

## **UNIVERSITY COLLEGE BIRMINGHAM**

### **REPORT OF THE MEMBERS OF THE CORPORATION FOR THE YEAR TO 31 JULY 2019**

The members present their report and the audited financial statements for the year ended 31 July 2019.

#### **CORPORATION**

The Corporation was established under The Further and Higher Education Act 1992 for the purpose of managing University College Birmingham and was re-established in August 2002 when the institution transferred to the Higher Education Sector. At that point, members of the Corporation were appointed by the Secretary of State. The University is an exempt charity for the purposes of the Charities Act 2011.

#### **PUBLIC BENEFIT STATEMENT**

##### **Mission**

Our mission statement is:

“To promote and provide the opportunity for participation in the learning process by those with the ambition and commitment to succeed and to maintain a learning community that meets the diverse needs of our students, the economy and society at large.”

UCB values and promotes:

- Putting our students first.
- Outstanding teaching and learning.
- Encouragement for as many people as possible to access further and higher education, and lifelong learning.
- Equality of opportunity, freedom of expression and social responsibility.
- Economically valuable skills development which meets the needs of individuals, employers and society.
- Strong and productive links with employers and representatives of the industries to which our programmes relate.
- A highly professional, well qualified staff.
- Continuous improvement in the quality of the estate and specialist facilities.
- A strong international outlook in our recruitment and teaching.
- Sound and effective institutional management and corporate governance.

##### **High Quality Education**

The University's teaching has a wide range of public benefits:

- Enabling students to maximise their potential.
- Widening access to education.
- Enabling students to pursue their chosen career path.

Students are attracted by our excellent academic reputation, our outstanding graduate employment record and the wide array of other opportunities we offer. We offer placement options across our discipline base and 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 enterprising individuals with high aspirations. As a result, our graduates are well-equipped to obtain jobs in their chosen area, enjoy strong career progression and make a positive social contribution.

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We use a detailed set of Performance Indicators to measure the University's success at recruitment, retention and student satisfaction. We recruit internationally and are committed to promoting a diverse student population.

We support social mobility through a range of activities:

- Enhancing student services and support networks to minimise barriers to retention.
- Diversifying our curriculum, delivery methods and modes of learning to attract a wider range of students.
- Promoting access and minimising barriers to progression by working to understand and to mitigate the difficulties some applicants experience in joining the University.
- Raising aspiration and outreach activities for young people from under-represented groups.

We recognise that tuition fees may be a barrier to accessing our teaching and we publicise the comprehensive financial support that we can provide to students through our website and Open Days.

We encourage 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. We have an excellent record for supporting students with disabilities to the successful completion of their studies.

#### **Public Detriment**

Whilst we do not believe that there is any direct harm or detriment to the public arising from our corporate goals, we recognise that our activities have environmental consequences and we have made a number of commitments to promote effective environmental management:

- Make the most efficient and effective use of all resources, encouraging members of our community to develop a sustainable approach.
- Develop and implement effective energy and water conservation measures.
- Act in an environmentally and biodiversity-sensitive manner.
- Reduce overall waste production.
- Continually improve our environmental performance as far as the constraints of our physical infrastructure and estate will permit

#### **IMPLEMENTATION OF CORPORATE STRATEGY**

In 2017, the University prepared a Corporate Strategy for the period 2017 to 2020. The Corporation monitors the performance of the University against this strategy. The strategy is reviewed and updated each year and focusses on:

- Students;
- Teaching and Learning;
- The Student Experience;
- Partnerships;
- Becoming a Global University; and
- Investment & Transformation.

## UNIVERSITY COLLEGE BIRMINGHAM

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The key objectives which flow from these themes include:

#### **Objective**

Provide inspirational teaching and learning and ensure students are taught by the best in the industry

#### **How**

Deliver flexible and dynamic modes of teaching that suits the needs of our students and engages them in their own learning and assessment within a vibrant academic learning culture. This will be measured in a number of ways, including reviews from OFSTED and maintaining the silver standard or better in the Teaching Excellence Framework.

Drive the development of student employability so it is embedded across all UCB programmes.

Develop and maintain close partnerships and dialogue with employers which will be measured through graduate outcome statistics and destination of leavers.

Work with employers in UCB's specialist fields to develop innovative ways to meet their workforce recruitment and training needs, particularly through apprenticeships at all levels.

Through hired@UCB, our own employability centre, we will continue to develop and monitor activities for students to enhance their employability and our success will be seen through year on year growth in apprenticeship provision at all levels.

Promote a culturally diverse institution that develops all students as global citizens.

By continuing to work with the University's academic and pastoral support teams to embed an international culture across all aspects of the institution and curricula so that international student employment rates exceed benchmark levels.

Develop our existing estate by building Moss House, our new higher education campus and relocating our library facilities nearer to Moss House.

Moss House is due for completion by January 2020 and relocation of the library facilities before the end of the 2019/20 academic year.

### **FINANCIAL OBJECTIVES AND REVIEW OF OUT-TURN FOR THE YEAR**

Since incorporation the University has sought to exercise tight cost control whilst seeking to maximise its income from a variety of sources. This has resulted in very satisfactory surpluses in all accounting periods. The University will continue to accumulate reserves in order to create a contingency fund to improve its stock of both teaching and residential accommodation and to enhance the condition of its buildings in order to strengthen its appeal to students in an increasingly competitive national and international market.

Every November the University reports progress against the Corporate Plan via the Corporate Planning and Annual Monitoring Statement.

## UNIVERSITY COLLEGE BIRMINGHAM

### REPORT OF THE MEMBERS OF THE CORPORATION FOR THE YEAR TO 31 JULY 2019

#### PERFORMANCE INDICATORS

The University sets a wide range of targets for its performance each year and these targets are monitored throughout the year. Reporting of the out-turn against targets and, where possible, benchmarking against appropriate external data is summarised in the University's "Performance Indicators and Targets" document which is produced for Governor review and approval each year. The main areas in which the University sets targets are as follows:

- Governance
- Student Recruitment
- Student Retention
- Achievement Rates
- Destinations
- Equal Opportunities
- Student Satisfaction
- Accommodation
- Finance

#### STUDENT NUMBERS

The University is funded according to the units of activity it generates each year. In 2018/19, the University achieved the following estimated full-time equivalent student recruitment:

	<u>Recruitment</u>
National College for Teaching and Leadership (Full-Time Equivalents)	47
Higher Education: Home and EU (Full-Time Equivalents)	4,455
Further Education: Home and EU (Learner Numbers)	1,499
Further Education Apprenticeships: Rollover from previous year (Learner Numbers)	286
New starts (Learner Numbers)	201
Overseas (Learner Numbers)	730

#### CURRICULUM DEVELOPMENTS

Methods of teaching and learning are under continuous review and development to ensure that the curriculum meets the needs of the local population and the Employment Sectors the University serves.

#### FINANCES

The Group generated a surplus before other gains and losses in the year of £2,765,000 (2017-2018: £5,902,000), with total comprehensive income of £1,951,000 (2017-18: £13,469,000). The net cash inflow from operating activities was strong at £10,963,000 (2017-2018: £10,402,000). Net assets and the balance of cash at bank and in hand at 31 July 2019 were £142,183,000 and £18,464,000 respectively (31 July 2018: £140,232,000 and £15,348,000).



## UNIVERSITY COLLEGE BIRMINGHAM

### REPORT OF THE MEMBERS OF THE CORPORATION FOR THE YEAR TO 31 JULY 2019

#### FINANCES *(continued)*

During the year, the University purchased tangible fixed assets of £26,538,000 of which £26,368,000 relates to land and buildings.

The key financial performance indicators for the year to 31 July 2019 are as follows:

Current Ratio	1.8
Operating Surplus as a Percentage of Income	5.2%
Net Liquidity Days	141
External Borrowing as a Percentage of Income	0%

#### POST BALANCE SHEET EVENTS

There were no post balance sheet events.

#### RESOURCES

The University has various resources that it can deploy in pursuit of its strategic objectives.

In addition to the strong financial resources, the University's human resources comprise 569 employees (expressed as full-time equivalents), 257 of whom are teaching staff. The University has an excellent reputation locally, nationally and internationally and considers that maintaining a quality brand is essential for its success at attracting students and external relationships.

#### PRINCIPAL RISKS AND UNCERTAINTIES

The University has undertaken further work during the year to develop and embed the system of internal control, including financial, operational and risk management which is designed to protect its assets and reputation.

Based on the Corporate Plan, the University's Executive Management Team undertakes a comprehensive review of the risks to which the University is exposed. They identify systems and procedures, including specific preventable actions which should mitigate any potential impact on the University. The internal controls are then implemented and the subsequent year's appraisal will review their effectiveness and progress against risk mitigation actions. In addition to the annual review, the Executive Management Team will also consider any risks which may arise as a result of a new area of work being undertaken by the University.

A risk register is maintained at the University level which is reviewed at least annually by the Audit Committee and at each meeting of the full Corporation. The risk register identifies the key risks, the likelihood of those risks occurring, their potential impact on the University and the actions being taken to reduce and mitigate the risks. Risks are prioritised using a consistent scoring system.

Outlined below is a description of the principal risk factors that may affect the University. Not all of the factors are within the University's control. Other factors besides those listed below may also adversely affect the University.

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### REPORT OF THE MEMBERS OF THE CORPORATION FOR THE YEAR TO 31 JULY 2019

#### PRINCIPAL RISKS AND UNCERTAINTIES *(continued)*

a) Student recruitment

The University is reliant upon government funding through the Office for Students (OfS) / Higher Education Funding Council for England (HEFCE) and the Education Skills Funding Agency (ESFA) and upon tuition fees receivable from students. These sources of income are dependent upon meeting student number targets for Higher and Further Education. Failure to meet these targets would therefore have an adverse effect on resources.

This risk is mitigated in several ways. The University offers a generous fee waiver scheme to students and continues to market itself strongly.

b) Significant stock market fall

The University's fixed asset investments comprise holdings in managed funds and covered warrants and are carried at market value. There is therefore a risk of significant reductions in value as a result of fluctuations in market conditions.

c) UK exit from Europe (Brexit)

If EU students become classified as "International" upon the UK's exit from Europe and require similar Tier 4 immigration status there will be a potential impact upon student recruitment numbers and associated tuition fee and accommodation income.

The University is assessing this impact and continually monitors political developments.

#### CHARITABLE AND TAXATION STATUS

The University is an exempt charity for the purposes of the Charities Act 2011 and is not liable to Corporation Tax.

#### STAKEHOLDER RELATIONSHIPS

In line with other universities and colleges, University College Birmingham has many stakeholders. These include:

- Students
- Funding Councils
- Staff
- Local employers (with specific links)
- Local Authorities
- The local community
- Other HE and FE institutions
- Trade Unions
- Professional bodies
- Local Enterprise Partnerships

The University recognises the importance of these relationships and engages in regular communication with them.

## **UNIVERSITY COLLEGE BIRMINGHAM**

### **REPORT OF THE MEMBERS OF THE CORPORATION FOR THE YEAR TO 31 JULY 2019**

#### **EQUAL OPPORTUNITIES AND EMPLOYMENT OF DISABLED PERSONS**

The University is committed to a Policy of Equal Opportunities. The aim of the Policy is to ensure that all applicants, students, employees, all those involved in its work and other users of University facilities receive fair and equal treatment. The University aims to provide a service that, in its teaching, administration and support, actively promotes equality of opportunity and freedom from discrimination on the grounds of age, disability, gender reassignment, marriage and civil partnership, pregnancy and maternity, race, religion or belief (including lack of belief), sex, and sexual orientation (The Equality Act 2010, Section 4).

The University continues to have due regard to the need to:

- Eliminate unlawful discrimination, harassment and victimisation and other conduct prohibited by the Act (The Equality Act 2010)
- Advance equality of opportunity between people who share a protected characteristic and those who do not
- Foster good relations between people who share a protected characteristic and those who do not

The University fosters an environment where discrimination is seriously challenged. It is committed to fairness, justice, equality, respect and dignity by attempting to eradicate discrimination in all spheres of its influence (i.e. admissions and access; student assessment and achievement; student guidance and support; teaching and learning; curriculum; staff recruitment; professional development and support; partnerships and community links; procurement and outsourcing; and quality assurance). To this end the University will:

- Develop an awareness of the dangers of discrimination and prejudice in all spheres and the need to counter discrimination, harassment, victimisation, bullying and prejudicial practices
- Provide for the particular educational needs of students, having regard to their protected characteristics
- Prepare students for life in a modern-day society, building on strengths of cultural diversity, mutual tolerance, dignity and respect
- Enable all staff to deliver a quality service by building upon strengths of cultural diversity, mutual tolerance, dignity and respect.

The University considers all applications for employment from disabled persons, whilst considering the aptitudes of the individuals concerned. Where an existing employee becomes disabled every effort is made to ensure that employment with the University continues. The University's policy is to provide training, career development and opportunities for promotion to disabled persons which are, as far as possible, identical to those for other employees.

#### **DISABILITY STATEMENT**

The University seeks to meet the requirements of the Equality Act 2010 at all times and in particular makes the following commitments to the provision of facilities, equipment and reasonable adjustment:

- As part of the design of new buildings and refurbishment of existing buildings it is installing lifts, ramps, toilets and specific adjustments, so that facilities will allow access to people with a disability;
- There is a range of specialist equipment, lighting and audio facilities which the University makes available for use by students and staff with a disability;

## UNIVERSITY COLLEGE BIRMINGHAM

### REPORT OF THE MEMBERS OF THE CORPORATION FOR THE YEAR TO 31 JULY 2019

#### DISABILITY STATEMENT *(continued)*

- The University has made a significant investment in the appointment of specialist lecturers to support students with learning difficulties and/or disabilities. There are also a number of academic support workers who provide support to meet the needs of the individual learner. There is a continuing programme of staff development to ensure the provision of a high level of appropriate support for students who have learning difficulties and/or disabilities;
- Counselling, occupational health and welfare services support student and staff needs.

To maintain our commitment to equality, independent consultants carry out a detailed annual review of facilities and services offered by the University across all teaching and non-teaching sites. The University remains committed to implementing and maintaining the recommendations of their reports. Staff disability needs are monitored and reviewed annually.

#### TRADE UNION FACILITY TIME

The Trade Union (Facility Time Publication Requirements) Regulations 2017 require the university to publish information on facility time arrangements for trade union officials at the university

Numbers of employees who were relevant Union officials employed in the relevant period	FTE employee number
2	2.0

Percentage of time	Number of employees
0%	0
1-50%	2
51-99%	0
100%	0

Total cost of facility time	£10,000
Total pay bill	£28,521,000
Percentage of total bill spent on facility time	0.03%

Time spent on paid trade union activities as a percentage of total paid facility time	5%
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#### STAFF AND STUDENT INVOLVEMENT

The University considers good communications with its staff to be very important and to this end holds regular staff meetings and publishes a newsletter which is available to all staff. The University encourages staff and student involvement through membership of formal committees.

**UNIVERSITY COLLEGE BIRMINGHAM**

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**DISCLOSURE OF INFORMATION TO AUDITORS**

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

**PROFESSIONAL ADVISERS**

Internal Auditors: PricewaterhouseCoopers LLP  
Cornwall Court  
19 Cornwall Street  
Birmingham  
B3 2DT

External Auditors: BDO  
Two Snow Hill  
Birmingham  
B4 6GA

Principal Bankers: National Westminster Bank plc Yorkshire Bank  
1 St Philips Place Temple Point  
Birmingham 1 Temple Row  
B3 2PP Birmingham  
B2 5YB

Principal Solicitors: Eversheds LLP Shakespeare Martineau LLP  
115 Colmore Row 1 Colmore Square  
Birmingham Birmingham  
B3 3AL B4 6AA

Browne Jacobson LLP  
Victoria Square House  
Victoria Square  
Birmingham  
B2 4BU

Investment Advisors: UBS AG Investec  
10 Colmore Row Colmore Plaza  
Birmingham 20 Colmore Circus Queensway  
B3 2QD Birmingham  
B4 6AT



Nigel Moss – Chair

**UNIVERSITY COLLEGE BIRMINGHAM**

**REPORT OF THE MEMBERS OF THE CORPORATION FOR THE YEAR TO 31 JULY 2019**

**MEMBERS**

<b>Name</b>	<b>Date of Current Appointment</b>	<b>Term of Office</b>	<b>Date of Resignation</b>	<b>Status of Appointment</b>	<b>Notes</b>	<b>Committees Served</b>
Mr N Moss	1 August 2017	3 years		Independent Member	Chair of Corporation	Remuneration and Nominations (Chair)
Dr A Antona	1 August 2017	3 years		Independent Member		Finance and General Purposes (Chair) Remuneration and Nominations
Mr G DiVito	1 December 2018	2 years		Teaching Staff Member		Student Services and Standards
Mr P Griffiths MBE	1 August 2017	3 years		Independent Member		Finance and General Purposes
Prof T Jones	1 August 2018	2 years		Co-opted Member		Ad Hoc
Ms V Lee	1 December 2018	3 years		Independent Member		Student Services and Standards
Prof R Linforth	1 August 2008			Vice-Chancellor & Principal		Finance and General Purposes
Mt R Loveitt	1 August 2018	1 year		Student Member		Student Services and Standards
Ms L McGinn	1 December 2017	3 years		Independent Member		Audit
Ms C Owen OBE	1 August 2017	3 years	30 June 2019	Independent Member		Student Services and Standards (Chair)
Mr J Retailack	15 November 2016	3 years		Independent Member		Audit
Ms L Teague	1 December 2017	3 years		Independent Member	Deputy Chair of Corporation	Finance and General Purposes
Ms Y Towe	1 August 2017	3 years		Independent Member		
Mr M Wiseman	1 December 2017	3 years		Independent Member		Audit (Chair) Remuneration and Nominations

## UNIVERSITY COLLEGE BIRMINGHAM

### STATEMENT OF THE RESPONSIBILITIES OF THE MEMBERS OF THE CORPORATION

#### MEETINGS OF THE MEMBERS OF THE CORPORATION

The members of the corporation usually serve one or more committees. The committee meetings held during 2018-19 and the main agenda items discussed are listed below.

<b>Committee</b>	<b>Date Convened</b>	<b>Principal Items Discussed</b>
Corporation	14 November 2018	<ul style="list-style-type: none"><li>• Office for Students Registration Update</li><li>• OfS Annual Accountability Returns, including the Report and Financial Statements, financial results and updated forecast tables</li><li>• Review of the 2018/19 Operating Statement and Risk Register</li><li>• Financial Report for the two months to 30 September 2018</li><li>• Student numbers 2018/19</li><li>• Proposed Overseas Tuition Fees 2020/21</li><li>• VC &amp; Principal Report from Academic Board</li></ul>
	20 March 2019	<ul style="list-style-type: none"><li>• Performance Measures and Targets 2018/19 and FE Self-Assessment Report</li><li>• Curriculum 2020</li><li>• Financial Report for the six months to 31 January 2019</li><li>• Review of Operating Statement and Risk Register</li><li>• Access and Participation Plan 2020/21</li><li>• VC &amp; Principal Report from Academic Board</li><li>•</li></ul>
	16 May 2019	<ul style="list-style-type: none"><li>• Appointment of Vice-Chancellor and Principal</li></ul>
	3 July 2019	<ul style="list-style-type: none"><li>• Financial Report for the ten months to 31 May 2019</li><li>• Financial Forecast (Budget) July 2019 Submission</li><li>• Apprenticeship Restructure</li><li>• Ofsted Framework</li><li>• TEF Update</li><li>• Response to Augar Review</li><li>• Review of Risk Register and Operating Statement 2018/19 and Operating Statement 2019/20</li><li>• VC &amp; Principal Report from Academic Board</li><li>• Proposed update to sub-committee Terms of Reference</li><li>• Salary Sacrifice Scheme Update</li><li>• Report from Remuneration and Nominations Committee</li></ul>

## UNIVERSITY COLLEGE BIRMINGHAM

### REPORT OF THE MEMBERS OF THE CORPORATION FOR THE YEAR TO 31 JULY 2019

#### MEETINGS OF THE MEMBERS OF THE CORPORATION *(continued)*

<b>Committee</b>	<b>Date Convened</b>	<b>Principal Items Discussed</b>
Finance and General Purposes	26 September 2018	<ul style="list-style-type: none"><li>• Update on student enrolment</li><li>• Draft Report and Financial Statements for year to 31 July 2018</li><li>• Financial Report for the one month to 31 August 2018</li><li>• Health and Safety Review 2017/18 and Action Plan 2018/19</li><li>• Modern Slavery and Human Trafficking Statement</li><li>• Application of Corporation Seal</li><li>• Estates development update</li><li>• Investment review update</li></ul>
	6 February 2019	<ul style="list-style-type: none"><li>• Proposed tuition fees</li><li>• Financial Report for the five months to 30 November 2018</li><li>• Transparency review</li><li>• Estates development update</li><li>• Application of Corporation Seal</li><li>• Investments Update</li></ul>
	8 May 2019	<ul style="list-style-type: none"><li>• Equal Pay Audit and Review 2018</li><li>• Gender Pay Gap Report 2018</li><li>• Financial Report for the eight months to 31 March 2019</li><li>• University Financial Regulations</li><li>• Application of Corporation Seal</li><li>• Estates development update</li><li>• Investments Update</li></ul>
Audit	10 October 2018	<ul style="list-style-type: none"><li>• Funding Assurance Audit 2017/18</li><li>• Review of Risk Management for 2018/19</li><li>• Review of Draft Report and Financial Statements for 2017/18, including Management Report and Letter</li><li>• Internal Audit Service Annual Report 2017/18</li><li>• Draft Audit Committee Annual Report to the Corporation</li><li>• Internal Audit Reports</li><li>• Estates Development Update</li><li>• Private meeting between Committee Members and Auditors</li></ul>
	20 February 2019	<ul style="list-style-type: none"><li>• Internal Audit Reports</li><li>• Key suppliers in 2017/18</li><li>• Tenders Awarded</li><li>• Proposed updates to Fraud Response Plan</li><li>• External Audit Fees for 2018/19</li><li>• Estates development Update</li></ul>



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### REPORT OF THE MEMBERS OF THE CORPORATION FOR THE YEAR TO 31 JULY 2019

#### MEETINGS OF THE MEMBERS OF THE CORPORATION *(continued)*

Committee	Date Convened	Principal Items Discussed
Audit	5 June 2019	<ul style="list-style-type: none"><li>• Internal Audit Reports and Draft Audit Plan</li><li>• External Audit Planning Letter</li><li>• Assurance on the arrangements for Risk Management Control and Governance</li><li>• Tenders awarded</li><li>• Estates development Update</li></ul>
Student Services and Standards	24 October 2019	<ul style="list-style-type: none"><li>• Guild of Students Draft Financial Statements 2017/18</li><li>• External examiner and verifier reports</li><li>• Enrolment update</li><li>• Further Education Self-Assessment Report</li><li>• Estates developments</li><li>• Guild President Report</li><li>• QAA Review of Transnational Education in Hong Kong</li></ul>
	27 February 2019	<ul style="list-style-type: none"><li>• Performance Measures and Targets 2018/19 and FE Assessment Reports for 2017/18</li><li>• Access agreement monitoring report</li><li>• Office for Students Enhanced Monitoring Plan</li><li>• Guild President's Report</li><li>• UCB Bursary schemes update</li><li>• Estates Developments Update</li></ul>
	21 May 2019	<ul style="list-style-type: none"><li>• Guild of Students draft budget for 2019/20</li><li>• Proposed amendments to Student Regulations and Charter</li><li>• Safeguarding Practice Report</li><li>• Student Guild Elections</li><li>• Guild President's Report</li><li>• Access and Participation Plan 2020/21</li><li>• Health and Wellbeing Team Report</li><li>• Student Experience Survey Presentation</li><li>• Estates Development Update</li></ul>
Remuneration and Nominations	14 November 2018	<ul style="list-style-type: none"><li>• Nominations and appointments of Governors</li><li>• Remuneration and Nominations Committee Annual Statement 2018/19</li></ul>
	17 May 2019	<ul style="list-style-type: none"><li>• Actions flowing from appointment of Vice-Chancellor and Principal</li><li>• Skills Audit Planning</li></ul>
	3 July 2019	<ul style="list-style-type: none"><li>• Nominations and appointment of Governors</li><li>• Changes to Executive Management Team</li><li>• Staff Remuneration 2019/20</li></ul>

## UNIVERSITY COLLEGE BIRMINGHAM

### STATEMENT OF THE RESPONSIBILITIES OF THE MEMBERS OF THE CORPORATION

The members of the Corporation of the University are required to present audited financial statements for each financial year.

Within the terms and conditions of the Financial Memorandum agreed between the Office for Students (formerly the Higher Education Funding Council for England) and the Corporation of the University, the Corporation, through its Vice-Chancellor & Principal, is required to prepare financial statements for each financial year in accordance with the 2015 Statement of Recommended Practice – Accounting for Further and Higher Education Institutions and with the Accounts Direction issued by the OfS / HEFCE, which give a true and fair view of the state of affairs of the University and the surplus for that year.

In preparing the financial statements the Corporation is required to:-


- select suitable accounting policies and then apply them consistently
- make judgements and estimates that are reasonable and prudent
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements
- prepare financial statements on the going concern basis unless it is inappropriate to assume that the University will continue in operation.

The Corporation is also required to prepare a Members' Report which describes what it is trying to do and how it is going about it, including the legal and administrative status of the University.

The Corporation is responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the University and to enable it to ensure that the financial statements are prepared in accordance with the relevant legislation of incorporation and other relevant accounting standards. It has general responsibility for taking such steps that are reasonably open to it to safeguard assets of the University and to prevent and detect fraud and other irregularities.

Members of the Corporation are responsible for ensuring that expenditure and income are applied for the purposes intended by Parliament and that the financial transactions conform to the authorities that govern them. In addition, they are responsible for ensuring that funds from the OfS are used only in accordance with the Financial Memorandum with the OfS and any other conditions which the OfS may from time to time prescribe. Members of the Corporation must ensure that there are appropriate financial and management controls in place sufficient to safeguard public and other funds and ensure that they are used only in accordance with the conditions under which they have been made available. In addition, members of the Corporation are responsible for securing the economical, efficient and effective management of the University's resources and expenditure, so that the benefits that should be derived from the application of public funds by the OfS are not put at risk.

Approved by order of the members of the Corporation on 29 November 2019 and signed on its behalf by:



Nigel Moss  
Chair

29 November 2019

## UNIVERSITY COLLEGE BIRMINGHAM

### STATEMENT OF CORPORATE GOVERNANCE

The University is committed to exhibiting best practice in all aspects of corporate governance. It complies with the provisions of the voluntary *Governance Code of Practice* adopted by the Committee of University Chairmen (CUC) as updated in February 2014 and also the UK Corporate Governance Code which was published in 2016. This summary describes the manner in which the University has applied the principles set out in the Combined Code. Its purpose is to help the reader of the accounts understand how the principles have been applied.

In the opinion of the governors, the University complies with all the provisions of both the CUC Governance Code of Practice and the UK Corporate Governance Code in so far as they apply to the higher education sector, and it has complied throughout the year ended 31 July 2019.

#### Statement of Primary Responsibilities

Having regard to the Code, the Corporation has adopted the following statement of primary responsibilities:

1. To approve the mission and strategic vision of the University, long-term academic and business plans and key performance indicators, and to ensure that these meet the interests of stakeholders.
2. To delegate authority to the Vice-Chancellor & Principal, as chief executive, for the academic, corporate, financial, estate and personnel management of the University and to establish and keep under regular review the policies, procedures and limits within such management functions as shall be undertaken by and under the authority of the Vice-Chancellor & Principal.
3. To ensure the establishment and monitoring of systems of control and accountability, including financial and operational controls and risk assessment, and procedures for handling internal grievances and for managing conflicts of interest.
4. To ensure processes are in place to monitor and evaluate the performance and effectiveness of the institution against the plans and approved key performance indicators, which should be, where possible and appropriate, benchmarked against other comparable institutions.
5. To establish processes to monitor and evaluate the performance and effectiveness of the governing body itself.
6. To conduct its business in accordance with best practice in higher education corporate governance and with the principles of public life drawn up by the Committee on Standards in Public Life.
7. To safeguard the good name and values of the University.
8. To appoint the Vice-Chancellor & Principal as chief executive, and to put in place suitable arrangements for monitoring his/her performance.
9. To appoint a secretary to the governing body and to ensure that, if the person appointed has managerial responsibilities in the institution, there is an appropriate separation in the lines of accountability.
10. To be the employing authority for all staff in the University and to be responsible for establishing a human resources strategy.
11. To be the principal financial and business authority of the University, to ensure that proper books of account are kept, to approve the annual budget and financial statements, and to have overall responsibility for the University's assets, property and estate.
12. To be the University's legal authority and, as such, to ensure that systems are in place for meeting all the University's legal obligations, including those arising from contracts and other legal commitments made in the University's name.

## UNIVERSITY COLLEGE BIRMINGHAM

### STATEMENT OF THE RESPONSIBILITIES OF THE MEMBERS OF THE CORPORATION

#### Statement of Primary Responsibilities *(continued)*

13. To make such provision as it thinks fit for the general welfare of students, in consultation with the academic board.
14. To act as trustee for any property, legacy, endowment, bequest or gift in support of the work and welfare of the University.
15. To ensure that the University's constitution is followed at all times and that appropriate advice is available to enable this to happen.

#### The Corporation

The composition of the Corporation during the year is set out on page 10. It is the Corporation's responsibility to bring independent judgment to bear on issues of strategy, performance, resources and standards of conduct.

The Corporation is provided with regular and timely information on the overall financial performance of the University, together with other information such as performance against funding targets, proposed capital expenditure, quality matters and personnel-related matters such as health and safety and environmental issues. The Corporation meets each term.

The Corporation conducts its business through a number of committees. Each committee has terms of reference, which have been approved by the Corporation. These committees are: Finance and General Purposes; Remuneration and Nominations; Audit; Student Services and Standards and Ad Hoc.

The Finance and General Purposes Committee, the Audit Committee, the Student Services and Standards Committee and the full Corporation meet at least termly. The Remuneration and Nominations and Ad Hoc Committees are convened as necessary. Full minutes of all meetings are available from the University Secretary at:

University College Birmingham  
Summer Row  
Birmingham  
B3 1JB

The Clerk to the Corporation maintains a register of financial and personal interests of the governors. The register is available for inspection at the above address.

All governors are able to obtain independent professional advice in the furtherance of their duties at the University's expense and have access to the Clerk to the Corporation, who is responsible to the Board for ensuring compliance with all applicable procedures and regulations. The appointment, evaluation and removal of the Clerk are matters for the Corporation as a whole.

Formal agendas, papers and reports are supplied to governors in a timely manner, prior to Board meetings. Briefings are also provided on an ad-hoc basis.

The Corporation has a strong and independent non-executive element and no individual or group dominates its decision-making process. The Corporation considers that each of its non-executive members is independent of management and free from any business or other relationship, which could materially interfere with the exercise of their independent judgment.

There is a clear division of responsibility in that the roles of the Chancellor and Vice-Chancellor & Principal are separate.

## **UNIVERSITY COLLEGE BIRMINGHAM**

### **STATEMENT OF CORPORATE GOVERNANCE**

#### **Remuneration and Nominations Committee**

It is the responsibility of the Remuneration and Nominations Committee to determine the remuneration and benefits of the Vice-Chancellor & Principal and other senior staff, based on a remuneration policy which takes into account the Nolan Principles of Public Life and the University's current financial position in relation to the rest of the sector.

Any new appointments to the Corporation are a matter for the consideration of the Corporation as a whole. The Remuneration and Nominations Committee is responsible for the selection and nomination of new Independent members for the Corporation's consideration, based on an approved Skills Audit of current membership. The Corporation is responsible for ensuring that appropriate training is provided as required.

Independent Members of the Corporation are appointed for a term of office not exceeding 3 years. Details of remuneration for the year ended 31 July 2019 are set out in note 6 to the financial statements.

#### **Audit Committee**

The Audit Committee comprises three members of the Corporation (excluding the Vice-Chancellor & Principal). The Committee operates in accordance with written terms of reference approved by the Corporation.

The Audit Committee meets on a termly basis and provides a forum for reporting by the University's internal and financial statement auditors, who have access to the Committee for independent discussion, without the presence of University management. The Committee also receives and considers reports from the Funding Council as they affect the University's business.

The University's internal auditors monitor the systems of internal control, risk management controls and governance processes in accordance with an agreed plan of input, reporting their findings to management and the Audit Committee. Management is responsible for the implementation of agreed audit recommendations and internal auditors undertake periodic follow-up reviews to ensure such recommendations have been implemented.

The Audit Committee also advises the Corporation on the appointment of internal and financial statement auditors and their remuneration for both audit and non-audit work.

#### **Internal control**

The Vice-Chancellor & Principal, as Accountable Officer, is responsible for ensuring that an effective system of internal control is maintained and operated by the University.

The Corporation is ultimately responsible for the University's system of internal control and for reviewing its effectiveness. However, such a system is designed to manage, rather than eliminate, the risk of failure to achieve business objectives and can provide only reasonable, not absolute, assurance against material mis-statement or loss.

The Corporation has delegated to the Vice-Chancellor & Principal, as Accountable Officer, the day-to-day responsibility for reviewing the adequacy of the system of internal financial control and making any appropriate amendments. He/she is also responsible for reporting to the Corporation any material weaknesses or breakdowns in internal financial control.

The Corporation has reviewed the key risks to which the University is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The Corporation is of the view that there is a formal ongoing process for identifying, evaluating and managing the College's significant risks that has been in place for the year ending 31 July 2019 and up to the date of approval of the annual report and accounts. This process is regularly reviewed by the Corporation.

## UNIVERSITY COLLEGE BIRMINGHAM

### STATEMENT OF CORPORATE GOVERNANCE

#### Internal control *(continued)*

The Executive Management Team receives reports setting out key performance and risk indicators, and considers possible control issues brought to their attention by early warning mechanisms which are embedded within the departments and reinforced by risk awareness training. The Executive Management Team and the Audit Committee also receive regular reports from internal audit, which include recommendations for improvement. The Audit Committee's role in this area is confined to a high-level review of the arrangements for internal control. The Corporation's agenda includes a regular item for consideration of risk and control and receives reports therein from the Executive Management Team and Audit Committee. The emphasis is on obtaining the relevant degree of assurance, not merely reporting by exception. At its November 2019 meeting, the Corporation carried out the annual assessment for the year ended 31 July 2019 by considering documentation from the Executive Management Team and internal audit, and taking account of events since 31 July 2019.

#### Public benefit

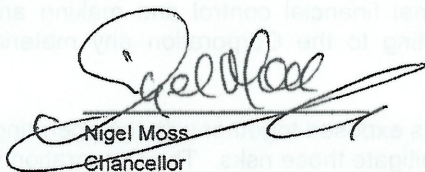
University College Birmingham is an exempt charity and has regard to the Charity Commission's guidance on public benefit in the exercise of its duties. Its charitable object is, for the public benefit, to advance education, knowledge and learning by teaching and research. It carries out this object in accordance with the powers granted to the Corporation by Section 124 of the Education Reform Act 1988.

The University has delivered its charitable purposes for the Public Benefit in 2018/19 by providing both Higher and Further education and training to in excess of 7,000 students and providing research and consultancy services for business within its specialist industry areas, namely

- Restaurants, hotels and licensed trade
- Bakery
- Food and consumer management
- Tourism
- Early years education and childcare
- Events and entertainment
- Sports therapy
- Sports management
- Beauty therapy, hairdressing, salon management and theatrical special effects & media make-up
- Service sector marketing
- Health and social care

#### Going concern

After making appropriate enquiries, the Corporation considers that the University has adequate resources to continue in operational existence for the foreseeable future. For this reason it continues to adopt the going concern basis in preparing the financial statements.



Nigel Moss  
Chancellor

29 November 2019



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Michael Harkin  
Vice-Chancellor & Principal



## UNIVERSITY COLLEGE BIRMINGHAM

### INDEPENDENT AUDITOR'S REPORT TO THE CORPORATION OF UNIVERSITY COLLEGE BIRMINGHAM

#### Opinion

We have audited the financial statements of University College Birmingham ("the University") and its subsidiaries ("the Group") for the year ended 31 July 2019 which comprise the Consolidated and University Statement of Comprehensive Income and Expenditure, the Consolidated and University Statement of Changes in Reserves, the Consolidated and University Balance Sheet, the Consolidated Cash Flow Statement and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the Group's and of the University's affairs as at 31 July 2019 and of the Group's and the University's income and expenditure, gains and losses, changes in reserves and of the group's and the University's cash flows for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been properly prepared in accordance with the Statement of Recommended Practice: Accounting for Further and Higher Education and relevant legislation.

#### Basis for opinion

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

#### Conclusions relating to going concern

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

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

## UNIVERSITY COLLEGE BIRMINGHAM

### INDEPENDENT AUDITOR'S REPORT TO THE CORPORATION OF UNIVERSITY COLLEGE BIRMINGHAM

#### Other information

The Corporation are responsible for the other information. Other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

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

We have nothing to report in this regard.

#### Opinion on other matters required by the Office for Students ("OfS")

In our opinion, in all material respects:

- Funds from whatever source administered by the higher education institution for specific purposes have been properly applied to those purposes and managed in accordance with relevant legislation.
- Funds provided by the OfS and Research England have been applied in accordance with the Terms and Conditions of Funding and any other terms and conditions attached to them.
- The requirements of the OfS's accounts direction have been met.

#### Responsibilities of the Corporation

As explained more fully in the Statement of the Responsibilities of the Members of the Corporation set out on page 14, the Corporation is responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Corporation 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 Corporation are responsible for assessing the Group and the University's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Corporation either intends to liquidate the Group or the University or to cease operations, or have no realistic alternative but to do so.

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

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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



## UNIVERSITY COLLEGE BIRMINGHAM

### INDEPENDENT AUDITOR'S REPORT TO THE CORPORATION OF UNIVERSITY COLLEGE BIRMINGHAM

In addition, we also report to you whether income from funding bodies, grants and income for specific purposes and from other restricted funds administered by the University have been properly applied only for the purposes for which they were received and whether income has been applied in accordance with the Statutes and, where appropriate, with the Terms and Conditions of Funding with the OfS.

#### Use of our report

This report is made solely to the University Corporation, as a body, in accordance with Section 75 of the Higher Education Research Act 2017. Our audit work has been undertaken so that we might state to the University's Corporation those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the University and the Corporation members as a body, for our audit work, for this report, or for the opinions we have formed.

BDO LLP

Kyla Bellingall (Senior Statutory Auditor)  
For and on behalf of BDO LLP, Statutory Auditor  
Birmingham  
Date: 29 November 2019

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127).

UNIVERSITY COLLEGE BIRMINGHAM

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR TO 31 JULY 2019

		2019	2018
		£'000	<i>Restated</i> £'000
	Notes		
<b>Income</b>			
Funding body grants	2	8,488	9,807
Academic fees and support grants	3	36,668	35,250
Other operating income	4	6,712	6,537
Investment income	5	1,336	1,239
<b>Total income</b>		<b>53,204</b>	<b>52,833</b>
<b>Expenditure</b>			
Staff costs	6	(28,521)	(26,833)
Other operating expenses	7	(18,841)	(16,576)
Depreciation and amortisation	10	(2,638)	(3,000)
Interest payable	9	(439)	(522)
<b>Total expenditure</b>		<b>(50,439)</b>	<b>(46,931)</b>
<b>Surplus before other gains and losses</b>		<b>2,765</b>	<b>5,902</b>
Gain on investment disposals		-	234
<b>Surplus before tax</b>		<b>2,765</b>	<b>6,136</b>
Taxation	8	(64)	-
<b>Surplus for the year</b>		<b>2,701</b>	<b>6,136</b>
Unrealised gain / (loss) on revaluation of investments	15	1,750	2,614
Actuarial (loss) / gain in respect of pension scheme	16	(2,500)	4,719
<b>Total comprehensive income for the year</b>		<b>1,951</b>	<b>13,469</b>
Represented by:			
Unrestricted comprehensive income		<b>1,951</b>	<b>13,469</b>

The statement of comprehensive income is in respect of continuing activities. The figures are consolidated for University College Birmingham and its subsidiaries.

UNIVERSITY COLLEGE BIRMINGHAM

UNIVERSITY STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR TO 31 JULY 2019

		2019 £'000	2018 £'000
	Notes		
<b>Income</b>			
Funding body grants	2	8,488	9,807
Academic fees and support grants	3	36,668	35,250
Other operating income	4	6,712	6,537
Investment income	5	1,436	1,239
<b>Total income</b>		<b>53,304</b>	<b>52,833</b>
<b>Expenditure</b>			
Staff costs	6	(28,521)	(26,833)
Other operating expenses	7	(18,841)	(16,576)
Depreciation	10	(2,535)	(3,000)
Interest payable	9	(439)	(522)
<b>Total expenditure</b>		<b>(50,336)</b>	<b>(46,931)</b>
<b>Surplus before other gains and losses</b>		<b>2,968</b>	<b>5,902</b>
Gain on investment disposals		-	234
<b>Surplus before tax</b>		<b>2,968</b>	<b>6,136</b>
Taxation	8	-	-
<b>Surplus for the year</b>		<b>2,968</b>	<b>6,136</b>
Unrealised gain on revaluation of investments	15	1,215	2,614
Actuarial gain / (loss) in respect of pension scheme	16	(2,500)	4,719
<b>Total comprehensive income for the year</b>		<b>1,683</b>	<b>13,469</b>
Represented by:			
Unrestricted comprehensive income		<b>1,683</b>	<b>13,469</b>

UNIVERSITY COLLEGE BIRMINGHAM

CONSOLIDATED STATEMENTS OF CHANGES IN RESERVES FOR THE YEAR TO 31 JULY 2019

<b>Group</b>	<i>Income and Expenditure Account £'000</i>	<i>Revaluation Reserve £'000</i>	<i>Total £'000</i>
<b>Balance at 31 July 2017</b>	<b>115,619</b>	<b>11,144</b>	<b>126,763</b>
Surplus for the year	6,136	-	6,136
Other comprehensive income	4,719	2,614	7,333
Transfers	958	(958)	-
Total comprehensive income for the year	<u>11,813</u>	<u>1,656</u>	<u>13,469</u>
<b>Balance at 31 July 2018</b>	<b>127,432</b>	<b>12,800</b>	<b>140,232</b>
Surplus for the year	2,701	-	2,701
Other comprehensive income	(2,500)	1,750	(750)
Transfers	217	(217)	-
Total comprehensive income for the year	<u>418</u>	<u>1,533</u>	<u>1,951</u>
<b>Balance at 31 July 2019</b>	<b>127,850</b>	<b>14,333</b>	<b>142,183</b>


<b>University</b>	<i>Income and Expenditure Account Restated £'000</i>	<i>Revaluation Reserve Restated £'000</i>	<i>Total Restated £'000</i>
<b>Balance at 31 July 2017</b>	<b>115,619</b>	<b>11,144</b>	<b>126,763</b>
Surplus for the year	6,136	-	6,136
Other comprehensive income	4,719	2,614	7,333
Transfers	958	(958)	-
Total comprehensive income for the year	<u>11,813</u>	<u>1,656</u>	<u>13,469</u>
<b>Balance at 31 July 2018</b>	<b>127,432</b>	<b>12,800</b>	<b>140,232</b>
Surplus for the year	2,968	-	2,968
Other comprehensive income	(2,500)	1,215	(1,285)
Transfers	217	(217)	-
Total comprehensive income for the year	<u>685</u>	<u>998</u>	<u>1,683</u>
<b>Balance at 31 July 2019</b>	<b>128,117</b>	<b>13,798</b>	<b>141,915</b>

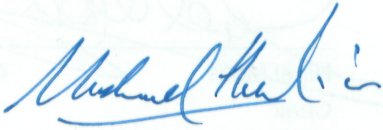
UNIVERSITY COLLEGE BIRMINGHAM

CONSOLIDATED BALANCE SHEET AS AT 31 JULY 2019

		2019	2018
		£'000	Restated £'000
	Notes		
<b>FIXED ASSETS</b>			
Goodwill		412	516
Tangible assets	10	98,033	74,031
Investments	11	56,154	56,514
		<u>154,599</u>	<u>131,061</u>
<b>CURRENT ASSETS</b>			
Stock		23	26
Debtors	12	3,498	2,454
Short-term investments		108	15,028
Cash at bank and in hand		18,464	15,348
		<u>22,093</u>	<u>32,856</u>
<b>CREDITORS: amounts falling due within one year</b>	13	(12,455)	(6,458)
		<u>9,638</u>	<u>26,398</u>
<b>NET CURRENT ASSETS</b>			
		<u>164,237</u>	<u>157,459</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>			
		164,237	157,459
<b>PENSION LIABILITY</b>	14	(22,054)	(17,227)
		<u>142,183</u>	<u>140,232</u>
<b>NET ASSETS</b>			
		<u><u>142,183</u></u>	<u><u>140,232</u></u>
<b>RESERVES</b>			
Income and expenditure account including pension reserve		127,850	127,432
Revaluation reserves	15	14,333	12,800
		<u>142,183</u>	<u>140,232</u>

The financial statements on pages 22 to 51 were approved by the Corporation on 29 November 2019 and were signed on its behalf by:

  
 Nigel Moss  
 Chair  
 29 November 2019


  
 Michael Harkin  
 Vice-Chancellor & Principal

UNIVERSITY COLLEGE BIRMINGHAM

UNIVERSITY BALANCE SHEET AS AT 31 JULY 2019

		2019 £'000	2018 Restated £'000
	Notes		
<b>FIXED ASSETS</b>			
Tangible assets	10	98,033	74,031
Investments	11	53,199	56,998
		<u>151,232</u>	<u>131,029</u>
<b>CURRENT ASSETS</b>			
Stock		23	26
Debtors	12	6,533	2,486
Short-term investments		108	15,028
Cash at bank and in hand		18,464	15,348
		<u>25,128</u>	<u>32,888</u>
<b>CREDITORS: amounts falling due within one year</b>	13	(12,391)	(6,458)
<b>NET CURRENT ASSETS</b>		<u>12,737</u>	<u>26,430</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		163,969	157,459
<b>PENSION LIABILITY</b>	14	(22,054)	(17,227)
<b>NET ASSETS</b>		<u>141,915</u>	<u>140,232</u>
<b>RESERVES</b>			
Income and expenditure account including pension reserve		128,117	127,432
Revaluation reserves	15	13,798	12,800
		<u>141,915</u>	<u>140,232</u>

The financial statements on pages 22 to 51 were approved by the Corporation on 29 November 2019 and were signed on its behalf by:

  
 Nigel Moss  
 Chair  
 29 November 2019

  
 Michael Harkin  
 Vice-Chancellor & Principal

UNIVERSITY COLLEGE BIRMINGHAM

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR TO 31 JULY 2019

		2019 £'000	2018 <i>Restated</i> £'000
	Notes		
<b>NET CASH INFLOW FROM OPERATING ACTIVITIES</b>	17	10,963	10,402
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		<hr/>	<hr/>
Purchase of tangible fixed assets not under finance leases	10	(26,537)	(8,240)
Income from sale of tangible fixed assets		-	-
Deferred capital grants received		323	395
Purchase of investments		(11,626)	(7,500)
Income from sale of investments		13,737	12,446
Income from investments		1,167	1,115
Other interest received		169	124
New deposit investments		14,920	(15,028)
Purchase of subsidiary undertaking		-	(401)
		<hr/>	<hr/>
		(7,847)	(17,089)
<b>INCREASE / (DECREASE) IN CASH IN THE YEAR</b>		<hr/>	<hr/>
		3,116	(6,687)
		<hr/>	<hr/>
<b>RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET FUNDS</b>			
		£'000	£'000
Increase / (Decrease) in cash in the year		3,116	(6,687)
Net funds at 1 August		15,348	22,035
		<hr/>	<hr/>
Net funds at 31 July		<b>18,464</b>	<b>15,348</b>
		<hr/>	<hr/>

## UNIVERSITY COLLEGE BIRMINGHAM

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR TO 31 JULY 2019

#### 1. ACCOUNTING POLICIES

##### ***Statement of accounting policies***

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

##### ***Basis of preparation***

These financial statements have been prepared in accordance with the Statement of Recommended Practice (SORP): *Accounting for Further and Higher Education 2015* and in accordance with Financial Reporting Standard ("FRS") 102. The University is a public benefit entity and therefore has applied the relevant public benefit requirement of FRS 102.

##### ***Basis of accounting***

The financial statements have been prepared in accordance with the historical cost convention modified by the revaluation of certain fixed assets.

##### ***Foreign currency***

Transactions denominated in foreign currencies are recorded using the exchange rate prevailing at the date of the transaction.

##### ***Basis of consolidation***

The consolidated financial statements of the group include the financial statements of the University and its subsidiary undertakings. The results of subsidiary and associated undertakings acquired or disposed of during the year are included in the consolidated statements of comprehensive income from or up to the date on which control of the undertaking passes. Intra-group sales and profits are eliminated fully on consolidation. In accordance with FRS 102, the activities of the student union have not been consolidated because the University does not control those activities. All financial statements are prepared to 31 July 2019.

##### ***Recognition of income***

###### ***a) Tuition fee income***

Income from tuition fees is recognised in the period for which it is received and includes all fees payable by students or their sponsors. Where the amount of the tuition fee is reduced, by a discount for prompt payment, income is shown net of the discount. Bursaries and scholarships which are not offered as a deduction on fees are accounted for gross as expenditure and not deducted from income.

###### ***b) Other operating income***

Income from the sale of goods or services is credited to the Consolidated statement of comprehensive income and expenditure when the goods or services are supplied to the external customers or the terms of the contract have been satisfied.

###### ***c) Investment income***

Income from investments represents dividends received. Fluctuations in market value on investments which have been held by the University throughout the year are taken directly to reserves.



## UNIVERSITY COLLEGE BIRMINGHAM

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR TO 31 JULY 2019

#### 1. ACCOUNTING POLICIES *(continued)*

##### d) Grant funding – funding body grants

Recurrent grants receivable from the Education Skills Funding Agency and the National College for Teaching and Leadership represent the funding allocations attributable to the current financial year and are credited direct to the statements of comprehensive income. Recurrent grants are recognised in line with planned activity. Any under-achievement against this planned activity is adjusted in-year and reflected in the level of recurrent grant recognised in the statements of comprehensive income. Recurrent grants receivable from the Office for Students (formerly the Higher Education Funding Council for England) are based upon the HESES returns provided by the University in December and June of each academic year.

##### e) Grant funding – other grants

Grants receivable from the National College for Teaching and Leadership represent the funding allocations attributable to the current financial year and are credited direct to the statements of comprehensive income.

#### ***Pension schemes***

Retirement benefits to employees of the University are provided by the Teachers' Pension Scheme (TPS) and the Local Government Pension Scheme (LGPS). These are defined benefit schemes which are externally funded and contracted out of the State Earnings Related Pension Scheme.

Contributions to the TPS are charged to the income and expenditure account so as to spread the cost of pensions over employees' working lives with the University in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by qualified actuaries on the basis of quinquennial valuations using a prospective benefit method. As stated in Note 16, the TPS is a multi employer scheme and the University is unable to identify its share of the underlying assets and liabilities of the scheme on a consistent and reasonable basis. The TPS is therefore treated as a defined contribution scheme and the contributions recognised as they are paid each year.

The LGPS is a funded scheme. The assets of the LGPS are measured using 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 equivalent term and currency to the liabilities. The actuarial valuations are obtained at least triennially and updated at each balance sheet date. The amounts charged to operating surplus are the current service costs and the costs of scheme introductions, benefit changes, settlements and curtailments. They are included as part of staff costs as incurred. Net interest on the net defined benefit liability is also recognised in the Statement of Comprehensive Income and comprises the interest cost on the defined benefit obligation and interest income on the scheme assets, calculated by multiplying the fair value of the scheme assets at the beginning of the period by the rate used to discount the benefit obligations. The difference between the interest income on the scheme assets and the actual return on the scheme assets is recognised in other gains and losses.

#### ***Employment Benefits***

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

#### ***Goodwill***

Goodwill arising on the acquisition of subsidiary undertakings and businesses, representing any excess of the fair value of the consideration over the fair value of the identifiable assets and liabilities acquired is capitalised and written off on a straight line basis over its useful economic life. Useful economic life is assessed separately for each business acquired, depending on the nature of that business. Where a reliable estimate of the useful life of goodwill cannot be made, the life shall not exceed five years. Provision is made for any impairment.

## UNIVERSITY COLLEGE BIRMINGHAM

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR TO 31 JULY 2019

#### 1. ACCOUNTING POLICIES (continued)

##### **Tangible fixed assets**

###### a) Land and buildings

The University's buildings are specialised buildings and therefore it is not appropriate to value them on the basis of open market value. Land and buildings inherited from the Local Education Authority are stated in the balance sheet at valuation on the basis of depreciated replacement cost. Land and buildings acquired since incorporation are capitalised at cost. Freehold land is not depreciated. Freehold buildings are depreciated over their expected useful economic life to the University of 50 years. Leasehold buildings are amortised over the length of the lease.

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

Buildings under construction are accounted for at cost, based on the value of architects' certificates and other direct costs incurred to 31 July. They are not depreciated until they are brought into use.

Where significant subsequent expenditure is incurred on tangible fixed assets it is charged to the income and expenditure account in the period it is incurred, unless it meets one of the following criteria, in which case it is capitalised and depreciated on the relevant basis:

- i. Market value of the fixed asset has subsequently improved
- ii. Asset capacity increases
- iii. Substantial improvement in the quality of output or reduction in operating costs
- iv. Significant extension of the asset's life beyond that conferred by repairs and maintenance

###### b) Refurbishments

Refurbishments costing less than £15,000 are written off to the income and expenditure account in the period of refurbishment. All other refurbishments are capitalised at cost and are depreciated over their useful economic life to the University of 4 years.

###### c) Other tangible fixed assets

Other tangible fixed assets costing less than £15,000 per individual item are written off to the income and expenditure account in the period of acquisition. All other tangible fixed assets are capitalised at cost.

Other tangible fixed assets are depreciated over their useful economic lives as follows:

Motor vehicles	4 years
Computer equipment	4 years
General equipment	4 years

##### **Investment Properties**

Investment property is land and buildings held for rental income or capital appreciation rather than for use in delivering services.

Investment properties are initially measured at cost and subsequently at fair value with movements recognised in the Statement of Comprehensive Income and Expenditure. Properties are not depreciated but are revalued annually according to market conditions as at 31 July each year.

## UNIVERSITY COLLEGE BIRMINGHAM

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR TO 31 JULY 2019

#### 1. ACCOUNTING POLICIES *(continued)*

##### ***Investments in subsidiaries***

The Consolidated Statement of Comprehensive Income and Balance Sheet include the annual accounts of the Corporation and its operating subsidiary undertakings. Details of the university's subsidiary undertakings are provided in the notes to the accounts. The Annual Accounts have been consolidated under the acquisition method of accounting; intra-group transactions are eliminated on consolidation.

##### ***Investments in joint ventures***

Due to the nature of its activities, the University is a member of a number of other joint ventures and companies. The individual detail of these other holdings is not disclosed, nor consolidated into the accounts of the University, purely on the grounds of materiality.

##### ***Leased assets***

Costs in respect of operating leases are charged on a straight-line basis over the lease term. Leasing agreements which transfer to the University substantially all the benefits and risks of ownership of an asset are treated as if the asset had been purchased outright. The assets are included in fixed assets and the capital elements of the leasing commitments are shown as obligations under finance leases. The lease rentals are treated as consisting of capital and interest elements. The capital element is applied to reduce the outstanding obligations and the interest element is charged to the income and expenditure account in proportion to the reducing capital element outstanding. Assets held under finance leases are depreciated over the shorter of the lease term or the useful economic lives of equivalent owned assets. Assets which are held under hire purchase contracts which have the characteristics of finance leases are depreciated over their useful lives.

##### ***Investments***

Investments are held for the long term and are therefore treated as fixed assets and included at market valuation. Fluctuations in value are taken directly to the investment revaluation reserve included within reserves in the balance sheet, so avoiding significant fluctuations in operating surpluses resulting from short term fluctuations in the value of investments.

##### ***Stocks***

Stocks are stated at the lower of cost and net realisable value. Where necessary, provision is made for obsolete, slow moving and defective stocks.

##### ***Maintenance of premises***

The cost of routine corrective maintenance is charged to the income and expenditure account in the period it is incurred.

##### ***Taxation***

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

The University receives no similar exemption in respect of Value Added Tax. Most of the services provided to students are, however, exempt from 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.



**1. ACCOUNTING POLICIES** *(continued)*

The University's subsidiaries are liable to Corporation Tax in the same way as any other commercial or corporate organisations.

Deferred tax is provided in full on timing differences which result in an obligation at the balance sheet date to pay more tax, or a right to pay less tax, at a future date, at rates expected to apply when they crystallise based on current rates and law. Timing differences arise from the inclusion of items of income and expenditure in taxation computations in periods different from those in which they are included in the financial statements. Deferred tax assets are more likely than not to be recovered.

***European Social Fund ("ESF") Monies***

The University only recognises ESF monies upon official confirmation that a particular bid for funds has been approved.

***Cash and cash equivalents***

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

Cash equivalents are short term, highly liquid investments that are readily convertible to known amounts of cash with insignificant risk of change in value. An investment qualifies as a cash equivalent when it has maturity of 3 months or less from the date of acquisition.

***Provisions***

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

***Deferred Capital Grants***

In accordance with FRS 102 the University accounts for deferred capital grants using the Performance model whereby grants that do not impose specific future performance-related conditions are recognised in the statements of comprehensive income on receipt and grants that impose specific future performance-related conditions are only recognised in the statements of comprehensive income once the performance-related conditions are met.

***Agency arrangements***

The University acts as an agent in the collection and payment of Learner Support Funds and National College for Teaching and Leadership training bursaries. Related payments received from the Office for Students (formerly HEFCE), ESFA and NCTL and subsequent disbursements to students are excluded from the income and expenditure account and are shown separately in note 23, except for the 5% of the grant received which is available to the University to cover administration costs relating to the grant. The University employs one member of staff dedicated to the administration of Learner Support Fund applications and payments.

***Financial instruments***

The Group only enters into basic financial instrument transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors, loans from banks and other third parties, loans to related parties and investments in non-puttable ordinary shares.

## UNIVERSITY COLLEGE BIRMINGHAM

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR TO 31 JULY 2019

#### 1. ACCOUNTING POLICIES *(continued)*

Debt instruments (other than those wholly repayable or receivable within one year), including loans and other accounts receivable and payable, are initially measured at present value of the future cash flows and subsequently at amortised cost using the effective interest method. Debt instruments that are payable or receivable within one year, typically trade debtors and creditors, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration expected to be paid or received. However, if the arrangements of a short-term instrument constitutes a financing transaction, like the payment of a trade debt deferred beyond normal business terms or financed at a rate of interest that is not a market rate or in the case of an out-right short-term loan not at market rate, the financial asset or liability is measured, initially, at the present value of the future cash flow discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost.

Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the Consolidated Statement of Comprehensive Income. For financial assets measured at amortised cost, the impairment loss is measured as the difference between an asset's carrying amount and the present value of estimated cash flows discounted at the asset's original effective interest rate. If a financial asset has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract.

For financial assets measured at cost less impairment, the impairment loss is measured as the difference between an asset's carrying amount and best estimate of the recoverable amount, which is an approximation of the amount that the Group would receive for the asset if it were to be sold at the balance sheet date.

Financial assets and liabilities are offset and the net amount reported in the Balance Sheet when there is an enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

#### **Reserves**

The University has an income & expenditure reserve which is unrestricted, meaning that it can be used to support all activities of the University. There are two other restricted reserves which can only be used for specified purposes. These are the pension reserve which is retained to support the Local Government Pension deficit and the revaluation reserve which reflects unrealised gains in investments.

UNIVERSITY COLLEGE BIRMINGHAM

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR TO 31 JULY 2019

2. FUNDING BODY GRANTS

<i>Consolidated and University</i>	OfS £'000	ESFA £'000	Total 2019 £'000	Total 2018 £'000
Recurrent Grants				
- Higher Education	1,821	-	1,821	2,315
- ESFA (16-18)	-	4,257	4,257	5,188
- ESFA (Adult)	-	766	766	681
- ESFA prior year reconciliation (Adult)	-	40	40	(44)
Release of capital grants	323	-	323	395
Apprenticeships (16-18)	-	302	302	332
Apprenticeships prior year reconciliation (16-18)	-	7	7	31
Apprenticeships (Adult)	-	691	691	673
Apprenticeships prior year reconciliation (Adult)	-	27	27	-
Employers apprenticeship grant	-	39	39	7
Discretionary bursaries	-	139	139	159
Free school meals	-	49	49	58
Vulnerable student bursaries	-	23	23	19
Residential bursaries	-	4	4	(7)
	<u>2,144</u>	<u>6,344</u>	<u>8,488</u>	<u>9,807</u>

During the year, the University also received £39,000 (2018: £66,000) from the ESFA earmarked as access funds. These funds were administered in accordance with the terms and conditions specified by the ESFA. The funds have been excluded from both income and expenditure.

3. ACADEMIC FEES AND SUPPORT GRANTS

<i>Consolidated and University</i>	2019 £'000	2018 £'000
Tuition fees:		
Higher Education – Home	21,997	21,701
Higher Education – EU	9,271	7,922
Higher Education – Non EU	4,175	4,407
Further Education – Home	265	337
Further Education – EU	16	16
Further Education – Non EU	93	124
	<u>35,817</u>	<u>34,507</u>
Overseas trips	3	5
Contracts	843	722
European funds	5	16
	<u>36,668</u>	<u>35,250</u>

UNIVERSITY COLLEGE BIRMINGHAM

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR TO 31 JULY 2019

4. OTHER OPERATING INCOME

<i>Consolidated and University</i>	<i>2019</i> <i>£'000</i>	<i>2018</i> <i>£'000</i>
Catering operations	982	945
Residence income	4,825	4,707
Other income generating activities	832	793
Other services rendered	73	92
	<u>6,712</u>	<u>6,537</u>

5. INVESTMENT INCOME

	<i>2019</i>		<i>2018</i>	
	<i>Group</i>	<i>University</i>	<i>Group</i> <i>Restated</i>	<i>University</i>
	<i>£'000</i>	<i>£'000</i>	<i>£'000</i>	<i>£'000</i>
Income from investments	1,167	1,167	1,115	1,115
Other interest receivable	169	269	124	124
	<u>1,336</u>	<u>1,436</u>	<u>1,239</u>	<u>1,239</u>

Income from investments represents dividends received. Fluctuations in market value on investments which have been held by the University throughout the year are taken directly to reserves.

UNIVERSITY COLLEGE BIRMINGHAM

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR TO 31 JULY 2019

6. STAFF COSTS

The average number of persons employed by the University during the year, expressed as full-time equivalents, was:

<i>Consolidated and University</i>	2019	2018
Teaching departments	257	246
Teaching and other support services	184	182
Administration and central services	31	35
General education expenditure	22	19
Premises	30	27
Research	1	1
Catering and residences	44	41
	<b>569</b>	<b>551</b>
	<u>2019</u>	<u>2018</u>
	<u>£'000</u>	<u>£'000</u>
Wages and salaries	20,613	19,438
Social security costs	2,139	2,076
Pension costs (including FRS 102 adjustments of £1,867,000 – 2018: £1,411,000)	5,030	4,436
	<u>27,782</u>	<u>25,950</u>
Payroll sub-total	27,782	25,950
Contracted-out staffing services	739	883
	<b>28,521</b>	<b>26,833</b>
	<u>2019</u>	<u>2018</u>
	<u>£'000</u>	<u>£'000</u>
Employment costs for staff on permanent contracts	25,084	23,931
Employment costs for staff on short-term and temporary staffing contracts	831	608
Contracted-out lecturing services	739	883
FRS 102 retirement benefit charge	1,867	1,411
	<b>28,521</b>	<b>26,833</b>



## UNIVERSITY COLLEGE BIRMINGHAM

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR TO 31 JULY 2019

#### 6. STAFF COSTS *(continued)*

The number of staff, excluding the Vice-Chancellor & Principal, who received a basic salary in excess of £100,000 in the following ranges was:

<i>Consolidated and University</i>	2019	2018
£100,001 to £105,000	-	-
£105,001 to £110,000	-	2
£115,001 to £120,000	-	1
£120,001 to £125,000	1	-
£130,000 to £135,000	-	-
£135,001 to £140,000	-	-
£140,001 to £145,000	1	1
£145,001 to £150,000	-	1
£150,001 to £155,000	1	-
£155,001 to £160,000	-	1
£165,001 to £170,000	1	-
	<b>4</b>	<b>6</b>

The remuneration paid to the Vice-Chancellor & Principal was:

<i>Consolidated and University</i>	2019 £'000	2018 £'000
Salary	255	250
Payment in lieu of notice	106	-
Benefits in kind	1	-
	<b>362</b>	<b>250</b>
Pension contributions	-	-

The figure given for the salary of the Vice-Chancellor & Principal includes payments in lieu of pension contribution amounting to £27,000 (2018: £26,000). The Vice-Chancellor & Principal gave the Corporation a year's notice of his intention to retire on 31 December 2019. However, his successor was able to take up his post earlier than anticipated, which enabled an early handover of duties, allowing the new Vice-Chancellor & Principal to assume full operational control from 1 August 2019. Consequently, the Corporation curtailed the notice period of the outgoing Vice-Chancellor & Principal and a payment in lieu of notice was paid for the period 1 August 2019 to 31 December 2019.

i. The Vice-Chancellor and Principal's basic salary is 8.4 times the median pay of staff, where the median pay is calculated on a full-time equivalent basis for the salaries paid by the University to its staff.

ii. The Vice-Chancellor and Principal's total remuneration is 10.2 times the median total remuneration of staff, where the median total remuneration is calculated on a full-time equivalent basis for the total remuneration by the University to its staff.

**UNIVERSITY COLLEGE BIRMINGHAM**

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR TO 31 JULY 2019**

**6. STAFF COSTS** *(continued)*

The remuneration of the Vice-Chancellor and Principal is determined by the Remuneration and Nominations Committee who take a broad view of the financial performance of the HE sector and base decisions primarily on the recommendations made by the Universities and Colleges Employers' Association (UCEA), who negotiate nationally on the University's behalf. Remuneration and Nominations Committee consider that this is appropriate given the seniority of the post and the success of the University in a very challenging Higher Education environment.

The members of the Corporation other than the Vice-Chancellor & Principal and the member nominated by the staff (who is a University employee) did not receive any payment from the University other than the reimbursement of travel and subsistence expenses incurred in the course of their duties.

**Key management personnel**

The members of the Executive Management Team are considered to be the key management personnel of the University, having authority and responsibility for planning, directing and controlling the activities of the University. Staff costs include compensation paid to key management personnel.

	2019 £'000	2018 £'000
Key management personnel compensation	1,143	1,150
	<u>1,143</u>	<u>1,150</u>

**7. OTHER OPERATING EXPENSES**

<i>Consolidated and University</i>	2019 £'000	2018 £'000
Teaching departments	3,154	2,947
Teaching support services	1,629	1,839
Other support services	805	715
Administration and central services	2,773	2,185
General education expenditure	4,766	3,568
Premises costs	2,915	2,866
Catering costs	1,202	1,109
Residences expenditure	1,576	1,331
Local government pension administration costs	21	16
	<u>18,841</u>	<u>16,576</u>
Other operating expenses included:		
	2019 £'000	2018 £'000
Auditors' remuneration:		
- external audit	26	25
- internal audit	36	34
- other services provided by external auditors	-	-
- other services provided by internal auditors	-	-
	<u>-</u>	<u>-</u>

**UNIVERSITY COLLEGE BIRMINGHAM**

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR TO 31 JULY 2019**

**8. TAXATION**

	2019		2018	
	Group £'000	University £'000	Group £'000	University £'000
Deferred tax liability	81	-	-	-
Recognition of deferred tax asset on losses	(17)	-	-	-
	<u>64</u>	<u>-</u>	<u>-</u>	<u>-</u>
	<u><u>64</u></u>	<u><u>-</u></u>	<u><u>-</u></u>	<u><u>-</u></u>

**9. INTEREST PAYABLE**

<i>Consolidated and University</i>	2019 £'000	2018 £'000
Local government pension deficit interest (note 16)	439	522
	<u>439</u>	<u>522</u>
	<u><u>439</u></u>	<u><u>522</u></u>

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR TO 31 JULY 2019

## 10. TANGIBLE FIXED ASSETS

Consolidated and University	Assets in the course of construction	Freehold land and buildings	Refurbishment	Motor vehicles	Computer equipment	General equipment	Total Restated
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Cost or valuation:							
At 1 August 2018	8,169	78,914	11,717	212	515	1,438	100,965
Additions	22,737	2,629	1,001	-	143	27	26,537
Disposals	-	-	-	-	-	-	-
At 31 July 2019	<u>30,906</u>	<u>81,543</u>	<u>12,718</u>	<u>212</u>	<u>658</u>	<u>1,465</u>	<u>127,502</u>
Depreciation:							
At 1 August 2018	-	15,373	9,699	185	446	1,231	26,934
Charge for the year	-	1,259	1,089	9	66	112	2,535
Disposals	-	-	-	-	-	-	-
At 31 July 2019	-	<u>16,632</u>	<u>10,788</u>	<u>194</u>	<u>512</u>	<u>1,343</u>	<u>29,469</u>
Net book value							
At 31 July 2019	<u>30,906</u>	<u>64,911</u>	<u>1,930</u>	<u>18</u>	<u>146</u>	<u>122</u>	<u>98,033</u>
Net book value:							
At 1 August 2018	<u>8,169</u>	<u>63,541</u>	<u>2,018</u>	<u>27</u>	<u>69</u>	<u>207</u>	<u>74,031</u>

UNIVERSITY COLLEGE BIRMINGHAM

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR TO 31 JULY 2019

10. TANGIBLE FIXED ASSETS (Continued)

Inherited land and buildings have been valued at depreciated replacement cost by a firm of independent chartered surveyors. Other tangible fixed assets inherited from the local education authority at incorporation have been valued by the University on a depreciated replacement cost basis with the assistance of independent professional advice in 1994. There are no tangible fixed assets held under finance leases. Land and buildings with a net book value of £2,232,948 have been financed by exchequer funds, through for example the receipt of capital grants. Should these assets be sold, the University may be liable, under the terms of the Financial Memorandum with the OfS, to surrender the proceeds.

11. INVESTMENTS

	2019		2018	
	Group	University	Group	University
	£'000	£'000	Restated £'000	Restated £'000
<b>Managed Funds and Covered Warrants</b>				
Market value at 1 August	50,599	50,599	53,040	53,040
Cost of additions	3,982	3,982	7,157	7,157
Sale of investments	(13,737)	(13,737)	(12,212)	(12,212)
Surplus on revaluation for year	1,724	1,724	2,614	2,614
	<u>42,568</u>	<u>42,568</u>	<u>50,599</u>	<u>50,599</u>
<b>Investment in joint venture (see note 21)</b>				
Cost at 1 August	-	400	-	400
Additions	-	-	-	-
Provision for impairment	-	(56)	-	-
	<u>-</u>	<u>344</u>	<u>-</u>	<u>400</u>
<b>Investment in subsidiary (see note 21)</b>				
Cost at 1 August	-	401	-	-
Additions	-	-	-	401
	<u>-</u>	<u>401</u>	<u>-</u>	<u>401</u>
<b>Investment properties</b>				
Cost at 1 August	5,703	5,386	5,360	5,360
Additions	7,644	6,367	343	26
Disposals	-	(1,626)	-	-
Surplus / (loss) on revaluation	26	(453)	-	-
	<u>13,374</u>	<u>9,674</u>	<u>5,703</u>	<u>5,386</u>
<b>Works of Art</b>				
Cost at 1 August	212	212	212	212
Additions	-	-	-	-
	<u>212</u>	<u>212</u>	<u>212</u>	<u>212</u>
<b>Total investments</b>	<b>56,154</b>	<b>53,199</b>	<b>56,514</b>	<b>56,998</b>

UNIVERSITY COLLEGE BIRMINGHAM

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR TO 31 JULY 2019

11. INVESTMENTS (Continued)

Managed funds and covered warrants have been included at market value. Unrealised gains and losses arising from fluctuations in value are included within revaluation reserves. Investments in joint ventures and works of art have been included at cost.

12. DEBTORS

	2019		2018	
	Group	University	Group	University Restated
	£'000	£'000		
Amounts falling due within one year:				
Trade debtors	2,135	2,135	1,227	1,227
Prepayments and accrued income	919	919	770	770
Loans to joint ventures (see note 21)	429	429	428	428
Loans to other subsidiary undertakings	-	3,035	-	32
Other debtors	15	15	29	29
	<u>3,498</u>	<u>6,533</u>	<u>2,454</u>	<u>2,486</u>

13. CREDITORS

	2019		2018	
	Group	University	Group	University Restated
	£'000	£'000	£'000	£'000
Amounts falling due within one year:				
Trade creditors	2,870	2,870	554	554
Other taxation and social security	192	128	201	201
Accruals and deferred income	9,393	9,393	5,703	5,703
	<u>12,455</u>	<u>12,391</u>	<u>6,458</u>	<u>6,458</u>

Deferred income

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

	2019		2018	
	Group £'000	University £'000	Group £'000	University £'000
Tuition fees in advance	1,400	1,400	1,291	1,291
Accommodation fees in advance	292	292	365	365
	<u>1,692</u>	<u>1,692</u>	<u>1,656</u>	<u>1,656</u>



UNIVERSITY COLLEGE BIRMINGHAM

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR TO 31 JULY 2019

14. PENSION LIABILITY

<i>Consolidated and University</i>	<i>2019</i> <i>£'000</i>	<i>2018</i> <i>£'000</i>
Local government pension liability	22,054	17,227
	<u>          </u>	<u>          </u>

15. REVALUATION RESERVES

	<i>2019</i>		<i>2018</i>	
	<i>Group</i> <i>£'000</i>	<i>University</i> <i>£'000</i>	<i>Group</i> <i>£'000</i>	<i>University</i> <i>£'000</i>
<b><i>Inherited Assets</i></b>				
At 1 August	4,053	4,053	4,193	4,193
Transfer from revaluation reserve to income and expenditure account	(140)	(140)	(140)	(140)
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
	3,913	3,913	4,053	4,053
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
<b><i>Investments</i></b>				
At 1 August	8,747	8,747	6,951	6,951
Release of revaluation reserve in respect of investments sold during the year	(77)	(77)	(818)	(818)
Increase in valuation of investments during the year	1,724	1,724	2,614	2,614
Revaluation of investment properties	26	(509)	-	-
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
	10,420	9,885	8,747	8,747
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
Total Revaluation Reserve	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
	14,333	13,798	12,800	12,800
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>

16. PENSION AND SIMILAR OBLIGATIONS

The two principal pension schemes for the University's staff are the Teachers' Pension Scheme (TPS) and the Local Government Pension Scheme (LGPS). Both are defined benefit schemes.

The total pension cost for the University was:

<i>Consolidated and University</i>	<i>2019</i> <i>£'000</i>	<i>2018</i> <i>£'000</i>
Contribution to TPS	1,785	1,718
Contribution to LGPS	1,378	1,307
FRS 102 charge	1,867	1,411
	<u>          </u>	<u>          </u>
Total pension (Note 6)	5,030	4,436
	<u>          </u>	<u>          </u>



**16. PENSION AND SIMILAR OBLIGATIONS** *(continued)***Teachers' Pension Scheme (TPS)**

The University participates in the TPS, which is an unfunded defined benefit pension scheme where contributions payable are credited to the Exchequer and a notional set of investments maintained. The pension cost is normally assessed no less than every four years in accordance with the advice of the Government Actuary.

For the period from 1 August 2018 to 31 July 2019 the employer contribution was 16.48% and the employee rate was between 7.4% and 11.7%.

**Financial Reporting Standard 102**

Under the definitions set out in Financial Reporting Standard 102, the TPS is a multi-employer pension scheme. The University is unable to identify its share of the underlying assets and liabilities of the scheme. Accordingly, the University has taken advantage of the exemption in FRS 102 and has accounted for its contributions to the scheme as if it were a defined contribution scheme.

**Local Government Pension Scheme (LGPS)**

The University participates in the LGPS, which is a funded defined benefit pension scheme where contributions payable are held in a trust separately from the University. The total contribution made for the year ended 31 July 2019 was £1,879,000 of which employer's contributions totalled £1,366,000 and employees' contributions totalled £513,000. The agreed employer contribution rate for the 2018/19 Fiscal Year was 17.8% and the rate for the 2019/20 Fiscal Year is 17.8%. The employee contribution rate depends upon the salary of the individual member and varies between 5.50% and 12.50%.

**Financial Reporting Standard 102**

The following information is based upon a full actuarial valuation of the Fund at 31 March 2016 updated to 31 July 2019 by a qualified independent actuary.

Weighted average assumptions used to determine obligations at:		31 July 2019	31 July 2018
Rate of increase in salaries		3.85%	3.85%
Rate of increase for pensions		2.35%	2.35%
CPI inflation assumption		2.35%	2.35%
Discount rate for scheme liabilities		2.10%	2.65%
Further life expectancies from age 65:			
Retiring today	Males	20.9 years	21.9 years
	Females	23.2 years	24.4 years
Retiring in 20 years	Males	22.6 years	24.1 years
	Females	25.0 years	26.7 years



**UNIVERSITY COLLEGE BIRMINGHAM**

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR TO 31 JULY 2019**

**16. PENSION AND SIMILAR OBLIGATIONS** *(continued)*

Changes to the LGPS under regulation 3 of the LGPS (Amendment) Regulations 2006 (Statutory Instrument 2006/966) permit employees retiring on or after 6 April 2006 to take an extra increase in their lump sum payment on retirement in exchange for a reduction in their future annual pension. The actuaries have assumed that 50% of employees retiring after 6 April 2006 will take advantage of this change to the pension scheme. The actuaries have advised that this will reduce the value of the University's retirement benefit liability.

The current mortality assumptions include allowance for future improvements in mortality rates.

The University's share of the assets in the scheme at the balance sheet date was:

<i>Consolidated and University</i>	<i>Fair value At 31 July 2019 £'000</i>	<i>Fair value At 31 July 2018 £'000</i>
Equities	26,088	25,123
Government bonds	4,110	2,856
Other bonds	1,642	1,470
Property	3,542	3,222
Cash / liquidity	1,567	1,489
Other	6,444	5,542
	<hr/>	<hr/>
Total fair value of assets	43,393	39,702
Present value of plan liabilities	(65,440)	(56,922)
	<hr/>	<hr/>
Deficit	(22,047)	(17,220)
Present value of unfunded obligation	(7)	(7)
	<hr/>	<hr/>
	(22,054)	(17,227)
	<hr/> <hr/>	<hr/> <hr/>

The return on the fund (on a bid value to bid value basis) for the year to 31 July 2019 is estimated to be 6%. The actual return on fund assets over the year may be different.

UNIVERSITY COLLEGE BIRMINGHAM

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR TO 31 JULY 2019

16. PENSION AND SIMILAR OBLIGATIONS *(continued)*

***Analysis of the amounts recognised in the Statement of Comprehensive Income in respect of the scheme***

<i>Consolidated and University</i>	2019 £'000	2018 £'000
Amounts included in staff costs:		
Service cost	3,233	2,700
	=====	=====
	2019 £'000	2018 £'000
Amounts included in other operating expenses:		
Administration costs	21	16
	=====	=====
Amounts included in interest payable:		
Net interest cost	439	522
	=====	=====

***Amount recognised in Other Comprehensive Income***

<i>Consolidated and University</i>	2019 £'000	2018 £'000
Return on pension scheme assets	1,479	828
Other actuarial gains / (losses) on assets	-	-
Changes in assumptions underlying the present value of scheme liabilities	(7,446)	3,891
Change in demographic assumptions	3,467	-
Experience gain / (loss) on defined benefit obligation	-	-
	=====	=====
Actuarial gain recognised in Other Comprehensive Income	<b>(2,500)</b>	<b>4,719</b>
	=====	=====

***Movement in net defined benefit liability during the year***

<i>Consolidated and University</i>	2019 £'000	2018 £'000
Deficit in scheme at 1 August	(17,227)	(19,997)
Movement in year:		
Current service charge	(2,641)	(2,700)
Employer contributions including unfunded	1,366	1,289
Past service charges	(592)	-
Administration costs	(21)	(16)
Net interest cost	(439)	(522)
Actuarial gain	(2,500)	4,719
	=====	=====
Deficit in scheme at 31 July	<b>(22,054)</b>	<b>(17,227)</b>
	=====	=====

UNIVERSITY COLLEGE BIRMINGHAM

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR TO 31 JULY 2019

16. PENSION AND SIMILAR OBLIGATIONS *(continued)*

**Reconciliation of Defined Benefit Obligations**

<i>Consolidated and University</i>	<i>2019</i> £'000	<i>2018</i> £'000
Defined benefit obligation at start of year	56,929	56,162
Current service cost	2,641	2,700
Interest cost	1,506	1,522
Member contributions	513	491
Change in financial assumptions	7,446	(3,891)
Change in demographic assumptions	(3,467)	-
Experience loss / (gain) on defined benefit obligation	-	-
Estimated benefits paid net of transfers in	(713)	(54)
Past service costs, including curtailments	592	-
Unfunded pension payments	-	(1)
	<u>65,447</u>	<u>56,929</u>

**Reconciliation of Assets**

<i>Consolidated and University</i>	<i>2019</i> £'000	<i>2018</i> £'000
Fair value of assets at start of year	39,702	36,165
Interest on assets	1,067	1,000
Return on assets less interest	1,479	828
Employer contributions including unfunded	1,366	1,289
Member contributions	513	491
Estimated benefits paid plus unfunded net of transfers in	(713)	(55)
Administration expenses	(21)	(16)
Other actuarial gains / (losses)	-	-
	<u>43,393</u>	<u>39,702</u>

The total return on the fund assets for the year to 31 July 2019 is £2,546,000.

**Contributions**

The employer expects to make contributions in the year to 31 July 2020 of £1,366,000.

UNIVERSITY COLLEGE BIRMINGHAM

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR TO 31 JULY 2019

**17. RECONCILIATION OF OPERATING SURPLUS TO NET CASH INFLOW FROM OPERATING ACTIVITIES**

	2019 £'000	2018 £'000
Surplus on continuing operations after depreciation of assets at valuation and tax	2,701	6,136
<b>Adjustment for non-cash items:</b>		
Depreciation (note 10)	2,535	3,000
Amounts written off fixed assets (note 10)	-	-
Fixed assets investments revaluation (note 5)	-	-
Amortisation of intangible assets	103	-
Net fair value losses / (gains) recognised in profit or loss	-	(234)
Decrease in stocks	3	-
(Increase) in trade debtors	(908)	(14)
(Increase) in prepayments, accrued income and other debtors	(135)	(70)
(Increase) in inter-company debtors	(1)	-
Increase / (Decrease) in trade creditors	2,316	149
Increase / (Decrease) in other taxation and social security	(9)	(58)
Increase in accruals	3,690	1,178
Pension cost less contributions payable (notes 6 and 16)	1,867	1,411
Pension administration costs (notes 7 and 16)	21	16
<b>Adjustment for investing or financing activities:</b>		
Profit on disposal of tangible fixed assets	-	-
Deferred capital grants released to income	(323)	(395)
Other interest (note 5)	(169)	(124)
Income from investments (note 5)	(1,167)	(1,115)
Interest payable (note 9)	439	522
<b>Net cash inflow from operating activities</b>	<b>10,963</b>	<b>10,402</b>

**18. ANALYSIS OF CHANGES IN NET FUNDS**

	<i>At 1 August 2018 Restated £'000</i>	<i>Cash flows £'000</i>	<i>At 31 July 2019 £'000</i>
Cash at bank and in hand	<b>15,348</b>	<b>3,116</b>	<b>18,464</b>

**19. CAPITAL COMMITMENTS**

	2019 £'000	2018 £'000
Contracted for at year end	15,918	34,094

## **UNIVERSITY COLLEGE BIRMINGHAM**

### **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR TO 31 JULY 2019**

#### **20. RELATED PARTY TRANSACTIONS**

Due to the nature of the University's operations and the composition of the Corporation (being drawn from local public and private sector organisations) it is inevitable that transactions will take place with organisations in which a member of the Corporation may have an interest. All transactions involving organisations in which a member of the Corporation may have an interest are conducted at arm's length and in accordance with the University's financial regulations and normal procurement procedures. The only transaction identified which should be disclosed under Financial Reporting Standard 102 was the payment of £130,000 grant to the University College Birmingham Guild of Students of which Mr R Loveitt was the president at the time.

Transactions with the OfS (formerly HEFCE), NCTL and ESFA are detailed in notes 2, 13 and 15.

#### **21. JOINT VENTURES AND SUBSIDIARY ENTITIES**

On 5 July 2012, a private limited company called SUCB Holdings Limited was set up. The University owns 50% (500 ordinary shares of £0.01 each) of the issued share capital of this company with the other 50% being owned by a company called NRH Media Limited. On 6 July 2012 Smartphone Hospitality Limited, a wholly owned subsidiary of SUCB Holdings Limited, was incorporated. The purpose of this joint venture was to seek to maximise business opportunities arising out of the utilisation of augmented reality in the hospitality industry. During the year ending 31 July 2019, SUCB Holdings was dissolved and a loan of £125,000 (which had previously been fully provided for) was written off. The University has not accounted for SUCB Holdings Limited as a joint venture due to the immateriality of the figures involved.

On 25 October 2013, a Limited Liability Partnership called UCB Leisure LLP was incorporated. The Capital of this business is owned equally by University College Birmingham and David Playdon (who up until the incorporation of the business was a Governor of the University). On 22 November 2013 UCB Leisure LLP purchased the freehold of the land and buildings of Gayhill Golf Club (now renamed Hollywood Golf Club) for a total consideration of £858,000.

On 22 April 2015, a Limited Liability Partnership called Legge Lane Birmingham LLP was incorporated. The Capital of this business was owned equally by University College Birmingham and Romiga Washington Ltd. The purpose of this joint venture was to build apartments on land owned by the University at Legge Lane, Birmingham and planning permission has been gained for the building of 100 mixed one and two bedroom flats. During the 2017/18 year, the University acquired ownership of Romiga Washington and now owns 100% of Legge Lane Birmingham LLP. Romiga Washington was renamed 'Summer Row Developments' and will be the entity used to progress this project. As a consequence of this, all interests in Legge Lane Birmingham LLP have been transferred to Summer Row Developments and the dissolution of Legge Lane Birmingham LLP is underway. At the end of the year, the University had provided its wholly owned subsidiary, Summer Row Developments, with loans totalling £3.4m to facilitate the continued development of the property.

#### **22. MAJOR NON-CASH TRANSACTIONS**

There have been no major non-cash transactions in the year.

UNIVERSITY COLLEGE BIRMINGHAM

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR TO 31 JULY 2019

**23. LEARNER SUPPORT FUNDS AND TRAINING BURSARIES**

	NCTL Training Bursaries		<i>Learner Support Funds</i>	
	2019 £'000	2018 £'000	2019 £'000	2018 £'000
Funding Council grants	-	30	39	66
Interest earned	-	-	-	-
	<u>-</u>	<u>30</u>	<u>39</u>	<u>66</u>
Disbursed to students	-	(29)	(37)	(63)
Administration costs	-	-	(2)	(3)
	<u>-</u>	<u>(29)</u>	<u>(37)</u>	<u>(63)</u>
Balance unspent at 31 July	<u>-</u>	<u>1</u>	<u>-</u>	<u>-</u>

Funding Council grants are available solely for students; the University acts only as paying agent. The grants and related disbursements are therefore excluded from the Income and Expenditure Account.

**24. EXPENSES PAID TO OR ON BEHALF OF THE MEMBERS OF THE CORPORATION**

During the year expense payments amounting to a total of £17,000 were paid to eight Corporation Members for expenses they incurred in attending University meetings. Examples of the types of expenses incurred include travel and hotel costs.

No payments for services were made to any of the Members or connected parties, other than under contracts of employment.

**25. POST BALANCE SHEET EVENTS**

There are no post balance sheet events.

## UNIVERSITY COLLEGE BIRMINGHAM

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR TO 31 JULY 2019

#### 26. ACCOUNTING ESTIMATES AND JUDGEMENTS

The main source of estimation uncertainty at the balance sheet date that may cause material adjustment to the carrying amounts of assets or liabilities within the next financial year is the uncertainty surrounding the valuation of the net pension liability.

In order to value the pension liability, it is necessary to make assumptions about future discount rates, salary increases, pension increases and life expectancies.

The value of the pension liability is sensitive to changes in these assumptions as follows:

	£'000	£'000	£'000
<b>Adjustment to discount rate</b>	<b>+0.1%</b>	<b>0.0%</b>	<b>-0.1%</b>
Present value of total obligation	64,052	65,447	66,874
Projected service cost	2,874	2,945	3,018
<b>Adjustment to long term salary increase</b>	<b>+0.1%</b>	<b>0.0%</b>	<b>-0.1%</b>
Present value of total obligation	65,647	65,447	65,249
Projected service cost	2,945	2,945	2,945
<b>Adjustment to pension increases and deferred revaluation</b>	<b>+0.1%</b>	<b>0.0%</b>	<b>-0.1%</b>
Present value of total obligation	66,670	65,447	64,252
Projected service cost	3,017	2,945	2,875
<b>Adjustment to life expectancy assumptions</b>	<b>+ 1 Year</b>	<b>None</b>	<b>- 1 Year</b>
Present value of total obligation	67,996	65,447	62,997
Projected service cost	3,050	2,945	2,844

Tangible fixed assets, other than investment properties, are depreciated over their useful lives taking into account residual values, where appropriate. The actual lives of the assets and residual values are assessed annually and may vary depending on a number of factors. In re-assessing asset lives, factors such as technological innovation, product life cycles and maintenance programmes are taken into account. Residual value assessments consider issues such as future market conditions, the remaining life of the asset and projected disposal values.

Investment properties are professionally valued annually using a yield methodology. This uses market rental values capitalised at a market capitalisation rate but there is an inevitable degree of judgement involved in that each property is unique and value can only ultimately be reliably tested in the market itself.

The provision for bad or doubtful debts is based on a number of factors for each debtor, including the age and value of the debt and past payment experience of each debtor.

#### 27. PRIOR PERIOD ADJUSTMENTS

Due to the materiality of transactions flowing through the subsidiary entities of the University, this is the first time that the accounts have been presented on a Group basis. As a consequence of this, a number of prior year figures have had to be restated in order to show values on a Group and University basis.

