balance Sheet as at 31 July 2020 is £3,125k (2019: £3,108k).

### Movement in Service concession arrangement liabilities

The total liabilities relating to the service concession included in the Balance Sheet as at 31 July 2020 were £3,125k (2019: £3,108k). The sum of £3,108k was repaid during the year.

### Future commitments

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

	Payable in 1 year £'000
Liability repayments	3,125
Finance Charge	165
Service Charge	1,497
<b>Total</b>	<b>4,787</b>

### Lease Premium

The value of the remaining unamortised lease premium in long term liabilities as at 31 July 2020 was £3,625k (2019: £3,750k). £125k was released in the year to 31 July 2020 (2019:£125k).



## 14 Non-Current Investments

<b>Consolidated</b>	<b>Subsidiary companies</b>	<b>Other fixed assets investments</b>	<b>Total</b>
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
At 1 August 2019	-	104	<b>104</b>
At 31 July 2020	-	<b>104</b>	<b>104</b>
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
<b>University</b>			
At 1 August 2019	450	104	<b>554</b>
At 31 July 2020	<b>450</b>	<b>104</b>	<b>554</b>
Other non-current investments consist of :			Consolidated and University
Oxford Expression Technologies			70
CVCP Properties plc			34
			104

## 15 Stock

	<b>Year ended 31 July 2020</b>		<b>Year ended 31 July 2019</b>	
	<b>Consolidated</b>	<b>University</b>	<b>Consolidated</b>	<b>University</b>
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
Goods held for resale	30	9	149	128
	<b>30</b>	<b>9</b>	149	128

## 16 Trade and other receivables

	Year ended 31 July 2020		Year ended 31 July 2019	
	Consolidated	University	Consolidated	University
	£'000	£'000	£'000	£'000
Amounts falling due within one year:				
Research grants receivables	1,010	1,010	1,014	1,014
Other trade receivables	3,253	2,920	3,852	3,527
Other receivables	1,193	1,113	2,080	1,877
Prepayments and accrued income	5,634	5,633	4,258	4,256
Amounts due from subsidiary companies	-	1,619	-	2,001
	<b>11,090</b>	<b>12,295</b>	<b>11,204</b>	<b>12,675</b>

## 17 Current investments

	Year ended 31 July 2020		Year ended 31 July 2019	
	Consolidated	University	Consolidated	University
	£'000	£'000	£'000	£'000
Short term deposits	70,557	70,557	80,401	80,401
	<b>70,557</b>	<b>70,557</b>	<b>80,401</b>	<b>80,401</b>

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

At 31 July 2020 the weighted average interest rate of these fixed rate deposits was 0.92% per annum and the remaining weighted average period for which the interest rate is fixed on these deposits was 208 days. The fair value of these deposits was not materially different from the book value.

## 18 Creditors: amounts falling due within one year

	Year ended 31 July 2020		Year ended 31 July 2019	
	Consolidated	University	Consolidated	University
	£'000	£'000	£'000	£'000
Unsecured loans	1,603	1,603	1,542	1,542
Obligations under finance leases	43	43	-	-
Service concession arrangements (note 13)	3,125	3,125	3,108	3,108
Trade payables	1,422	1,400	1,667	1,634
Social security and other taxation payable	2,226	2,177	2,199	2,225
Accruals and deferred income	25,669	25,171	19,952	19,660
Other creditors	3,334	3,334	3,995	3,995
	<b>37,422</b>	<b>36,853</b>	<b>32,463</b>	<b>32,164</b>

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

	Year ended 31 July 2020		Year ended 31 July 2019	
	Consolidated	University	Consolidated	University
	£'000	£'000	£'000	£'000
Deferred income	20,729	20,729	21,090	21,090
Lease premium	3,625	3,625	3,750	3,750
Unsecured loans	197,074	197,074	198,677	198,677
Concessionary loans	325	325	-	-
Finance lease	362	362	-	-
	<b>222,115</b>	<b>222,115</b>	223,517	223,517

Analysis of unsecured loans:

<b>Due within one year or on demand (Note 18)</b>	<b>1,603</b>	<b>1,603</b>	1,542	1,542
Due between one and two years	3,359	3,359	3,250	3,250
Due between two and five years	5,483	5,483	5,301	5,301
Due in five years or more	188,557	188,557	190,126	190,126
<b>Due after more than one year</b>	<b>197,399</b>	<b>197,399</b>	<b>198,677</b>	<b>198,677</b>
<b>Total unsecured loans</b>	<b>199,002</b>	<b>199,002</b>	<b>200,219</b>	<b>200,219</b>

The University's long-term loans are currently held with Barclays, Lloyds, Santander and private placements with Babson, PRICOA and Allianz. The University also has a revolving credit facility for £25,000k, this was undrawn at the 31 July 2020.

The loans are unsecured, of the bank loans outstanding £6,000k is fixed at a rate of 5.3% until 1st August 2022, when it reverts back to 4.99%, £6.100k is fixed at 5.97%, £6,100k is fixed at 5.91%, £6,100k at 5.8%, £12,500k is fixed at 5.66% until 1 August 2022 when it reverts back to 5.34%, £6,300k is an RPI inflation linked loan, £9,000k is fixed at 3.97%, £11,000k is fixed at 4.04% and £12,500k is fixed at 5.0%.

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

The concessionary loan is with Salix finance, no interest is payable on this loan, the loan supports energy efficiency upgrades.

## 20 Financial instruments

	Year ended 31 July 2020		Year ended 31 July 2019	
	Consolidated	University	Consolidated	University
	£'000	£'000	£'000	£'000
<b>Financial assets</b>				
<i>Financial assets that are equity instruments measured at cost less impairment</i>				
Other investments	104	104	104	104
<i>Financial assets that are debt instruments measured at amortised cost</i>				
Trade and other receivables	7,154	8,214	8,360	9,567
	<b>7,258</b>	<b>8,318</b>	8,464	9,671
<b>Financial liabilities measured at amortised cost</b>				
Loans	199,002	199,002	200,219	200,219
Trade and other payables	20,115	20,007	15,700	15,703
	<b>219,117</b>	<b>219,009</b>	215,919	215,922

## 21 Pension and other provisions

Consolidated	Obligation to fund deficit on USS Pension	Pension scheme provision under FRS102 (note 30b)	Total Pensions Provisions	HESA Provision	Total Other
	£'000	£'000	£'000	£'000	£'000
At 1 August 2019	3,317	130,819	<b>134,136</b>	<b>793</b>	<b>793</b>
Utilised in year	(24)	-	<b>(24)</b>	-	-
Additions in 2019/20	(1,182)	40,998	<b>39,816</b>	-	-
<b>At 31 July 2020</b>	<b>2,112</b>	<b>171,817</b>	<b>173,929</b>	<b>793</b>	<b>793</b>

University	Obligation to fund deficit on USS Pension	Pension scheme provision under FRS102 (note 30)	Total Pensions Provisions	HESA Provision	Total Other
	£'000	£'000	£'000	£'000	£'000
At 1 August 2019	3,317	130,819	<b>134,136</b>	<b>793</b>	<b>793</b>
Utilised in year	(24)	-	<b>(24)</b>	-	-
Additions in 2019/20	(1,182)	40,998	<b>39,816</b>	-	-
<b>At 31 July 2020</b>	<b>2,112</b>	<b>171,817</b>	<b>173,929</b>	<b>793</b>	<b>793</b>

### USS deficit

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

### HESA Provision

The provision relates to a potential clawback of funding based on an overstatement of student numbers in the 17/18 HESA return. No provision was required for 18/19. The University received notice in September 2020 that the 17/18 clawback was £569k.

## 22 Endowment Reserves

Restricted net assets relating to endowments are as follows:

	Expendable endowments	
	2020	2019
	Total	Total
	£'000	£'000
<b>Balance at 1 August 2019</b>	<b>1,433</b>	1,505
New endowments	<b>151</b>	110
Investment income	<b>7</b>	11
Expenditure	<b>(263)</b>	(193)
<b>Total endowment comprehensive income for the year</b>	<b>(105)</b>	(72)
<b>At 31 July 2020</b>	<b>1,328</b>	1,433
Analysis by asset		
Cash & cash equivalents	<b>1,328</b>	1,433
	<b>1,328</b>	1,433

## 23 Restricted Reserves

Reserves with restrictions are as follows:

	Donations	
	2020	2019
	Total	Total
	£'000	£'000
<b>Balances at 1 August 2019</b>	<b>1,025</b>	931
New donations	447	410
Expenditure	(448)	(316)
<b>Total endowment comprehensive income for the year</b>	<b>(1)</b>	94
<b>At 31 July 2020</b>	<b>1,024</b>	1,025

## 24 Cash and cash equivalents

	At 1 August 2019	Cash Flows	At 31 July 2020
Consolidated	£'000	£'000	£'000
Cash and cash equivalents	22,128	15,400	37,528
	<b>22,128</b>	<b>15,400</b>	<b>37,528</b>

## 25 Consolidated reconciliation of net debt

	31 July 2020	
	£'000	
<b>Net debt 1 August 2019</b>	<b>(100,798)</b>	
Movement in cash and cash equivalents	15,400	
Movement in current investments	(9,844)	
Other non-cash changes	795	
<b>Net debt 31 July 2020</b>	<b>(94,447)</b>	
<b>Change in net debt</b>	<b>6,351</b>	
<b>Analysis of net debt:</b>	<b>31 July 2020</b>	<b>31 July 2019</b>
	<b>£'000</b>	<b>£'000</b>
Cash and cash equivalents	37,528	22,128
Current Investments	70,557	80,401
<b>Borrowings: amounts falling due within one year</b>		
Unsecured loans	(1,603)	(1,542)
Service concession arrangements (note 13)	(3,125)	(3,108)
Obligations under finance leases	(43)	-
	<b>103,314</b>	<b>97,879</b>
<b>Borrowings: amounts falling due after more than one year</b>		
Unsecured loans	(197,399)	(198,677)
Obligations under finance leases	(362)	-
<b>Net debt</b>	<b>(94,447)</b>	<b>(100,798)</b>



## 26 Capital and other commitments

Provision has not been made for the following capital commitments at 31 July 2020:

	2020		2019	
	Consolidated £'000	University £'000	Consolidated £'000	University £'000
Authorised and contracted	4,676	4,676	2,223	2,223
Authorised but not contracted	2,289	2,289	109,287	109,287
	<u>6,965</u>	<u>6,965</u>	<u>111,510</u>	<u>111,510</u>

## 27 Lease obligations

Total rentals payable under operating leases:

	2020			Total £'000	2019 £'000
	Land and Buildings £'000	Plant and Machinery £'000	Other leases £'000		
<b>Payable during the year</b>	5,051	-	1,925	6,977	8,477
<b>Future minimum lease payments due:</b>					
Not later than 1 year	5,181		3,862	9,043	9,034
Later than 1 year and not later than 5 years	3,492		65	3,557	4,318
Later than 5 years	51,880		8	51,888	52,763
<b>Total lease payments due</b>	<u>60,553</u>	<u>-</u>	<u>3,935</u>	<u>64,488</u>	<u>66,115</u>

## 28 Subsidiary undertakings

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

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

## 29 Events after the reporting date

In September 2020, the Trustee of the USS Pension Scheme (USS) launched a consultation with Universities UK on key aspects of the scheme's 2020 valuation. The scope of this exercise covers a wide range of potential outcomes – reflecting issues still to be resolved on employer support as well as uncertainties for the higher education sector and financial markets in general – but, based on the proposals put forward, the Trustees have indicated that the fund's deficit at 31 March 2020 could range from between £9.8bn and £17.9bn.

This would represent a significant deterioration from the £3.6bn deficit established under the 2018 valuation (and against which the current recovery plan is set) and a return to the levels of shortfall experienced under the previous 2017 valuation (£11.8bn).

At this stage, an outcome is far from agreed and the USS Trustee has until 30 June 2021 to conclude the valuation. As an early indication of the scale of impact though, it has been estimated that the cost of continuing to offer current benefits in this context could reach between 40.8% to 67.9% of payroll. However, this is range is purely an illustration and is before any other measures are considered to reduce the deficit and is still being widely debated across the sector and by the Trustee of the Pension Scheme. For the 2019-20 financial year however, this is considered a non-adjusting event.

## 30 Pension Schemes

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

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

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

	<b>Year Ended 31 July 20 £'000</b>	<b>Year Ended 31 July 19 £'000</b>
TPS: contributions paid	7,762	5,118
LGPS:		
– contributions paid	5,707	7,251
– FRS102 Charge	9,864	5,372
USS		
– contributions paid	957	835
– FRS102	(1,259)	1,957
	<b>23,031</b>	<b>20,533</b>

### 30a Teachers' Pension Scheme (TPS)

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

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

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

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

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

Latest Actuarial Valuation	31 March 2016
Gross rate of return	4.86% until 2019, then 4.45%
Real rate of return	2.8% until 2019, then 2.4%
Long term salary growth	4.75% pa, 2.75% pa in excess of assumed CPI
Aggregated scheme assets	£196.1bn
Aggregated scheme liabilities	(£218.1bn)
During the year all employers paid the same contribution rate	16.48%
During the year all employee's' contribution varied dependent on time equivalent salary	between 7.4% and 11.7% members full

The value of pension payments made in year to the Teachers' Pension Scheme was £7,762k (2019: £5,118k)

### 30b Local Government Pension Scheme (Retirement Benefits) Disclosure for the accounting year ending 31 July 2020 Local Government Pension Scheme

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

The last formal triennial actuarial valuation of the scheme was performed as at 31 March 2019 by a professionally qualified actuary.

During the accounting period, the University paid contributions to the pension scheme at the rate of 14.4% of pensionable salaries. The University did not incur a deficiency charge for the year ending 31 July 2020, as in July 2019, the University made an advance payment of £5,000k

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

The following information is based upon a full actuarial valuation of the fund at 31 March 2016 updated to 31 July 2020 by a qualified independent actuary.

#### Assumptions

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

	At 31 July 2020	At 31 July 2019
	%pa	%pa
Price Inflation (RPI)	3.1	3.4
Price Inflation (CPI)	2.2	2.4
Rate of increase in salaries	2.2	3.9
Rate of increase of pensions in payment for LGPS members	2.2	2.4
Discount rate	1.4	2.1

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

	Pensioner Male	Non-pensioner Male (currently aged 45)	Pensioner Female	Non-pensioner Female (currently aged 45)
At 31 July 2018	22.7	24.0	24.3	25.7
At 31 July 2019	22.2	22.9	24.3	25.6

### 30b Local Government Pension Scheme continued

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

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

#### The assets in the scheme were:

	Year ended 31 July 2020	Year ended 31 July 2019
	£'000	£'000
Equities	69%	70%
Bonds	21%	20%
Property	6%	6%
Cash	4%	4%
Total	<u>272,541</u>	<u>282,965</u>
	31 July 2020	31 July 2019
	% pa	% pa
Expected return	1.40%	2.10%
Total return on fund assets	(12,150)	16,511

	Year Ended 31 July 2020	Year Ended 31 July 2019
	£'000	£'000
<b>Analysis of the amount shown in the balance sheet for LGPS:</b>		
Scheme assets	272,541	282,965
Scheme liabilities	<u>(444,358)</u>	<u>(413,784)</u>
<b>Deficit in the scheme – net pension liability recorded within pension provisions (Note 21)</b>	(171,817)	(130,819)

Current service cost	<u>15,895</u>	<u>18,037</u>
Total operating charge:	15,895	18,037

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

Interest cost	8,815	10,168
Expected return on assets	<u>(5,959)</u>	<u>(7,337)</u>
<b>Net charge to other finance income</b>	2,856	2,831

<b>Total profit and loss charge before deduction for tax</b>	<u>18,751</u>	<u>20,868</u>
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Cumulative actuarial loss recognised as other comprehensive income for LGPS

	At 31 July 2020	At 31 July 2019
	£'000	£'000
Cumulative actuarial losses recognised at the start of the year	130,819	98,439
Cumulative actuarial losses recognised at the end of the year	171,817	130,819

### 30b Local Government Pension Scheme continued

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

	Year to 31 July 2020	Year to 31 July 2019
	£'000	£'000
<b>Present value of LGPS liabilities at the start of the year</b>	<b>413,784</b>	<b>356,556</b>
Current service cost (net of member contributions)	15,626	13,301
Past service cost	269	4,736
Interest cost	8,815	10,168
Actual member contributions (including notional contributions)	2,721	2,681
Actuarial loss/(gain)	34,530	57,630
Change in demographic assumptions	6,844	(24,331)
Actual benefit payments	(8,316)	(6,958)
Experience (gain)/loss on defined benefit obligation	(29,915)	1
<b>Present value of LGPS liabilities at the end of the year</b>	<b>444,358</b>	<b>413,784</b>

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

	Year to 31 July 2020	Year to 31 July 2019
	£'000	£'000
<b>Fair value of assets at the start of the year</b>	<b>282,965</b>	<b>258,066</b>
Return on assets less interest	(16,819)	9,174
Interest on assets	5,959	7,337
Actual contributions paid by University	6,031	12,665
Actual member contributions (including notional contributions)	2,721	2,681
Actual benefit payments	(8,316)	(6,958)
<b>Fair value of scheme assets at the end of the year</b>	<b>272,541</b>	<b>282,965</b>

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

#### Remeasurements in other comprehensive income

	Year to 31 July 2020	Year to 31 July 2019
	£'000	£'000
Return on fund assets in excess of interest	(16,819)	9,174
Change in financial assumptions	(34,530)	(57,630)
Change in demographic assumptions	(6,844)	24,331
Experience gain on defined benefit obligation	29,915	(1)
<b>Remeasurement of the defined liability</b>	<b>(28,278)</b>	<b>(24,126)</b>



### 30c The Universities Superannuation Scheme

The institution participates in the Universities Superannuation Scheme (USS). The USS is a multi-employer scheme for which it is not possible to identify the assets and liabilities to the University and members due to the mutual nature of the scheme and therefore this scheme is accounted for as a defined contribution retirement benefit scheme. Throughout the current and preceding years, the scheme was a defined benefit only pension scheme until 31 March 2016 which was contracted out of the State Second Pension (S2P). The assets of the scheme are held in a separate trustee-administered fund. Because of the mutual nature of the scheme, the scheme's assets are not hypothecated to individual institutions and a scheme-wide contribution rate is set. The institution is therefore exposed to actuarial risks associated with other institutions' employees and is unable to identify its share of the underlying assets and

liabilities of the scheme on a consistent and reasonable basis and therefore, as required by Section 28 of FRS102 "Employee benefits", accounts for the scheme as if it were a defined contribution scheme. As a result, the amount charged to the income and expenditure account represents the contributions payable to the scheme in respect of the accounting period. Since the institution has entered into an agreement (the Recovery Plan that determines how each employer within the scheme will fund the overall deficit), the institution recognises a liability for the contributions payable that arise from the agreement to the extent that they relate to the deficit and the resulting expense in the Statement of consolidated Income. A liability is recorded within provisions for any contractual commitment to fund past deficits within the USS scheme.

#### Pension costs

The total cost credited to the Statement of Consolidated Income is (£249k) (2019:£2,784k charge), which is made up of the following entries:

	<b>2020</b>	<b>2019</b>
	<b>£'000</b>	<b>£'000</b>
Employer contributions paid	957	828
Interest Payable – Unwinding of discount	53	25
Element of employer contributions allocated against the deficit	(77)	(63)
Difference between actual contributions and past expectations	(1,182)	1,994
Total amount charged to Statement of Comprehensive Income	<b>(249)</b>	<b>2,784</b>
Brought Forward Pension Provision	3,317	1,360
Movement	(1,129)	2,020
Cash payments made to USS	(77)	(63)
Carried forward Pension Provision (Note 21)	<b>2,112</b>	<b>3,317</b>

The latest available complete actuarial valuation of the Retirement Income Builder is at 31 March 2018 ("the valuation date"), which was carried out using the projected unit method. A valuation as at 31 March 2020 is underway but not yet complete. Since the institution cannot identify its share of USS Retirement Income Builder (defined benefit) assets and liabilities, the following disclosures reflect those relevant for the scheme as a whole.

The 2018 valuation was the fifth 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 £63.7billion and the value of the scheme's technical provisions was £67.35billion indicating a shortfall of £3.6billion and a funding ratio of 95%.

The key financial assumptions used in the 2018 valuation are described below. More detail is set out in the Statement of Funding Principles.

Discount rate (forward rates)	Years 1-10: CPI +0.14% reducing linearly to CPI -0.73% Years 11-20: CPI + 2.52% reducing linearly to CPI +1.55% by year 21 Years 21 +:CPI +1.55%
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Pension increases (CPI) Term dependent rates in line with the difference between the Fixed Interest and Index Linked yield curves, less 1.3% pa

The main demographic assumption used relates to the mortality assumptions. These assumptions are based on analysis of the Scheme's experience carried out as part of the 2018 actuarial valuation. The mortality assumptions used in these figures are as follows:

<b>2018 Valuation</b>	
Mortality base table	Pre-retirement: 71% of AMC00 (duration 0) for males and 112% of AFC00 (duration 0) for females.  Post-retirement: 97.6% of SAPS S1NMA "light" for males and 102.7% of RFV00 for females.
Future improvements to mortality	CML_2017 with a smoothing parameter of 8.5 and a long term improvement rate of 1.8% p.a. for males and 1.6% p.a. for females

The current life expectancies on retirement at age 65 are:

	<b>2020</b>	<b>2019</b>
Males currently aged 65 (years)	24.6	24.5
Females currently aged 65 (years)	26.1	26.0
Males currently aged 45 (years)	26.6	26.5
Females currently aged 45 (years)	27.9	27.8
Scheme assets	£60.0bn	£63.6bn
Total scheme liabilities	£67.5bn	£72.0bn
FRS102 total scheme deficit	£7.5bn	£8.4bn
FRS102 total funding level	89%	88%

A new deficit recovery plan was put in place as part of the 2018 valuation, which requires payment of 2% of salaries over the period 1 October 2019 to 30 September 2021 at which point the rate will increase to 6%, until March 2028. The 2020 deficit recovery liability reflects this plan. The liability figures have been produced using the following assumptions::

	<b>2020</b>	<b>2019</b>
Discount rate	0.74%	1.60%
Pensionable salary growth	2%	2%

In the year ended 31 July 2019, the liability was based on the previous deficit recovery plan, which required payment of 5% of salaries over the period 1 April 2020 to 30 June 2034.

The reduction in the term of the deficit recovery plan has given rise to a substantial reduction in the deficit provision which has decreased from £3,317k to £2,112k as set out in note 21. £1,182k of this decrease is attributable to the change in the deficit contributions contractual commitment. See also Staff costs note 7 in respect of significant one-off pension gains.

A further full valuation as at 31 March 2020 is currently underway. As the valuation has only recently commenced there is still work to be done agreeing the technical provisions assumptions, the extent of future investment risk, the duration of the deficit period and the level of deficit contributions. Rule changes in respect of strengthening the employer covenant are also in progress including restrictions on employer exits, debt monitoring and pari passu arrangements. The valuation must be completed by 30 June 2021. However it is generally anticipated that there will be a significant increase in the deficit provision as at 31 July 2021 (assuming the valuation is completed by then).

