UNIVERSITY OF BATH

Annual Accounts

for the year ended 31 July 2024

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Annual Accounts for the year ended 31 July 2024

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Foreword by Pamela Chesters CBE, Chair of Council

I am conscious that this Annual Report marks the end of another chapter in the history of the University of Bath, marking as it does the final year of Professor White's tenure as our Vice Chancellor. So let me begin by thanking him for all he has done in leading the University through another successful year. His strategic vision and unwavering focus on inclusivity and quality have stood us in good stead.

We have continued to advance our strategy, making progress across all four of our strategic pillars and I would like to take this opportunity, on behalf of Council, to thank all those who have contributed to our success.

In teaching we have continued to implement our programme of curriculum transformation and we were delighted to be awarded a "Triple Gold" in the 2023 Teaching Excellence Framework. In research, we continue to see a steady increase in grant income. The launch of IAAPS, a £70m investment in green propulsion and the establishment of five new interdisciplinary research Beacons position us well for the future.

I am heartened by the strong sense of community and inclusion which is a hallmark of the University. This has enabled our students, many affected in different ways by the tragedy of the Middle East conflict, to navigate their way through these difficulties.

As an outwardly facing institution we remain grateful to our strategic partners for their constructive engagement. The signing of the Future Ambition Civic Agreement is an important example of this within our local community. Elsewhere, we continue to strengthen our links with industry and international partners and remain grateful to our major donors for their insight and support.

Looking forward, we have welcomed our incoming Vice Chancellor, Professor Phil Taylor, who joined us on 1st August 2024. He has quickly sought to understand both the challenges we face and opportunities open to us.

The outlook for the sector as a whole remains extremely challenging. The general economic climate is such that it would be unrealistic to envisage significant new funding being directed towards Higher Education and the recent budget has given rise to further cost pressures. At the same time, along with other institutions, we continue to experience a shortfall in international student admissions, particularly at the postgraduate level.

While our finances are sound, we must continue to be prudent in our approach. Our forward plans include significant investment in our ageing real estate and digital infrastructure and our commitment to addressing the climate emergency will all need to be resourced. So we must ensure we use all our available funds wisely. This will enable us to take advantage of the opportunities which will undoubtedly present themselves, while allowing us to remain in control of our own destiny, safeguarding the long term success of the institution.

Pamela Chesters CBE
Chair of Council

Vice-Chancellor's Welcome

It is a pleasure to introduce these Annual Accounts. Having joined the University in August 2024 as Vice-Chancellor & President, I am struck by the talent and dedication of our staff, students, members of Council, Students' Union, alumni, and our many partners and supporters. I'd like to start by thanking them for helping us navigate the last year so successfully, during a challenging time for our sector.

The University of Bath has had another strong year, reflected in recent domestic and global rankings results. Domestically, we remain in the top 10 universities in the UK in all four of the main university rankings. Internationally, we are ranked in the top 10% of universities worldwide, retaining our global position in the top 150 in the QS World University Rankings 2025. I am particularly pleased that we have climbed into the Top 100 globally in the related World Sustainability Rankings, whilst remaining ambitious to do more in this area.

We were delighted to be awarded triple 'Gold' in the Teaching Excellence Framework (TEF) in September 2023 and were found to have typically outstanding quality across student experiences, and outstanding quality across student outcomes. We performed strongly in the 2024 National Student Survey, exceeding sector averages across six out of seven measured survey themes. Colleagues have also successfully rolled out the first year of Curriculum Transformation across our undergraduate courses to help us continue to deliver excellence in education.

This year has seen further progress in enhancing our research power and impact, particularly in the areas of sustainability, health & wellbeing and digital. The total value of research awards has continued its upward trajectory and new research institutes have been established, with the official launch in September 2023 of the Institute for Advanced Automotive Propulsion Systems (IAAPS). In addition, activity is expanding through our Bath Institute for Sustainability and Climate Change, Institute for Digital Security and Behaviour, and Institute for the Augmented Human. We also announced a second round of Bath Beacons for 2023-24 including in the areas of harm reduction, antimicrobial resistance, Universal Basic Income, cross-disciplinary research on innovation and sport and technology in a digital society. We also announced a new, £13m Centre of Excellence in water-based health monitoring which will be established following an £8.4m investment by Research England, part of UK Research and Innovation.

Bath has a long tradition of sporting success, and we were proud to cheer on our athletes in major international competitions. In the 2024 Olympic Games in Paris, Bath-associated athletes won six medals in total and in the Paralympic Games Bath-based athletes brought home 11 medals between them.

In the last year, we have also strengthened and deepened local civic partnerships. In May 2024, we signed the Future Ambition Civic Agreement alongside Bath Spa University, Bath and North East Somerset Council and the Royal United Hospitals Bath NHS Foundation Trust. With our partner anchor institutions, we are working ever more closely together for the benefit of the region. Although the last year has seen many positive developments, it has also been one with real challenges. It has been set against a backdrop of increased global tensions, including conflict in Ukraine and the Middle East, with its impacts being felt by many members of our community. Our priority has been to provide support to students and staff affected by conflict and to ensure our campus remains a place of safety for all.

Addressing sustainability and climate change is another challenge and one made more acute given current financial constraints. In addition to the extensive sustainability research we conduct, the last year has seen us embedding sustainability and climate into curriculum transformation, 38 laboratories have achieved sustainability certification to Bronze LEAF standard, and we've implemented a new Thermal Comfort Policy and Sustainable Food Commitment as well as launching a Climate Ambassadors scheme to connect climate experts with local schools.
The cost of living and the financial climate for Higher Education remains challenging both for universities and members of our community, given recent inflationary pressures. We have continued to provide a range of support, from our Financial Support Fund to the £1.50 value meals available across our food outlets. More broadly, as an institution we have put real focus on operating as effectively and efficiently as possible. Looking ahead, we will continue to carefully manage our resources, so that we can make the investments needed in research, education, physical and digital infrastructure and sustainability in the coming years.

Overall, we have strong foundations as well as enormous potential, and I look forward to working together to achieve even more over the coming year.

Professor Phil Taylor
Vice-Chancellor and President

University Strategy 2021-26 - Key Operational Performance Indicators

Our Strategy

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

We will achieve this by:

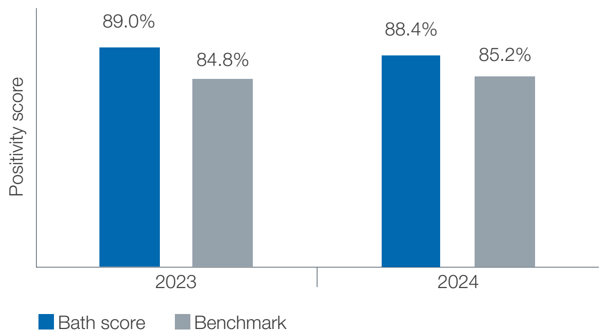
1. Driving excellence in education
2. Delivering high-impact research
3. Fostering an outstanding and inclusive community
4. Enhancing strategic partnerships.

To ensure that we are progressing towards the strategic goals, we monitor twelve strategic Key Performance Indicators (KPIs) outlined in the table below:

Driving excellence in Education	Driving high impact research	Outstanding & inclusive community	Enhancing strategic partnerships
NSS – Teaching on my course	Research grant income	Student continuation	Consultancy & research income
NSS – Assessment & Feedback	% highly cited papers	Staff engagement index	QS world ranking
Graduate outcomes	Research partnerships	% of female professors	Attendees at public events

Note: Two KPIs (NSS – Teaching on my course and NSS – Assessment and feedback) have been updated in 2023, in line with the National Student Survey changes.

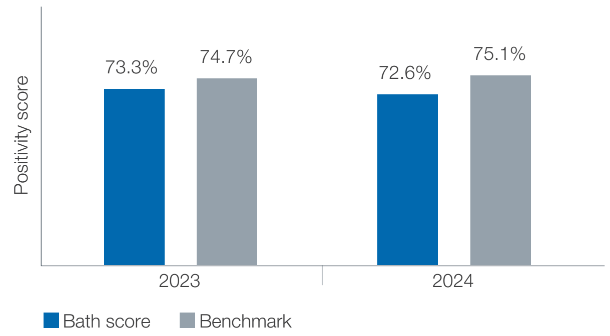
NSS - Teaching on my course



Driving excellence in education

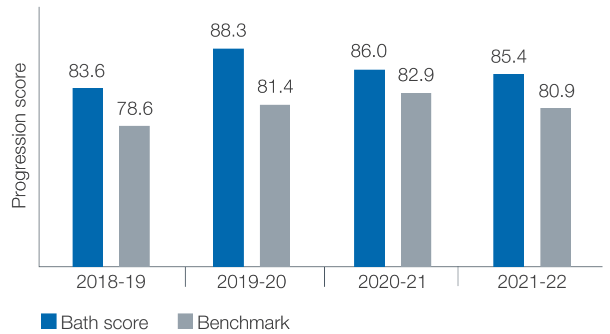
NSS – Teaching on my course
To ensure the quality of our teaching, we monitor the proportion of students that positively respond to questions within the teaching on my course section of the National Student Survey (NSS). We aim to exceed our benchmark score (a weighted sector average) by at least 2.5 percentage points. We continue to exceed this target with the score of 88.4% compared to the 85.2% for its benchmarks.

NSS – Assessment & feedback



NSS – Assessment & feedback
As the only NSS section where Bath is not ahead of its benchmark group, Assessment and feedback has been prioritised for improvement. However, the impact from some of these actions may not be visible for several years. Although Bath's score declined slightly since last year, we are putting considerable effort into addressing this and will continue to do so, with targeted interventions in those departments that continue to struggle.

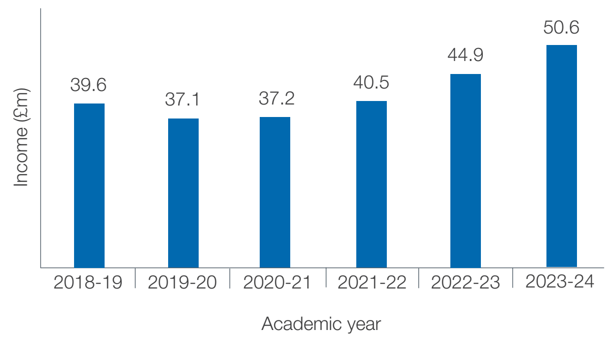
Graduate outcomes - Progression



Graduate outcomes – progression to graduate level employment or further study
We continue to deliver strong student outcomes and this remains a key focus area for us. According to the Graduate Outcomes Survey, each of the last four graduating cohorts of first-degree students has exceeded the target to outperform its benchmark by at least 2.5 percentage points. Bath's progression rate continues to be amongst the very best in the sector.

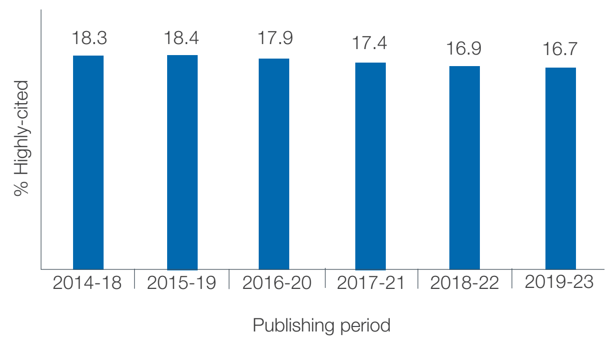
Driving high-impact research

Income from research grants and contracts (£m)



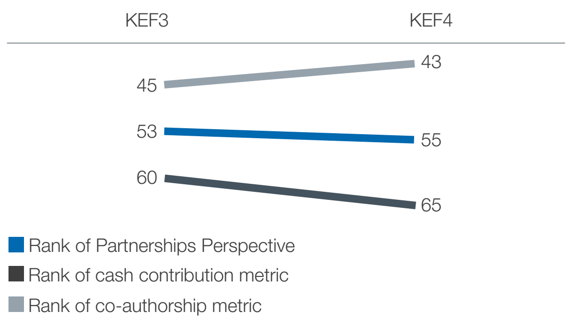
Income from research grants and contracts
Growing the income from research grants and contracts – as a measure of the relevance, sustainability and peer recognition of our research – is one of our key strategic goals. The steady increase over the last five years is suggesting that our action plan is yielding results. Rising to £50.6m in 2023-24, 12.7% above last year, Our research income is now nearly 40% higher than in 2019-20, when the growth strategy was initially devised.

Percentage of papers that are highly-cited



Percentage of papers that are highly-cited
By measuring the percentage of research papers that are highly cited, We monitor the vibrancy and quality of our research. The whole UK HE sector has seen a downward trend in recent years and our decline is in line with comparator institutions. The decrease seems to be slowing down, however, suggesting that our interventions are beginning to deliver benefits. We will continue to implement the current improvement action plan.

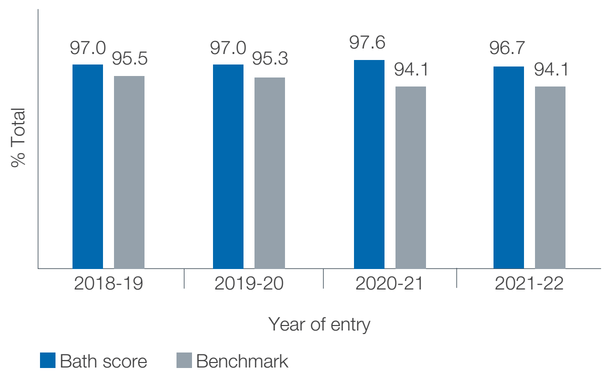
Research partnerships,
the Knowledge Exchange Framework (KEF)



Research Partnerships
The Knowledge Exchange Framework (KEF) measures research partnership levels as a combination of the cash contribution to collaborative research and co-authorship with non-academic partners. We remained in the top 40% of the sector (55th out of 139) in KEF 4, published in September 2024. We are currently working on developing a plan that moves us to the top 20% of the sector by 2025-26.

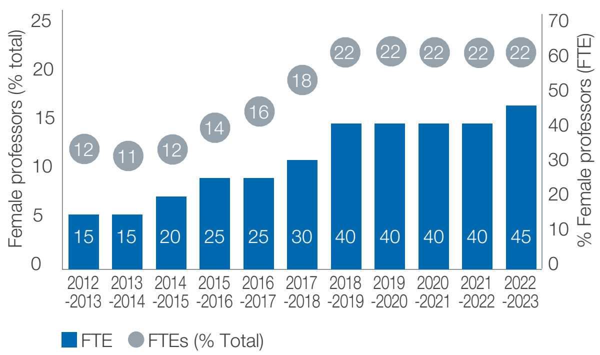
Fostering an outstanding and inclusive community

Continuation: % students continuing in higher education



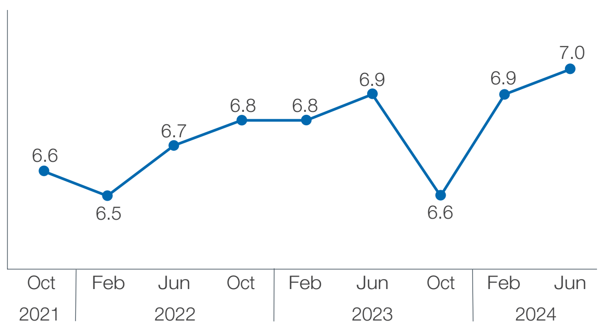
Continuation rate
First degree continuation rate is monitored as a measure of how supportive our learning environment is. Exceeding our target of 95% or 2.5 percentage points above the benchmark, our continuation rate remains amongst the very best in the sector.

Female professors



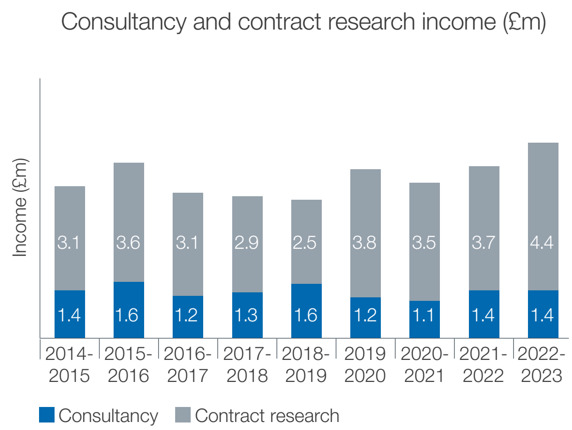
Percentage of female professors
Increasing the proportion of female professors is a measure of the effectiveness of our efforts to address the gender gap at senior levels. The numbers have been slowly increasing and we will persist in our efforts to ensure that the momentum continues.

Staff engagement index



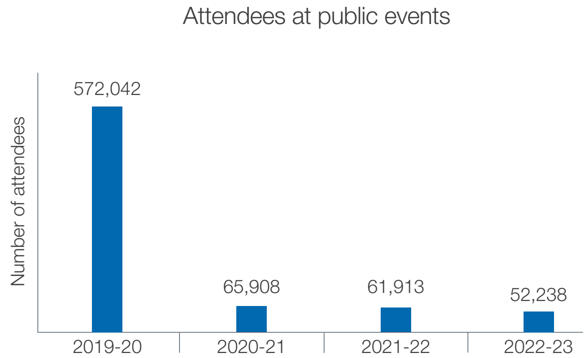
Staff engagement index
This indicator is based on a set of questions from an internal work and well-being survey. The questions relate to staffs' pride in working for Bath, support provided by their manager, feeling part of a community, and satisfaction with work-life balance. At 7.0, we are currently at our 3-year high and have plans in place to continue on this upward trajectory.

Enhancing strategic partnerships



Income from consultancy and contract research
Income from consultancy and contract research grew by 15% to £5.8m in 2022-23, driven by contract research increases (up 18% to £4.4m). This is an important indicator of the strength of our strategic partnerships with business and industry. With a 10% growth and the strong performance over the last couple of years, we are on track to achieve our strategic target of £6.3m by 2025-26.

QS World University Rankings
Our overall position in the QS World University Rankings is an indication of international peer recognition, based on a number of factors including reputation amongst academics and employers, research outputs, global engagement and sustainability. We have retained our position in the top 10% of universities globally, despite a 2 place drop this year. We broke into the top 150 in the 2024 rankings, reaching 148th place, its highest-ever ranking. A working group continues to oversee our efforts to improve our rankings further.



Attendees at public events
The number of attendees at our public events is an indicator of social, community and cultural engagement. Following the pandemic, the number of attendees has been declining, reflecting changes in how people access content. We are diversifying our engagement, including through producing podcasts, videos and other media, ensuring strong contribution to the economic, social, environmental and cultural life of our city, region and nation.

Public Benefit Statement 2023-24

Charitable Purposes

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

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

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

Our commitment to delivering public benefit is at the core of our Mission. In furtherance of our Mission, our key objective during 2023-24 was to deliver excellence in our two primary charitable purposes, research and education.

Excellence in research, for us, means:

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

Excellence in education, for us, means:

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

In our University Strategy 2021-26, we reaffirmed in our Vision Statement that our charitable objectives are undertaken for the public benefit:

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

Research

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

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

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

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

Our research continues to have tangible economic and social benefits, locally, regionally and nationally. Our £70m green propulsion centre, IAAPS, was officially launched in September 2023. This state-of-the-art facility at the Bristol and Bath Science Park is developing clean, sustainable and affordable technologies to support the transport industry. The 2023-24 academic year also saw the establishment of five new Bath Beacons to address the UKRI strategic themes outlined in their five-year strategy. The new Beacons involve multidisciplinary research collaborations in harm reduction from drug use, managing antimicrobial resistance, Universal Basic Income (UBI), entrepreneurship and innovation and sport and technology in a digital society.

In January 2024, Research England announced the establishment of a new £13m Centre of Excellence in water-based health monitoring WBE@Bath, to be based at the University. The Centre will develop a public health surveillance system to detect outbreaks of diseases by testing water systems for traces of pathogens or other biomarkers at a community level. We are also a key partner in a major UK government investment in research to improve the sustainability of chemical and polymer production. The Sustainable Chemicals and Materials Manufacturing Hub (SCHEMA) aims to improve the sustainability of chemical and polymer production by transforming their design, manufacture, and recyclability at all stages of the product lifecycle. The Hub has been funded by £11m from the Engineering and Physical Sciences Research Council (EPSRC).

In 2023-24, the value of our research portfolio was around £196m. We secured £58.9m in awards during the year. Around 58% of our research income is provided by UK research councils and these funders include impact in their criteria for evaluating grant applications. Consequently, the University has an objective view of the potential public benefit of much of its research.
We will continue to strengthen our international networks and partnerships to enhance our international profile and our ability to sustain a world class research capability. During 2023-24, our second donation of laboratory and audio-visual equipment was delivered to our twinning partner, Luhansk Taras Shevchenko National University, as part of the UK-Ukraine Twinning Initiative to support universities in Ukraine.

We believe that there is a clear second order public benefit in having an informed population, both nationally and internationally, particularly where complex global issues are concerned. We are proactive in engaging the media with our research work and providing expert comment on topical issues, including the Gaza conflict, use of AI and the UK general election in July 2024.

We work actively to ensure that our research is disseminated and understood beyond the world of academia. Our **Institute for Policy Research** has published a series of Policy Briefs and Reports during 2023-24 which are circulated to key decision-makers on a range of topics, including the impact of Low Emission Zones on improving air quality, physical health and mental well-being and staff retention in the NHS. Our **Public Engagement Unit** also plays a key role in disseminating our research. We utilise a wide variety of media to disseminate knowledge beyond the confines of campus, including MOOCS, events and a range of social media channels.

In advancing knowledge to improve health and wellbeing, we undertake various projects in medical research and medically-associated biological research. This work is funded by the Medical Research Council, the Biotechnology and Biological Sciences Research Council, and major medical charities, including the Wellcome Trust, Cancer Research UK, British Heart Foundation, Arthritis Research UK and Diabetes UK. Research in the UK involving vertebrate animals is regulated, within the framework of the Animals (Scientific Procedures) Act 1986, by the Home Office Animals Scientific Procedures Division and Inspectorate. All work on vertebrate animals is conducted under Home Office Licence. This means that any projects we undertake have been through an ethical review process and have then been assessed by a Home Office Inspector. We are committed to the three Rs – Refinement, Reduction and Replacement of experiments involving animals.

Education

In advancing and disseminating knowledge, the education we provide has a wide range of public benefits:

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

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

Our teaching excellence is evidenced by our 'Triple Gold' award for the overall assessment in the Teaching Excellence Framework (TEF 2023), as well as the two underpinning aspect assessments (Student Experience and Student Outcomes). We are ranked in the top ten in all of the most recent editions of the major national university league tables, including a 7th place ranking in The Guardian University Guide 2025. We are ranked joint 150th in the QS World University Rankings 2025. In 2023- 24, our core student population comprised 15,145 undergraduates, 3,675 taught postgraduates and 1,650 research postgraduates.

Our students are key beneficiaries of our teaching activities and we measure our success in terms of their outcomes and their experience. Our continuation, completion and progression rates are some of the best in the sector and this contributed to us achieving Gold in the TEF 2023 for Student Outcomes. 97% of our taught, full-time, first-degree students continue[1] and complete[2] their studies, and 86% progress to professional or managerial studies or other positive outcomes such as further study.[3] In terms of undergraduate student experience, we perform strongly at institutional level in the National Student Survey (NSS), scoring above the OfS benchmarks[4] in 23 of 27 questions in NSS 2024, and in six out of seven survey themes. Historical performance in NSS contributed to the Gold award for Student Experience in the TEF 2023.

Beneficiaries of our education activities range from school age (aspiration raising/mentoring) through to mature learners (continuing professional development and MOOCS), and include undergraduates, taught postgraduates and research postgraduates. We recruit internationally and are committed to promoting a diverse student population. The 2023-24 session saw the sixth year of delivery of our online programmes in partnership with Wiley. This partnership enables us to deliver teaching in a mode that is likely to be more convenient for mature students and those with caring responsibilities.

Our new Access and Participation Plan (APP) 2024 to 2028 was approved by the Office for Students (OfS) in November 2023. We were one of 40 volunteer providers that submitted an APP during 2022-23 following a new set of regulations and guidance. The Plan focuses on nine key risks to equality of opportunity, with a particular focus on home undergraduate students from low socio-economic backgrounds and those who identify as a minority ethnic group and/or have a declared disability. The Plan addresses how we will improve the diversity of students who access our University, making sure students from specific groups complete their studies and narrowing the degree outcome gap.

1 2018-19 – 2021-22 entrants

2 2015-16 – 2018-19 entrants

3 2018-19 – 2021-22 qualifiers

4 A weighted sector average which adjusts for student and course mix

We recognise that our living costs may be a barrier to accessing our education. We publicise the financial support that we can provide to prospective students through our website and Open Days. In 2023-24 we provided £3.5m of financial support to 1,101 undergraduate students in the form of bursaries for individuals paying fees under the 2012 fee regime with a household residual income (HRI) of £25,000 or below. This included £709k of support to 147 students in receipt of the University's Gold Scholarship Programme, which is jointly funded by us and sponsors. Our Alumni Funds provided £62k of financial support to 35 undergraduates with an HRI of £42,875 and below. The Accommodation Bursary scheme which was introduced in 2020-21 was expanded in 2022-23 to include those with HRI's of between £25,001 and £60,000 and who met the new scheme criteria. This scheme provided £446k of bursaries in the form of credits to accommodation accounts for 734 students. In total, £4.0m of financial support was awarded to 1,576 undergraduate students.

Employers are also beneficiaries of our education activities through the skillset of our graduates. Domestically, we were ranked 3rd in the UK for graduates securing high-skilled jobs in the Daily Mail University Guide 2025, The Times and Sunday Times 2025 guide placed us 7th for graduate prospects, and we are ranked 6th in the UK for 'career after 15 months' in The Guardian University Guide 2025. In the QS World University Rankings 2025, we were ranked 109th in the world in the employer reputation performance measure. We were ranked in the Top 100 of the most recent international QS Graduate Employability Rankings 2022. We also measure our success in delivering the skills that employers want in terms of our ability to maintain our network of placement sponsors.

The wider community also benefits from our ability to attract high quality, engaged students. Working in close partnership with the Students' Union, we offer a wide range of opportunities for personal development, including volunteering, summer internships, personal development and skills training. In providing a wide range of opportunities to learn through experience and enhance personal development and career prospects, we are producing graduates who are well-equipped to act as good citizens and members of local, national and international society. Students can volunteer to help with outreach activities, encouraging gifted and talented young people from socio-economic groups under-represented in Higher Education, to raise their educational aspirations. We provide a supportive learning environment, with central student services and academic departments working in partnership.

Creativity, Enterprise and Innovation

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

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

We are sector leaders in knowledge exchange, applying fresh thinking to accelerate economic growth and social advances. Our Innovation Centre is helping to diversify the economic profile of the City by incubating high yield businesses. We are a member of the **SETsquared partnership** which in March 2024 was ranked as the 3rd leading start-up hub in Europe and the top entry from the UK and Ireland by the Financial Times and Statista's Special Report on Europe's Leading Start-Up Hubs. Since launching in 2002, SETsquared has supported over 5,000 entrepreneurs, helping them to raise investment of £4.4 billion. An impact report by Warwick Economics published in December 2022 reported that companies supported by the SETsquared Partnership ecosystem have contributed £15.7 billion GVA (Gross Value Added) to the UK economy over the last 20 years.

We aim to create tomorrow's business leaders and foster an innovative culture. We signpost sources of skills development, funding and support. We offer enterprise education for students and they are encouraged to develop entrepreneurial skills. A number of students develop business models or launch their own businesses whilst studying. SETsquared offers two programmes to our students, the Entrepreneurship Programme and Intrapreneurial Knowledge Exchange Enterprise Pathway (IKEEP). This training aims to equip students with the skills to drive innovation and bring fresh thinking to businesses.

As part of our culture of creativity, enterprise and innovation, we seek to make a positive social, as well as economic, impact. We also provide access for the local community to sports, social and recreational facilities on the campus, including significant events such as the 2023 World Modern Pentathlon Championship. The Minerva Series of Lectures provides opportunities to hear our experts share their insights on a range of topics, including science, politics, health, and sustainability.

International Engagement

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

In addition to the international profile of our education and research activities, we are forging international connections through our alumni network and our world class sports facilities. We have around 150,000 alumni across 170 countries. Our alumni are encouraged to make philanthropic donations to enhance the student experience, our physical infrastructure and our research capacity. This enhances our capacity to deliver our charitable objectives. We also have around 1,600 Alumni Experts, spread across 140 countries who support other alumni and students via our online mentoring platform, Bath Connection.

Sustainability and Climate Action

Our University Strategy includes a commitment to support a sustainable community and to adopt good environmental practice. We also recognise our responsibility to address the grand challenges of sustainability and climate change, and our approach allows us to empower our students and deliver research with impact alongside reducing our own environmental impact. Since we declared a climate emergency in 2020, we have begun our journey through a joined-up, 'whole institution' response, across the 4 themes of Education, Research, Footprint and Partnerships, and is supported by our 11 Climate Action Principles.

We commit to:

1. **Carbon emissions reduction**
   - Being Net Zero Carbon in its Scope 1 and 2 emissions by 2030;
   - A 50% reduction in its Scope 3 emissions by 2030;
   - Being Net Zero Carbon in its Scope 1, 2 and 3 emissions by 2040.

2. Research and innovation

We support world-class research activities and, in wider collaborations, support the delivery of impactful research and innovation, supporting the transition to the net zero carbon economy.

3. Education

Developing educational initiatives to build a world-class reputation for high-quality education on climate-related issues with global reach and scale, for example by:

- providing opportunities for every student to study and work on climate-related issues
- delivering programmes with a sustainability agenda
- delivering pedagogically innovative teaching practices to reduce carbon emissions

4. **University strategy**
   Supporting the transition to the net zero carbon economy through our strategy, sub-strategies and core decision-making and throughout our core values and our commitments.

5. **University Governance**
   Ensuring there is clear leadership and governance for implementation of the Climate Action Framework, with public accountability through transparent disclosure of progress against our principles.

6. **University campus emissions reduction and climate change adaptation**
   Reducing all our campus carbon emissions, in a manner that is consistent with the broader principles of sustainability and in a Just Transition. Understanding and responding to the consequences of climate change adaptation on the campus and our supply chain.

7. **Internationalisation strategy**
   Supporting and encouraging carbon-responsible international engagement to ensure sustainable collaborations that meet our strategic internationalisation goals.

8. **Carbon management**
   Improving the data quality relating to our carbon emissions, recognising that this is a strategic tool to understand and systematically reduce its carbon footprint.

9. **University finances**
   Taking the principles of the Climate Action Framework into account in all key funding and investment decisions.

10. **University community awareness and action**
    Supporting behavioural and cultural changes to enable carbon reduction targets through engagement across our community.

11. **University of Bath: local leader and partner**
    Working with key partners from the local community, industry, public sector bodies and third sector organisations, to support the transition to the net zero carbon economy.

Our approach was created through consultation with our whole community, and staff and students continue to believe in this vision, supporting strong action across all aspects of university life, and are fully involved in implementing the necessary action, across the 4 themes of Education, Research, Footprint and Partnerships.

Through the Education we're delivering, we aim to empower our students and graduates with sustainability skills and knowledge to empower them to be leaders, innovators and changemakers now and in the future. Through our Climate Action Project, we are helping build a world-class reputation for high-quality education across a range of disciplines to fully address climate change. To achieve this, we are embedding sustainability in all course experiences and are seeking to provide impactful learning opportunities for every student to study and work on sustainability issues. We're also introducing new courses and exploring pedagogically innovative teaching practices to reduce carbon emissions.

Sustainability is one of our three key Research themes and ground-breaking work is taking place across the spectrum of disciplines covered by our research, with experts researching solutions to the climate crisis from multiple angles. Our research has already developed solutions which are delivering real emission reductions now, whilst current work will be part of the solutions of the future – not only in transitioning to the low carbon economy through technical, political and behavioural measures but also in building adaptative capacity and resilience for a changed climate.

Within our Strategy we have a clear commitment to environmental best practice, and we are demonstrating this in our commitment to reach net zero emissions across all scopes within our Footprint by 2040. We're proud that despite significant growth as a university since 2005, we've achieved a 43% reduction of our scope 1 and 2 emissions in that time. Now, we have initial pathways to achieving net zero but it is only through the support and action of our whole community, and also many external stakeholders, that we will be successful.

As a civic organisation, we take great responsibility in how we can support and influence wider societal transformation in response to the climate crisis and sustainability challenges. As such, we are active in developing meaningful collaborative Partnerships to help address sustainability challenges across the sector, nationally and internationally but also from more local place-based relationships with the West of England Combined Authority and Bath and North East Somerset Council.

We produce a public annual report which details recent activities and our progress to date. Find out more about the Climate Action Project and our sector leading work in this and the wider sustainability area - see **Climate change and the University of Bath**.

Other impacts of our activities

We are the second largest employer in Bath & North East Somerset, with around 3,800 employees. A study conducted by **BiGGAR Economics in 2021** showed that in 2019-20, the operational and purposeful activities of the University supported 1 in every 18 jobs in B&NES, and a further 2,110 jobs in the UK as a whole. We now undertake three 'Work and Wellbeing' surveys a year, benchmarking the results against ONS data. We are also a socially responsible employer, with accreditation from the Living Wage Foundation, Disability Confident Leader accreditation and an excellent record in AthenaSWAN.

In May 2024, four of Bath and North East Somerset's key civic institutions, we, together with Bath Spa University, Bath and North East Somerset Council and the Royal United Hospitals Bath NHS Foundation Trust, signed an agreement to work more closely together for the benefit the region. The Future Ambition Civic Agreement commits us to collaborate and address key challenges and opportunities for the region to help its communities thrive, as well as learning from each other to continuously improve how we operate. The five key themes include; working to ensure opportunity for all, the development of digital infrastructure, a focus on climate and nature preservation, developing a sense of community through supporting creativity and culture, and driving sustainable growth through inclusive innovation.

We do not believe that there is any direct harm or detriment to the public arising from our Mission and corporate goals. However, our success in attracting students does mean that our student population puts a significant demand on the residential accommodation in the Bath and North East Somerset area so we liaise with the planning team of the Bath and North East Somerset Council to inform their accommodation forecasts. During 2022-23, our new Campus Masterplan was incorporated in the B&NES Local Plan: Partial Update. The Masterplan assesses the future development capacity of campus and balances demand for new residential accommodation and non-residential accommodation on campus. We are currently liaising with the B&NES planning team to inform the evidence base to be used to underpin the development of the new Local Plan.

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

We seek to promote the highest standards of scientific and professional integrity and to give due consideration to the ethical, social and environmental issues arising from our activities.

Trade Union facility time

The number of University employees who were relevant union officials during the year to 31 March 2024 was 36 (27.9 FTE). All of these employees spent between 1% and 50% of their time working on facility time. The percentage of the University's total pay bill spent on facility time was 0.11%. The percentage of time spent on paid trade union activities as a percentage of total paid facility time hours was 27.47%.

Statement of Corporate Governance

We are committed to best practice in all aspects of corporate governance and have adopted the Committee of University Chairs' Higher Education Code of Governance which each year the Council reviews to ensure we remain fully compliant with it.

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

Constitution and powers

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

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

Council

Council is responsible for:

- determining the strategy and mission of the University, ensuring the efficient use of resources, and approving the annual estimates of income and expenditure and approving the audited financial statements;
- preparation of the financial statements in accordance with the applicable accounting framework and being satisfied they give a true and fair view;
- for internal control as they determine necessary to enable the preparation of financial statements that are free from material misstatement whether due to fraud or error; and
- for assessing the group and university's ability to continue as a going concern, and appropriately disclosing matters that impact on going concern.

The full responsibilities of Council can be found at **https://www.bath.ac.uk/corporate-information/council-terms-of-reference/**

Council comprises independent, staff and student members appointed or elected in accordance with its Charter, Statutes and Ordinances. The majority of members are non-executive, including the Chair. The University's Chief Executive, the Vice-Chancellor, is an ex officio member of Council. Appointments to Council are considered by the Nominations Committee which makes recommendations for Council's approval.

Council membership for the year to 31 July 2024 (including subsequent new members to the date of approval of the Annual Accounts) was as follows:

Council membership for the year to 31 July 2024			
Ex officio members:	Professor Ian White	Vice-Chancellor and President	Term ended 31 July 2024
	Professor Phil Taylor	Vice-Chancellor and President	Term began 1 August 2024
	Professor Alan Hayes	Chair of Academic Assembly	Term ended 31 July 2024
	Dr Sabina Gheduzzi	Chair of Academic Assembly	Term began 1 August 2024
Appointed members:	Pamela Chesters CBE	Chair of Council	
	Maria Bond		
	Tim Ford		
	Alun Griffiths		
	Professor Dot Griffiths OBE		
	Tim Hollingsworth OBE		
	Don McLaverty		
	Calum Mercer	Treasurer	
	Jo Rhoden		Term began 1 September 2024
	Professor Anthony Smith		Term began 1 September 2024
	Catherine Mealing-Jones		Term ended 31 July 2024
	Charlotte Moar		Term ended 31 July 2024
Staff members:	Dr Teslim Bukoye		
	Kate Ehrig-Page		
	Dr David Moon		
	Dr Andrew Ross		Term ended 31 July 2024
	Professor Paul Shepherd		
Student governors:	Jimena Alamo	Students' Union President	
	Amber Snary	Students' Union Education Officer	

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

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

Council has a transparent scheme of delegation which is updated as required and sets out the roles and responsibilities of Council and the Executive.

Senate

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

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

Leadership and management

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

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

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

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

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

Internal Control and Risk Management

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

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

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

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

Ensuring Regularity and Propriety in the Use of Public Funding

Consideration of the financial position of the University is a standing item for the Finance Committee with it receiving an update from the Director of Finance at every meeting. A report from the Finance Committee also comes to every meeting of Council which includes a summary of the financial position of the University. Oversight of the use of public funding is also provided through the Senate which has responsibility for the University's academic activities. Internal Audit may also conduct audits of the University's processes for handling such monies with these reports being considered by ARAC. The Finance Committee also reviews the University's TRAC returns on an annual basis.

Statement of Equality Objectives 2023-25

Equality is important to us and our objectives were developed and updated during the 2022-23 year. Our objectives help us remain vigilant – to value, promote and celebrate inclusion, challenge discrimination, and keep belonging at the heart of everything we do. Each objective is underpinned by a clear action. We report on progress against these each year.

1. Nurture high aspirations and ensure all students are supported to achieve their true potential by identifying and overcoming barriers, particularly for under-represented groups.
    - To achieve 100% of the relevant Access and Participation Plan (APP) objectives.
2. Engage proactively in fostering an environment where everyone is treated with dignity and respect and combating discrimination.
    - #BeTheChange training modules to be made available for students and staff to access.
    - Introduce person-centred, values based informal employee relations practices to enhance positive behaviour when dealing with complaints, concerns and conflict.
3. Seek to make our environment accessible, leading to a more inclusive environment where all members of our community can thrive.
    - Identify areas for improvement across our Estate to address key issues and gaps in provision which limit accessibility for our community.
4. Foster a culture of inclusion by building institutional confidence through our contributions to charters and awards.
    - Continue to advance our gender equality through Athena SWAN initiatives, with at least one department advancing to Gold by 2026
    - Apply for Race Equality Charter Bronze status by July 2025
    - Renew our commitment as a Disability Confident Leader by July 2023. (This was renewed in April 2023).
    - Successfully renew our University of Sanctuary award by October 2023 (This has been submitted).
    - Mental Health Charter awarded by May 2023 (This was awarded in October 2024).
5. Ensure all staff feel welcomed and supported by identifying barriers and putting remedial actions in place.
    - Commit to reviewing equality of pay for under-represented groups, as well as continuing to reduce the gender pay gap.
    - Commit to supporting staff returning from maternity leave or shared paternity leave.

Annual Report of the Remuneration Committee

Introduction

Our Remuneration Committee, under delegated authority from Council, determines the remuneration of our senior officers. The current Terms of Reference[5] are available on our web pages. An update from each meeting is presented to Council by the Committee Chair.

Remuneration Committee membership and meeting attendance for academic year 2023-24						
Status	Name	Status	Attendance at meetings			
			24 Oct 23	14 Dec 23	12 Mar 24	08 Jul 24
Chair	Alun Griffiths	ends 31 Jul 27	✔	✔	✔	✔
Members	Pamela Chesters, Chair of Council	*ex-officio*	✔	✔	✔	✔
	Catherine Mealing-Jones: lay member	ends 31 Jul 24	✔	✔	✔	✘
	Tim Ford: lay member	ends 31 Jul 24	✔	✔	✔	✔
	Prof Alan Hayes: staff member	ends 31 Jul 24	✔	✔	✔	✔
	Jimena Alamo: SU President	ends 31 Jul 24	✔	✘	✘	✔
In attendance	Prof Ian White: Vice-Chancellor	–	✔			
	Richard Brooks: Director of HR	–	✔	✔	✔	✔
	Greg Noakes: Secretary	–	✔			
	Andrew Browning: Secretary	–		✔	✔	✔

Key				
Key	✔ attended meeting	✘ did not attend meeting		not required at meeting

Approach to Remuneration

The overall goal of our approach to senior staff remuneration is to offer levels appropriate to attract, retain and motivate senior staff who have the appropriate skills and qualifications to lead delivery of our mission and strategic objectives[6]. We recognise that our status as a public body is a fundamental part of the decisions regarding pay for all employees, particularly senior staff. Our students and staff are important stakeholders and we recognise that our reputation as an education provider, and as an employer, can be influenced by perceptions of value for money and the way in which senior remuneration is set and governed.

We offer remuneration packages appropriate to a leading University, benchmarked against other UK HE institutions of comparable scale, status and complexity operating in a competitive market.

All decisions regarding the remuneration associated with specific roles are taken, with external advice when required, in accordance with our commitment to equality and diversity; financial position and value for money; the nature of the role; reward levels for other members of our community; guidance issued by OfS and CUC; and metrics and benchmarks[7] from across the sector. When considering individuals, this also includes the attributes and skills of the candidate and, any changes in responsibilities and individual performance.

[5] http://www.bath.ac.uk/statutory-bodies-committees/bodies-and-committees-council/remuneration/

[6] As described at https://www.bath.ac.uk/publications/senior-staff-remuneration-framework/

[7] With a particular focus on pre-92 Universities with revenue over £200M

Our policies on expenses[8] and on income[9,10] generated by individuals from external bodies are published on the University webpages.

The 2023-24 Academic Year

The Committee met four times during the year according to its agreed annual cycle.

In October 2023 the meeting reviewed the Vice-Chancellor's recommendations for pay increases for members of the senior team according to the biennial cycle. The recommendations were approved based on the performance reports. The Committee also approved the Vice-Chancellor's objectives for 2023-24 for noting by Council.

In December 2023 the Committee considered the remuneration for the new Vice-Chancellor, Professor Taylor and later confirmed approval by correspondence with a start date of 1 August 2024. The Committee approved operational matters regarding new appointments and settlement cases and undertook its annual training, which this year included sector pay trends, pressures on the JNCHES pay spine and a review of inclusion data regarding the new Professorial pay system.

The March 2024 meeting was dedicated to policy review, and the Committee spent some time reviewing its policy on the use of benchmarks in remuneration decisions. With the Government's decision to remove the LifeTime Allowance on pensions, the Committee also updated the policy on pay-in-lieu of pensions.

In July 2024, recognising the imminent leadership transition, the Committee looked forward to possible upcoming appointments and considered benchmarks to guide the recruitment of a potential Deputy Vice-Chancellor. This meeting also gave the Committee the opportunity to reflect on the results of its Effectiveness Review.

The Vice-Chancellor

Professor White's salary was initially set with reference to external benchmarks on recruitment in April 2019, making comparison with universities of similar scale, complexity and ranking[11]. In accordance with his contract, the salary was reviewed at the third anniversary of his recruitment to ensure alignment with benchmarks and reflecting his personal performance. Apart from the third anniversary review, the Vice-Chancellor only received the annual pay awards as defined by the JNCHES national negotiation.

As Professor White will retain an ongoing employment relationship with the University as a part time Professorial Fellow following his resignation as Vice Chancellor, the Committee set the appropriate salary level on the academic pay scale.

Professor Taylor's salary was established using the same benchmarking process, taking into account sector guidance and the initial expectations for the role. The basic salary was published[12] as part of the announcement of Professor Taylor's recruitment. The Remuneration Committee will review this in line with other staff under the remit of the Remuneration Committee.

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[8] https://www.bath.ac.uk/legal-information/travel-and-expenses-policy/
[9] https://www.bath.ac.uk/publications/university-ordinances/attachments/Ordinances-revised-November-2021.pdf
[10] https://www.bath.ac.uk/publications/university-consultancy-policy/
[11] The main comparators were: Surrey, Loughborough, Lancaster, UEA, York, Essex. Although different in scale, the following were also considered: Exeter, Newcastle, Bristol, Liverpool, Warwick.
[12] https://www.bath.ac.uk/announcements/professor-phil-taylor-appointed-as-the-university-of-baths-next-vice-chancellor/

Financial Review

We remain focussed on delivering against our Strategy 2021-26 providing a high-quality educational experience, excellent research and supporting the health and wellbeing of students, staff and other members of our community on whose efforts our success is built.

In 2023-24, our income from teaching, research and accommodation grew, driven by our growth in student numbers, both home and overseas, in what was a more challenging market. Expenditure also increased, albeit at a slower rate than income. Overall, there was an increase in surplus to £9.8m from £6.2m in the previous year (on the internal Historic Cost Operating Surplus, HCOS, basis), with an increase in income (of £31.6m) partly offset by expenditure growth of £28m (staff costs rise of £17.6m, other expenditure costs rise of £10.4m).

Inflationary pressures have continued to impact upon us during the year. Our utilities costs remain high, and we continue to see increases in inflation across the range of product categories that we buy. Similarly, inflation continues to add to the pressure for higher pay awards. Conversely, the majority of our debt is fixed so our interest cost is not greatly affected by the increase in interest rates, and we have been able to benefit from the higher rates available on cash deposits.

We continue to retain significant cash and investment balances in preparation for supporting future investments in our Strategy and for the refurbishment of the original 1960s and 1970s buildings on campus. Operating cash inflows were £40.4m (2022-23 £47.2m) and we spent £58.3m (2022-23 £21.9m) on capital investments, including the acquisition of two new student residences in the city (Scala and Eveleigh Waterside).

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

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

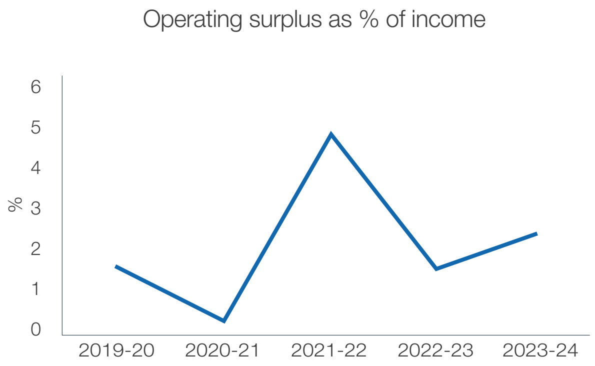
Key Financial Performance Indicators

Historic Cost Operating Surplus/Total Income

The Statement of Comprehensive Income (SOCI) shows a surplus before gains and losses of £75.2m (2022-23 £1.1m surplus) on page 41.

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

	2023-24	2022-23
	£m	£m
Surplus before gains and losses from SOCI	**75.2**	**1.1**
Capital grants	(2.1)	(5.5)
Adjustment for pension schemes	(94.5)	(10.6)
Valuation adjustment for depreciation	31.2	21.2
HCOS	**9.8**	**6.2**



KPI - 1. HCOS/Total Income

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

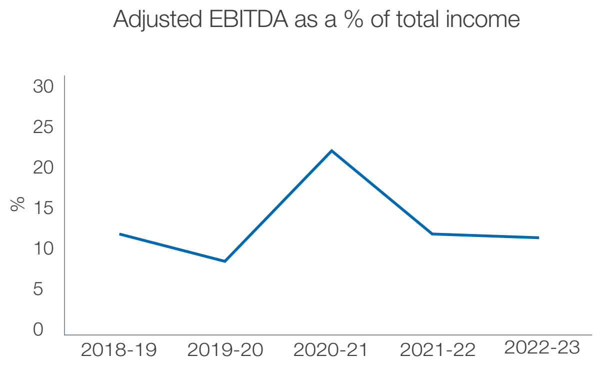
For 2023-24 this was budgeted at a deficit of £5.7m, but tight cost control mitigated the impact of lower than planned income growth yielding a surplus of £9.8m, 2.5% of income.

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

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

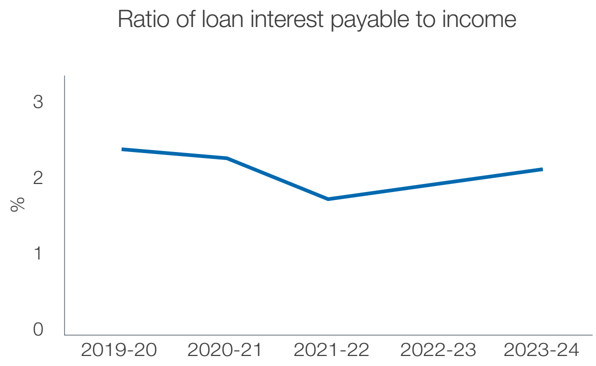
The rationale for these adjustments is described further below.

Area	Rationale
Capital Grants	Capital grants are dependent on capital spend which is recorded in the balance sheet. Including capital grants, which are now recognised only when the construction of the fixed assets has been completed, creates spikes in income and therefore surplus.
Pension valuations	Both USS & LGPS are subject to periodic actuarial valuations and these valuations are heavily impacted by economic assumptions outside of the routine operational activity of management and therefore the valuation charges and credits are recognised after the HCOS.
Depreciation	Our buildings are subject to annual valuations and total depreciation is based on these “fair” values, which are impacted by market conditions and building cost inflation, outside the control of management. This adjustment reflects the valuation element of the total depreciation charge and is recognised after the HCOS.



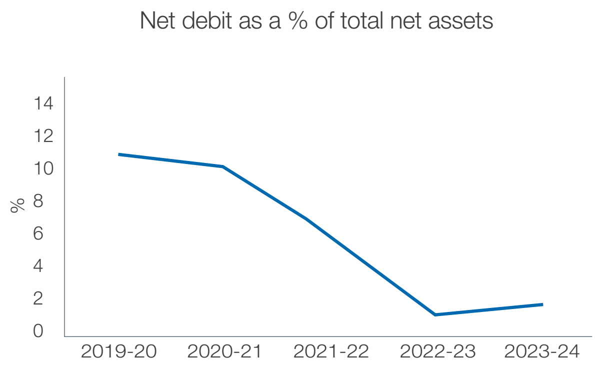
KPI - 2. Adjusted EBITDA

Adjusted EBITDA is widely used by the sector and provides a sector comparison of operating performance. This metric is earnings before interest, tax, depreciation, and amortisation, it is also adjusted to remove pension provision. EBITDA for 2023-24 is 12.0% of income (2022-23 12.3%). This is in line with previous years before 2021-22. The IAAPS capital grant increased income, on a one-off basis, in 2021-22.



KPI - 3. Ratio of Interest Payable to Income

Interest payable to income is the metric used to show how much of our income is spent on paying the interest on our loans. Similar measures are used by some of our lenders to assess our financial performance. In 2023-24 our result was 2.2% (2022-23 2.0%). The majority of our borrowing is at fixed rates so our additional income created an improvement in cover.

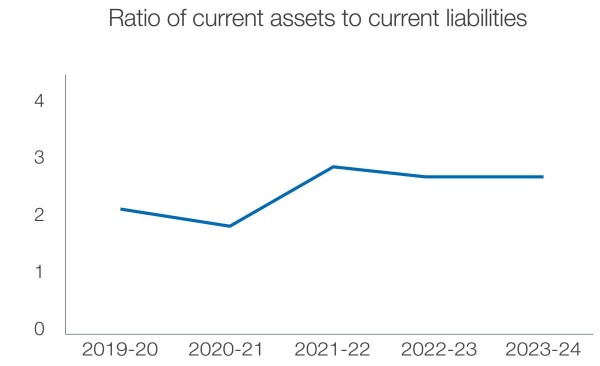


KPI - 4. Net Debt to Net Assets – Gearing - Historic Cost Basis

Our gearing (on a historic cost basis) has increased slightly to 2.3% (2022-23 1.6%).

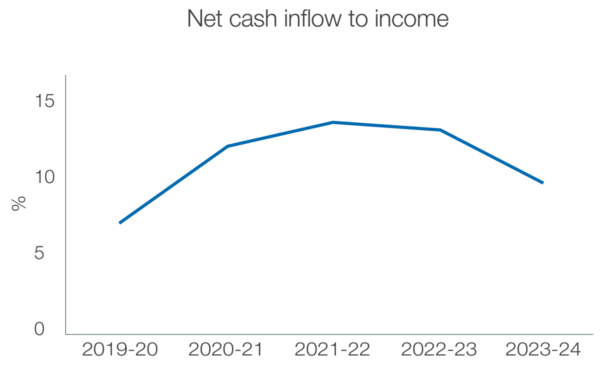
Net Debt to Net Assets is a measure to show the extent to which our assets are financed by debt. Whilst low compared to many sectors we have a high gross debt value relative to the HE sector. This reflects our financial strategy to borrow to fund investment whilst maintaining a high level of liquidity.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

In 2023-24 our Net Debt (on a historic cost basis) rose by £11.0m to £25.2m (2022-23 £14.2m), as a result of our capital investments in the year.



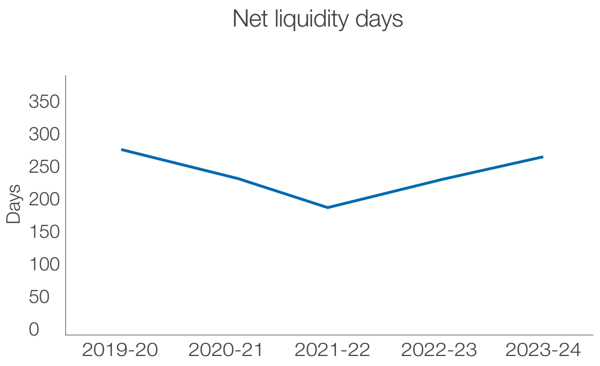
KPI - 5. Ratio of Current Assets to Current Liabilities

The ratio of current assets to current liabilities is known as the current ratio. This shows our ability to cover our current liabilities by current assets. Our financial strategy is to maintain high levels of liquidity and we have borrowed in advance of capital expenditure, so the ratio is higher than many in the sector. The ratio has remained unchanged in the year at 2.8:1 (2022-23 2.8:1). As we invest in refurbishing our estate, we would expect this ratio as well as our Net Liquidity Days (KPI 7) to reduce.



KPI 6. Net Cash Inflow from Operating Activities as % of Income

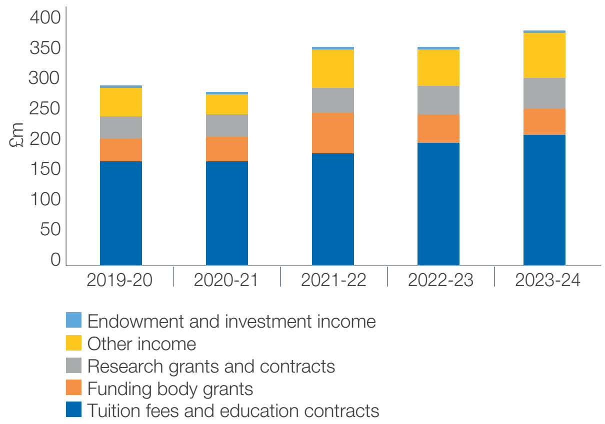
This measure shows the cash flow from our ongoing regular activities as a proportion of total income. It does not include long-term capital expenditure or investment returns. It can be used to determine our ability to self-finance new investments or reduce debt. Operating cash inflow is £40.4m which represents 10.3% of income (2022-23 £47.2m and 13.0%). The decrease from last year is mainly due to movements in working capital.



KPI 7. Net Liquidity days

This metric indicates the number of days that we could operate without generating any cash inflows by showing the ratio of expenditure to income expressed in days. Our strategy is to retain high levels of liquidity and as a result our ratio is 282 days (2022-23 248 days). This includes the USS credit in expenditure.

Total income £m



Income

Total income increased by £28.2m (7.8%) from £363.0m to £391.2m.

Tuition fee income increased by 6.6% to £219.5m. This was mainly due to an increase in full time overseas students (up by £12.5m). Tuition fee income represents 56% of total income.

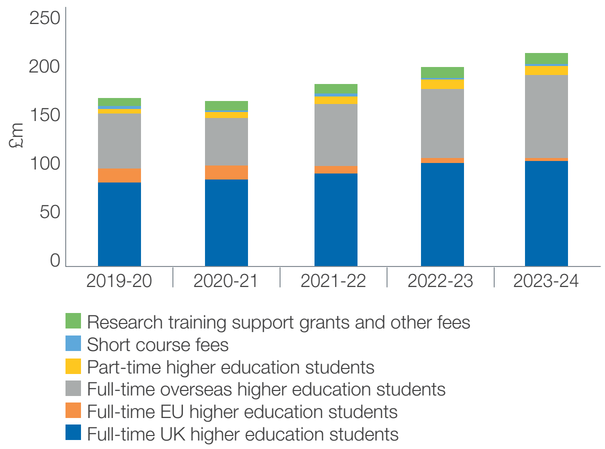
Total funding body grants decreased from £46.7m to £41.2m. Grant income from UKRI fell by £5.4m in year, mainly due to lower levels of capital grants.

Research grants were £50.6m (2022-23 £45.0m) an increase of 12.4% and reflects the growing portfolio of contracts we hold and the focus on research growth which is part of our strategy.

Other income at £68.2m has increased by 16.8% (2022-23 £58.4m). This is mainly due to the increase in income from residences and catering of £6.0m in 2023-24.

Endowment and donation income for 2023-24 is £4.3m (2022-23 £1.5m).

Fee income £m



Tuition Fee Income

Tuition Fee income increased by 6.6% to £219.5m (2022-23 £205.9m).

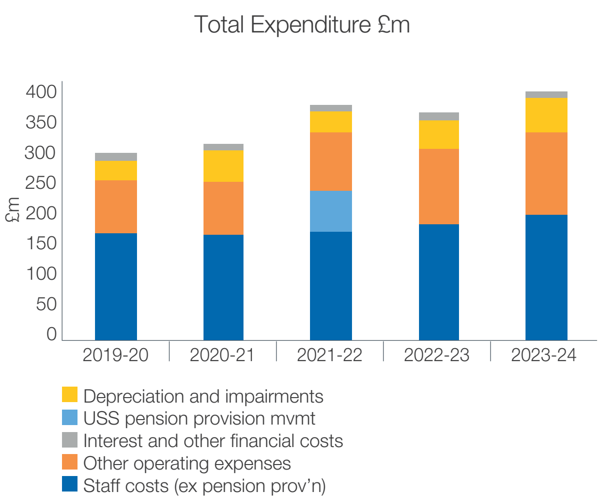
Fees from full time UK students rose by £1.0m (0.9%) to £108.1m. With the undergraduate fee remaining at £9,250 this increase came from student number growth.

Fees from full time overseas students (including EU students who now pay the overseas rate) rose by £12.5m to £89.3m. This source now represents 40.7% of all tuition fee income.

Fees from part-time students, short course and training student grants remained unchanged at £22.0m.

Analysis of Fee-paying students as at 1st December	2022-23	2023-24
Headcount home fee status		
Undergraduate	12,576	12,911
Postgraduate Taught	1,775	1,434
Postgraduate Research	1,127	1,039
Headcount Overseas fee status		
Undergraduate	1,916	2,273
Postgraduate Taught	1,466	1,364
Postgraduate Research	380	353
TOTAL	**19,240**	**19,374**

The table above summarises the standard registration population headcount for the years.



Expenditure

Expenditure reported in the SOCI decreased by £45.9m to £316.0m. This decrease includes a credit of £98.2m for the release of the USS pension provision.

Recurrent expenditure excluding this release is £414.2m, the equivalent value for 2022-23 is £378.0m which represents an increase of 9.6%. This reflects strategic investment, inflationary pressures and higher depreciation resulting from capital investments.

Our staff costs at £208.0m have increased by £15.8m (8.2%) over 2022-23, whilst average FTE numbers increased by 146 (4.5%) to 3,367. Academic department staff costs were £112.7m for 2023-24, 54.2% of total staff costs before pension adjustments.

Our operating expenses at £137.6m have increased by 8.6% from £126.7m.

In the analysis of expenditure by activity (note 10), Academic Department expenditure increased by £12.1m to £151.5m and represents 36.6% of total expenditure before release of the USS pension provision (2022-23 36.9%). When combined with Academic Services this rises to 46.2% of all expenditure before the USS provision release. Research grants, premises, residences, retail and catering represent 7.0%, 16.2%, 12.6%, respectively, of all expenditure before the USS provision release.

Central Administration expenditure increased 3.8% from £23.5m to £24.4m.

Staff and student facilities expenditure increased by 4.8% to £19.7m. Residences, retail and catering operations expenditure increased by 15.0%, to £52.0m. There was a similar increase in income for this area of 13.7% (note 5).

Research expenditure fell slightly by 4.3% to £29.1m, despite the growth in income of 12.4% in the year (note 4).

Depreciation and impairment increased by £10.7m, to £57.4m (an increase of 22.9%) reflecting the higher levels of capital investment now being made.

Other Comprehensive Income

The total comprehensive income in the year is £226.5m (2022-23 restated £190.9m).

The table below summarises those entries reported after surplus for the year on the SOCI of £81.0m (2022-23 restated surplus £18.6m) and reason for the change from 2022-23.

Item	Impact 2023-24	Impact 2022-23	Valuation impact
Actuarial gain in respect of pension schemes	£0.3m	£36.6m	At 31 July 2023 the discount rate used to estimate future liabilities of the scheme increased to 5.1% from 3.5% and this reduced the liabilities due from the LGPS. There have not been any significant changes in the actuarial assumptions as at 31 July 2024.
Change in the fair value of tangible fixed assets	£145.2m	£135.7m	Building valuation is determined by either market value or replacement cost less an allowance for use (depreciation). Building costs increased by 5.0% in 2023-24 against 6.2% the previous year. On a leasehold estate of £982.2m the net increase was £97.6m. The market value of our freehold properties increased by £47.6m.

Balance Sheet

Fixed Assets

Our capital additions in 2023-24 were £53.7m (2022-23 £25.5m). The combination of this with depreciation and the revaluation gain reported in the table above saw fixed assets increase from £1,054.4m to £1,195.7m.

Current Assets

Current assets decreased by £15.4m to £230.0m. Of this our investments decreased by £12.8m to £196.8m, which is due to the increased level of fixed asset expenditure made in the year.

Creditors, amounts falling in less than one year

These decreased by £5.7m, to £81.7m, with a decrease in trade payables of £2.1m and deferred income of £3.7m. Loan repayments due next year remained unchanged at £2.1m at 31 July 2024.

Creditors, amounts falling due in more than one year

These remained virtually unchanged at £194.4m (31 July 2023 restated £194.3m). The main movements are the bank loan repayment of £2.1m in year offset by loss on valuation of loan notes of £2.1m.

Pension Provisions

Pension provisions have decreased by £94.8m to £7.6m.

The USS is a multi-employer scheme with no basis to accurately identify our share of the assets and liabilities and therefore our deficit. At 31 July 2023, our balance sheet included a liability of £96.0m for future contributions payable under the deficit recovery agreement which was concluded on 30 September 2021, following the 2020 valuation when the scheme was in deficit. No deficit recovery plan was required from the 2023 valuation, because the scheme was in surplus. Changes to contribution rates were implemented from 1 January 2024 and from that date we are no longer required to make deficit recovery contributions. The remaining liability of £98.2m was released to the income and expenditure account. Further disclosures relating to the deficit recovery liability can be found in note 25.

LGPS is also a multi-employer scheme in which liabilities and assets can be established for individual employers. We saw our pension deficit increase slightly to £7.6m (31 July 2023 £6.4m), as the increase in scheme liabilities (at £6.2m) exceeded the increase in the market value of the assets (at £4.9m). Contribution rates are determined by triennial valuations which use a different set of assumptions. The scheme undertook its most recent valuation on 31 March 2022. Our cash contribution rate is 20.7% for future service.

Loan Notes

We have previously recognised loan notes of £150.0m as basic financial instruments, resulting in the loan notes being recognised at amortised cost. Certain of the loan notes (with a cost of £94.6m) are subject to foreign exchange options held by US investors to protect against future foreign exchange exposure should we decide in the future to repay part or all of the debt early. A review of the loan notes has concluded that the instruments should be classified as non-basic and recognised at fair value.

The change in recognition has resulted in a loss of £2.1m (2022-23 gain of £17.5m) in relation to fair value movements being recognised through the statement of comprehensive income and expenditure for the 2023-24 financial year.

The value of the loan notes in the balance sheet has reduced from £94.6m to £66.9m (31 July 2023 £64.8m). Details of the prior year adjustment are included in note 27. The contractual payments arising from the loan notes are unchanged.

Going Concern

After reviewing the University's forecasts, which cover the period to 31 July 2026 (the outlook period), Council confirms that it has reasonable expectation that we have adequate resources to continue in operation for the foreseeable future. In reaching this conclusion it has considered a downside scenario in student recruitment levels; however, Council is satisfied that the strategies, plans and policies in place will help ensure that the University has sufficient funds to meet its liabilities as they fall due over the outlook period.

Council regularly reviews performance using the key performance indicators included in this review in areas that are relevant to financial sustainability. Council, through ARAC, regularly reviews strategic and operational risks and any financial assessment of these as determined by management. Council, through Finance Committee, reviews the compliance with financial covenants in our loan documentation and is confident that the agreed covenants will be met throughout the outlook period. Council is not aware of any material uncertainties related to events or conditions existing at the date of signing these accounts, that cast significant doubt upon the University's ability to continue as a going concern. Therefore, Council continues to adopt a going concern basis for preparing the Annual Accounts.

Financial Risk & Outlook

2023-24 has seen a continuation of the growth in student numbers from both home and overseas. Despite the substantial recruitment pressures in the UK higher education sector, we are continuing to predict and plan for further growth over the next few years. Demographic changes will support our important home markets and we anticipate further growth in our overseas undergraduate population where our offering is strongest.

To deliver and support this growth, we recognise that we need to invest in our estate both to accommodate growth and modernise our original 1970's buildings. We are also mindful of the impact the built environment has on our carbon emissions and our ability to meet our net zero target by 2030. As we develop our capital and carbon plans we will continue to assess our performance against our net zero target.

As part of our planning, we have developed a fifteen-year capital requirement amounting to approximately £1.3 billion. Whilst still subject to change it is clear that we will need to increase our operating cashflow to fund this investment, consequently we have set ourselves the target of increasing our annual HCOS operating surplus to 5% by 2027-28 and to maintain it at that level thereafter. Achieving this will require contributions from all faculties, central teams and commercial areas. Whilst this is broadly in line with our surpluses pre-Covid it is an ambitious target given the headwinds facing the sector. We recognise the execution risk in delivering our plan to re-build our operating margins and the impact external factors may have. Whilst we are seeking to increase our cash generation to fund investment, a higher operating cashflow will also stand us in good stead in the event of a greater than expected deterioration in sector finances. Ultimately, we could defer some of our capital expenditure to ensure our sustainability, though this would impact our student experience and research ambitions.

Our new capital strategy is essential to ensure the University continues to deliver world class education and research for our students, staff and community, as well as support the achievement of our net zero target by 2030. However, we will face risks in its delivery, in respect of capital cost inflation, availability of construction resource and debt servicing costs if interest rates remain substantially above levels seen in recent years.

We continue to experience cost pressure in staff and operating expenses with higher inflation rates. Regulated fees constrain our ability to offset cost inflation however, we either set the price, or prices are linked to costs, for around 70% of our income providing scope to address cost inflation.

In addition to these inflationary pressures, we face the same risks as those seen across the rest of the UK higher education sector. The risk of continued increases in pensions costs has declined in the year, with the latest actuarial valuation reporting that the University Superannuation Scheme is now fully funded and the improved funding position of the Local Government Pension Schemes. We recognise that we are in a global market for international students and are impacted by the policy of our own as well as our competitors' governments. Recent changes in UK immigration rules have seen a marked decrease in application for study visas from overseas which has had a negative impact across the sector. The UK's relative market position will continue to present both a risk and an opportunity for us and we await any response of the new government to the challenges the sector is experiencing in this area.

As a sector, universities have a lot to add to the growth agenda of the new government through our education and research. Whilst we recognise the substantial pressure on public funding, the financial sustainability of the sector funding model is a significant risk to our plans. We were reassured to see that the Government recognise this and are seeking to put the sector on a secure footing as part of their upcoming review of HE. More immediately, the net impact of the recent changes to regulated tuition fees and National Insurance are negative for us.

In common with the rest of the Higher Education sector, we face significant risks to the delivery of our strategy. However, our continued commitment to high quality education and research has given us a strong financial and market position, which provides confidence for our future.

Martin Williams
Director of Finance

Signed on behalf of the Council
12 December 2024

Independent auditors' report to the Council of the University of Bath

Opinion

We have audited the financial statements of the University of Bath (the 'parent University') and its subsidiaries (the 'group') for the year ended 31 July 2024, which comprise the consolidated and University statement of comprehensive income, consolidated and University balance sheet, consolidated and University statement of changes in reserves, consolidated cash flow statement and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the group's and the parent University's affairs as at 31 July 2024 and of the group's and the parent University's income and expenditure, gains and losses, changes in reserves and of the group's consolidated cash flows for the year then ended; and
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice.

Basis for opinion

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

Conclusions relating to going concern

We are responsible for concluding on the appropriateness of the Council's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the group's and the parent University's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify the auditor's opinion. Our conclusions are based on the audit evidence obtained up to the date of our report. However, future events or conditions may cause the group or the parent University to cease to continue as a going concern.

In our evaluation of the Council's conclusions, we considered the inherent risks associated with the group's and the parent University's business model including effects arising from macro-economic uncertainties such as public funding pressures and international student recruitment, we assessed and challenged the reasonableness of estimates made by the Council and the related disclosures and analysed how those risks might affect the group's and the parent University's financial resources or ability to continue operations over the going concern period.

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

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

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

Other information

The other information comprises the information included in the Annual Accounts other than the financial statements and our auditor's report thereon. The Council is responsible for the other information contained within the Annual Accounts. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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

We have nothing to report in this regard.

Opinion on other matters prescribed by the Office for Students ('OfS') Accounts direction (issued October 2019) (the 'OfS Accounts direction')

In our opinion, in all material respects:

- funds from whatever source administered by the parent University for specific purposes have been properly applied to those purposes and managed in accordance with the relevant legislation;
- funds provided by the OfS, UK Research and Innovation (including Research England), the Education & Skills Funding Agency and the Department for Education have been applied in accordance with the OfS Terms and Conditions of funding for higher education institutions (issued July 2023), the funding agreement with UK Research and Innovation (including Research England), the Education and Skills Funding Agency and the Department for Education, and any other terms and conditions attached to them; and
- the requirements of the OfS Accounts direction have been met.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the OfS Accounts direction requires us to report to you where:

- the parent University's grant and fee income, as disclosed in note 3 to the financial statements, has been materially misstated; or
- the parent University's expenditure on access and participation activities for the financial year has been materially misstated.

Responsibilities of Council

As explained more fully in the Statement of responsibilities of the Council set out on page 18, the Council 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 Council determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Council are responsible for assessing the group's and the parent University's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Council either intends to liquidate the group or the parent University or to cease operations, or has 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.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below:

- We obtained an understanding of the legal regulatory frameworks that are applicable to the University and the sector in which it operates. We determined that the following laws and regulations were most significant: The Financial Reporting Standard applicable in the UK and the Republic of Ireland (FRS 102), FEHE SORP 2019, Further and Higher Education Act 1992, Higher Education and Research Act 2017, OfS Accounts Direction (October 2019), Relevant OfS regulatory notices and advices, The Higher Education Code of Governance and The Data Protection Act 2018;
- We understood how the Group and Parent University is complying with these legal requirements by making inquiries of management and those charged with governance. We enquired of management and those charged with governance whether there were any instances of non-compliance with laws and regulations, or whether they had any knowledge of actual or suspected fraud. We corroborated the results of our enquiries through our review of relevant committee minutes and through our legal and professional expenses review;
- We assessed the susceptibility of University's financial statements to material misstatement, including how fraud might occur and the risk of material override of controls. Audit procedures performed by the engagement team included:
  - Identifying and assessing the design effectiveness of certain controls management has in place to prevent and detect fraud
  - Challenging assumption and judgements made by management in its significant accounting policies
  - Identifying and testing journal entries, with focus on unusual journals with specific characteristics and large journals
  - Review of business register of interest and the general ledger for any undisclosed related party transactions
  - Inspecting Council and other committee minutes
  - Assessing the extent of compliance with relevant laws and regulations as part of our procedures on the related financial statement item;

- These audit procedures were designed to provide reasonable assurance that the financial statements were free from fraud or error. The risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error and detecting irregularities that result from fraud is inherently more difficult than detecting those that result from error, as fraud may involve collusion, deliberate concealment, forgery or intentional misrepresentations. Also, the further removed non-compliance with laws and regulations is from events and transactions reflected in the financial statements, the less likely we would become aware of it;
- The engagement partner's assessment of the appropriateness of the collective competence and capabilities of the engagement team included consideration of the engagement team's:
  - Understanding of, and practical experience with audit engagements of a similar nature and complexity through appropriate training and participation
  - Knowledge of the higher education sector
  - Understanding of the legal and regulatory requirements specific to the University including
    - The provisions of applicable legislation
    - Guidance issued by the OfS;
- The team communications in respect of potential non-compliance with relevant laws and regulations, including the potential for fraud in revenue through manipulation of income and management override of controls; and
- In assessing the potential risks of material misstatement, we obtained an understanding of:
  - The University's operations, including the nature of its income and expenditure and its services and of its objective and strategies to understand the classes of transactions, account balances, expected financial statement disclosures and business risks that may result in risks of material misstatement
  - The University's control environment, including:
    - The policies and procedures implemented by the University to ensure compliance with the requirements of the financial reporting framework and relevant laws and regulations
    - The adequacy of procedures for authorisation of transactions and review of management accounts
    - Procedures to ensure that possible breaches of laws and regulations are appropriately resolved.

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

Use of our report

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

Grant Thornton UK LLP
Statutory Auditor, Chartered Accountants
London

12 December 2024


UNIVERSITY OF BATH

Consolidated Statement of Accounting Policies for year ended 31 July 2024

Basis of preparation

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

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

Going Concern

The Group financial statements have been prepared on a going concern basis After reviewing the University's forecasts, which cover the period to 31 July 2026 (the outlook period), Council confirms that it has reasonable expectation that we have adequate resources to continue in operation for the foreseeable future. In reaching this conclusion it has considered a downside scenario in student recruitment levels; however, Council is satisfied that the strategies, plans and policies in place will help ensure that the University has sufficient funds to meet its liabilities as they fall due over the outlook period.

Council regularly reviews performance using the key performance indicators included in these accounts in areas that are relevant to financial sustainability. Council, through ARAC regularly reviews strategic and operational risks and any financial assessment of these as determined by management. Council, through Finance Committee, reviews the compliance with financial covenants in our loan documentation and is confident that the agreed covenants will be met throughout the outlook period. Council is not aware of any material uncertainties related to events or conditions existing at the date of signing these accounts, that cast significant doubt upon the University's ability to continue as a going concern. Therefore, Council continues to adopt a going concern basis for preparing the Annual Accounts.

Basis of consolidation

These financial statements consolidate the results of our and our subsidiary undertaking for the financial year to 31 July 2024.

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

Recognition of income

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

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

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

Grant funding

Grant funding, including Funding Council grant; research grants from government sources; and grants (including research grants) from non-government sources are recognised as income when we are entitled to the income and performance related conditions have been met. Income received in advance of the performance related condition being met is recognised as deferred income within creditors on the balance sheet and released to income as the conditions are met.

Donations and endowments

Non exchange transactions without performance related conditions include donations and endowments. Those with donor-imposed restrictions are recognised in income when we are entitled to the funds. Income is retained within the restricted reserve until such time that it is utilised in line with such restrictions, at which point the income is released to the general reserve through a reserve transfer. Donations freely given, with no donor-imposed restriction, are recognised in income when we are entitled to the funds.

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

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

Capital grants

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

Accounting for retirement benefits

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

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

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

Defined benefit scheme

Defined benefit schemes are post-employment benefit schemes other than defined contribution schemes. Our obligation is to provide the agreed benefits to current and former employees, and actuarial risk (that benefits will cost more or less than expected) and investment risk (that returns on assets set aside to fund the benefits will differ from expectations) are borne, in substance, by us. We recognise a liability for our obligations under defined benefit schemes net of scheme assets.

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

Universities Superannuation Scheme (USS)

As a multi-employer scheme, it is not possible to identify our share of the underlying assets and liabilities due to the mutual nature of the scheme. Therefore, as required by Section 28 of FRS 102 “Employee Benefits”, we are required to account for it as if it were a defined contribution scheme. The SOCI represents the contributions payable to the scheme and the deficit recovery contributions payable under the scheme’s Recovery Plan.

Where a scheme valuation determines that the scheme is in deficit on a technical provisions basis (as was the case following the 2020 valuation), the trustee of the scheme must agree a Recovery Plan that determines how each employer within the scheme will fund an overall deficit. We recognise a liability for the contributions payable that arise from such an agreement (to the extent that they relate to a deficit) with related expenses being recognised through SOCI. Further disclosures relating to the deficit recovery liability can be found in note 20.

Local Government Pension Scheme (LGPS)

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

Defined contribution schemes

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

Employee benefits

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

Foreign currency

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

Leases

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

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

Fixed Assets

Land and buildings
Land and buildings are measured using the revaluation model. Under the revaluation model, assets are revalued to their fair value. We have a policy of ensuring all assets are revalued by an external valuer, such that the fair value is not materially different to the current value. Each building is revalued twice over a four-year cycle, with all buildings being revalued in the first year of the cycle and in each of the remaining three years approximately a third of all buildings are revalued again and the others are indexed each year. The basis of the valuation is a combination of depreciated replacement cost, existing use and open market value depending on the nature of the property.

Freehold and leasehold land are not depreciated as they are considered to have an indefinite useful life.

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

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

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

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

Equipment
Equipment costing less than £25k per individual item is written off in the year of acquisition unless it forms part of a group of related items or part of a capital project, in which case it is capitalised.

Capitalised equipment is stated at cost or, where donated, at valuation, and depreciated, on a straight-line basis, as follows:

- general equipment – 5-10 years
- furniture – 5 years
- catering equipment – 7 years
- equipment required for specific grants – 3 years

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

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

Intangible Fixed Assets

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

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

Amortisation is on a straight-line method as follows:

- computer software – 3-5 years.

Maintenance of premises

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

Investments

Non-current and current asset investments are held at fair value where this can be readily determined and amortised cost where no market exists. The fair value movement in non-current and current asset investments is recognised in the SOCI.

Loans

Loans which meet the criteria for basic financial instruments as defined by paragraph 11.9 of FRS 102 are initially recorded and subsequently measured at amortised cost.

Certain of the University's loan notes are subject to foreign exchange hedges held by US investors. The hedges protect the investors against future foreign exchange exposure should the University decide in the future to repay part or all of the debt early. Under FRS 102, these instruments are classed as non-basic and measured at fair value through the SOCI.

Fair value

The best evidence of fair value is a quoted price for an identical asset in an active market. When quoted prices are unavailable, the price of a recent transaction for an identical asset provides evidence of fair value as long as there has not been a significant change in economic circumstances or a significant lapse of time since the transaction took place. If the market is not active and recent transactions of an identical asset on their own are not a good estimate of fair value, the fair value is estimated by using a valuation technique.

Stocks

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

Cash at bank

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

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

Provisions, contingent liabilities, and contingent assets

Provisions are recognised in the financial statements when:

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

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

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

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

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

Taxation status

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

Accordingly, we are potentially exempt from taxation in respect of income or capital gains received within categories covered by section 478-488 of the Corporation Tax Act 2010 or section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied to exclusively charitable purposes.

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

Intra-group transactions

Gains or losses on any intra-group transactions are eliminated in full. Amounts in relation to debts and claims between undertakings included in the consolidation are also eliminated.

Key sources of estimation uncertainty and judgements in applying accounting policies

Key sources of estimation uncertainty: Fixed assets

Land and buildings are held at fair value. An annual valuation exercise is undertaken by an external qualified chartered surveyor on a sample of buildings to ensure the carrying value of the assets are not materially different to their fair value. We will extrapolate the methodology adopted by the external surveyor to other buildings in the same valuation class to ensure the assets are not materially misstated in the financial statements. Tangible fixed assets, other than investment properties, are depreciated over their remaining useful economic lives taking into account residual value, where appropriate, see note 13 for the carrying amount of property, plant, and equipment. An annual review of residual values of assets is undertaken. In reassessing asset lives, factors such as technological innovation and maintenance programmes are taken into account.

Local Government Pension Scheme (LGPS)

The present value of the LGPS defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost (income) for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 25, will impact the carrying amount of the pension liability. Sensitivity analysis is also included in the note based on the assumptions used. Furthermore, a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2022 has been used by the actuary in valuing the pensions liability at 31 July 2024. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

Universities Superannuation Scheme (USS)

The present value of the USS provision depends on a number of estimates used by management in respect of discount rate, future salary increases and numbers of staff in the USS. Any changes in these assumptions, which are disclosed in note 25, will impact the carrying amount of the pension liability.
FRS 102 makes the distinction between a group plan and a multi-employer scheme. A group plan consists of a collection of entities under common control typically with a sponsoring employer. A multi-employer scheme is a scheme for entities not under common control and represents (typically) an industry-wide scheme such as USS. The accounting for a multi-employer scheme where the employer has entered into an agreement with the scheme that determines how the employer will fund a deficit 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) with the resulting expense charged through the profit or loss account in accordance with section 28 of FRS 102.

At 31 July 2023, our balance sheet included a liability of £96,023,899 for future contributions payable under the deficit recovery agreement which was concluded on 30 September 2021, following the 2020 valuation when the scheme was in deficit. No deficit recovery plan was required from the 2023 valuation, because the scheme was in surplus. Changes to contribution rates were implemented from 1 January 2024 and from that date we were no longer required to make deficit recovery contributions. The remaining liability of £98,232,448 was released to the profit and loss account. Further disclosures relating to the deficit recovery liability can be found in note 20.

Impairment of debtors

We make an estimate for the recoverable value of trade and other debtors. When assessing impairment of trade and other debtors, management considers factors including the current credit rating of the debtor, the ageing profile of debtors and historical experience. See note 15 for the net carrying value of the debtors.

Fair value of non-basic financial instruments

The fair value of the non-basic financial instruments has been measured by discounting expected future cash flows to present value using a discount rate based on market rates for similar debt instruments. The discount rate has been calculated based on the yield of the gilt with the closest maturity date to that of the financial instruments, and then an additional spread is added to the gilt yield to reflect the University's credit profile. The discount rate is then applied to the principal amount and to future interest rate payments.

The impact of the fair value is to recognise a loss of £2.1m (2022-23: gain of £17.5m) in the statement of comprehensive income and to recognise a fair value of the loan note of £66.9m (31 July 2023: £64.8m) in the balance sheet.

The University's non-basic financial instruments contain foreign exchange options held by certain US investors, which are required to be recognised at fair value as part of the instrument, in accordance with FRS 102. The options have been assessed as only having a potential fair value when early prepayment of part or whole of the instrument is triggered. The University has conducted significant scenario analysis, based on a base case position of market conditions at the valuation date together with forward rates, assessed as being the best estimate of future rates. The modelling flexed the key variables of UK gilt yields, US treasury yields and the GBP/USD exchange rate to establish whether the options could have a positive impact in the future, such that a fair value would occur. The conclusion of the analysis is that it would take extreme opposing movements in both UK and US interest rates for the options to have a positive fair value and that this event is highly unlikely, therefore no value has been attributed to the foreign exchange.

Consolidated and University Statement of Comprehensive Income
For the year ended 31 July 2024

	Note	Consolidated 2024 £m	Consolidated 2023 (Restated) £m	University 2024 £m	University 2023 (Restated) £m
Income					
Tuition fees and education contracts	1	**219.5**	205.9	**219.5**	205.9
Funding body grants	2	**41.2**	46.7	**41.2**	46.7
Research grants and contracts	4	**50.6**	45.0	**49.2**	44.8
Other Income	5	**68.2**	58.4	**69.6**	58.4
Investment income	7	**7.4**	5.5	**7.6**	5.6
Donations & endowments	8	**4.3**	1.5	**3.4**	1.5
Total income		**391.2**	363.0	**390.5**	362.9
Expenditure					
Staff costs	9	**208.0**	192.2	**205.9**	190.8
Change in USS pension provision	9	**(98.2)**	(16.1)	**(98.2)**	(16.1)
Other operating expenses	10	**137.6**	126.7	**133.6**	124.8
Depreciation and impairment	13	**57.4**	46.7	**55.6**	44.9
Interest and other finance costs	12	**11.2**	12.4	**11.2**	12.4
Total expenditure		**316.0**	361.9	**308.1**	356.8
Surplus before gains and losses		**75.2**	1.1	**82.4**	6.1
Loss on disposal of fixed assets		**(0.1)**	-	**(0.1)**	-
Increase in market value of non current asset investments	14	**-**	0.1	**-**	0.1
Increase/(Decrease) in market value of current asset investments	16	**8.0**	(0.1)	**8.0**	(0.1)
Gain/(Loss) on valuation of loan notes	18, 27	(2.1)	17.5	(2.1)	17.5
Surplus for the year		**81.0**	18.6	**88.2**	23.6
Actuarial gain in respect of pension schemes	25	**0.3**	36.6	**0.3**	36.6
Change in the fair value of tangible fixed assets		**145.2**	135.7	**145.2**	135.7
Total Comprehensive Income in the year		**226.5**	190.9	**233.7**	195.9
Represented by					
Endowment comprehensive income/(expense) for the year		**1.5**	(0.8)	**1.5**	(0.8)
Restricted comprehensive expense for the year		**(0.4)**	(0.2)	**(0.4)**	(0.2)
Unrestricted comprehensive income for the year		**111.4**	77.4	**118.6**	82.4
Revaluation comprehensive income for the year		**114.0**	114.5	**114.0**	114.5
Total Comprehensive Income in the year		**226.5**	190.9	**233.7**	195.9

Consolidated and University Statement of Changes in Reserves
For the year ended 31 July 2024

Consolidated

	Endowment Reserve	Restricted Reserve	Unrestricted Reserve (Restated)	Revaluation Reserve	Total (Restated)
	£m	£m	£m	£m	£m
At 1 August 2022 (as previously reported)	7.6	2.0	244.5	460.3	714.4
Prior year adjustment	-	-	12.3	-	12.3
At 1 August 2022 (as restated)	7.6	2.0	256.8	460.3	726.7
Surplus/(deficit) for the year	(0.7)	(0.3)	19.6	-	18.6
Depreciation on revalued assets	-	-	21.2	(21.2)	-
Actuarial gain in respect of pension schemes	-	-	36.6	-	36.6
Other comprehensive income	-	-	-	135.7	135.7
At 31 July 2023 (as restated)	6.9	1.7	334.2	574.8	917.6
At 1 August 2023 (as restated)	6.9	1.7	334.2	574.8	917.6
Surplus/(deficit) for the year	1.5	(0.4)	79.9	-	81.0
Depreciation on revalued assets	-	-	31.2	(31.2)	-
Actuarial gain in respect of pension schemes	-	-	0.3	-	0.3
Other comprehensive income	-	-	-	145.2	145.2
At 31 July 2024	8.4	1.3	445.6	688.8	1,144.1

University

	Endowment Reserve	Restricted Reserve	Unrestricted Reserve (Restated)	Revaluation Reserve	Total (Restated)
	£m	£m	£m	£m	£m
At 1 August 2022	7.6	2.0	233.8	460.3	703.7
Prior year adjustment	-	-	12.3	-	12.3
At 1 August 2022 (as restated)	7.6	2.0	246.1	460.3	716.0
Surplus/(deficit) for the year	(0.7)	(0.3)	24.6	-	23.6
Depreciation on revalued assets	-	-	21.2	(21.2)	-
Actuarial gain in respect of pension schemes	-	-	36.6	-	36.6
Other comprehensive income	-	-	-	135.7	135.7
At 31 July 2023 (as restated)	6.9	1.7	328.5	574.8	911.9
At 1 August 2023 (as restated)	6.9	1.7	328.5	574.8	911.9
Surplus/(deficit) for the year	1.5	(0.4)	87.1	-	88.2
Depreciation on revalued assets	-	-	31.2	(31.2)	-
Actuarial gain in respect of pension schemes	-	-	0.3	-	0.3
Other comprehensive income	-	-	-	145.2	145.2
At 31 July 2024	8.4	1.3	447.1	688.8	1,145.6

Consolidated and University Balance Sheets as at 31 July 2024

	Note	Consolidated 2024 £m	Consolidated 2023 (Restated) £m	University 2024 £m	University 2023 (Restated) £m
Non-Current Assets					
Fixed assets	13	**1,195.7**	1,054.4	**1,176.3**	1,033.2
Investments	14	**2.1**	2.0	**6.1**	6.0
		1,197.8	1,056.4	**1,182.4**	1,039.2
Current Assets					
Stock		**0.8**	0.6	**0.8**	0.7
Trade and other receivables	15	**29.7**	32.5	**47.3**	44.3
Investments	16	**196.8**	209.6	**196.8**	209.6
Cash at bank		**2.7**	2.7	**2.0**	1.6
		230.0	245.4	**246.9**	256.2
Creditors: Amounts Falling Due Within One Year	17	**(81.7)**	(87.5)	**(81.7)**	(86.8)
Net Current Assets		**148.3**	157.9	**165.2**	169.4
Total Assets Less Current Liabilities		**1,346.1**	1,214.3	**1,347.6**	1,208.6
Creditors: Amounts Falling Due After More Than One Year	18	**(194.4)**	(194.3)	**(194.4)**	(194.3)
Provisions					
Pension provisions	20	**(7.6)**	(102.4)	**(7.6)**	(102.4)
Total Net Assets		**1,144.1**	917.6	**1,145.6**	911.9
Restricted Reserves					
Income & expenditure reserve - endowment reserve	21	**8.4**	6.9	**8.4**	6.9
Income & expenditure reserve - restricted reserve	22	**1.3**	1.7	**1.3**	1.7
Unrestricted Reserves					
Income & expenditure reserve - unrestricted reserve		**445.6**	334.2	**447.1**	328.5
Revaluation Reserve		**688.8**	574.8	**688.8**	574.8
Total Reserves		**1,144.1**	917.6	**1,145.6**	911.9

The Financial Statements on pages 36 to 67 were approved by the Council on 12 December 2024 and signed on its behalf by:

Professor Phil Taylor
Vice-Chancellor and President

Mr Calum Mercer
Treasurer

Consolidated Cash Flow Statement for year ended 31 July 2024

	Note	Consolidated 2024 £m	2023 (Restated) £m
Cash flow generated from operating activities			
Surplus for the year		**81.0**	18.6
Adjustment for non-cash items			
Depreciation and impairments	13	**57.4**	46.7
Decrease in USS pension provision	20	**(98.2)**	(9.3)
LGPS pension costs less contributions paid	25	**1.3**	0.3
Gain on non-current asset investments	14	**-**	(0.1)
(Gain)/Loss on current investments	16	**(7.5)**	0.1
Gain on fair value of loan notes	18	2.1	(17.5)
Pension scheme interest charges	12	**2.5**	4.9
Increase in stock		**(0.2)**	(0.1)
(Increase)/Decrease in operating debtors	15	**4.1**	(4.1)
(Increase)/Decrease in operating creditors	17	**(1.4)**	11.3
Adjustment for investing or financing activities			
Investment income	7	**(7.4)**	(5.5)
Interest payable	12	**8.7**	7.4
Loss on sale of tangible fixed assets		**0.1**	-
Capital grant income	2	**(2.1)**	(5.5)
Net cash inflow from operating activities		**40.4**	47.2
Cash flow from investing activities			
Investment income	7	**6.1**	3.4
Payments made to acquire fixed assets		**(58.3)**	(21.9)
Payments made to acquire fixed assets investments	14	**(0.1)**	0.2
Capital grant receipts	2	**2.1**	5.5
Net inflows/(outflows) from current asset investments	16	**20.3**	(24.0)
Net cash outflow from investing activities		**(29.9)**	(36.8)
Cash flow from funding activities			
Interest paid	12	**(8.7)**	(7.1)
New finance leases		**0.6**	-
Repayments of amounts borrowed	19	**(2.1)**	(5.3)
Capital element of finance lease payments		**(0.3)**	-
Net cash outflow from funding activities		**(10.5)**	(12.4)
(Decrease) in cash in the year		**-**	(2.0)
Cash at the beginning of the year		**2.7**	4.7
Cash at the end of the year		**2.7**	2.7
(Decrease) in cash in the year		**-**	(2.0)

Notes to the Annual Accounts

1 Tuition fees and education contracts

	Consolidated & University	
	2024	2023
	£m	£m
Full-time UK students	**108.1**	107.1
Full-time EU students	**3.2**	4.6
Full-time overseas students	**86.1**	72.2
Part-time higher education students	**9.0**	9.4
Short course & apprenticeship fees	**2.3**	1.7
Research training support grants and other fees	**10.8**	10.9
	219.5	205.9

2 Funding body grants

	Consolidated & University	
	2024	2023 (Restated)
	£m	£m
Recurrent grants		
Office for Students	**9.8**	9.1
UK Research and Innovation (UKRI)	**26.1**	27.3
Specific grants		
Office for Students	**(0.3)**	0.5
UKRI	**3.1**	3.9
Other specific grants	**0.4**	0.4
Office for Students capital grants	**0.1**	0.1
UKRI capital grants	**2.0**	5.4
	41.2	46.7

3 Grant and fee income

	Consolidated & University	
	2024	2023 (Restated)
	£m	£m
Grant Income from OfS	**9.6**	9.8
Grant Income from other bodies	**31.6**	36.9
Fee income for taught awards (exclusive of VAT)	**195.9**	184.5
Fee income for research awards (exclusive of VAT)	**10.5**	8.7
Fee income from non-qualifying courses (exclusive of VAT)	**13.1**	12.7
	260.7	252.6

Notes to the Annual Accounts (continued)

4 Research grants and contracts

	Consolidated		University	
	2024	2023	**2024**	2023
	£m	£m	**£m**	£m
UKRI	**28.4**	24.5	**28.4**	24.5
UK charitable bodies	**2.9**	3.2	**2.9**	3.2
European Commission	**2.8**	2.6	**2.8**	2.6
UK central government, Local Authorities or Health Trust	**7.8**	7.6	**7.8**	7.6
UK industry	**2.3**	2.0	**2.3**	2.0
Other sponsors	**6.4**	5.1	**5.0**	4.9
	50.6	45.0	**49.2**	44.8

5 Other income

	Consolidated		University	
	2024	2023	**2024**	2023
	£m	£m	**£m**	£m
Residences, catering and conferences	**49.8**	43.8	**49.8**	43.8
Other services rendered (note 6)	**9.2**	7.5	**9.2**	7.5
Other income	**9.2**	7.1	**10.6**	7.1
	68.2	58.4	**69.6**	58.4

6 Other services rendered

	Consolidated & University	
	2024	2023
	£m	£m
Academic departments & services	**2.5**	2.1
Sports and related facilities	**5.0**	4.2
Other	**1.7**	1.2
	9.2	7.5

7 Investment income

	Consolidated		University	
	2024	2023	**2024**	2023
	£m	£m	**£m**	£m
Investment income on Endowments	**0.1**	0.1	**0.1**	0.1
Net income and gains from short-term investments	**0.3**	0.4	**0.3**	0.4
Other investment income	**7.0**	5.0	**7.2**	5.1
	7.4	5.5	**7.6**	5.6

Notes to the Annual Accounts (continued)

8 Donations & endowments

	Consolidated 2024 £m	Consolidated 2023 £m
Donations with restrictions	**0.5**	0.5
Unrestricted donations	**3.8**	1.0
	4.3	1.5

	University 2024 £m	University 2023 £m
Donations with restrictions	**0.5**	0.5
Unrestricted donations	**2.9**	1.0
	3.4	1.5

9 Staff costs

	Consolidated 2024 £m	Consolidated 2023 £m
Salaries	**169.7**	153.8
Social security costs	**16.1**	14.6
Other pension costs	**27.8**	29.4
	213.6	197.8
Movement in USS pension provision	**(98.2)**	(16.1)
	115.4	181.7
less: paid on behalf of other organisations	**(5.5)**	(5.3)
less: capitalised within the cost of buildings	**(0.1)**	(0.3)
	109.8	176.1

Notes to the Annual Accounts (continued)

9 Staff costs (continued)

	University	
	2024	2023
	£m	£m
Salaries	**168.0**	152.3
Social security costs	**15.9**	14.6
Other pension costs	**27.6**	29.2
	211.5	196.1
Movement in USS pension provision	**(98.2)**	(16.1)
	113.3	180.0
less: paid on behalf of other organisations	**(5.5)**	(5.3)
less: capitalised within the cost of buildings	**(0.1)**	-
	107.7	174.7

Emoluments of the Head of Institution

Total emoluments of the Head of Institution were as follows:

	2024	2023
	£	£
Salary	**320,250**	314,641
Salary in lieu of pension contributions	**41,743**	42,236
Benefits in kind	**3,668**	3,293
	365,661	360,170
Pension contributions	**23,407**	19,942
	389,068	380,112
Benefits in kind included above:		
Medical expenses	**3,668**	3,293
	3,668	3,293
Salary sacrifice arrangements:		
Pensions	**15,000**	-
	15,000	-

The Vice-chancellor's salary is benchmarked by the Remuneration Committee with comparator institutions using UCEA data. No further review of salary was carried out in 2023-24 and the Vice-Chancellor only received the national pay award.

Professor Ian White's basic salary was 9.2 (2022-23 8.8) times the median pay of staff and 14.9 (2022-23 14.7) times the lowest pay of staff. Total remuneration was 9.1 (2022-23 8.3) times the median total remuneration and 16.8 (2022-23 16.7) times the lowest total remuneration. All pay and total remuneration figures are calculated on a full-time equivalent basis.

The total remuneration value should be adjusted downwards by £15,000 to allow for the inclusion of the amount that equates to the University's pension contribution made by the Vice-Chancellor under the salary sacrifice Additional Voluntary Contribution (AVC) arrangement for pensions.

Notes to the Annual Accounts (continued)

9 Staff costs (continued)

Remuneration of other higher paid staff

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

FTE Salary Band			Academic		Professional Services	Consolidated	
			Teaching & Research Number	Senior Leadership Number		2024 Number	2023 Number
£100,000	-	£104,999	11	-	-	11	16
£105,000	-	£109,999	9	-	4	13	11
£110,000	-	£114,999	14	-	1	15	15
£115,000	-	£119,999	15	-	1	16	18
£120,000	-	£124,999	8	-	1	9	4
£125,000	-	£129,999	6	1	-	7	5
£130,000	-	£134,999	7	1	1	9	5
£135,000	-	£139,999	4	-	-	4	3
£140,000	-	£144,999	3	1	2	6	4
£145,000	-	£149,999	1	-	-	1	1
£150,000	-	£154,999	2	2	2	6	1
£155,000	-	£159,999	1	-	-	1	3
£160,000	-	£164,999	2	1	1	4	2
£165,000	-	£169,999	2	-	-	2	2
£170,000	-	£174,999	2	1	1	4	-
£180,000	-	£184,999	2	-	-	2	-
£185,000	-	£189,999	-	-	-	-	1
£225,000	-	£229,999	-	-	-	-	1
£240,000	-	£244,999	-	1	-	1	-
			89	8	14	111	92

As defined by the OfS, only staff who completed the full year in post are included. Salary is on an FTE basis and includes market supplements, but excludes allowances and other such payments.

The net increase of 19 staff in this table comprises 11 new recruits, 14 staff who have received pay rises as a result of performance or promotion, and 6 staff who have left the organisation.

The table includes two staff employed by IAAPS Ltd, a subsidiary company of the University.

Notes to the Annual Accounts (continued)

9 Staff costs (continued)

Average staff numbers by major category:	Consolidated 2024 Number	2023 Number
Education & Research	**1,382**	1,335
Technical & Experimental	**170**	175
Management, Specialist & Administrative	**1,321**	1,250
Operational & Facilities Support	**494**	461
	3,367	3,221

Included within the above full time equivalent totals are 32 (2022-23 28) staff employed by the University's subsidiary IAAPS Ltd.

Key management personnel

Key management personnel are those persons having authority and responsibility for planning, directing and controlling our activities. The definition of key management personnel corresponds to the membership of University Executive Board Standing Group. Positions held by our key management personnel are:

Vice-Chancellor & President
Deputy Vice-Chancellor
Pro-Vice-Chancellor (Education and Global)
Pro-Vice-Chancellor (Research and Enterprise)
Pro-Vice-Chancellor (Student Experience)
Vice-President (Strategy and Planning)
Vice-President (Enterprise)
Vice-President (External Relations)
Chief Operating Officer
Director of Finance
Director of Human Resources

	2024	2023
Key management personnel compensation	**£2,219,245**	£2,276,988
Full time equivalent (number)	**9.50**	10.07

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

Severance payments	2024	2023
Total amount of compensation paid for the loss of office	**£269,216**	£282,480
Number of staff	**50**	54

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

Notes to the Annual Accounts (continued)

9 Staff costs (continued)

Access and participation	Consolidated & University	
	2024	2023
	£m	£m
Access investment	**1.3**	1.3
Financial support	**0.1**	0.1
Disability support	**0.4**	0.4
Research and evaluation	**0.3**	0.3
	2.1	2.1

10 Analysis of expenditure by activity

	2024	2023
	£m	£m
Academic departments	**151.5**	**139.4**
Academic services	**39.8**	**39.2**
Central administration	**24.4**	**23.5**
General educational expenditure	**25.5**	**21.8**
Staff and student facilities	**19.7**	**18.8**
Premises	**67.2**	**55.1**
Residences, retail & catering operations	**52.0**	**45.2**
Research grants and contracts	**29.1**	**30.4**
Other services rendered	**2.2**	**1.5**
Movement in USS pension liability	**(98.2)**	**(16.1)**
Other expenses	**2.8**	**3.1**
Consolidated	**316.0**	361.9
University of Bath	**308.1**	356.8

		Consolidated & University	
Other operating expenses include:		**2024**	2023
		£	£
External auditors' remuneration (including VAT)			
- Audit services	- Subsidiary company	**22,812**	16,008
	- University	**197,147**	165,600
- Non-audit services	- US federal loan reporting	**6,000**	6,270
		225,959	187,878

Notes to the Annual Accounts (continued)

10 Analysis of expenditure by activity (continued)

	Consolidated & University	
	2024	2023
	£m	£m
Access and Participation		
Access investment	**2.5**	2.4
Financial support	**4.2**	4.5
Disability support	**0.6**	0.6
Research and evaluation	**0.3**	0.3
	7.6	7.8

Link to our published access and participation plan (APP):

University of Bath access and participation plans

Access Investment
We have spent more (£0.19m) on our Access work than the APP target. This spend was £0.03m (1%) higher than in 2022-23. The increase compared to 2022-23 was in part due to increased staff costs, an increase in the number of events in schools and the number of students attending sustained outreach programmes. The increased costs of delivery (travel, accommodation etc) led to an increase in non-pay spend. Where possible increases in non-pay costs were mitigated through efficiencies of delivery. Our increased spend compared to commitment was a purposeful decision to ensure that we delivered a full and comprehensive programme of outreach. The overspend in Access was mitigated by an underspend elsewhere.

Financial Support
We have spent £0.38m less on financial support than the target in the APP which is a decrease of £0.29m compared to 2022-23. This decrease in spend is due to fewer than expected students being eligible for financial support. As part of the new APP we have reconsidered the eligibility criteria and have changed the threshold, meaning more students should be eligible for financial support in future years.

Disability Support for Students
We have spent more on disability support for students in 2023-24. This overspend was due to the need to support a greater number of disabled students, with the number of disabled students increasing from 2,670 in 2022-23 to 3,080 in 2023-24 (+15%). This resulted in greater numbers of students requiring disability support, including exam adjustments, diagnostic assessments (e.g. for ADHD), and access to specialist 1:1 support that isn't funded by the Disabled Students' Allowance (DSA). In addition, we supported more graduating students with the transition out of University, as well as increased activity during the summer.

Research and Evaluation
We have spent less than the APP target on research and evaluation. This lower spend is due to a permanent change from our original plan. The original plan included spend on 8 PhD students, and after reviewing the impact of the first phase we considered the budget would be better allocated elsewhere. Despite lower spend than originally targeted within the APP, our approach to research and evaluation has strengthened including the promotion of a dedicated APP researcher and the introduction of a new member of staff into the Impact Team. As part of the new APP we have committed to increasing Research and Evaluation capacity further. The underspend of £0.11m compared to the APP target balances overspend elsewhere. The spend of £0.33m is an increase of £0.04m from 2022-23 which is due to increased staff costs.

Notes to the Annual Accounts (continued)

11 Related party transactions

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

An updated register of the interests of the members of Council is maintained:

2023-24 Council Members' Register of Interests (bath.ac.uk)

Reimbursements to members of Council and ARAC for expenditure incurred whilst carrying out their duties amounted to £7,210 (2022-23 £3,954). 9 members of Council and 1 member of Audit and Risk Assurance Committee (2022-23 7 members of Council) claimed expenses during the year.

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

	Expenditure recognised within the financial statements		Balance due to the University at 31 July recognised within the financial statements	
	2024	2023 (Restated)	**2024**	2023
	£m	£m	**£m**	£m
University of Bath Students' Union	**3.4**	2.9	**-**	0.2

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

The University processes the payroll on behalf of the Students' Union with the salary costs being recharged to the Students' Union in full. The Students' Union uses the block grant to repay the salary costs to the University and this amounted to £2.2m in 2023-24 (2022-23 £2.3m).

The total expenditure recognised in 2022-23 has been restated to include other expenditure in addition to the block grant provided by the University to the Students' Union, which was the amount reported originally.

12 Interest and other finance costs

	Consolidated & University	
	2024	2023
	£m	£m
Interest on loans not wholly repayable within five years	**8.7**	7.4
Change in discounted value of future USS payments (note 20)	**2.2**	3.6
LGPS net interest charge (note 25)	**0.3**	1.4
	11.2	12.4

Notes to the Annual Accounts (continued)

13 Fixed assets

	Consolidated						
	Land and buildings			Equipment	Assets in the course of construction	Intangible assets	Total
	Freehold	Leasehold	Leasehold - enhancements				
	£m	£m	£m	£m	£m	£m	£m
Cost / valuation							
At 1 August 2023	63.8	982.2	9.4	116.8	2.8	0.5	1,175.5
Additions at cost	33.1	7.5	1.3	5.1	6.7	-	53.7
Disposals	-	-	-	(1.5)	-	-	(1.5)
Revaluations	20.6	47.4	-	-	-	-	68.0
Reclassifications	(4.3)	0.8	(0.8)	8.3	(4.0)	-	-
At 31 July 2024	113.2	1,037.9	9.9	128.7	5.5	0.5	1,295.7
Accumulated depreciation and impairment							
At 1 August 2023	25.2	7.5	5.4	82.9	-	0.1	121.1
Charge in year	2.0	46.4	0.9	8.0	-	0.1	57.4
Disposals	-	-	-	(1.3)	-	-	(1.3)
Revaluations	(27.1)	(50.1)	-	-	-	-	(77.2)
At 31 July 2024	0.1	3.8	6.3	89.6	-	0.2	100.0
Net book value							
At 31 July 2024	**113.1**	**1,034.1**	**3.6**	**39.1**	**5.5**	**0.3**	**1,195.7**
At 31 July 2023	38.6	974.7	4.0	33.9	2.8	0.4	1,054.4

As at 31 July 2024, we revalued on-site student accommodation and over 33% of our remaining freehold and leasehold buildings. Carter Jonas Limited, an external Chartered Surveyor revalued all buildings carried at market value and a sample of leasehold buildings valued using Existing Use or Depreciated Replacement Cost according to the nature and use of each building. The University applied the same valuation methodology to the leasehold buildings that were not part of the sample so that leasehold buildings are valued at fair value at 31 July 2024. The Carter Jonas valuation was prepared in accordance with the Valuation Standards published by the Royal Institute of Chartered Surveyors.

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

Provision has not been made for capital commitments funded by University funds, of £13.2m (2022-23 £59.6m) that were contracted at 31 July.

Notes to the Annual Accounts (continued)

13 Fixed assets (continued)

	University						
	Land and buildings			Equipment	Assets in the course of construction	Intangible assets	Total
	Freehold	Leasehold	Leasehold - enhancements				
	£m	£m	£m	£m	£m	£m	£m
Cost / valuation							
At 1 August 2023	63.9	984.4	9.4	93.4	2.8	0.5	1,154.4
Additions at cost	33.1	7.5	1.3	5.0	6.7	-	53.6
Disposals	-	-	-	(1.5)	-	-	(1.5)
Revaluations	20.6	45.1	-	-	-	-	65.7
Reclassifications	(4.3)	0.8	(0.8)	8.3	(4.0)	-	-
At 31 July 2024	113.3	1,037.8	9.9	105.2	5.5	0.5	1,272.2
Accumulated depreciation and impairment							
At 1 August 2023	25.2	9.4	5.4	81.1	-	0.1	121.2
Charge in year	2.0	46.9	0.9	5.7	-	0.1	55.6
Disposals	-	-	-	(1.4)	-	-	(1.4)
Revaluations	(27.1)	(52.4)	-	-	-	-	(79.5)
Reclassifications	-	0.1	(0.1)	-	-	-	-
At 31 July 2024	0.1	4.0	6.2	85.4	-	0.2	95.9
Net book value							
At 31 July 2024	**113.2**	**1,033.8**	**3.7**	**19.8**	**5.5**	**0.3**	**1,176.3**
At 31 July 2023	38.7	975.0	4.0	12.3	2.8	0.4	1,033.2

Freehold and leasehold land and buildings measured by valuation at 31 July 2024 includes the following historical cost:	**Consolidated & University**	
	2024	2023
	£m	£m
Freehold land and buildings	**89.1**	60.3
Leasehold land and buildings	**602.8**	594.6

Leasehold land and buildings includes land with a value of £41.1m at 31 July 2024 (£41.1m at 31 July 2023).

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

Notes to the Annual Accounts (continued)

14 Non current asset investments

	Consolidated		University	
	2024	2023	**2024**	2023
	£m	£m	**£m**	£m
At 1 August				
Other investments	**2.0**	1.6	**6.0**	5.7
Acquisition of investments	**0.1**	0.3	**0.1**	0.2
Movement in market value	**-**	0.1	**-**	0.1
At 31 July	**2.1**	2.0	**6.1**	6.0

Our non current asset investments are investments in private companies without published share price quotations.

15 Trade and other receivables

	Consolidated		University	
	2024	2023	**2024**	2023
	£m	£m	**£m**	£m
Prepayments and accrued income	4.7	4.0	4.7	4.0
Amounts receivable from subsidiary	-	-	17.3	11.3
Research grant receivables	8.5	10.5	8.5	10.5
Other receivables	16.5	18.0	16.8	18.5
	29.7	32.5	47.3	44.3
Due within one year	26.3	30.4	28.6	30.8
Due in more than one year	3.4	2.1	18.7	13.5
	29.7	32.5	47.3	44.3

16 Current Asset Investments

			Consolidated & University	
	Investments measured at Market Value	Investments measured at Amortised Cost	**2024 Total**	2023 Total
	£m	**£m**	**£m**	£m
At 1 August	98.1	111.5	209.6	185.7
New investments	2.3	73.5	75.8	94.5
Disposal of investments	(9.4)	(86.7)	(96.1)	(70.5)
Market value movement	7.5	-	7.5	(0.1)
At 31 July	98.5	98.3	196.8	209.6

Investments measured at market value include quoted investments of £86.4m (2022-23 £86.1m) and those held in unit funds where a market value can be determined of £12.0m (2022-23 £12.0m).

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

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 2024, the weighted average interest rate of these fixed rate deposits was 5.79% per annum (2022-23 5.05%) and the remaining weighted average period for which the interest rate is fixed on these deposits was 55 days (2022-23 97 days). The fair value of these deposits was not materially different from the book value.

Current asset investments include £8.4m (2022-23 £5.9m) held in respect of endowments as disclosed in note 21.

Notes to the Annual Accounts (continued)

17 Creditors: amounts falling due within one year

	Consolidated		University	
	2024	2023	**2024**	2023
	£m	£m	**£m**	£m
Bank loans	**2.1**	2.1	**2.1**	2.1
Trade payables	**24.8**	26.9	**24.6**	26.2
Amounts payable to subsidiary	**-**	-	**0.2**	0.1
Social security and other taxation payable	**7.4**	7.6	**7.4**	7.5
Finance lease obligations	**0.5**	0.3	**0.5**	0.3
Deferred income	**46.9**	50.6	**46.9**	50.6
	81.7	87.5	**81.7**	86.8

Deferred Income

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

	Consolidated & University	
	2024	2023
	£m	£m
Donations	**0.3**	0.3
Research grants received on account	**23.1**	26.0
Grant income	**11.0**	10.5
Other income	**12.5**	13.8
	46.9	50.6

18 Creditors: amounts falling due after more than one year

	Consolidated & University	
	2024	2023 (Restated)
	£m	£m
Bank loans	**70.9**	73.0
Loan notes at amortised cost	**55.4**	55.4
Loan notes at fair value	**66.9**	64.8
Finance lease obligations	**1.2**	1.1
	194.4	194.3

19 Borrowings

	Consolidated & University	
	2024	2023 (Restated)
	£m	£m
Bank loans and loan notes held at amortised cost are repayable as follows:		
In one year or less	**2.1**	2.1
Between one and two years	**2.1**	2.1
Between two and five years	**17.5**	17.5
In five years or more	**106.7**	108.8
	128.4	130.5

£94.6m of the £100m loan notes with The Northwestern Mutual Life Insurance Company and MetLife Insurance K.K. are carried at fair value at each year end (see Notes 18 and 27).

Notes to the Annual Accounts (continued)

19 Borrowings (continued)

Lender	Amount	Maturity date	Repayments	Interest rate	Borrower
	£m			%	
Lloyds Bank plc	38.7	2036	Quarterly	5.45	University of Bath
Barclays Bank plc (tranche A1.1)	6.0	2027	At maturity	5.44	University of Bath
Barclays Bank plc (tranche A1.2)	15.0	2032	At maturity	5.44	University of Bath
Barclays Bank plc (tranche A2)	8.2	2037	Quarterly	5.48	University of Bath
Barclays Bank plc (tranche B)	5.1	2037	Quarterly	5.48	University of Bath
The Northwestern Mutual Life Insurance Company	45.0	2038	At maturity	2.63	University of Bath
MetLife Insurance K.K	55.0	2048	At maturity	2.77	University of Bath
Pension Insurance Corporation plc	50.0	2072	At maturity	3.66	University of Bath
	223.0				

20 Pension provisions

				Consolidated & University
	Obligations to fund deficit on USS Pension (note 25)	**Defined Benefit obligations LGPS (note 25)**	**Total 2024**	Total 2023
	£m	£m	£m	£m
At 1 August	96.0	6.4	102.4	149.9
Released in year	(98.2)	-	(98.2)	(16.1)
Additions in year	-	1.2	1.2	0.2
Interest in year	2.2	0.3	2.5	5.0
Actuarial (gain) in respect of pension	-	(0.3)	(0.3)	(36.6)
At 31 July	**-**	**7.6**	**7.6**	**102.4**

Notes to the Annual Accounts (continued)

21 Endowments

Restricted net assets relating to endowments are as follows:

			Consolidated & University	
	Restricted Permanent	Expendable	2024 Total	2023 Total
	£m	£m	£m	£m
At 1 August				
Capital	2.2	3.6	**5.8**	6.2
Accumulated Income	0.2	0.9	**1.1**	1.5
	2.4	4.5	**6.9**	7.7
Investment and donation income	1.1	0.6	**1.7**	(0.2)
Expenditure	(0.1)	(0.3)	**(0.4)**	(0.3)
Reclassification	0.1	0.1	**0.2**	-
Decrease in market value of investments	-	-	**-**	(0.3)
At 31 July	3.5	4.9	**8.4**	6.9
Representing:				
Capital	2.1	3.7	**5.8**	5.8
Accumulated Income	1.4	1.2	**2.6**	1.1
	3.5	4.9	**8.4**	6.9
Analysis by type of purpose				
Lectureships	2.0	2.4	**4.4**	2.9
Scholarships and bursaries	1.4	2.0	**3.4**	3.1
Prize Funds	0.1	0.3	**0.4**	0.6
General	-	0.2	**0.2**	0.3
	3.5	4.9	**8.4**	6.9
Analysis by asset				
Current asset investments	3.5	4.9	**8.4**	5.9
Cash at bank	-	-	**-**	1.0
	3.5	4.9	**8.4**	6.9

Notes to the Annual Accounts (continued)

22 Restricted reserves

Reserves with restrictions are as follows:

	Other Income	Donations	2024 Total	2023 Total
			Consolidated & University	
	£m	£m	£m	£m
At 1 August	0.5	1.2	**1.7**	2.0
New grants	(0.5)	-	(0.5)	0.1
New donations	-	0.5	**0.5**	0.5
Expenditure	0.1	(0.5)	**(0.4)**	(0.9)
At 31 July	0.1	1.2	**1.3**	1.7
Analysis by type of purpose				
Research support	0.1	0.1	**0.2**	0.2
Scholarships and bursaries	-	0.3	**0.3**	0.2
General	-	0.8	**0.8**	1.3
	0.1	1.2	**1.3**	1.7

23 Contingent liability

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

Dates	Residences	Legal entity with whom the agreement is held	Maximum liability 31 July 2024	Maximum liability 31 July 2023 (Restated)
			£m	£m
16/09/2023 - 21/09/2024	Acquilla Court	Eagle One Acqua Sulis Limited and Acquilla MMXX Limited	**0.3**	12.4
21/09/2024 - 13/09/2025	The Brook	This is Fresh Limited	**2.5**	-
23/09/2023 - 27/07/2024	Twerton Mill	Twerton Bath Limited	**-**	0.1
16/09/2023 - 07/09/2024	Hello Students	Empiric (Bath James House) Limited	**0.3**	1.2
16/09/2023 - 07/09/2025	Unite	The Unite Group plc	**0.2**	0.2
Total			**3.3**	13.9

The maximum liability at 31 July 2023 has been restated following reclassification of the agreement with Host Student Housing Management (UK) Limited which was disclosed as a nomination agreement in 2022-23 but has been classified as an operating lease in 2023-24.

24 Lease obligations

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

	2024	2023 (Restated)
	Consolidated & University	
	£m	£m
Not later than one year	**10.5**	8.3
Later than one year and not later than five years	**45.9**	31.3
Later than five years	**115.9**	94.7
Total Lease commitments	**172.3**	134.3

Operating leases are held for nine properties (2022-23 eight) used by us as student accommodation. As we do not control the significant residual value in these properties upon the expiry of the lease period they have not been accounted for as Service Concession Arrangements. The lease arrangements expire between 2025 and 2049, the lease payments are reported in other operating expenses.

The commitments above reflect minimum price increases, based on CPI, which are capped by many agreements, typically, between 4% and 6%.

Notes to the Annual Accounts (continued)

25 Pensions

Universities Superannuation Scheme

We participate in the Universities Superannuation Scheme (USS), a hybrid pension scheme, providing defined benefits (for all members), as well as defined contribution benefits. The assets of the scheme are held in a separate fund administered by the trustee, Universities Superannuation Scheme Limited. USS has over 554,000 members and we had 2,584 (2022-23 2,476) active members at 31 July 2024. USS is a multi-employer scheme and is accounted for as set out in the accounting policies.

The latest available complete actuarial valuation of the Retirement Income Builder is as at 31 March 2023 (the valuation date), which was carried out using the projected unit method.

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

The 2023 valuation was the seventh valuation for the scheme under the scheme-specific funding regime introduced by the Pensions Act 2004, which requires schemes to have sufficient and appropriate assets to cover their technical provisions (the statutory funding objective). At the valuation date, the value of the assets of the scheme was £73.1 billion and the value of the scheme's technical provisions was £65.7 billion indicating a surplus of £7.4 billion and a funding ratio of 111%.

The key financial assumptions used in the 2023 valuation are described below. More detail is set out in the Statement of Funding Principles.

Price Inflation - Consumer Prices Index (CPI)	3.0% p.a. (based on a long-term average expected level of CPI, broadly consistent with long-term market expectations)
RPI/CPI gap	1.0% p.a. to 2030, reducing to 0.1% p.a. from 2030
Pension increases (subject to a floor of 0%)	Benefits with no cap: CPI assumption plus 3bps Benefits subject to a "soft cap" of 5% (providing inflationary increases up to 5%, and half of any excess inflation over 5% up to a maximum of 10%): CPI assumption minus 3bps"
Discount rate (forward rates)	Fixed interest gilt yield curve plus: Pre-retirement: 2.5% p.a. Post retirement: 0.9% p.a.

The main demographic assumptions used relate to the mortality assumptions. These assumptions are based on analysis of the scheme's experience carried out as part of the 2023 actuarial valuation. The mortality assumptions used in these figures are as follows:

Mortality base table	101% of S2PMA "light" for males and 95% of S3PFA for females
Future improvements to mortality	CMI 2021 with a smoothing parameter of 7.5, an initial addition of 0.4% p.a., 10% w2020 and w2021 parameters, and a long-term improvement rate of 1.8% pa for males and 1.6% pa for females

The current life expectancies on retirement at age 65 are:

	2024	2023
Males currently 65 yrs:	23.7	24.0
Females currently 65 yrs:	25.6	25.6
Males currently 45 yrs:	25.4	26.0
Females currently 45 yrs:	27.2	27.4

Notes to the Annual Accounts (continued)

25 Pensions (continued)

Universities Superannuation Scheme (continued)

A deficit recovery plan was put in place as part of the 2020 valuation, which required payment of 6.2% of salaries over the period 1 April 2022 until 31 March 2024, at which point the rate would increase to 6.3%. No deficit recovery plan was required under the 2023 valuation because the scheme was in surplus on a technical provisions basis. We were no longer required to make deficit recovery contributions from 1 January 2024 and accordingly released the outstanding provision to the profit and loss account.

Local Government Pension Scheme

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

Return on investments	4.6%
Long-term Salary Increases - Higher Risk	4.6%
Long-term Salary Increases - Lower Risk	5.1%
CPI Inflation - Higher Risk	3.1%
CPI Inflation - Lower Risk	3.6%
Valuation date	31 March 2022
Valuation method	Projected Unit
Market value of assets at date of last valuation	£5,822 million
Market value of assets as a percentage of accrued benefits	97.0%

The contribution payable by us is 20.7% of pensionable pay as at April 2024.

Notes to the Annual Accounts (continued)

25 Pensions (continued)

Local Government Pension Scheme

As a multi-employer scheme where the share of assets and liabilities applicable to each employer can be defined, we have accounted for the scheme under FRS 102 as a defined benefit scheme based on a full actuarial valuation of the Fund as at 31 March 2022, updated to 31 July 2024 by a qualified independent actuary.

The material assumptions used by the actuary were:

At end of year	31 July 2024	31 July 2023
	%	%
Rate of CPI inflation:	**2.6**	2.7
Rate of increase in salaries:	**4.1**	4.2
Rate of increase in pensions:	**2.7**	2.8
Discount rate:	**4.9**	5.1

Post retirement mortality assumptions for members retiring in normal health

	31 July 2024	31 July 2023
Non-retired members	**SAPS 4 CMI 23 (1.5%) (99% males, 92% females)**	SAPS 3 CMI 22 (1.5%) (100% males, 94% females)
Retired members	**SAPS 4 CMI 23 [1.5%] (94% males, 94% females)**	SAPS 3 CMI 22 [1.5%] (95% males, 94% females)
Life expectancy		
Male / female future pensioner 65 in 20 years time	**23.1 / 26 years**	23.2 / 25.7 years
Male / female current pensioner aged 65	**21.9 / 24.1 years**	22 / 24 years

The sensitivities regarding the principal assumptions used to measure our share of the scheme liabilities as at the valuation on 31 July 2024 are set out below:

Assumption	Change in Assumption	Impact on scheme liabilities
Discount rate	Increase by 0.5%	Decrease by £12.6m
Rate of CPI Inflation	Increase by 0.25%	Increase by £6.7m
Rate of salary growth	Increase by 0.25%	Increase by £0.8m
Members live longer	1 year longer	Increase by £3.7m

Our share of the scheme's assets and liabilities:

	2024	2023
	£m	£m
Market value of assets	**152.8**	147.9
Present value of scheme liabilities	**(160.4)**	(154.3)
Net pension liability	**(7.6)**	(6.4)

Notes to the Annual Accounts (continued)

25 Pensions (continued)

Amounts charged to SOCI:

Included in staff costs and operating expenses for the year (note 9)	**2024**	2023
	£m	£m
Current service cost	**2.4**	4.5
Administration expenses	**0.1**	0.1
Total operating charge	**2.5**	4.6

	2024	2023
Analysis of amount charged to interest payable	**£m**	£m
Net interest charge (note 12)	**0.3**	1.4
Net charge	**0.3**	1.4

Amounts recognised in the Statement of Comprehensive Income

	2024	2023
	£m	£m
Change in assumptions underlying the present value		
of the scheme assets	**1.4**	(12.6)
of the scheme liabilities	**(1.1)**	49.2
Actuarial gain recognised in the SOCI	**0.3**	36.6

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

	2024	2023
	£m	£m
Deficit in scheme at 1 August	**6.4**	41.4
Movement in the year:		
Current service and curtailment costs	**2.4**	4.5
Contributions by the employer	**(1.3)**	(4.4)
Administrative charge	**0.1**	0.1
Net interest charge	**0.3**	1.4
Actuarial gains	**(0.3)**	(36.6)
Deficit in scheme at 31 July	**7.6**	6.4

Notes to the Annual Accounts (continued)

25 Pensions (continued)

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

	2024 £m	2023 £m
At the beginning of the year	**154.3**	196.5
Current service cost	**2.4**	4.5
Interest on pension liabilities	**7.8**	6.9
Member contributions	**0.9**	1.0
Actuarial (gain)/losses on liabilities - other	**1.1**	(49.2)
Curtailments	**-**	-
Benefits/transfers paid	**(6.1)**	(5.4)
At the end of the year	**160.4**	154.3

Analysis of the movement in the market value of the scheme assets:

	2024 £m	2023 £m
At the beginning of the year	**147.9**	155.1
Interest on plan assets	**7.5**	5.5
Actuarial (losses)/gains on assets	**1.3**	(12.6)
Administrative expenses	**(0.1)**	(0.1)
Contributions by the employer	**1.3**	4.4
Contributions by scheme participants	**1.0**	1.0
Benefits/transfers paid	**(6.1)**	(5.4)
At the end of the year	**152.8**	147.9

Analysis of the scheme assets:

	2024 £m	2023 £m
Equities	**77.0**	48.5
Government bonds	**32.4**	30.0
Other bonds	**13.8**	12.9
Property	**7.6**	9.2
Cash/liquidity	**(22.5)**	1.5
Other	**44.5**	45.8
At the end of the year	**152.8**	147.9

Notes to the Annual Accounts (continued)

25 Pensions (continued)

University Total pension costs (note 9)

	2024	2023
	£m	£m
Universities Superannuation Scheme: employer only contributions	21.5	23.9
Universities Superannuation Scheme: provision movement	(98.2)	(16.1)
	(76.7)	7.8
Avon Pension Fund (LGPS)	4.5	4.2
Contributions to other pension schemes	1.6	1.1
Total pension costs	(70.6)	13.1

26 Consolidated reconciliation of net debt

The movement in net debt during the year is made up as follows:

	Consolidated	University
	2024	2024
	£m	£m
Net debt 1 August 2023 (as previously reported)	(14.2)	(15.3)
Prior year adjustment	29.8	29.8
Net debt 1 August 2023 (as restated)	15.6	14.5
Movement in the year:		
Short-term investments		
Cash flow	(20.3)	(20.3)
Change in market value	7.5	7.5
Cash at bank	-	0.4
Bank loans		
Cash flow	10.8	10.8
Movement in fair value and interest payable	(10.8)	(10.8)
Finance leases	(0.3)	(0.3)
Net debt 31 July 2024	2.5	1.8
Change in adjusted net debt	(13.1)	(12.7)

The table above includes changes in net debt including investments, which have been included to give a fairer representation of the University's true net debt position as they are available at short notice. To show the statutory change in net debt, which includes only cash and cash equivalents, changes excluded those in respect of investments are disclosed below.

Change in statutory net debt	(0.3)	0.1

Notes to the Annual Accounts (continued)

26 Consolidated reconciliation of net debt (continued)

Analysis of net debt

		Consolidated		University	
	Note	**2024**	2023 (Restated)	**2024**	2023 (Restated)
		£m	£m	**£m**	£m
Cash at bank		**2.7**	2.7	**2.0**	1.6
Borrowings: amounts falling due within one year					
Bank loans and loan notes	17	**(2.1)**	(2.1)	**(2.1)**	(2.1)
Obligations under finance leases	17	**(0.5)**	(0.3)	**(0.5)**	(0.3)
Borrowings: amounts falling due after more than one year					
Bank loans and loan notes	18	**(193.2)**	(193.2)	**(193.2)**	(193.2)
Obligations under finance leases	18	**(1.2)**	(1.1)	**(1.2)**	(1.1)
Statutory net debt		**(194.3)**	(194.0)	**(195.0)**	(195.1)
Short-term investments		**196.8**	209.6	**196.8**	209.6
Adjusted net debt		**2.5**	15.6	**1.8**	14.5

27 Prior year adjustment

Loan notes

£94.6m of the £100m loan notes issued by the University to The Northwestern Mutual Life Insurance Company and MetLife Insurance K.K. have been reassessed as non-basic instruments and therefore are required to be recognised at fair value rather than amortised cost.

The impact has been to recognise a fair value movement through the statement of comprehensive income of £17.5m for both the University and Consolidated position. £94.6m of debt due after more than one year has also been restated to a fair value of £64.8m. The changes to the consolidated results are summarised below.

The movement in net debt during the year is made up as follows:

	Prior to restatement 31 July 2023 £m	Movement £m	**Restated 31 July 2023 £m**
Consolidated statement of comprehensive income			
Gain on fair value of loan notes	**-**	17.5	**17.5**
Total comprehensive income for the year	**173.4**	17.5	**190.9**
Consolidated balance sheet			
Creditors: amounts falling due after one year	**224.1**	(29.8)	**194.3**
Total net assets	**887.8**	29.8	**917.6**
Income and expenditure reserve - unrestricted	**304.4**	29.8	**334.2**
Total reserves	**887.8**	29.8	**917.6**

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