



UNIVERSITY OF
BATH



Annual Accounts
for the year ended 31 July 2023





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Foreword by Pamela Chesters CBE, Chair of Council



The University has had a very successful year. We have continued to build on the strong upward trajectory of recent times as we have advanced our strategy: driving excellence in education and high impact research, fostering an outstanding and inclusive community and enhancing our strategic partnerships.

It is extremely gratifying to see all the hard work of our staff; academic and professional services alike, be publicly recognised through the external awards and recognition which we have received. In particular, moving up thirty one places in a single year in the QS World University Rankings, taking us to within the world's top 150 Universities, is an outstanding achievement and special thanks must go to our leadership team under our Vice Chancellor, Prof Ian White.

Taking quality as our touchstone we have successfully balanced our continued commitment to delivering an excellent student experience with the developments in teaching, research and enterprise. In teaching we have achieved a triple Gold award in the Teaching Excellence Framework (TEF) and we have seen the culmination of the curriculum transformation programme, a hugely significant restructuring of our education provision.

We witnessed with pride, the joy of another cohort of our students as they graduated in Bath Abbey, and are confident that they leave us well taught, well qualified, well experienced, well rounded and well grounded and wish them every success in the next chapter of their careers. And of course we welcome them into an ever growing and committed cadre of Bath graduates who continue to support us in so many different ways.

On research, our focussed approach, building on the earlier work in the establishment of Bath Beacons and interdisciplinary working, is paying dividends as evidenced through the growth in our research income. Later this month we will hold the formal

opening of our Institute for Advanced Automotive Propulsion Systems which will offer enhanced opportunity for strategic partnership working.

Looking forward the outlook for the sector remains very challenging. The current economic climate, and the scale of demands on the public purse make it hard to envisage a scenario where greater government funding is made available to Higher Education. The continued importance of the unregulated overseas student fees at a time when patterns of uptake are still uncertain post the pandemic remain a concern. The national dispute with UCU on staff pensions remains unresolved, creating inevitable tensions despite local goodwill on both sides.

However we will continue to harness our resources wisely, seeking to protect and enhance the long term success of the institution, enabling it to flourish and fulfil its full potential as a high performing University.

Finally, earlier this year Prof White advised Council of his intention to stand down as Vice Chancellor at the end of the forthcoming academic year and plans are now underway to appoint his successor. His vision has been instrumental in the success we have enjoyed and he will leave University in far higher standing than at the time of his appointment. However, he would be the first to say that there is much he is still planning to achieve in this his final year, so I will reserve formally recording the University's thanks and my appreciation until next year's Annual Report.

Pamela Chesters CBE
Chair of Council



Vice-Chancellor's introduction to the Annual Accounts for the year ended 31 July 2023, Professor Ian White.



It is a pleasure to introduce this year's Annual Accounts and to reflect on a remarkable year of progress and achievement. At the outset, I would like to thank our staff, students, members of Council, Students' Union, alumni, and our many partners and supporters whose contributions are at the heart of our continued success.

The 2022-23 academic year started on a very positive note for our community, being named as University of the Year 2023 by The Times and Sunday Times in recognition of the advances made in our high-quality education and student experience.

It ends with us passing some major milestones two years into our new strategy, 'Our University, Our Future: Connected', which emphasises the importance of inclusivity and excellence. This is therefore an important moment to reflect on and to acknowledge the major goals which are now being achieved early, the progress being due to a multitude of collective and individual successes. At the highest level, our work has been reflected by recent domestic and global rankings results including:

- Our recognition as a top 5 UK university by the Complete University Guide 2024, highlighting the progress we have made in recent years to be ranked so clearly as one of the UK's leading institutions for education, student experience and research.
- Being named one of the world's top 150 universities in the QS World University Rankings 2024. This rise of 31 places puts the university into the top 10% worldwide.

Both of these were ultimate ambitions for our Strategy, which at a more detailed level sets out our ambitions across four pillars, against each of which we have made substantial progress.

Driving excellence in education

I am delighted that our excellent teaching has been recognised by a triple 'Gold' award in the Teaching Excellence Framework (TEF) 2023. Our University was found to have typically outstanding quality across Student experiences, receiving a Gold rating for this aspect, and outstanding quality across all the features of Student outcomes, also receiving a Gold rating for this aspect as well as overall for the institution.

One of Bath's outstanding quality features within TEF related to educational gains, which is based on data from sources including the National Student Survey scores, entry tariffs and graduate outcomes. The employability of our graduates continues to be a real strength at Bath. At the time of writing, we are ranked fourth in the UK for graduate prospects in The Complete University Guide 2024, sixth for graduate prospects by The Times and The Sunday Times Good University Guide 2024 and sixth for careers after 15 months in The Guardian University Guide 2024. In September 2023, we were also named University of the Year for Graduate Jobs in the new Daily Mail University Guide 2024.

We are, however, far from complacent. Over the last year, we have been implementing our 'Curriculum Transformation' programme, the most significant restructuring of our educational framework in 25 years. This looks to enhance further our educational provision, with most new courses launching in the 2023-24 academic year.

We were pleased to be able to celebrate the culmination of the achievements of our students at the Assembly Rooms in December 2022 and at Bath Abbey in July 2023, with our wonderful graduation ceremonies. We also recognised a number of outstanding individuals with honorary degrees: Colonel Anne McClain received an honorary degree of Doctor of Engineering; Mr Richard Mills an honorary degree of Doctor of Clinical Psychology; Claire Smith an honorary degree of Doctor of Engineering; Mr Robin Hayes an honorary degree of Doctor of Business Administration and Mr Brian Schofield a posthumous honorary degree of Master of the University.

Driving high impact research

We have made real strides in advancing our research culture within the University this year, including our second Research Culture Week and no fewer than 35 funded initiatives to support the strengthening of research culture at all levels within the University. Our researchers have also received numerous individual and collective prizes this year, and I was delighted that Professor Laurence Hurst was awarded the Humboldt Prize in recognition of his world-leading research on evolutionary genetics.

We are deeply grateful for the support of the West of England Combined Authority and Research England which has enabled us to officially launch the Institute for Advanced Automotive Propulsion Systems (IAAPS). In addition, the Institute for Sustainability was launched in January 2023, and others are being established including the Institute for Digital Security and Behaviour, Institute for Climate Change Resilience and Institute for the Augmented Human. We have also agreed six new Bath Beacons which will support groups or networks of researchers with capability and capacity to develop large research funding applications.

These initiatives have already seen significant growth in our research income, with major awards being announced this year. We are leading an EPSRC-funded £12m project, the Cellular Agriculture Manufacturing Hub, which will develop new approaches to making food products. Additionally, UK Research and Innovation (UKRI) is funding an £11m UK Hub for Research Challenges in Hydrogen and Alternative Liquid Fuels (UK-HyRES), led by the University of Bath, to lead future UK strategy on hydrogen and alternative liquid fuels. We were delighted as a result of these and other awards to see our total research awards surpass £63m this year, up 32% from the previous year. This now is only £11m from the steady state, longer term values required to deliver on our 2021-26 strategy.

Our postgraduate researchers and all those who support them are crucial to our research agenda at Bath, and I was pleased to see the advances made in the Postgraduate Research Experience Survey (PRES) 2023 results. The overall satisfaction rate was 83%, up from the 80% rate we achieved in 2021, which places Bath 16th out of 100 institutions. We will continue to work on ways to further strengthen the doctoral experience at Bath.

Fostering an outstanding and inclusive community

As those closest to Bath will know, the sense of community here is something that makes our University a truly special place to learn, live and work. Following the pandemic, it has been inspiring to see the return to activity on campus really accelerate. In addition to our rapid transition back to in-person teaching, clubs and societies are thriving, with around 10,000 students taking part in sporting activities and around 2,000 in arts activities, making the most of the exceptional facilities we have at the University.

Continuing the record of sporting success, it was a delight to see University of Bath-based athletes winning medals at the 3rd European Games, FINA World Aquatics Championships, Manchester 2023 Allianz Para Swimming World Championships, International Bobsleigh and Skeleton Federation World and European Championships, Netball World Cup and a host of domestic and international competitions. As the home of Pentathlon GB's National Training Centre, we were also honoured to host the UIPM Laser-Run and Pentathlon World Championships 2023 here at the University and witness four more medals awarded to Bath-based athletes.

In order to support our community to thrive, wellbeing remains of critical importance and this year we have launched our whole-institution approach to wellbeing, 'Be well', as well as a series of supporting initiatives, including a male mental health campaign.

We have made advances in relation to equality, diversity and inclusion, launching our new Statement of Equality Objectives which identify priority areas for action. We are delighted that, building on our Athena Swan Institutional Silver Award, every academic department at Bath now holds an Award, which is something only a few universities in the UK have achieved.

More broadly, we have focussed on staff engagement and we have invested in a new staff hub on campus. I'm pleased that our regular staff surveys demonstrate an increased sense of pride in working for the University and we continue to listen carefully to feedback and find new ways to enable collaboration and support and recognise achievement.

Finally, I am delighted that we have made a range of excellent senior appointments this year, including Professor Duncan Craig, the new Dean of the Faculty of Science, Dr Ghazwa Alwani-Starr who was appointed as our new Chief Operating Officer, Professor Philip Ingham FRS who is Head of our new Life Sciences Department, and Ryan Bird who joined the University community as Chief Executive of the University of Bath Students' Union.

Enhancing strategic partnerships

Over the last year, we have taken further steps to forge even stronger relationships locally and regionally. We have sought to go beyond economic contribution to finding new ways to harness our knowledge and skills to create positive impacts. In addition to joint research projects with key local organisations and our work through the Future Ambitions Board, we supported the cultural life of the City through sponsoring Bath Festival's main programme and Children's Literature Festival. We also worked with our Students' Union to create 'Cosy Wednesdays' a warm space and activity programme for residents in Bath over the winter months.

We have a vibrant enterprise and research ecosystem at the University, and our partnerships contribute hugely to its success. We were delighted to celebrate SETsquared's 20th anniversary this year, and the 10th anniversary of the GW4 Alliance and launch of its new strategy.

We are also deeply grateful to our network of supporters and donors, not least those who have helped us support students, widen participation and further research. It was a real honour to receive a £2m gift for a life sciences chair from alumnus Professor Raymond F. Schinazi, an eminent scientist, pharmaceutical entrepreneur and philanthropist who has developed effective drugs for HIV, and hepatitis B and C.

Underpinning our strategic pillars, we have been undertaking crucial work, often behind the scenes, to invest prudently in our digital capability, sustainability and infrastructure to support the future success of the University. It is now clear to me that while we recognise that the Higher Education sector continues to face challenges as well as opportunities, the year has seen the fundamental milestones now made to fulfil our 2021-2026 strategy; my sincere thanks therefore to all those who continue to help us navigate a rapidly changing world to deliver our mission and achieve our vision.

Professor Ian White
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.

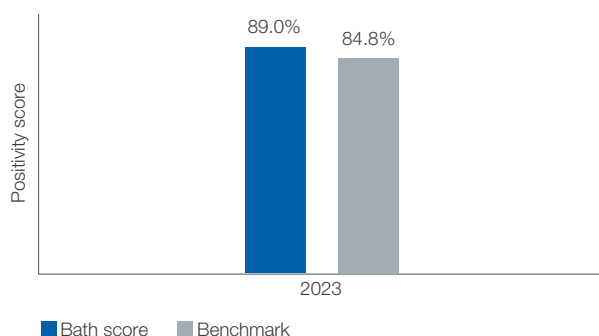
To ensure that we are progressing towards the strategic goals, we monitor twelve strategic Key Performance Indicators (KPIs) outlined in the table below:

Strategic Pillar			
Education	Research	Community	Partnerships
NSS – teaching on my course	Income from research grants and contracts	Continuation rate	Consultancy & research contract income
NSS – assessment & feedback	% highly cited papers	Staff engagement index	QS world ranking
Graduate outcomes – progression to graduate level employment or further study	KEF – research partnerships	% female professors	Local community engagement

Note: Two of our KPIs – namely, teaching on my course and assessment and feedback – have been updated this year in line with the National Student Survey changes.

Driving excellence in education

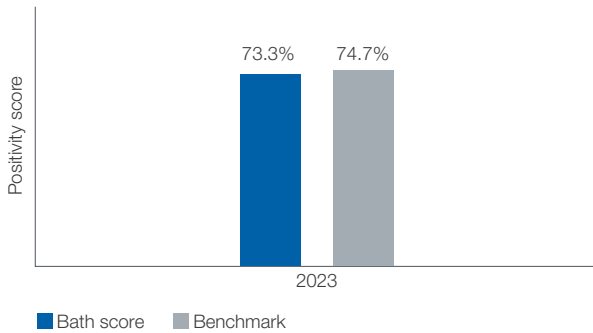
NSS - Teaching on my course



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 its benchmark score (a weighted sector average) by at least 2.5 percentage points. This year we exceeded the target with the score 89.0% compared with a benchmark of 84.8%. Since the 2023 survey was significantly different to previous iterations, the results are not comparable with prior years.

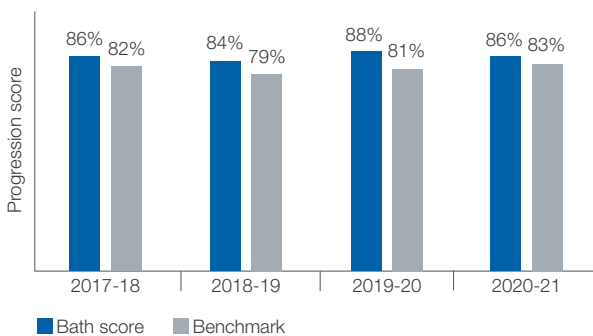
NSS – Assessment & feedback



NSS – Assessment & feedback

Bath is ahead of its benchmark group in six out of seven NSS survey themes. Assessment and feedback is the only section of the NSS where Bath is behind the benchmark. As such, this area has been prioritised for improvement and Assessment and feedback chosen as one of our twelve KPIs. Although scores are not comparable with prior years, Bath continues to move closer to its benchmark, suggesting that our improvement plan is working.

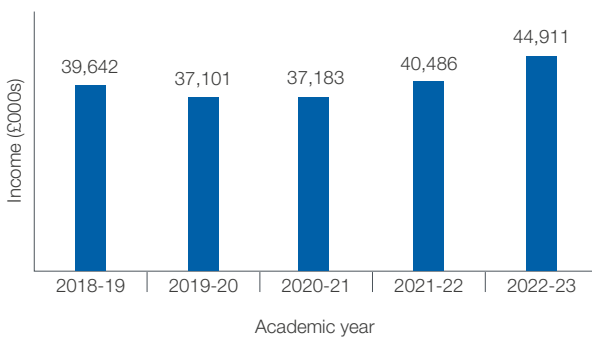
Graduate outcomes - Progression



Graduate outcomes – progression to graduate level employment or further study

Bath’s strong student outcomes are evidenced by its performance in the Graduate Outcomes Survey. With respect to each of the last four graduating cohorts of first degree students, Bath has met its 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.

Research income

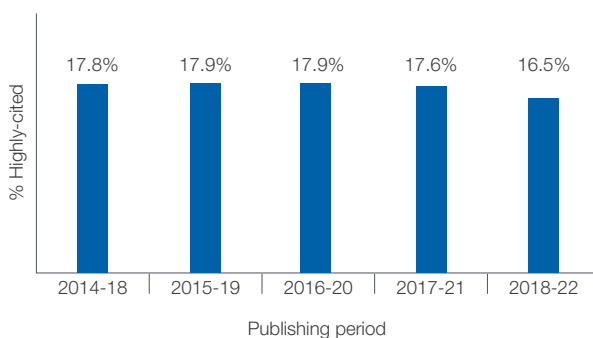


Driving high-impact research

Income from research grants and contracts

Research income is seen as a key measure of the relevance, sustainability, and peer recognition of the University’s research activity. A target has been set to grow annual income to £75m by 2025-26. In 2022-23 Bath’s income was £45.0m, up from £40.5m the year before. Research awards – the pipeline of future income – grew from £47.8m (2021-22) to £63.3m (2022-23).

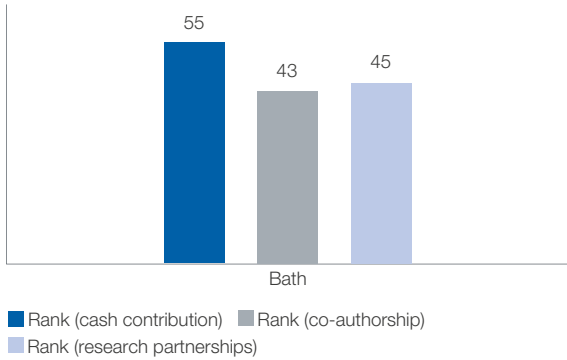
Percentage of papers that are highly-cited



Percentage of papers that are highly-cited

The University monitors the percentage of research papers that are highly cited as a measure of both the vibrancy and quality of its research. A target has been set to improve by 1 percentage point per annum, from a baseline of 18% to 23%, by the end of the current strategy period. In the most recent publishing period, our percentage of highly cited papers dipped slightly below its baseline, a trend that is consistent with the sector average. Nonetheless, this shift needs to be reversed and the University is currently running up-skilling workshops to help address this.

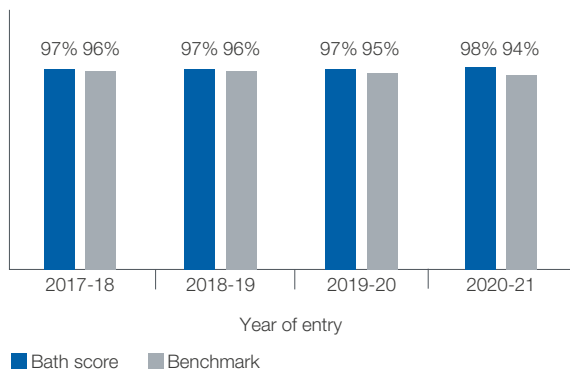
KEF Research partnerships rank



Research Partnerships

The research partnerships indicator published by Research England as part of the Knowledge Exchange Framework (KEF) is composed of two underlying metrics: i) the cash contribution to collaborative research as a proportion of public funding; and ii) co-authorship with non-academic partners as a proportion of total outputs. Bath currently ranks in the top 40% of the sector (45th out of 135) for Research Partnerships. We are currently working on implementing a plan that moves it to the top 20% of the sector by 2025-26.

Continuation rate

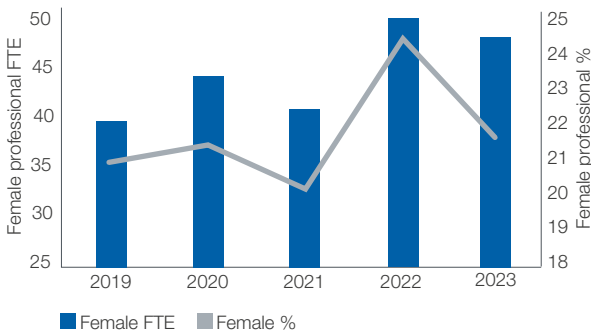


Fostering an outstanding and inclusive community

Continuation rates

First degree continuation rates are monitored as a measure of how supportive our learning environment is. Increasing to 98% in 2020-21, we continued to exceed its target of 95% or 2.5 percentage points above the benchmark. Bath's continuation rate remains amongst the very best in the sector.

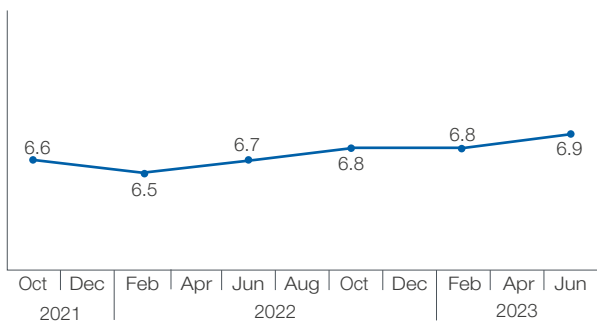
Female professors



Percentage of Professors who are female

This metric allows us to measure one element of diversity within the staff population and the effectiveness of efforts to address the gender gap at senior levels. Despite the year-on-year volatility, the overall trend has been upward and is something that we will continue to improve.

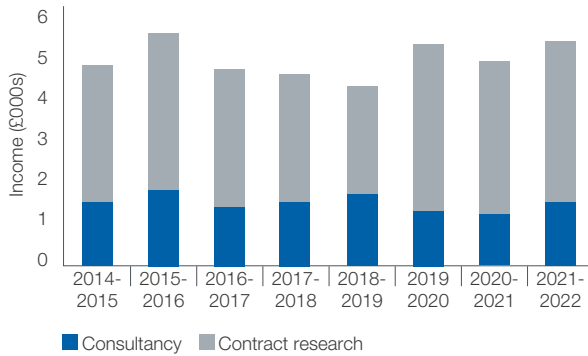
Engagement index mean score (out of 10)



Staff engagement index

This indicator is based on a set of questions from an internal work and well-being survey. The questions relate to staff's pride in working for us, support provided by their manager, feeling part of a community, and satisfaction with work-life balance. We have seen improvements over the last 18 months and has plans in place to continue on this upward trajectory.

Consultancy and contract research

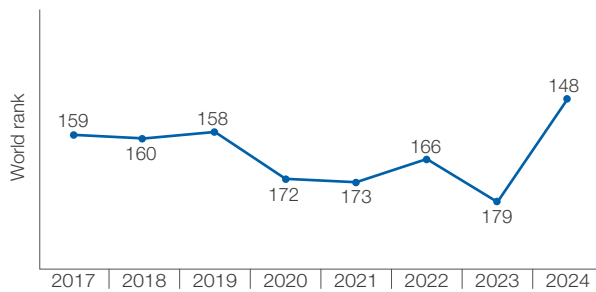


Enhancing strategic partnerships

Income from consultancy and contract research

Income from consultancy and contract research is an indicator of the strength of our partnerships with business and industry. Bath aims to grow by 5% per annum from a baseline of just under £5m to £6.3m by 2025-26. We reported rises in 2021-22, with plans to further accelerate this growth over the coming years, primarily driven by IAAPS increased research contracts.

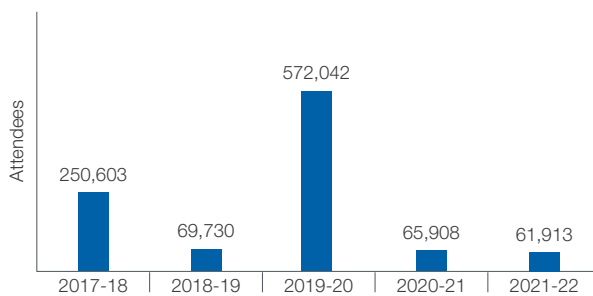
Bath overall rank in QS WUR



QS World University Rankings

Bath's overall position in the QS World University Rankings is an indication of international peer recognition, which should be strengthened by our educational alliances and research partnerships. We achieved our highest ever ranking (148th) in the 2024 edition and in doing so met its target to break into the top 150. A working group has been established to oversee efforts to improve our rankings further.

Attendees at public events



Attendees at public events

Our number of attendees at public events, is an indicator of social, community and cultural engagement. The number will fluctuate from year to year, but a target has been set for an average of 70,000 attendees per year. Largely due to COVID-19, we have seen lower engagement over the last two years. We are currently seeing encouraging signs of recovery.

Public Benefit Statement 2022-23

Charitable purposes

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

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

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

Our commitment to delivering public benefit is at the core of our Mission. In furtherance of our Mission, our key objective during 2022-23 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, the University’s research has a wide range of public benefits:

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

The international excellence of the University’s research was 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) was rated ‘world leading’ or ‘internationally excellent’ for its reach and significance. In terms of having an environment that supports research, 98% of our submitted research activity was graded as ‘world-leading’ or ‘internationally excellent’.

Our research continues to have tangible economic and social benefits, locally, regionally and nationally. One of the strategic pillars of our new University Strategy is driving high impact research. During 2022-23, we secured £1.25m from the ESRC for a new Impact Acceleration Account to develop impact from our ESRC-funded research.

In continuing to invest in the strategic expansion of our research base we will increase its impact and, hence, its public benefit. During 2022-23, we invested £3.0 million from a combination of internal and external funding sources in 13 new research instruments. These instruments will benefit researchers across our discipline bases, and at different stages of their careers. The new

equipment will be accessible to internal and external stakeholders, helping to grow our partnerships, research outputs and impact.

In July 2023, UKRI announced that UK-HyRES, the UK Hub for Research Challenges in Hydrogen and Alternative Liquid Fuels, led by the University of Bath, would receive £11m as part of a £53million investment in research to decarbonise the UK's energy sector. Partner universities include Portsmouth, Sheffield, St Andrews, Surrey, University College London and Warwick.

In 2022-23, the value of our research portfolio was around £169 million. We secured £63m in awards during the year which was £15.5m, or 32% higher than in 2021-22. Around 50% of our research income is provided by UK research councils and these funders include impact in their criteria for evaluating grant applications. Consequently, the University has an objective view of the potential public benefit of much of its research. Data released by UKRI in July 2022 showed an increase in our overall success rate by both value (up to 43% from 18%) and number (up to 31% from 23%).

We will continue to strengthen our international networks and partnerships to enhance our international profile and our ability to sustain a world class research capability. Further examples of how our research is delivering public benefit can be found at: <http://www.bath.ac.uk/research/>. During 2022-23, our first donation of laboratory and audio-visual equipment was delivered to our twinning partner, Luhansk Taras Shevchenko National University, in Ukraine.

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

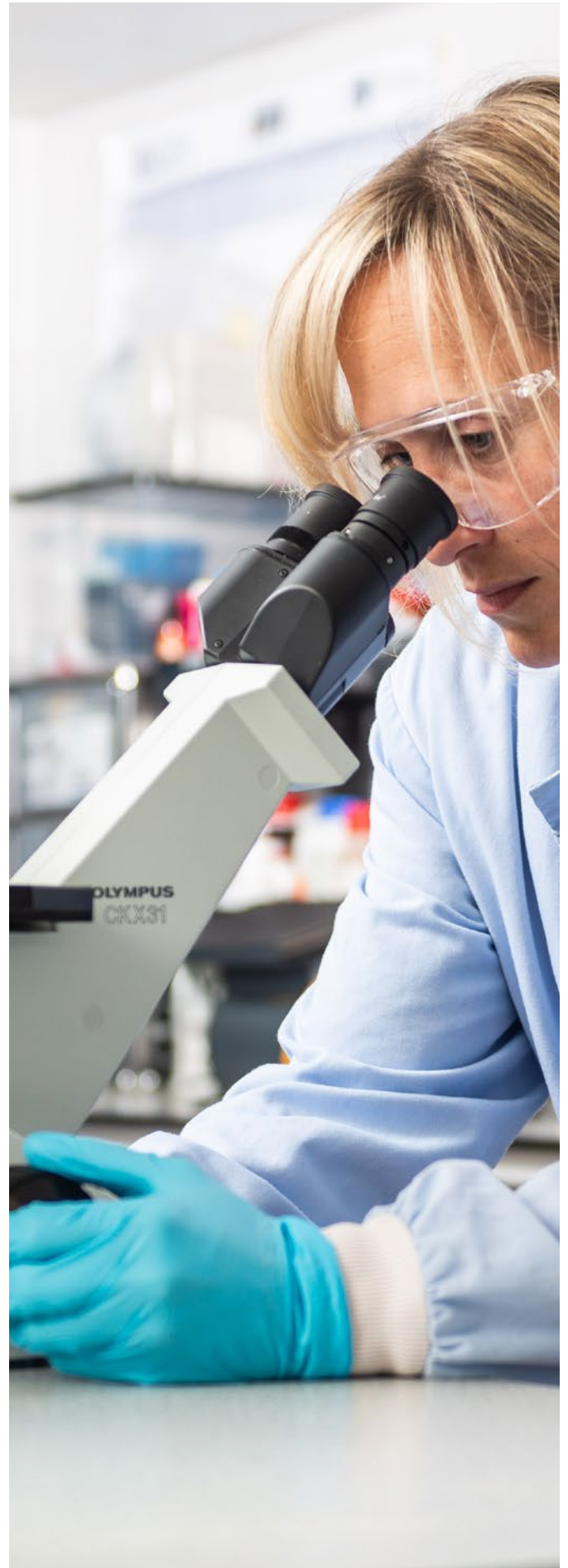
We work actively to ensure that our research is disseminated and understood beyond the world of academia. Our Institute for Policy Research, celebrating its 10th anniversary, has published a series of Policy Briefs which are circulated to key decision-makers. Our Public Engagement unit also plays a key role in disseminating our research. We utilise a wide variety of media to disseminate knowledge beyond the confines of campus, including MOOCS, Twitter, YouTube and Facebook.

Teaching

In advancing and disseminating knowledge, the University's teaching has a wide range of public benefits:

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

We are a first choice university destination for students in an increasingly competitive, international recruitment market. Students are attracted by our excellent academic reputation, our outstanding graduate employment record, our world class sports facilities, and the wide array of other social, recreational and personal development opportunities we offer. Our ability to offer placement options across our discipline base, and with



leading organisations, is one of the features that distinguishes us from other top UK research-intensive universities. Our graduates have excellent employment prospects, not only because of their discipline-specific knowledge and skills but also because of the emphasis we place on developing well-rounded, enterprising individuals with high aspirations. As a result, our graduates are well-equipped to contribute to economic growth and policy development, as well as making a positive social contribution.

During 2022-23, we participated in the Teaching Excellence Framework, a national peer assessment of teaching managed by the regulator. Our teaching excellence was evidenced by our overall Gold rating. We were also named 'University of the Year' in The Times and Sunday Times 'Good University Guide' 2023 and were ranked in the top ten in all national university league tables, including a 5th place ranking in The Complete University Guide. In response to the high demand for our programmes, our student population has been growing. Our core headcount student population grew between 2021-22 and 2022-23 by 1.9%. In 2022-23, our core student population comprised 14,481 undergraduates, 4,099 taught postgraduates and 1,731 research postgraduates.

Our students are key beneficiaries of our teaching activities and we measure our success in terms of their retention rates, their employability and their satisfaction. Our completion and employment rates are some of the best in the sector and this contributed to the University achieving Gold in the Teaching Excellence Framework 2023 for Student Outcomes. In terms of student satisfaction, we performed strongly at institutional level in the National Student Survey, scoring above the UK Higher Education sector benchmarks in 24 of 27 questions in NSS 2023, and in six out of seven survey themes. We also achieved Gold for Student Experience in the Teaching Excellence Framework 2023. Council receives annual reports on continuation and employability performance. HESA Graduate Outcomes data for the 2019-20 graduating cohort showed that 93% of Bath's (UK domiciled, full time, first degree) graduates who are working in the UK are in high skilled employment. We were ranked in the Top 100 of the international QS Graduate Employability Rankings 2022 and in the top 150 in the QS World University Rankings 2024. National data shows that the percentage of our UK-

domiciled full-time undergraduate entrants who left within 50 days of commencement (2014-15) 2019-20 years of entry) was 2% compared to a benchmark of 2.7% (Source: HESA Performance Indicators - Table T3).

Beneficiaries of our teaching activities range from school age (aspiration raising/mentoring) through to mature learners (continuing professional development and MOOCs), and include undergraduates, taught postgraduates and research postgraduates. We recruit internationally and are committed to promoting a diverse student population. The 2022-23 session saw the fifth year of delivery of our new online programmes in partnership with Wiley. This partnership enables us to deliver teaching in a mode that is likely to be more convenient for mature students and those with caring responsibilities.

During 2022-23, we were one of 40 volunteer providers submitting new Access and Participation Plans for 2024-25 to the Office for Students. After extensive consultations across the university and beyond we have identified nine key risks to equality of opportunity with a particular focus on students: from low socio-economic backgrounds, identify as a minority ethnic group and/or have a declared disability. Our new Access and Participation Plan sets out how we plan to address these barriers to equality of opportunity in access to the university, continuation/competition, degree awarding and progression into graduate level careers/study. We invested £7.8m in access and participation in 2022-23.

We recognise that undergraduate tuition fees may be a barrier to accessing our teaching. We publicise the financial support that we can provide to prospective students through our website and Open Days. In 2022-23 we provided £3.78m of financial support to 1,179 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 £747k of support to 155 students in receipt of the University's Gold Scholarship Programme, which is jointly funded by the University and sponsors. Our Alumni Funds provided £117k of financial support to 68 undergraduates with an HRI of £42,875 and below. The Accommodation Bursary scheme which was introduced in 2020-21 was expanded to include those with HRI's of between £25,001 and £60,000 and who met the new scheme criteria. This scheme provided £462k of



bursaries in the form of credits to accommodation accounts to 772 students. In total, £4.4m of financial support was awarded to 1,678 undergraduate students.

Employers are also beneficiaries of our teaching activities through the skillset of our graduates. In the 2023 QS world ranking, the University of Bath was ranked 102nd in the world in the employer reputation performance measure. We also measure our success in delivering the skills that employers want in terms of our ability to maintain our network of placement sponsors. In 2018-19 we launched our first degree apprenticeship, the Level 7 Digital and Technology Solutions Specialist Integrated Degree. In 2020-21 we launched our second degree apprenticeship, the Level 7 Architecture Integrated Degree, and in 2022-23 we undertook further development work on a new Level 7 degree apprenticeship in Clinical Psychology which was launched for a 2023 intake.

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

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

We are keen to ensure that our students and graduates have a strong awareness of the environmental impact of their actions. Students in campus residences are encouraged to take part in an annual competition to reduce energy use and students were involved in the development of our Climate Action Framework. Our Climate Literacy Programme for all students was launched in 2021-22 and in 2023 we are launching our new MSc in Zero Carbon Futures.

Creativity, enterprise and innovation

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

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

We are sector leaders in knowledge exchange, applying fresh thinking to accelerate economic growth and social advances. Our Innovation Centre is helping to diversify the economic profile of the City by incubating high yield businesses. The University of Bath is a member of the SETsquared partnership which in November 2019 was ranked as the world's leading University-

linked business incubator, a position it has occupied since 2015. SETsquared celebrated its 20th anniversary during 2022-23. It has helped over 5,000 start-ups raise more than £3.9 billion of investment. In 2022, SETsquared won the 'Innovation and Entrepreneurship Support of the Year' category at the Accreditation Council for Entrepreneurial and Engaged Universities Triple E awards. SETsquared offers the Intrapreneurial Knowledge Exchange Enterprise Pathway (IKEEP) to our students. This is fully funded training aimed at equipping students with the skills to drive innovation and bring fresh thinking to businesses.

We aim to create tomorrow's business leaders and foster an innovative culture. We signpost sources of skills development, funding and support. We offer enterprise education for students and they are encouraged to develop entrepreneurial skills. A number of students develop business models or launch their own businesses whilst studying. In October 2022, we hosted the Texas-based spin-out company, 3 Day Startup(3DS), to provide three days of enterprise support for our student entrepreneurs and we launched a new Academic Secondment Scheme aimed at developing, building and strengthening collaborations with external organisations (private, public and charity sector) to support knowledge exchange. In January 2023, we launched E-Lab, our new Enterprise Laboratory, a dedicated space to support the University's entrepreneurial ecosystem.

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

International engagement

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

In addition to the international profile of our teaching and research activities, we are forging international connections through our alumni network and our world class sports facilities. We have around 127,000 alumni, representing 173 countries. Our alumni are encouraged to make philanthropic donations to enhance the student experience, our physical infrastructure and our research capacity. This enhances our capacity to deliver our charitable objectives. We also have around 1,600 Alumni Experts, spread across 140 countries who support other alumni and students via our online mentoring platform, Bath Connection.

During 2022-23, the UK bobsleigh and bobskeleton team, based at the University, had its most successful competitive season. Last year also saw preparations for the campus to host the 2023 World Modern Pentathlon Championship.



Sustainability and Climate Action

Our University Strategy includes a commitment to support a sustainable community and adopting best 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 the University 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:

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

Supporting world-class research activities at the University of Bath, and in wider collaborations, to deliver impactful research and innovation supporting the transition to the net zero carbon economy.

3. Learning and teaching

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 the University's strategy, sub-strategies and its core decision making, and throughout its core values and its 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 University 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 the University's 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 the University's 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 the University 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 at Bath, 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 the University's 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 adaptive capacity and resilience for a changed climate.

Within our University 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 47% 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 stakeholders external to the University, 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 an 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 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. We now undertake three 'Work and Wellbeing' surveys a year, benchmarking the results against ONS data. We have also introduced an engagement index.

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 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. In 2022-23, we published our ninth annual statement on research integrity. We also created a new Research Governance and Compliance team and launched a new online research ethics system.

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

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

Statement of Corporate Governance

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

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

Constitution and powers

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

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

Council

Council is responsible for:

- determining the strategy and mission of the University, ensuring the efficient use of resources, and approving the annual estimates of income and expenditure 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. The current membership for Council can be found at <https://www.bath.ac.uk/teams/council/>

Council can establish committees for any purpose or function, other than those which are assigned elsewhere in its Charter, Statutes and Ordinances to the Vice-Chancellor and President or to Senate or designated as the sole responsibility of Council. The four main committees are the Audit, Risk and Assurance Committee; Finance Committee; Nominations Committee; and

Remuneration Committee. All committees are formally constituted with written terms of reference, and 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 provides independent advice on matters of governance to all members.

Senate

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

It is chaired by the Vice-Chancellor and President; its membership consists of Executive members and non-Executive members elected from the academic and student community. The current membership for Senate can be found at <https://www.bath.ac.uk/teams/senate-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 the University; it oversees the University's long-term academic and financial sustainability and the implementation of medium and short-term strategies. UEB also manages corporate risk, makes business decisions on the University development, and progresses the business of Council.

It is chaired by the Vice-Chancellor and President; its membership consists of the Deputy Vice-Chancellor, the Pro-Vice Chancellors, the Vice-Presidents, the Deans, the Chief Operating Officer, and directors of some professional services. The full current membership can be found a <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.
- 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 of the University together with recommendations for improvement which are then tracked by the committee.
- considers an annual report on the external audit of the Annual Accounts and meets with external auditors to discuss any concerns identified.
- considers other reports on matters of internal control, including the annual Procurement Report, the annual statement and any associated reports on Public Interest Disclosure and matters of fraud and irregularity.
- receives a report reviewing the corporate risk register at each of its meetings, enabling it to make amendments considering changes in the risk profile in particular areas.

Council 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.



Statement of Equality Objectives 2023-25

Equality is important to us and our objectives have been developed and updated during the 2022-23 year. Our objectives will 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 will report on progress against these in future years.

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 the University Estate to address key issues and gaps in provision which limit accessibility for the University 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

Mental Health Charter awarded by May 2023.

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.



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.

There has been a reduction in surplus to £6.2m from £17.7m in the previous year (on the internal HCOS basis, with a greater growth in expenditure (Staff costs rise of £12m, other expenditure costs rise of £28.1m) than the underlying increase in income of £30.1m).

This year saw the completion of and opening of two major capital projects, a new School of Management on the Claverton Down campus and the IAAPS research facility on the Bristol and Bath Science Park. There have been delays in commissioning the IAAPS facility, which opened commercially in January 2023. This combined with a higher proportion of grant funded income has led to a loss for the year of £3.6m (2021-22 loss of £1.5m). IAAPS is in the start up phase and will grow to operating capacity over the coming few years.

We have suspended our Historic Cost Operating Surplus (HCOS) target of 3% to enable greater investment in our strategy, most notably, in our plans to grow our research activity. Early indications are that this is proving successful with our research income increasing by 11.1% on the prior year to £45.0m and awards won in the year exceeded £60.0m. We need several years of growth at this rate to realise our ambitions.

The economic and industrial relations environments remain challenging. We are exposed to increases in inflation most notably on utilities but the impact has also been felt across the range of product categories that we buy. Similarly, higher inflation has added to the pressure for higher pay awards. 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. In August 2022 we refinanced our European Investment Bank debt with a new £50m facility from the Pension Insurance Corporation. We also took this opportunity to close out our interest rate swaps (note 20).

We continue to retain significant cash and investment balances in preparation for supporting future investments to support our Strategy and for the refurbishment of the original 1960's and 1970's buildings on campus. Operating cash inflows were £47.2m, (2021-22 £49.3m) we spent £21.9m (2021-22 £27.4m) on capital investments.

The result of these cash flows reduced our Net Debt by £31.5m to £14.3m, our cash and investment balances leave considerable scope for investment to support our new strategy.

Council and the Executive Board monitors 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

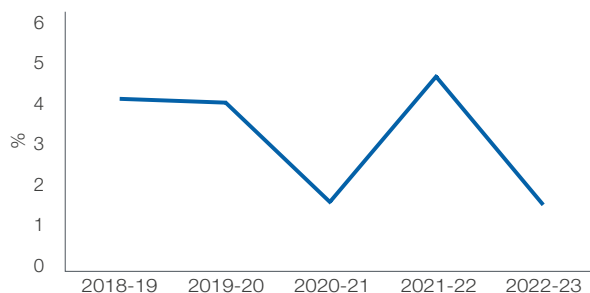
The Statement of Comprehensive Income (SOCI) shows a surplus before gains and losses of £1.1m (2021-22 £28.0m deficit) on page 37.

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

	2022-23	2021-22
	£m	£m
Surplus / (Deficit) before gains and losses from SOCI	1.1	(28.0)
Capital grants	(5.5)	(41.3)
Adjustment for pension schemes	(10.6)	72.5
Valuation adjustment for depreciation	21.2	16.8
Valuation adjustment for derivatives	-	(2.3)
HCOS	6.2	17.7

KPI - 1. HCOS/Total Income

Operating surplus as % of 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 2022-23 this was budgeted at a small deficit of £0.4m, effectively a breakeven position, but it improved as grant income was higher than budget and the actual result for the year is 1.7%, £6.2m.

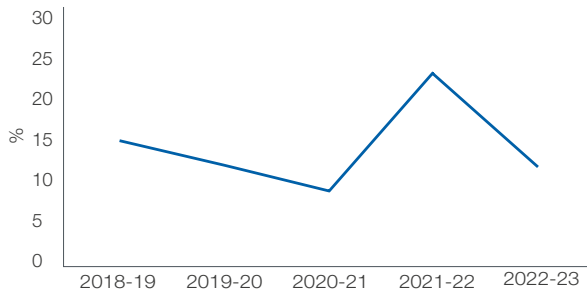
A commentary on income and expenditure is included later in this review.

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, this is evidenced by the recognition of the IAAPS grant of £38.9m in capital grants released in the previous year (2021-22)
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.
Derivatives	We hold several derivatives instruments in place to protect against interest rate and exchange rate movements. These instruments are measured at market value, which is impacted by interest, inflation and exchange rates. As these may fluctuate significantly and are outside of routine operational management they are recognised after the HCOS.

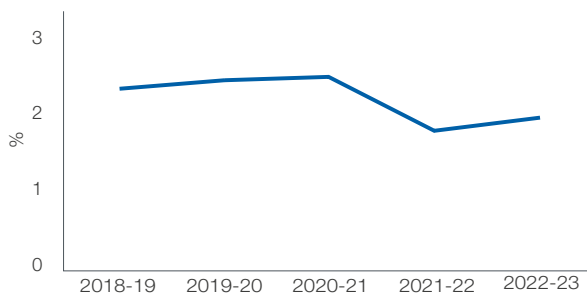
Adjusted EBITDA as a % of total income



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 2022-23 is 12.3% of income (23.9% 2021-22). This is in line with previous years before 2021-22. The IAAPS capital grant increased income, on a one off basis, in 2021-22.

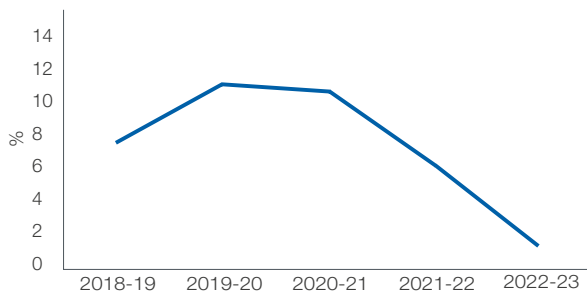
Ratio of loan interest payable to income



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 2022-23 our result was 2.0% (1.9% 2021-22). The majority of our borrowing is at fixed rates so our additional income created an improvement in cover.

Net debt as a % of total net assets



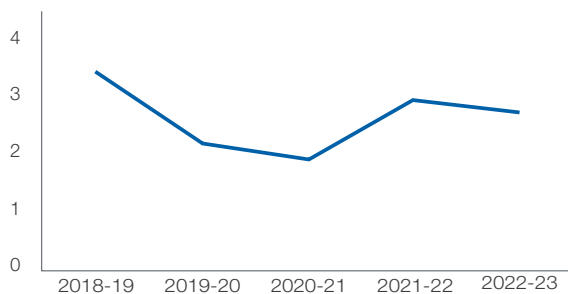
KPI - 4. Net Debt to Net Assets – Gearing

Our gearing has fallen to 1.6% (6.4% 2021-22).

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 2022-23 our Net Debt fell by £31.5m to £14.3m (2021-22 £45.8m).

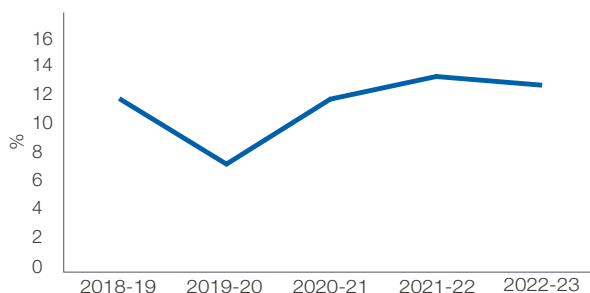
Ratio of current assets to current liabilities



KPI - 5. Ratio of current assets to current liabilities

The ratio of current assets to current liabilities, known as the current ratio. This shows our ability to cover our current liabilities by current assets. Our financial strategy is to maintain high levels of liquidity, so the ratio is higher than many in the sector. There has been a small decrease in the ratio to 2.8:1 (2021-22 3.0:1). As we invest in refurbishing our estate we would expect this ratio as well as our Net Liquidity Days (KPI 7) to reduce.

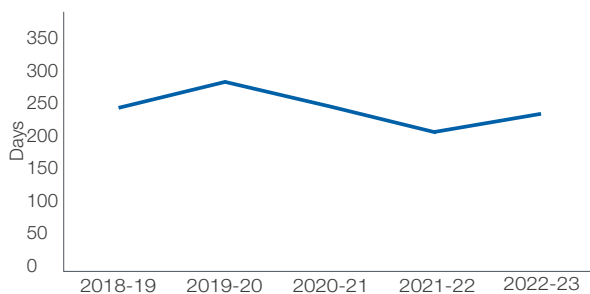
Net cash inflow to income



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 £47.2m which represents 13.0% of income (£49.3m and 13.6% 2021-22).

Net liquidity days



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 248 days (2021-22 212 days). This includes the USS charge in expenditure.

Income

Total income increased marginally by £1.2m (0.3%) from £361.8m to £363m.

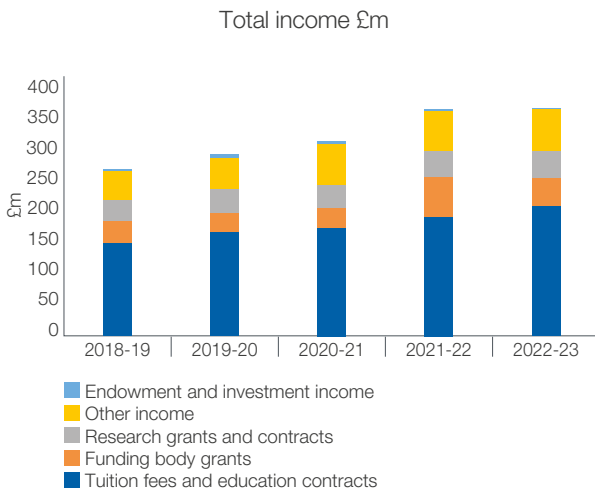
Tuition fee income increased by 9.1% to £205.9m. This was predominately due to an increase in full time home UK students (up £11.1m), and full time overseas students (up by £9m). Tuition fee income represents 56.7% of total income.

Total funding body grants decreased from £67.1m to £46.7m. The previous year included £29m received from UKRI for the IAAPS facility. In 2022-23 there was an increase in the UKRI recurrent grant of £5.2m.

Research grants were £45m (2021-22 £40.5m) an increase of 11.1% and reflects the growing portfolio of contracts we hold and the focus on research growth which is part of our strategy.

Other income at £58.4m has decreased by 1.2% (2021-22 £59.1m). There was an increase in income from residences and catering of £7.3m in 2022-23, which has been partially offset by the lack of capital grant income in 2022-23 (there was a £10m grant from WECA received in 2021-22 relating to the IAAPS facility).

Endowment and donation income for 2022-23 was £1.5m (2021-22 £2.3m).



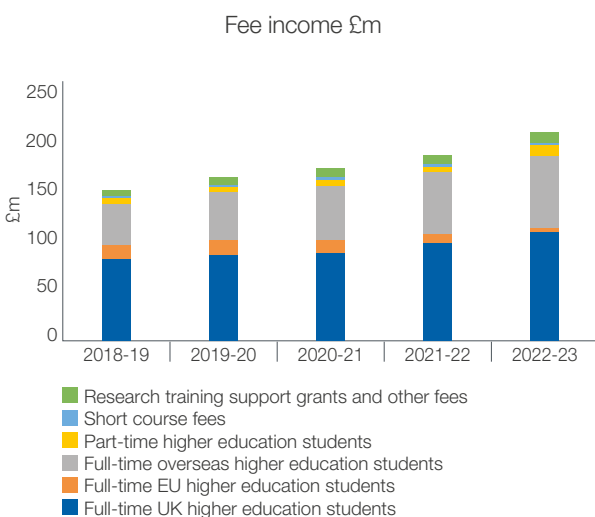
Tuition Fee Income

Tuition Fee income increased by 9.1% to £205.9m (£188.8 m 2021-22).

Fees from full time UK students rose by £11.1m and 11.6% respectively to £107.1m. With the undergraduate fee remaining at £9,250 this increase came from student number growth.

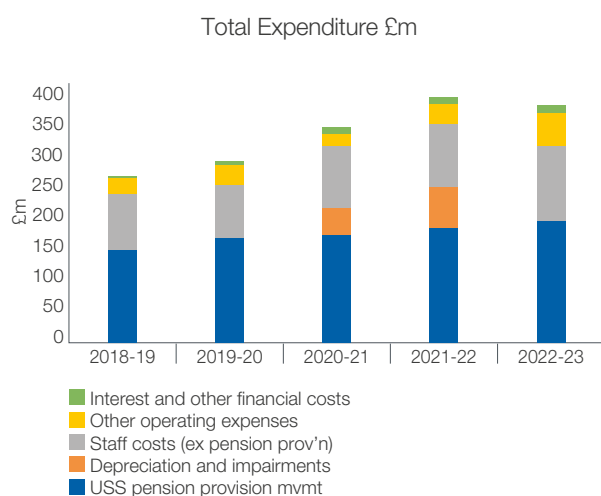
Fees from full time overseas students (including EU students who now pay the overseas rate) rose by £5.3m to £76.8m. This source now represents 37.3% of all tuition fee income.

Fees from part-time students, short course and training student grants grew by £0.7m to £22.0m.



Analysis of Fee-paying students as at 1st December	2020-21	2021-22
Full time home fee status		
Undergraduate	12,021	12,450
Postgraduate Taught	712	510
Postgraduate Research	690	572
Full time Overseas fee status		
Undergraduate	1,681	1,907
Postgraduate Taught	1,146	1,153
Postgraduate Research	231	227
TOTAL	16,481	16,819

The table above summarises student numbers as at 1st December 2021 and 2022 respectively, this is the census date for HESA.



Expenditure

Expenditure reported in the SOCI decreased by £27.9m to £361.9m. This decrease includes a credit of £16.1m for the decrease in the USS pension provision.

Recurrent expenditure excluding this decrease is £378.0m, the equivalent values for 2021-22 is £322.7m which represents an increase of 17.1%. This reflects both increased activity from a prior year impacted by Covid-19, strategic investment and inflationary pressures.

Our staff costs at £192.2m have increased by £12.0m (6.7%) over 2022-23, whilst average FTE numbers increased by 138 (4.5%) to 3,221. Education and Research staff costs were £105.0m for 2022-23, 59.6% of total staff costs before pension adjustments.

Our operating expenses at £126.7m have increased by 28.5% from £98.6m.

In the analysis of expenditure by activity (note 10), Academic Department expenditure increased by £17.8m to £139.4m and represents 36.9% of total expenditure before the decrease in the USS charge, an increase on previous years of 31.8%. When combined with Academic Services this rises to 47.2% of all expenditure before the USS decrease. Research grants, premises, residences, retail and catering, represent 8%, 14.6% and 12%, respectively, of all expenditure before the USS decrease.

Central Administration expenditure increased 14.6% from £20.5m to £23.5m.

Staff and student facilities expenditure increased by 10% to £18.8m. Residences, retail and catering operations expenditure increased by 21.2%, to £45.2m. There was a similar increase in income for this area of 20% (note 5).

Research expenditure increased by 11.8% to £30.4m reflecting the growth in income of 11.1% in the same period (note 4).

Depreciation and impairment increased by £11.5m, to £46.7m (an increase of 32.7%). Capital spend reduced during the previous two years of the pandemic, the rise in depreciation follows the higher levels of investment in buildings and equipment.

Other Comprehensive Income

The total comprehensive income in the year is £173.4m (2021-22 £125.9m).

The table below summarises those entries reported after surplus for the year on the SOCI of £1.1m (2021-22 deficit £29.1m) and reason for the change from 2021-22.

Item	Impact 2022-23	Impact 2021-22	Valuation impact
Actuarial gain in respect of pension schemes	£36.6m	£60.9m	31 July 2023 liability discount rates used in establishing the valuation increased to 5.1% from 3.5% and this reduced the liabilities due from the LGPS.
Change in the fair value of tangible fixed assets	£135.7m	£92.5m	Building valuation is determined by either market value or replacement cost less an allowance for use, depreciation. Building costs increased by 13.0% in 2022-23 against 8.8% the previous year, which meant on a leasehold estate of £877.8m the net increase was £114.0m.
Change in the fair value of derivatives	-	£1.6m	Net gain of £1.5m on foreign exchange and interest rate swap derivatives used to manage loan interest rates and investments denominated in US Dollars. The interest rate swaps were exited in the previous year (2021-22).

Balance Sheet

Fixed Assets

Our capital additions in 2022-23 were £25.5m (2021-22 £24.5m). The combination of this with depreciation and the revaluation gain reported in the table above saw fixed assets increase from £940.0m to £1,054.4m.

Current Assets

Current assets increased by £18.4m to £245.4m. Of this our investments increased by £23.9m to £209.6m, which is due to additional investments being made in the year.

Creditors, amounts falling in less than one year.

These increased by £11.6m, to £87.4m, with an increase in trade payables of £7.2m and deferred income of £8m. Deferred income at 31 July 2023 of £50.6m is recognised as capital grant income, and relates to capital grants received where the performance criteria of the grants have not yet been met. Loan repayments due next year reduced to £2.1m from £5.0m at 31 July 2023.

Creditors, amounts falling due in more than one year.

These reduced by £4.4m to £224.1m. Bank loan debt increased by £3.6m. The derivatives were disposed of in October 2022 at a settlement of £7.3m, and so only appear in the comparator figures.

Pension Provisions.

Pension provisions have decreased by £47.5m to £102.4m.

The USS is a multi-employer scheme with no basis to accurately identify our share of the assets and liabilities and therefore our deficit. We are required to estimate a provision for our obligation to make deficit recovery payments based on contributions approved at valuation. The opening balance of £108.5m is based on the March 2020 valuation. The 31 March 2023 valuation process is in progress and the USS is currently carrying out a technical consultation, which is expected to lead to a reduction in ongoing employer and member contributions going forward.

LGPS is also a multi-employer scheme in which liabilities and assets can be established for individual employers. We saw our pension deficit fall by £35m to £6.3m, this is mainly due to an actuarial gain of £36.6m. This reduction occurred as the discount rate used to price future liabilities increased to 5.1% from 3.5%. Contribution rates are determined by triennial valuations which uses a different set of assumptions. The scheme undertook its most recent valuation on 31 March 2022. Our cash contribution rate from April 2023 is 20.7% for future service, this has been 19.3% previously.

Going Concern

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

Financial Risk & Outlook

In financial terms we anticipated that 2022-23 would be a year of consolidation and our results show an increased income, together with significant cost pressures.

This is the first year of moving from our previously set surplus target of 3% of income, to break even. The results for the year have delivered a HCOS surplus of £6.2m with student recruitment similar to the previous year.

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

Equally we will start to see the financial benefits of our investments in the School of Management and IAAPS. These investments will help deliver our strategic objectives of increasing our income from non-regulated fees and growing our research income. The increase in research grants won in the year, together with the increase in QR funding following the last REF exercise, has led to the increase in research income for 2022-23.

In addition to the inflationary pressure that we have seen the impact on our costs we risk being affected by other sector specific challenges including the maintenance of regulated tuition fees at their current levels and volatile pension costs, these are impacted by market conditions and initial results of the March 2022 LGPS valuation indicate an increase in employer contributions. Both USS and LGPS pension schemes have moved towards being fully funded. The recent technical consultation of USS may well lead to a reduction in both employer and member contributions going forward.

The maintenance and upgrading of our estate over the coming years has been identified and recognised in our spending plans, which will include an increasing focus on space utilisation and reflecting how buildings are now being used with hybrid working. We are very aware of the impact the built environment has on our carbon emissions and our ability to meet our net zero target by 2030. Achievement of our carbon targets will require changes to our buildings, our procurement, and our behaviours which our carbon action framework team are developing.

Martin Williams
Director of Finance

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

Report on the audit of the financial statements

Opinion

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

- give a true and fair view of the state of the group's and of the parent institution's affairs as at 31 July 2023 and of the group's and of the parent institution's income and expenditure, gains and losses and changes in reserves, and of the group's cash flows for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and applicable law); and
- have been properly prepared in accordance with the requirements of the Office for Students' Accounts Direction (OfS 2019.41).

We have audited the financial statements, included within the Annual Accounts (the "Annual Report"), which comprise the Consolidated and University Balance Sheets as at 31 July 2023; the Consolidated and University Statement of Comprehensive Income, the Consolidated and University Statement of Changes in Reserves, and the consolidated cash flow statement for the year then ended; the Accounting Policies; and the notes to the financial statements.

Basis for opinion

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

Independence

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

Conclusions relating to going concern

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the group's and parent institution's ability to continue as a going

concern for a period of at least twelve months from the date on which the financial statements are authorised for issue.

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

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

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

Reporting on other information

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

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

Responsibilities for the financial statements and the audit

Responsibilities of the Council for the financial statements

As explained more fully in the Statement of Corporate Governance set out on page 18, the Council is responsible for the preparation of the financial statements in accordance with the applicable framework and for being satisfied that they give a true and fair view. The Council is also responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Council is responsible for assessing the group and parent institution's ability to continue as a going concern, disclosing as applicable, matters

related to going concern and using the going concern basis of accounting unless the Council either intends to liquidate the group and parent institution or to cease operations, or has no realistic alternative but to do so.

Auditors' responsibilities for the audit of the financial statements

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

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

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

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

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

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

Use of this report

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

Other required reporting

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

In our opinion, in all material respects:

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

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

- The institution's grant and fee income, as disclosed in notes 1-4 to the financial statements, has been materially misstated; or
- The institution's expenditure on access and participation activities for the financial year, as disclosed in note 10 to the financial statements, has been materially misstated.

We have no matters to report arising from this responsibility.

PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
Bristol

Consolidated Statement of Principal Accounting Policies for year ended 31 July 2023

Basis of preparation

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

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

Going Concern

The Group financial statements have been prepared on a going concern basis. The University has cash and investments that are more than sufficient and the University will continue to generate positive operational cashflows.

Basis of consolidation

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

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

Recognition of income

Income from the sale of goods or services is credited to the Statement of Consolidated Income (SOCi) when the goods or services are supplied to the external customer or the terms of the contract have been satisfied or using a percentage of completion method when 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 in the accounting period. As we have entered into an agreement (the Recovery Plan) that determines how each employer within the scheme will fund the overall deficit, we recognise a liability for the contributions payable that arise from the agreement. The movement in this liability is recognised as an expense.

Local Government Pension Scheme (LGPS)

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

Defined contribution scheme

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

Employee benefits

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

Foreign currency

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

Leases

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

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

Fixed Assets

Land and buildings

Land and buildings are measured using the revaluation model. Under the revaluation model, assets are revalued to their fair value. We have a policy of ensuring all assets are revalued by an external valuer, such that the fair value is not materially different to the current value. Each year approximately a quarter of all buildings are revalued and the others are indexed, so all are covered in this four year cycle. The basis of the valuation is a combination of depreciated replacement cost, existing use and open market value depending on the nature of the property.

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

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

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

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

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

Equipment

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

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

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

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

Intangible Fixed Assets

Computer Software

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

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

Amortisation is on a straight-line method as follows:

- computer software – 3-5 years

Maintenance of premises

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

Investments

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

Derivatives

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

Stocks

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

Cash and cash equivalent

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

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

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

Provisions, contingent liabilities, and contingent assets

Provisions are recognised in the financial statements when:

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

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

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

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

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

Taxation status

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

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

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

Key sources of estimation uncertainty and judgements in applying accounting policies

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. The remaining useful economic life of an asset and any residual value are assessed annually by a qualified member of staff and may vary depending on a number of factors. In reassessing asset lives, factors such as technological innovation and maintenance programmes are taken into account.

Local Government Pension Scheme (LGPS)

The present value of the LGPS defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost (income) for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 26, will impact the carrying amount of the



pension liability. Sensitivity analysis is also included in note based on the assumptions used. Furthermore, a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2022 has been used by the actuary in valuing the pensions liability at 31 July 2023. 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 21, will impact the carrying amount of the pension liability.

FRS 102 makes the distinction between a group plan and a multi-employer scheme. A group plan consists of a collection of entities under common control typically with a sponsoring employer. A multi-employer scheme is a scheme for entities not under common control and represents (typically) an industry-wide scheme such as USS. The accounting for a multi-employer scheme where the employer has entered into an agreement with the scheme that determines how the employer will fund a deficit this then results in the recognition of a liability for the contributions payable that arise from the agreement (to the extent that they relate to the deficit) and the resulting expense in profit or loss in accordance with section 28 of FRS 102. The directors are satisfied that USS meets the definition of a multi-employer scheme and has therefore recognised the discounted fair value of the contractual contributions under the recovery plan in existence at the date of approving the financial statements.

Impairment of debtors

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

Classification of financial liabilities

All our financial liabilities have been classified as basic financial instruments. In respect of the loans made by North Western Mutual Life Insurance Company, Met Life and PIC see note 19, judgement has been applied in determining this classification.

As part of the agreement, the issuers of the debt, who are based in the US, have entered into a cross currency swap to ensure that they are not adversely impacted by foreign exchange rate movements between \$ and £, should we repay the debt early. We consider any resultant financial impact for us to represent reasonable compensation for early repayment and as such have classified the debt as basic. As a result, the financial liability is reflected in the financial statements at amortised cost.

Consolidated and University Statement of Comprehensive Income For the year ended 31 July 2023

	Note	Consolidated		University	
		2023	2022	2023	2022
		£m	£m	£m	£m
Income					
Tuition fees and education contracts	1	205.9	188.8	205.9	188.8
Funding body grants	2	46.7	67.1	46.7	67.1
Research grants and contracts	4	45.0	40.5	44.8	40.5
Other Income	5	58.4	59.1	58.4	59.1
Investment income	7	5.5	4.0	5.6	4.0
Donations & endowments	8	1.5	2.3	1.5	2.3
Total income		363.0	361.8	362.9	361.8
Expenditure					
Staff costs	9	192.2	180.2	190.8	179.1
Change in USS pension provision	9	(16.1)	67.1	(16.1)	67.1
Other operating expenses	10	126.7	98.6	124.8	98.2
Depreciation and impairment	13	46.7	35.2	44.9	35.2
Interest and other finance costs	12	12.4	8.7	12.4	8.7
Total expenditure		361.9	389.8	356.8	388.3
Surplus/(deficit) before gains and losses		1.1	(28.0)	6.1	(26.5)
Loss on disposal of fixed assets		-	-	-	(13.3)
Increase in market value of non current asset investments	14	0.1	-	0.1	-
Decrease in market value of current asset investments	16	(0.1)	(1.1)	(0.1)	(1.1)
Surplus/(deficit) for the year		1.1	(29.1)	6.1	(40.9)
Actuarial gain in respect of pension schemes	26	36.6	60.9	36.6	60.9
Change in the fair value of tangible fixed assets		135.7	92.5	135.7	92.5
Change in the fair value of derivatives	20	-	1.6	-	1.6
Total Comprehensive Income in the year		173.4	125.9	178.4	114.1
Represented by					
Endowment comprehensive (expense) for the year		(0.8)	(0.5)	(0.8)	(0.5)
Restricted comprehensive (expense)/income for the year		(0.2)	0.1	(0.2)	0.1
Unrestricted comprehensive income for the year		59.9	50.5	64.9	38.8
Revaluation comprehensive income for the year		114.5	75.8	114.5	75.7
Total Comprehensive Income in the year		173.4	125.9	178.4	114.1

Consolidated and University Statement of Changes in Reserves For the year ended 31 July 2023

Consolidated

	Endowment Reserve £m	Restricted Reserve £m	Unrestricted Reserve £m	Revaluation Reserve £m	Total £m
At 1 August 2021	8.1	1.9	194.0	384.6	588.6
(Deficit)/surplus for the year	(0.5)	0.1	(27.2)	-	(27.6)
Depreciation on revalued assets	-	-	16.8	(16.8)	-
Actuarial gain in respect of pension schemes	-	-	60.9	-	60.9
Other comprehensive income	-	-	-	92.5	92.5
At 31 July 2022	7.6	2.0	244.5	460.3	714.4
At 1 August 2022	7.6	2.0	244.5	460.3	714.4
(Deficit)/surplus for the year	(0.7)	(0.3)	2.1	-	1.1
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	6.9	1.7	304.4	574.8	887.8

University

	Endowment Reserve £m	Restricted Reserve £m	Unrestricted Reserve £m	Revaluation Reserve £m	Total £m
At 1 August 2021	8.1	1.9	195.0	384.6	589.6
(Deficit)/surplus for the year	(0.5)	0.1	(38.9)	-	(39.3)
Depreciation on revalued assets	-	-	16.8	(16.8)	-
Actuarial gain in respect of pension schemes	-	-	60.9	-	60.9
Other comprehensive income	-	-	-	92.5	92.5
At 31 July 2022	7.6	2.0	233.8	460.3	703.7
At 1 August 2022	7.6	2.0	233.8	460.3	703.7
(Deficit)/surplus for the year	(0.7)	(0.3)	7.1	-	6.1
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	6.9	1.7	298.7	574.8	882.1

Consolidated and University Balance Sheets as at 31 July 2023

	Note	Consolidated		University	
		2023 £m	2022 £m	2023 £m	2022 £m
Non-Current Assets					
Fixed assets	13	1,054.4	940.0	1,033.2	922.8
Investments	14	2.0	1.6	6.0	5.7
		1,056.4	941.6	1,039.2	928.5
Current Assets					
Stock		0.6	0.5	0.7	0.7
Trade and other receivables	15	32.5	36.1	44.3	39.1
Investments	16	209.6	185.7	209.6	185.7
Cash and cash equivalents		2.7	4.7	1.6	3.9
		245.4	227.0	256.2	229.4
Creditors : Amounts Falling Due Within One Year	17	(87.4)	(75.8)	(86.8)	(75.8)
Net Current Assets		158.0	151.2	169.4	153.5
Total Assets Less Current Liabilities		1,214.4	1,092.8	1,208.6	1,082.1
Creditors : Amounts Falling Due After More Than One Year	18	(224.1)	(228.5)	(224.1)	(228.5)
Provisions					
Pension provisions	21	(102.4)	(149.9)	(102.4)	(149.9)
Total Net Assets		887.8	714.4	882.1	703.7
Restricted Reserves					
Income & expenditure reserve - endowment reserve	22	6.9	7.6	6.9	7.6
Income & expenditure reserve - restricted reserve	23	1.7	2.0	1.7	2.0
Unrestricted Reserves					
Income & expenditure reserve - unrestricted reserve		304.4	244.5	298.7	233.8
Revaluation Reserve		574.8	460.3	574.8	460.3
Total Reserves		887.8	714.4	882.1	703.7

The Financial Statements on pages 37 to 63 were approved by the Council on 23 November 2023 and signed on its behalf by:

Professor Ian White
Vice-Chancellor and President

Mr Calum Mercer
Treasurer

Consolidated Cash Flow Statement for year ended 31 July 2023

	Note	Consolidated	
		2023 £m	2022 £m
Cash flow generated from operating activities			
Surplus/(deficit) for the year		1.1	(29.1)
Adjustment for non-cash items			
Depreciation and impairments	13	46.7	35.2
(Decrease)/increase in USS pension provision	21	(9.3)	69.6
LGPS pension costs less contributions paid	26	0.3	3.7
Gain on non-current asset investments	14	(0.1)	-
Loss on current investments	16	0.1	1.1
Gain on hedging arrangements	7	-	(2.3)
Pension scheme interest charges	12	4.9	1.9
Increase in stock		(0.1)	-
Increase in operating debtors	15	(4.1)	(0.7)
Increase in operating creditors	17	11.3	6.2
Adjustment for investing or financing activities			
Investment income	7	(5.5)	(1.8)
Interest payable	12	7.4	6.8
Capital grant income	2, 3 & 4	(5.5)	(41.3)
Net cash inflow from operating activities		47.2	49.3
Cash flow from investing activities			
Investment income	7	3.4	1.6
Payments made to acquire fixed assets		(21.9)	(27.4)
Payments made to acquire fixed assets investments		0.2	(0.2)
Capital grant receipts		5.5	2.4
Net outflows from current asset investments		(24.0)	(8.1)
Net cash outflow from investing activities		(36.8)	(31.7)
Cash flow from funding activities			
Interest paid	12	(7.1)	(6.8)
Repayments of amounts borrowed	19	(5.3)	(10.3)
Net cash outflow from funding activities		(12.4)	(17.1)
(Decrease)/increase in cash and cash equivalents in the year		(2.0)	0.5
Cash and cash equivalents at the beginning of the year		4.7	4.2
Cash and cash equivalents at the end of the year		2.7	4.7
(Decrease)/increase in cash and cash equivalents in the year		(2.0)	0.5

Notes to the Annual Accounts

1 Tuition Fees and Education contracts

	Consolidated & University	
	2023	2022
	£m	£m
Full-time UK students	107.1	96.0
Full-time EU students	4.6	8.3
Full time overseas students	72.2	63.2
Part-time higher education students	9.4	9.5
Short course & apprenticeship fees	1.7	2.0
Research training support grants and other fees	10.9	9.8
	205.9	188.8

2 Funding body Grants

	Consolidated & University	
	2023	2022
	£m	£m
Recurrent Grants		
Office for Students	9.1	9.1
UK Research and Innovation (UKRI)	27.3	22.1
Specific Grants		
Office for Students	4.8	4.6
Office for Students capital grants	0.1	2.4
UKRI capital grants	5.4	28.9
	46.7	67.1

3 Grant and fee income

	Consolidated & University	
	2023	2022
	£m	£m
Grant Income from OfS	14.0	16.1
Grant Income from other bodies	32.7	51.0
Fee income for taught awards (exclusive of VAT)	184.5	168.5
Fee income for research awards (exclusive of VAT)	8.7	8.5
Fee income from non-qualifying courses (exclusive of VAT)	12.7	11.8
	252.6	255.9

Notes to the Annual Accounts (continued)

4 Research grants and contracts

	Consolidated		University	
	2023	2022	2023	2022
	£m	£m	£m	£m
UKRI	24.5	22.3	24.5	22.3
UK charitable bodies	3.2	3.0	3.2	3.0
European Commission	2.6	3.1	2.6	3.1
UK central government, Local Authorities or Health Trust	7.6	4.9	7.6	4.9
UK industry	2.0	2.5	2.0	2.5
Other sponsors	5.1	4.7	4.9	4.7
	45.0	40.5	44.8	40.5

5 Other income

	Consolidated & University	
	2023	2022
	£m	£m
Residences, catering and conferences	43.8	36.5
Other capital grants	-	10.0
Other services rendered (note 6)	7.5	6.9
Other income	7.1	5.7
	58.4	59.1

6 Other services rendered

	Consolidated & University	
	2023	2022
	£m	£m
Academic departments & services	2.1	1.5
Sports and related facilities	4.2	4.1
Other	1.2	1.3
	7.5	6.9

Notes to the Annual Accounts (continued)

7 Investment income

	Consolidated & University	
	2023	2022
	£m	£m
Investment income on Endowments	0.1	0.1
Change in the fair value of derivatives (note 20)	-	2.3
Net income and gains from short-term investments	0.4	1.1
Other investment income	5.0	0.5
	5.5	4.0

8 Donations & endowments

	Consolidated & University	
	2023	2022
	£m	£m
Donations with restrictions	0.5	0.7
Unrestricted donations	1.0	1.6
	1.5	2.3

9 Staff costs

	Consolidated	
	2023	2022
	£m	£m
Salaries	153.8	142.1
Social security costs	14.7	13.2
Other pension costs	29.4	31.2
	197.9	186.5
Movement in USS pension provision	(16.1)	67.1
	181.8	253.6
less: paid on behalf of other organisations	(5.3)	(6.3)
less: capitalised within the cost of buildings	(0.3)	-
	176.2	247.3

Notes to the Annual Accounts (continued)

	University	
	2023	2022
	£m	£m
9 Staff costs (continued)		
Salaries	152.3	141.1
Social security costs	14.6	13.1
Other pension costs	29.2	31.2
	196.1	185.4
Movement in USS pension provision	(16.1)	67.1
	180.0	252.5
less: paid on behalf of other organisations	(5.3)	(6.3)
	174.7	246.2

Emoluments of the Head of Institution

Total emoluments of the Head of Institution is as follows:

	2023	2022
	£	£
Salary	314,641	274,850
Salary in lieu of pension contributions	42,236	36,497
Benefits in kind	3,293	3,009
	360,170	314,356
Pension contributions	19,942	15,346
	380,112	329,702
Benefits in kind included above:		
Medical Expenses	3,293	3,009
	3,293	3,009

Professor Ian White's basic salary was 8.8 (2021-22 8.0) times the median pay of staff and 14.7 (2021-22 14.6) times the lowest pay of staff, where median and lowest pay are calculated on a full-time equivalent basis for the salaries paid to our staff. Professor Ian White's total remuneration was 8.3 (2021-22 7.3) times the median total remuneration and 16.7 (2021-22 16.5) times the lowest total remuneration, where median and lowest total remuneration are calculated on a full-time equivalent basis for the total remuneration paid to our staff. The Vice-chancellor's starting salary, set out in his offer letter of August 2018, was based on the then median of the agreed comparator group of universities against which we measure our performance and with reference the relevant UECA salary benchmark data. Contractually there was to be no individual salary review before the third anniversary of his appointment, and there is no entitlement to any bonus payments.

The third anniversary of his start date of April 2019 having now passed, the committee considered the current position and noted that movement in the benchmark rates meant that the Vice-Chancellor was now paid below the median point. In addition the committee considered performance over the past three years against the personal objectives as set by Council and noted the significant progress which the University had made under his leadership during some particularly challenging times. The Committee also took into consideration the positive external recognition which the University was now receiving, most notably being named as the Times /Sunday Times University of the Year and concluded that the above adjustment was appropriate.

The third-anniversary pay award was decided the Remuneration Committee in October 2022, but backdated to the effective date of 8 April 2022 which affects the in-year figures. The market and contribution related increase in salary was equivalent to 7.7% for the first three years of appointment.

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		2023 Number	2022 Number
£100,000 - £104,999	13	1	2	16	6
£105,000 - £109,999	9	-	2	11	17
£110,000 - £114,999	13	-	2	15	15
£115,000 - £119,999	17	-	1	18	8
£120,000 - £124,999	4	-	-	4	4
£125,000 - £129,999	5	-	-	5	5
£130,000 - £134,999	2	1	2	5	2
£135,000 - £139,999	2	-	1	3	2
£140,000 - £144,999	2	1	1	4	4
£145,000 - £149,999	-	-	1	1	1
£150,000 - £154,999	1	-	-	1	4
£155,000 - £159,999	2	1	-	3	1
£160,000 - £164,999	1	1	-	2	-
£165,000 - £169,999	1	-	1	2	-
£180,000 - £184,999	-	-	-	-	2
£185,000 - £189,999	-	1	-	1	-
£190,000 - £194,999	-	-	-	-	-
£205,000 - £209,999	-	-	-	-	1
£215,000 - £219,999	-	-	-	-	1
£225,000 - £229,999	-	1	-	1	-
	72	7	13	92	73

In accordance with OfS guidance, this table only includes staff who completed the full year in post.

The net increase of 19 staff is a combination of recruitments, exits and changes bringing staff into this group for the first time. The main change is that 17 Professors have moved into the £100k+ range as a result of introducing the new Professorial remuneration system.

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

Notes to the Annual Accounts (continued)

9 Staff costs (continued)

Average staff numbers by major category:	Consolidated	
	2023 Number	2022 Number
Education & Research	1,335	1,306
Technical & Experimental	175	150
Management, Specialist & Administrative	1,250	1,173
Operational & Facilities Support	461	454
	3,221	3,083

Included within the above full time equivalent totals are 28 (2021-22 24.7) 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 has been updated in 2022-23 and it now corresponds to the membership of University Executive Board Standing Group. Positions held by our key management personnel are:

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

	2023	2022 Revised
Key management personnel compensation	£2,276,988	£1,791,394
Full time equivalent (number)	10.07	8.30

Compensation includes remuneration and all employer benefits paid or payable in exchange for services provided by our key management personnel in the year. The comparative totals for 2021-22 have been revised to reflect the updated definition of key management personnel.

The overall change in cost is mainly due to changes in personnel which resulted in key positions being vacant for part of the preceding year.

	2023	2022
Severance Payments		
Total amount of compensation paid for the loss of office	£282,480	£400,734
Number of Staff	54	69

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)

	Consolidated & University	
	2023	2022
	£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

	2023	2022
	£m	£m
Academic departments	139.4	121.6
Academic services	39.2	30.2
Central administration	23.5	20.5
General educational expenditure	21.8	19.8
Staff and student facilities	18.8	17.1
Premises	55.1	44.0
Residences, retail & catering operations	45.2	37.3
Research grants and contracts	30.4	27.2
Other services rendered	1.5	1.3
Movement in USS pension liability	(16.1)	67.1
Other expenses	3.1	3.7
Consolidated	361.9	389.8
University of Bath	356.9	388.3

Other Operating Expenses include:	Consolidated & University	
	2023	2022
	£	£
External Auditors' Remuneration (including VAT)		
- Audit Services - subsidiary company	16,008	13,920
- University	165,600	144,000
- US federal loan reporting	6,270	5,700
	163,620	105,720

Notes to the Annual Accounts (continued)

10 Analysis of expenditure by activity (continued)

	Consolidated & University	
	2023	2022
	£m	£m
Access and Participation		
Access investment	2.4	2.3
Financial support	4.5	4.3
Disability support	0.6	0.5
Research and evaluation	0.3	0.3
	7.8	7.4

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

<https://www.bath.ac.uk/publications/university-of-bath-access-and-participation-plans/attachments/access-and-participation-plan-for-the-2019-20-academic-year.pdf>

Access Investment

We invested more (£0.16m) on our Access work for the year 2022-23. The increase compared with 2021-22 is for increased staff costs.

Financial Support

The increase from 2021-22 (£0.2m) is due to more students being eligible for an accommodation bursary.

Disability Support for Students

We have invested more on disability support for students than the target within the APP. In the year there have been increased numbers of students requiring disability support, including: exam adjustments, diagnostic assessments (eg 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

Our approach to research and evaluation has strengthened in the year, including the introduction of a new WP Research Standing Group.

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:

[2022/23 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 £3,954 (2021-22 £3,003). 7 members of Council (2021-22 6 members of Council and 1 member of ARAC) 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:

Notes to the Annual Accounts (continued)

11 Related party transactions (continued)

	Expenditure recognised within the financial statements		Balance due to the University at 31 July recognised within the financial statements	
	2023	2022	2023	2022
	£m	£m	£m	£m
University of Bath Students' Union	2.2	2.0	0.2	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.

12 Interest and other finance cost

	Consolidated & University	
	2023	2022
	£m	£m
Loans not wholly repayable within five years	7.4	6.8
Change in discounted value of future USS payments (note 21)	3.6	0.4
LGPS net interest charge (note 26)	1.4	1.5
	12.4	8.7



Notes to the Annual Accounts (continued)

13 Fixed assets

	Land and Buildings		Equipment	Consolidated	Intangible Assets	Total
	Freehold	Leasehold		Assets in the Course of Construction		
	£m	£m	£m	£m	£m	£m
Cost / Valuation						
At 1 August 2022	63.3	877.8	109.5	-	0.5	1,051.1
Additions at Cost	3.2	9.8	9.4	3.1	-	25.5
Disposals	-	-	(2.7)	-	-	(2.7)
Revaluations	(2.4)	104.0	-	-	-	101.6
Reclassifications	(0.3)	-	0.6	(0.3)	-	-
At 31 July 2023	63.8	991.6	116.8	2.8	0.5	1,175.5
Accumulated Depreciation and Impairment						
At 1 August 2022	21.5	10.3	79.3	-	-	111.1
Charge in Year	4.4	35.9	6.3	-	0.1	46.7
Disposals	-	-	(2.7)	-	-	(2.7)
Revaluations	(0.7)	(33.3)	-	-	-	(34.0)
At 31 July 2023	25.2	12.9	82.9	-	0.1	121.1
Net Book Value						
At 31 July 2023	38.6	978.7	33.9	2.8	0.4	1,054.4
At 31 July 2022	41.8	867.5	30.2	-	0.5	940.0

As at 31 July 2023, we revalued on-site student accommodation and 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 2023. 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 £59.6m (2021-22 £21.7m) that were contracted at 31 July.

Notes to the Annual Accounts (continued)

13 Fixed assets (continued)

	University					Total
	Land and Buildings		Equipment	Assets in the Course of Construction	Intangible Assets	
	Freehold	Leasehold				
	£m	£m	£m	£m	£m	£m
Cost / Valuation						
At 1 August 2022	63.4	880.1	91.9	-	0.5	1,035.9
Additions at Cost	3.2	9.7	9.1	3.1	-	25.1
Disposals	-	-	(8.2)	-	-	(8.2)
Revaluations	(2.4)	104.0	-	-	-	101.6
Reclassifications	(0.3)	-	0.6	(0.3)	-	-
At 31 July 2022	63.9	993.8	93.4	2.8	0.5	1,154.4
Accumulated Depreciation and Impairment						
At 1 August 2022	21.6	12.2	79.3	-	-	113.1
Charge in Year	4.4	35.9	4.5	-	0.1	41.9
Disposals	-	-	(2.7)	-	-	(2.7)
Revaluations	(0.8)	(33.3)	-	-	-	(34.1)
At 31 July 2023	25.2	14.8	81.1	-	0.1	121.2
Net Book Value						
At 31 July 2023	38.7	979.0	12.3	2.8	0.4	1,033.2
At 1 August 2022	41.8	867.9	12.6	-	0.5	922.8

Freehold and Leasehold Land and Buildings measured by valuation at 31 July 2023 includes the following historical cost:

	Consolidated & University	
	2023	2022
	£m	£m
Freehold land and buildings	60.3	57.4
Leasehold land and buildings	594.6	584.8

Leasehold land and buildings includes land with a value of £41.1m at 31 July 2023 (£41.1m at 31 July 2022).

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	
	2023	2022	2023	2022
	£m	£m	£m	£m
At 1 August				
Other investments	1.6	1.8	5.7	1.8
Acquisition of investments	0.3	(0.2)	0.2	3.9
Movement in market value	0.1	-	0.1	-
At 31 July	2.0	1.6	6.0	5.7

15 Trade and other receivables

	Consolidated		University	
	2023	2022	2023	2022
	£m	£m	£m	£m
Prepayments and accrued income	4.0	4.4	4.0	4.4
Amounts receivable from subsidiary	-	-	11.3	3.3
Research grant receivables	10.5	10.2	10.5	10.2
Other receivables	18.0	11.7	18.5	11.4
Other taxation receivables	-	9.8	-	9.8
	32.5	36.1	44.3	39.1
Due within one year	30.4	35.9	30.8	35.7
Due in more than one year	2.1	0.2	13.5	3.4
	32.5	36.1	44.3	39.1

16 Current Asset Investments

	Investments measured at Market Value	Investments measured at Cost	Consolidated & University	
			2023	2022
	£m	£m	Total	Total
			£m	£m
At 1 August	131.6	54.1	185.7	182.1
New investments	1.0	93.5	94.5	72.8
Disposal of investments	(34.4)	(36.1)	(70.5)	(68.1)
Market value movement	(0.1)	-	(0.1)	-1.1
At 31 July	98.1	111.5	209.6	185.7

Investments measured at market value includes Quoted investments of £86.1m (2021-22 £96.6m) and those held in unit funds where a market value can be determined of £12.0m (2021-22 £35.0m).

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

Current Asset investments include £5.9m (2021-22 £6.2m) held in respect of Endowments as disclosed in note 22.

Notes to the Annual Accounts (continued)

17 Creditors: amounts falling due within one year

	Consolidated		University	
	2023	2022	2023	2022
	£m	£m	£m	£m
Bank loans	2.1	5.0	2.1	5.0
Trade payables	26.9	19.7	26.3	19.7
Social security and other taxation payable	7.5	5.8	7.5	5.8
Derivatives	-	2.3	-	2.3
Finance lease obligations	0.3	0.4	0.3	0.4
Deferred income	50.6	42.6	50.6	42.6
	87.4	75.8	86.8	75.8

Deferred Income

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

	Consolidated & University	
	2023	2022
	£m	£m
Donations	0.3	0.2
Research grants received on account	26.0	21.7
Grant income	10.5	5.4
Other income	13.8	15.3
	50.6	42.6

18 Creditors: amounts falling due after more than one year

	Consolidated & University	
	2023	2022
	£m	£m
Bank loans	223.0	219.4
Derivatives	-	7.7
Finance lease obligations	1.1	1.4
	224.1	228.5

Notes to the Annual Accounts (continued)

19 Borrowings

	Consolidated & University	
	2023	2022
	£m	£m
<i>Analysis of Financing</i>		
Bank loans and overdrafts are repayable as follows:		
In one year or less	2.1	5.0
Between one and two years	2.1	5.0
Between two and five years	17.5	26.4
In five years or more	203.4	188.0
	225.1	224.4

20 Derivatives

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

Hedging Instrument	Expiry Date	Amount	Consolidated & University					Total Movement	Movement in market value
			Market Value at	Market Value at	Movement in market value	Disposals in year	2023		
			2023	2022	2023	2022	2023		
			£m	£m	£m	£m	£m		
Interest rate swaps	Between 2027 & 2037	£34.8m	-	7.7	-	7.7	7.7	(6.2)	
Foreign exchange options	In 2023	-	-	2.3	-	2.3	2.3	2.3	

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

	Consolidated & University	
	2023	2022
	£m	£m
Investment Income (note 7)	-	2.3
Other Comprehensive Income	-	1.6
	Consolidated & University	
	2023	2022
	£m	£m
Disclosure of Derivatives in the Balance Sheet		
Creditors amounts falling due in less than one year	-	2.3
Creditors amounts falling due in more than one year	-	7.7

Notes to the Annual Accounts (continued)

21 Pension provisions

	Consolidated & University			
	Obligations to fund deficit on USS Pension (note 25)	Defined Benefit obligations LGPS (note 25)	Total 2023	Total 2022
	£m	£m	£m	£m
At 1 August	108.6	41.3	149.9	138.1
Released in year	(16.1)	-	(16.1)	-
Additions in year	-	0.2	0.2	70.8
Interest in year	3.6	1.4	5.0	1.9
Actuarial (gain) in respect of pension	-	(36.6)	(36.6)	(60.9)
At 31 July	96.0	6.4	102.4	149.9

22 Endowments

	Consolidated & University			
Restricted net assets relating to endowments are as follows:				
	Restricted Permanent	Expendable	2023 Total	2022 Total
	£m	£m	£m	£m
At 1 August				
Capital	2.3	3.9	6.2	6.6
Accumulated Income	0.6	0.9	1.5	1.5
	2.9	4.8	7.7	8.1
Investment and donation income	(0.1)	(0.1)	(0.2)	0.4
Expenditure	(0.3)	-	(0.3)	(0.5)
Reclassification	-	-	-	0.1
Decrease in market value of investments	(0.1)	(0.2)	(0.3)	(0.5)
At 31 July	2.4	4.5	6.9	7.6
Representing:				
Capital	2.2	3.6	5.8	6.1
Accumulated Income	0.2	0.9	1.1	1.5
	2.4	4.5	6.9	7.6
Analysis by type of purpose				
Lectureships	1.1	1.8	2.9	3.5
Scholarships and bursaries	1.2	1.9	3.1	3.5
Prize Funds	0.1	0.5	0.6	0.3
General	-	0.3	0.3	0.3
	2.4	4.5	6.9	7.6
Analysis by asset				
Current asset investments	2.0	3.9	5.9	6.2
Cash and cash equivalents	0.4	0.6	1.0	1.4
	2.4	4.5	6.9	7.6

Notes to the Annual Accounts (continued)

23 Restricted reserves

	Consolidated & University			
	Other Income	Donations	2023	2022
	£m	£m	Total £m	Total £m
Reserves with restrictions are as follows:				
At 1 August	0.5	1.5	2.0	1.9
New grants	0.1	-	0.1	0.3
New donations	-	0.5	0.5	0.7
Expenditure	(0.1)	(0.8)	(0.9)	(0.9)
At 31 July	0.5	1.2	1.7	2.0

Analysis by type of purpose

Research support	0.2	-	0.2	0.3
Scholarships and bursaries	-	0.2	0.2	0.5
General	0.3	1.0	1.3	1.2
	0.5	1.2	1.7	2.0

24 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	Maximum liability
			31 July 2023	31 July 2022
			£m	£m
16/09/2021 - 15/09/2030	Acquilla Court	Eagle One Acqua Sulis Limited and Acquilla MMXX Limited	12.4	13.4
23/09/2023 - 27/07/2024	Twerton Mill	Twerton Bath Limited	0.1	-
17/09/2022 - 15/09/2030	Centurion House	Host Student Housing Management (UK) Limited	0.7	0.2
16/09/2023 - 07/09/2024	Hello Students	Empiric (Bath James House) Limited	1.2	-
16/09/2023 - 07/09/24	Unite	The Unite Group plc	0.2	-
Total			14.6	13.6

Notes to the Annual Accounts (continued)

25 Lease obligations

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

	Consolidated & University	
	2023	2022
	£m	£m
Lease Commitments		
Lease commitments due in more than one year but less than two years	7.7	7.8
Lease commitments due between two & five years	31.3	30.3
Lease commitments due in more than five years	94.7	103.5
Total Lease commitments	133.7	141.6

Operating leases are held for eight properties (2021-22 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 2024 and 2049, the lease payments are reported in other operating expenses.

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



Notes to the Annual Accounts (continued)

26 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 528,000 members and we had 2,476 (2021-22 2,276) active members at 31 July 2023. USS is a multi-employer scheme and is accounted for as set out in the accounting policies.

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

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

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

CPI assumption	Term dependent rates in line with the difference between the Fixed Interest and Index Linked yield curves, less 1.1% p.a to 2030, reducing linearly by 0.1% p.a. to a long-term difference of 0.1% p.a. from 2040.
Pension increases (subject to a floor of 0%)	CPI assumption plus 0.05%
Discount rate (forward rates)	Fixed interest gilt yield curve plus: Pre-retirement 2.75% p.a. Post-retirement 1.00% p.a.

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

Mortality base table	101% of S2PMA "light" for males and 95% of S3PFA for females
Future improvements to mortality	CMI 2019 with a smoothing parameter of 7.5 and an initial addition of 0.5% p.a. and a long term improvement rate of 1.8% pa for males and 1.6% pa for females

The current life expectancies on retirement at age 65 are:

	2023	2022
Males currently 65 yrs:	24.0	23.9
Females currently 65 yrs:	25.6	25.5
Males currently 45 yrs:	26.0	25.9
Females currently 45 yrs:	27.4	27.3

Notes to the Annual Accounts (continued)

26 Pensions (continued)

Universities Superannuation Scheme (continued)

The obligation to fund the past deficit on our Superannuation Scheme (USS) arises from the contractual obligation with the pension scheme for total payments relating to benefits arising from past performance. Management have assessed future employees within the USS scheme and salary payments over the 15 year period ending 31 July 2038 of the contracted obligation to maintain employer contributions at 6.3% to assess the value of this provision.

The liability figures have been produced using the following assumptions:

	2023	2022
Discount rate	5.52%	3.31%
Pensionable salary growth over the period of the plan	2.4% - 7.0%	2.4% - 4.0%
USS membership growth over the period of the plan	1.00%	1.00%

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

Local Government Pension Scheme

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

Return on investments	4.6%
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 contributions payable by us were 19.3% of pensionable pay up to March 2023 and 20.7% of pensionable pay from April 2023.



Notes to the Annual Accounts (continued)

26 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 2023 by a qualified independent actuary.

The material assumptions used by the actuary were:

At end of year	31 July 2023	31 July 2022
	%	%
Rate of CPI inflation:	2.7	2.7
Rate of increase in salaries:	4.2	4.2
Rate of increase in pensions:	2.8	2.8
Discount rate:	5.1	3.5

Post retirement mortality assumptions for members retiring in normal health

	31 July 2023	31 July 2022
Non-retired members	SAPS 3 CMI 22 (1.5%) (100% males, 94% females)	SAPS 3 CMI 21 (1.75%) (98% males, 88% females)
Retired members	SAPS 3 CMI 22 [1.5%] (95% males, 94% females)	SAPS 3 CMI 21 [1.75%] (92% males, 87% females)

Life expectancy

Male / female future pensioner 65 in 20 years time	23.2 / 25.7 years	24.6 / 27.3 years
Male / female current pensioner aged 65	22 / 24 years	23.1 / 25.3 years

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

Assumption	Change in Assumption	Impact on scheme liabilities
Discount rate	Increase by 0.5%	Decrease by £12.0m
Rate of CPI Inflation	Increase by 0.25%	Increase by £6.4m
Rate of salary growth	Increase by 0.25%	Increase by £0.8m
Members live longer	1 year longer	Increase by £3.5m

Notes to the Annual Accounts (continued)

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

	2023	2022
	£m	£m
Market value of assets	147.9	155.1
Present value of scheme liabilities	(154.2)	(196.4)

Net pension liability	(6.3)	(41.3)
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Amounts charged to SOCI:

Included in staff costs and operating expenses for the year (note 9)

	2023	2022
	£m	£m
Current service cost	4.5	8.6
Administration expenses	0.1	0.1

Total operating charge	4.6	8.7
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	2023	2022
	£m	£m

Analysis of amount charged to interest payable

Net interest charge (note 12)	1.4	1.5
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Net charge	1.4	1.5
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Notes to the Annual Accounts (continued)

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

	2023	2022
	£m	£m
Change in assumptions underlying the present value of the scheme assets	(12.6)	1.0
of the scheme liabilities	49.2	59.9

Actuarial gain recognised in the SOCI

36.6

60.9

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

	2023	2022
	£m	£m
Deficit in scheme at 1 August	41.3	97.0
Movement in the year:		
Current service and curtailment costs	4.5	8.8
Contributions by the employer	(4.4)	(5.2)
Administrative charge	0.1	0.1
Net interest charge	1.4	1.5
Actuarial gains	(36.6)	(60.9)

Deficit in scheme at 31 July

6.3

41.3

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

	2023	2022
	£m	£m
At the beginning of the year	196.4	247.5
Current service cost	4.5	8.6
Interest on pension liabilities	6.9	3.9
Member contributions	1.0	1.1
Actuarial (gain)/losses on liabilities - other	(49.2)	(59.9)
Curtailments	-	0.2 (
Benefits/transfers paid	5.4)	(5.0)

At the end of the year

154.2

196.4

Notes to the Annual Accounts (continued)

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

	2023	2022
	£m	£m
At the beginning of the year	155.1	150.5
Interest on plan assets	5.5	2.4
Actuarial gains on assets	(12.6)	1.0
Administrative expenses	(0.1)	(0.1)
Contributions by the employer	4.4	5.2
Contributions by scheme participants	1.0	1.1
Benefits/transfers paid	(5.4)	(5.0)

At the end of the year	147.9	155.1
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Analysis of the scheme assets:

	2023	2022
	£m	£m
Equities	48.5	64.1
Government bonds	30.0	15.4
Other bonds	12.9	11.3
Property	9.2	11.3
Cash/liquidity	1.5	0.5
Other	45.8	52.5

At the end of the year	147.9	155.1
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University Total pension costs (note 9)

	2023	2022
	£m	£m
Universities Superannuation Scheme: employer only contributions	23.9	21.8
Universities Superannuation Scheme: provision movement	(16.1)	67.1

	7.8	88.9
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Avon Pension Fund (LGPS)	4.2	8.7
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Contributions to other pension schemes	1.1	0.6
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Total pension costs	13.1	98.3
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27 Post balance sheet event

In September 2023 we bought two student accommodation properties, Scala and Eveleigh Waterside for £32.2m. This brings an additional 150 rooms into our student accommodation estate. All rooms are fully occupied by 2023-24 students.

