

FINANCIAL STATEMENTS

For year ending 31 July 2020





BUCKINGHAMSHIRE
NEW UNIVERSITY

FINANCIAL STATEMENTS



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WELCOME TO THE 2019-20 FINANCIAL STATEMENTS

We are delighted to present the annual report and financial statements for Buckinghamshire New University for 2019-20.

This year has been dominated by the COVID-19 pandemic and these financial statements reflect both the impact this has had upon the University and the way in which the University has actively responded. The University adopted a principles-based approach to managing the pandemic, driven by the intent to 'do the right thing' by our students, staff and communities.

The result has been that in spite of the many changes to learning and teaching, to working arrangements, and to the availability of our campus facilities, we have seen excellent student satisfaction, very high levels of staff engagement, and very positive relations with our community partners.

COVID-19 has inevitably affected the University's finances, as commercial operations including halls of residence have been impacted by government restrictions and public health guidance. However, this year, the University is posting a healthy financial surplus of £4.1m. This has been achieved because of the continuing impact of the transformation programme the University undertook, including reform and expansion of our course portfolio. Our student intake in September 2019 continued to grow, by around 5%, and partnership and apprenticeship activity has also been strong. This year's statements reflect the full value of our educational, franchise partnerships, and in a similar way, we are restating the University's income for 2018-19.

This year the University formally launched Impact 2022, the University's new strategic plan, and we are now reporting excellent performance against its goals, with improvements in employability, student satisfaction, and league table performance, and excellent performance in terms of student continuation. Together with growth in student numbers and continued prudence in financial management, including building cash and liquidity and managing staff costs, these combined results reflect an excellent underlying performance achieved against the significant challenges posed by COVID-19.

True to our 129-year mission, the University remains focused on providing our richly diverse student body with the best possible experience from their first day at Bucks, creating a learning community where they feel at home, intellectually challenged, supported, and where their opinions count and are valued.

We focus on professionally oriented, vocational programmes and this continues to guide our work. We have invested this year in our LEP-funded partnership work at Pinewood Studios, enabling more of our students to benefit from learning in its exciting, cutting-edge, workplace environment. Our partnership with Buckinghamshire Healthcare NHS Trust has also developed and we have seen growing interest in our new nursing and healthcare offer from our nearby Aylesbury campus, linked to placements at the world leading Stoke Mandeville hospital. Our work on health has also led to the creation - with Buckinghamshire Healthcare NHS Trust, Buckinghamshire Council, and a number of other partners - of the Bucks Health and Social Care Academy. This innovative model is attracting much interest and involves education, skills and training providers and health and social care organisations in working together to address the needs of the county.

Our programmes are designed to enable students to start their career when they begin their academic programme, and employability is the key driver of our education. This year, the University's student employment outcomes were assessed using the Graduate Outcomes survey and attracted media attention because of our extremely low unemployment rate – just 2% – comparing very favourably with the Russell group and placing the University comfortably

within the top 10 of all UK universities, and the best of all post-92s in London and the South-East.

Being a responsible corporate citizen is important to us, and to our students, people and stakeholders. The University is committed to meeting its ethical and social responsibilities. This year we declared a climate emergency, stated our intention to become net-zero in carbon emissions by 2030, and for the first time submitted an annual report summarising our work against the United Nations Sustainable Development Goals.

Our research is focused on ensuring that the University is a catalyst for positive change. We are a partner in the Buckinghamshire Life Sciences Innovation Centre, a member of the MedTech SuperConnector programme, and host the EU-funded health and social care innovation programme, Bucks HSC Ventures. Among our many research highlights this year was the largest scientific survey on violent youth radicalisation in Europe. This European Commission-funded project focused on the UK, Greece, Cyprus, Italy, Portugal, Sweden, and Romania, and involved interviews with more than 3,500 16-18-year-olds. It aims to create a youth-led, policy framework to tackle and prevent the marginalisation and violent radicalisation of young people in Europe.

In sum, and in spite of the ongoing challenges posed by COVID-19, the University has emerged this year in very strong shape – performing exceptionally well against our strategic objectives, satisfying our students, growing student numbers, achieving financial sustainability, developing our reputation, and continuing to make a major contribution to society through meeting our ethical and social responsibilities, the impact of our research, and 'doing the right thing'.

We thank our staff, Council and partners for their continued support, and our students for being such excellent ambassadors for the University. Without their hard work it would not have been possible for the University to have performed so strongly in such a challenging year.



Professor Nick Braisby
Vice-Chancellor



Dr Michael Hipkins
Chair of Council & University
Pro-Chancellor

STRATEGIC REPORT

1. Buckinghamshire New University

Since its foundation in 1891 as the School of Science and Art, and in spite of undergoing many changes of name and location, Buckinghamshire New University's mission has always been to transform lives through inspiring, employment- and profession-focused education, enabling people to impact society positively and their future. Our vision is for Buckinghamshire New University to become a University that is highly connected, permeable, student- and customer-focused, business-oriented, strategically aligned, impactful and aligned to strategic partners.

Our roots are intimately woven into the heritage of our communities and the industries they have supported. In the 20th century, we developed strong links with local crafts like furniture-making and cabinetry, design and manufacture. In 1999 we were awarded University College status and became known as Buckinghamshire Chilterns University College. In 2007, we adopted our current name – Buckinghamshire New University.

In 2009 we consolidated our various sites, creating our principal campus at High Wycombe, and in 2010 we opened the innovative Gateway Building, a state-of-the-art integrated learning complex which won a prestigious RIBA award.

The University now operates over three campuses. In addition to the site at High Wycombe, we operate satellite campuses at Uxbridge in north-west London, and in Aylesbury, Buckinghamshire. We have three halls of residence in High Wycombe with a combined capacity of 885 bedrooms: 486 en-suite rooms at Hughenden Park Student Village and at Windsor House, and 399 rooms at Brook Street.

Over the past 10 years or so, we have invested in excess of £100m to create state-of-the-art facilities, including the University library, media production studios, our multi-million pound Human Performance, Exercise and Wellbeing Centre and physiotherapy

clinic. In 2019, we completed the redevelopment of the south wing of our High Wycombe campus, creating new learning areas and an innovation hub, and established new social learning and Nursing simulation facilities at our site in Aylesbury.

In addition, the University owns and operates Missenden Abbey, at Great Missenden, Buckinghamshire, a converted 12th Century abbey supplemented by modern facilities to create an exceptional conference, wedding and events venue.

Today, the region in which the University operates, and covered by the Buckinghamshire Local Enterprise Partnership, is the 4th strongest within the UK for competitiveness, reflecting the extent of business start-ups and the depth of the knowledge-based economy. Our work with business reflects the county's unique potential as a hub of infrastructure spend and development, including HS2, the East-West rail link, the Oxford-Cambridge Arc, the Aylesbury garden town project, Heathrow expansion and Buckinghamshire Healthcare NHS Trust.

1.1 University Strategy

During 2019/20, the University formally adopted its new strategy, Impact 2022. Impact 2022 sets the University's long-term strategic vision to be an innovative, teaching-oriented University, delivering sector-leading and life-changing educational and employment outcomes for our students. Impact 2022 establishes a set of interconnected strategies for the University to make significant progress against this longer-term vision by 2022. Impact 2022 is detailed in section 4 of the Strategic Report.

1.2 Our Student Body

Buckinghamshire New University has one of the most diverse student bodies in the country. In 2019-20, 13,534 FTE students were studying at the University: 5,353 at Bucks, and 8,181 at partner institutions.

Of Buckinghamshire New University students, 60% were female against a national average for higher education in 2018-19 of 57%. 52% of our

students were White compared to a national average in 2018-19 of 76%; 22% of our students were Black, 16% were Asian, and 4% were of mixed ethnicity, compared to 2018-19 national averages of 7%, 11% and 4% respectively.

In 2019-20, the student body at Buckinghamshire New University comprised 81% undergraduate students, 10% postgraduate (taught and research) students, and 9% apprenticeships; a small amount of FE provision comprised 1% of the student body. Of the student body, 87% were of Home fee status, 11% from the EU, and 2% overseas students.

In addition, the University enters into educational partnerships in validating awards developed by the partner, or in delivering franchises, where partner students receive a Buckinghamshire New University award. In 2019-20, there were 2,390 FTE students at partners studying a University validated award, and 5,791 studying University awards under franchise, 80% of which are offered in the UK, and 20% overseas.

In spite of the challenges presented by COVID-19, including changes in the regulatory framework such as student number controls and changes to unconditional offers, in 2019-20 the popularity of the University's courses continued to grow. The year saw significant year-on-year increases in the numbers of applications and offers, with acceptances increasing by 12%, and conversion improving in our core home and EU markets. Recruitment is growing strongly at all the University's campuses, and there is an increase in recruitment too for our small number of distance learning programmes.

1.3 Strategic Developments

This year, for the first time, the University has reported its activity against the United Nations Sustainable Development Goals, a commitment made in 2019-20 alongside a pledge to achieve carbon net zero by 2030. The report documents a very wide range of activities within the University and achieved through its strategic

partnerships which show progress against each of the 17 sustainable development goals. The University will build on the production of its first annual SDG report to improve the reporting process and to encourage more members of the University community to engage with the sustainable development goals in the years to come.

2019-20 saw the University make excellent progress in developing and rebranding its Aylesbury site as a satellite campus: Buckinghamshire New University, Aylesbury Campus. Building and refurbishment work to complete the fit-out of the second floor suitable for the teaching of nursing programmes was delivered on time and on budget, enabling the University to host a successful Open Day on the day of the Aylesbury Waterside Festival.

Efforts to recruit students and apprentices to the Aylesbury campus have also been stepped up and, from a standing start, we have seen significant growth in applications supported by an active marketing campaign.

Connected to Aylesbury, the University and Buckinghamshire Healthcare Trust signed a Memorandum of Understanding in 2019-20 and the relationship has continued to strengthen, supporting a joint appointment to lead the work of the Bucks Academy of Health and Social Care, to be based at the Aylesbury campus. The Academy's work is overseen by a Steering Board chaired by the Vice-Chancellor.

2019-20 also saw the University further develop its work under a Bucks LEP-funded project to create new undergraduate and postgraduate programmes in collaboration with Creative Media Skills (CMS), a training and development company based at Pinewood Studios. A pilot programme which ran in 2018-19 has formed the basis of a much larger project, involving the University taking on a joint lease with CMS of premises at Pinewood to accommodate both organisations' activities.

Finally, the University is one of 10 represented within the Oxford-Cambridge ARC Universities Group. The group is active in influencing the wider vision of the economic impact of the ARC's geographical area.

1.4 Internal Changes

The University's Executive Team has been strengthened through a number of critical appointments, including that of Professor Gavin Brooks as Provost and Deputy Vice-Chancellor, Professor Elizabeth Cleaver, Pro Vice-Chancellor (Education and Digital), Dr Rachel Cragg, Pro Vice-Chancellor (External Engagement) and Trevor Gabriele, Chief Financial Officer.

The final phase of reorganisation, planned as part of the University's Transformation Programme, was completed, mostly focusing on professional services. The University shaped this phase to prioritise growth prospects and seek savings through a combination of vacancy and non-pay savings, reducing the number of redundancies.

1.5 Sector recognition

2019-20 saw the University receive two nominations in the 2019 Times Higher Education Awards: one for Outstanding Technician of the Year for Samantha McCormack; and one for Outstanding Contribution to Leadership Development. We were delighted that Samantha was highly commended in her category.

This University's Academic Enhancement team – Rebecca Rochon, Heather Boyd-Savidge and Julie Irwin, as well as our former colleague John Knight – was recognised by Advance HE with a Collaborative Award for Teaching Excellence, for their work in developing higher and degree apprenticeships.



We were delighted that Richard Jones, an Associate Professor in the School of Business, Law, & Computing was awarded a prestigious National Teaching Fellowship in Advance HE's 2020 Teaching Excellence Awards for Higher Education. Richard's award means that this is the sixth year in a row Buckinghamshire New University has been recognised in the annual sector-leading awards.

In September 2019, the University played a role in organising a House of Lords round table event on Access to Higher Education for members of Gypsy, Traveller and Roma (GTR) communities, in partnership with Baroness Whitaker of the All Party Political Group on GTR affairs.

An outcome of this meeting has been the University's commitment to produce a draft 'pledge' of good practice for universities to sign up to – which means GTR students know that their culture and community is understood and respected within the university, and that they will be fairly and appropriately included in curricula and outreach. The pledge is being developed after consultation with a range of stakeholders and it is hoped that a number of sector bodies will offer their support and encourage universities to sign up to the pledge.

2 COVID-19

This year, the University's operations have been heavily impacted by COVID-19 and the global public health pandemic it has created. The University responded rapidly to the unfolding crisis, establishing a Major Incidents Group, putting in place mitigating actions, e.g. curtailing travel, installing hand sanitizers, and publicising public health information, before determining in March 2020 to pause face-to-face teaching and move to online or remote learning.

One of our first steps in responding to the crisis was to develop and publish a set of principles that would guide our thinking throughout. These have been key in guiding both the Major Incident Group and a number of further groups that have been created to formulate the University's plans.

The University also quickly took steps to support its student community, releasing from their accommodation contracts those students who wanted to leave University residences. We took the step of asking all but essential staff to work from home, and furloughed roles where staff could no longer continue their work from home, but repeatedly emphasised this was introduced because of our intention not to implement redundancies.

The University has continually coordinated its response through reference to the sector, principally through Universities UK and GuildHE. We quickly promoted our determination to be open for business in the autumn of 2020, and to provide new and returning students an experience as close to normal as public health guidelines allow. This approach led to the publicising of five key aspects of our offer to new and returning students: accommodation, learning and teaching, safety, the on-campus experience, and employability.

For example, our offer on accommodation was intended to give assurance to students and their families. Reflecting the fact that some will experience greater degrees of hardship, we chose to reduce our headline prices in all student accommodation, between 10% and 30%. Combined with the other benefits of University accommodation, such as utilities, Wifi, and contents insurance, we also included in this offer a reduction on membership of the University gym and free membership of 'The Bucks Café Club' with discounts at onsite cafes. Reflecting nervousness at entering into a year-long contract, we made clear that we would release students from their contracts should there be a further health crisis.

A key part of the University's approach to managing the COVID-19 crisis has been the immediacy, openness, and transparency of communications, drawing heavily on the excellent work of our communications team. Anecdotally, we have heard repeatedly that the approach adopted by the University has been both welcome and often better than elsewhere in the sector.

The executive has especially developed its communications with students and staff. The Vice-Chancellor shared a number of video messages aimed at students and at staff, and members of the executive were very active in communicating via the University's intranet, and the Vice-Chancellor and the executive have hosted a number of town hall style staff briefings. The Vice-Chancellor has held numerous open meetings for staff and for students.

OUR COVID RESPONSE IN NUMBERS

£100K

Given out to 600 students through the Bucks Emergency Allowance

15,000

Branded facemasks given out to staff and students

9,300

Student Centre answers to email enquiries March-August

3,626

COVID guidance signs places around our campuses

26,800 VIEWS

Clocked up on the three virtual graduation ceremonies, which included 1,152 comments



13,500

Items of PPE items donated to the NHS during the height of the pandemic



3,276

Students completed their studies and graduated from Bucks during the pandemic



2K+
'do not use' stickers placed



1,300

Students completed a risk assessment for a safe return to campus



266

FREE PARKING SPACES

To help frontline workers get to work



500+

Hand sanitiser dispensers around our three campuses and halls of residence

1K+

Learning support tutorials and workshops delivered virtually to help our students during online teaching



127

'Sanitiser stations' in University accommodation to help students keep their kitchens clean and COVID-secure



75%

Reduction on the costs of accommodation for the summer term for those still living in halls

42



Bedding packages delivered to halls students



172

COVID-related updates delivered to staff via Bucks Employee Network (BEN)



400

Gallons of hand sanitiser ordered



493

Student nurses and Operating Department Practitioners who remained working on placement during COVID



200+

Laptops, computers and accessories provided to staff for home working



47

temperature scanners to keep our University community safe



35

Food packages distributed to our quarantined overseas students



15

COVID-related updates emailed to students



14

Open Houses and briefings for staff and students to stay informed and ask questions



4

Formal policy changes – Academic Assessment Regulations, No Detriment, Agile Working, and Student Code of Conduct



3 Our Regulatory and Competitive Environment

The University operates in a competitive national and international market attracting students and staff from across the region, the United Kingdom and around the world to study and work at one of its three campuses. The University is an autonomous institution and determines its own mission and strategy, although as a supplier of publicly-funded higher education, it is subject to regulation and legislation to ensure that it acts responsibly in its use of public funds.

The University is an exempt charity within the meaning of Schedule 3 of the Charities Act 2011. The Higher Education and Research Act of 2017 (HERA) established the Office for Students (OfS) as the principal regulator of the University as a charitable institution.

The Office for Students' primary aim is to ensure that English higher education is delivering positive outcomes for students – past, present, and future – and to ensure that students, from all backgrounds (particularly the most disadvantaged), can access, succeed in, and progress from higher education.

The OfS focuses on delivering four primary regulatory objectives, that all students, from all backgrounds, and with the ability and desire to undertake higher education:

- » are supported to access, succeed in, and progress from, higher education;
- » receive a high quality academic experience, and their interests are protected while they study or in the event of provider, campus or course closure;
- » are able to progress into employment or further study, and their qualifications hold their value over time; and
- » receive value for money.

The University successfully applied to join the register in 2018. At that time, the OfS set out an additional requirement for enhanced monitoring for ongoing condition of registration, Condition D: Financial viability and sustainability, reflecting previous declines in student recruitment and a need to rebalance income and expenditure. The University successfully completed its transformation programme in 2019, and has continued with initiatives to grow student numbers, develop further sources of income and prudently manage costs. Reflecting the effectiveness of these steps, the OfS has notified the University that it is no longer subject to enhanced monitoring.

The University has a highly diverse mix of students, with regulated limits to fees for UK and European Union undergraduate students. There is flexibility to set fee levels for postgraduate and international students.

All universities which charge fees for home or EU undergraduate students above £6,165 a year (up to the limit of £9,250) are required to submit an Access and Participation Plan to the OfS, which has taken over responsibility for this area from the Office for Fair Access (OFFA). The University's annual Access and Participation plan was approved at the time of registration and a five-year plan was approved by Chris Millward, Director for Fair Access and Participation at the OfS in September 2019. The plan comments favourably on our record in opening up higher education to all that can benefit, and contains many highlights, including the fact that the University has no attainment gap for disabled students, unlike the sector as a whole, and the fact that our BAME attainment gap has been steadily falling to stand now at around half the size of the gap seen across the sector.

The regulatory environment continues to evolve and the University has taken steps to ensure its compliance with OfS requirements by consolidating responsibility for University compliance oversight into the role of University Secretary and Clerk to the Council.

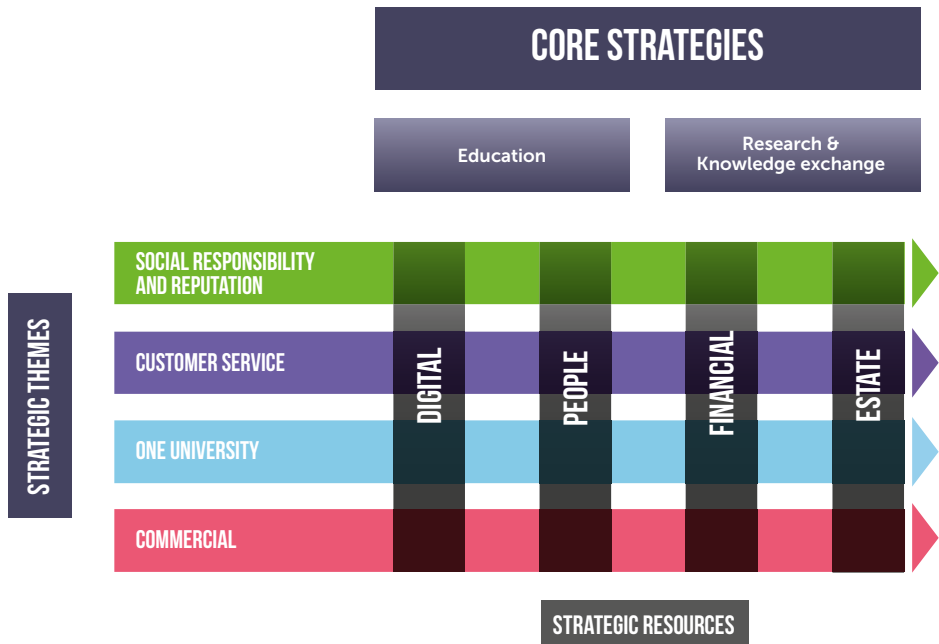
4 Our Objectives and Strategies

During 2019-20, the University formally adopted its new strategy, Impact 2022. The University consulted widely in the development of the strategy, reaching out to all our key stakeholders for their views and insight. The result is a strategy that focuses the University’s activity over three years as it builds on the transformation programme which was completed at the end of 2018-19.

Impact 2022 sets the University’s long-term strategic vision to be an innovative, teaching-oriented University, delivering sector-leading and life-changing educational and employment outcomes for our students. We aim to deliver research and innovation that impacts and enhances lives and society and underpins our educational offer. We seek to be an outwardly-focused institution, entrepreneurial in spirit, meeting our ethical and social responsibilities, expanding our reach through working in partnership with learners, communities, employers, the public, and strategic partners. We will be a learning organisation, enabling our staff to flourish, build their expertise and professional practice, and continuously excel and improve our organisational effectiveness. We will be financially strong ensuring our sustainability through realising efficiencies, growth, expansion, and investment. Above all, we will be a vibrant, inclusive community that inspires learning, develops potential, widens participation and ambitiously transforms lives.

Impact 2022 establishes a set of interconnected strategies for the University to make significant progress against this longer-term vision by 2022.

Impact 2022 is structured around two core strategies, Education and Research and Knowledge Exchange. Aligned to these, it prioritises work on four underpinning areas of strategic resource and infrastructure – Digital, People, Finance, and our Estate, and on four cross-cutting strategic themes –Social Responsibility and Reputation, Customer Service, One University, and Commercial.



The over-arching aims of each of these strategic elements are as follows.

| | |
|---|--|
| Education | The University aims to develop sector-leading impact, becoming renowned for an education that is flexible and practice-based, built around the needs of its students and ensuring their career success. |
| Research and Knowledge Exchange | Research and knowledge exchange activities will enrich our inclusive, learning community. They will help us reach out to the public, to our communities, and to our key strategic partners. They will help us to innovate and continually improve our enquiry-based education. |
| Social Responsibility and Reputation | We aim to be a University that always meets its social responsibilities and is able to deliver successfully for those that engage with us for the services we provide. We will set and achieve high standards, celebrate and promote our successes, and be self-critical where we need to improve further. |
| Customer Service | Key to our success will be identifying, understanding and responding to our customers, ensuring that our services are continually adapted to meet their needs. We will always question what we could have done to improve customer satisfaction, and will ask for and act on feedback on our performance. |
| One University | We will ensure our services and operations are integrated and holistic, with teams increasingly working across the boundaries of their School or Professional Service, so that our customers' experience is of one, cohesive organisation. We will encourage staff to take end-to-end responsibility ensuring customers feel that they interact with One University. We will build and foster one community and encourage continuous learning working closely with our alumni and students. |
| Commercial | We will deliver greater and more sustainable financial returns from those activities with a commercial focus. We will ensure that business to business services and relationships enable the University to take advantage of commercial opportunities. We will ensure our commercial work is agile, responsive, and flexible, rooted in an accurate understanding of income and financial and opportunity costs. |
| Digital | We will shape our digital strategy around the need to prepare our students for a world of work rooted in the cutting-edge use of digital technology. We will develop our core infrastructure, promoting the functionality and behaviour needed to support the strategies of Impact 2022. The student and user experience will be at the heart of the digital strategy positioning the University to take full advantage of new technology, including shaping, improving and transforming our business processes. |
| People | We will create a diverse workplace culture which prizes the high performance that will be key to our success and develops our people, their skills, attitudes and behaviours and ensures their alignment with strategic priorities. We will support our people putting in place structures and processes to promote well-being, reward and recognise our staff, and ensure they are supported to fulfil the expectations of their roles. |
| Financial | We will develop the financial capabilities, resources and infrastructure to ensure we can invest appropriately in our strategic priorities. We will generate annual surpluses, meet our ongoing need for capital investment, manage our financial affairs prudently, including controlling cost, and ensure that the money we have works hard for us and in a way that respects our social responsibilities. |
| Estate | We will ensure our whole estate conveys a coherent and appropriate look and feel for the University, one that reflects our strategic vision, mission and values. We will refurbish and redevelop our campuses to ensure they support learning, enhance the University community, providing a sense of destination and arrival, and contribute to minimising our impact on the environment. |

Impact 2022 aims to produce a University that is financially strong, growing in student numbers, and providing an excellent learning and student experience.

Impact 2022 differs from the University's previous strategy in relation to the size, scale and nature of its franchise provision, prioritising strategic fit and alignment over the volume of student numbers. The University expects the numbers of students in franchise provision to remain broadly stable, whilst Impact 2022 will see continued growth in core, Bucks numbers.

The overall success of Impact 2022 will be measured against a clear and simple set of key performance indicators and targets. The targets in the table below are those that the University will aim to achieve by 2022.

The following financial indicators and targets were set against the financial performance of the University in 2018/19, and since then the University's financial statements reflect the full income and cost value of franchise partnership activity. As a consequence, to understand University financial performance against some of the above targets – surplus, staff costs and liquidity – they need to be related to an income figure adjusted to reflect the net contribution from those partnerships.

| Indicator | Target | Current year | Last year |
|-------------------------------------|---|--------------|-----------|
| Student numbers | 7,000-7,500 FTE (Full Time Equivalent) | 5,353 | 5,326 |
| Overall student satisfaction | Above 85% | 83.5% | 81.7% |
| Retention | Above benchmark | 87.5% | 89.6% |
| Highly skilled employment | Above benchmark | 74% | 64.7% |
| Reputation | 80th or better in aggregate across league tables; | 109th | 116th |
| TEF | Gold | Silver | Silver |
| Annual surplus | 7-10% | 6.1% | -4.3% |
| Staff costs | Less than 50% of income | 48.0% | 52.6% |
| Liquidity | In excess of 150 days | 134 | 123 |

5 Our Performance

The University monitors nine performance indicators to measure progress against the objectives of Impact 2022, with each supported by a hierarchy of internal performance measures.

2019-20 has been a very successful year for the University in spite of the unprecedented and severe challenges posed by COVID-19. Individual key performance indicators for Impact 2022 are discussed below. However, taking these together, the University's indicators document a strong financial performance, prudent cost management, allied to solid improvements in educational outcomes and reputational indicators. This success marks a significant advance towards meeting the Impact 2022 targets and fulfilling its strategic objectives.

5.1 Student Numbers

The growth imperative in Impact 2022 has led to an expansion of new courses which has helped lift student numbers. This has been driven by an encouraging increase of 3.2% in undergraduates beginning full time courses at the beginning of 2019-20, our largest market, and achieved against a continuing demographic dip, and in the smaller markets of postgraduate and apprenticeship students by increases of 64% and 71% respectively.

5.2 Overall Student Satisfaction

This year, the University improved its performance for Overall Satisfaction in the National Student Survey from 81.7% in 2019 (below but not significantly different from the 83.3% benchmark) to 83.5% (not significantly different but exceeding the benchmark of 82.4%). Our Overall Satisfaction score now exceeds the average for the sector in the UK and in England.

For Overall Satisfaction, our courses in finance and in management studies were ranked No 1 in the UK, courses in cinematics and photography and mental health nursing were ranked top 3 in the UK, and our courses in education, human resource management, media studies were ranked in the top 10.

5.3 Other Student Satisfaction Scores

2019-20 saw an improved University performance right across the National Student Survey. In 2019, the University significantly outperformed benchmark in six of the survey's questions, and below benchmark in three. In 2020, this pattern improved, with the University outperforming benchmark in seven questions, and below benchmark in two.

The University's performance improved when measured by the average satisfaction score across all questions, with this measure placing the University in the top 20 of all UK universities, excluding small and specialist institutions, and in the top 15 in England.

Students' ratings place us in the top 30 in the UK, and top 20 in England for Teaching quality; in the top 10 in the UK and top 5 in England for Learning Opportunities; top 30 in the UK and top 20 in England for Assessment and Feedback; top 30 in England for Academic Support; top 15 in the UK and top 10 in England for our Learning Community; top 15 in the UK and top 10 in England for the Student Voice; and top 3 in the UK for our Students' Union.

In London and the South East, Bucks is in the top 10 for Overall Satisfaction; the sense of community our students experience; our quality of teaching; student satisfaction with assessment and feedback; and the academic support we offer. performance across all questions significantly improved, the University again achieving a ranking in the top 25% of UK Universities for satisfaction averaged across all 27 survey questions.

Particular highlights in the survey were the total number of courses with 100% Overall Satisfaction rising from five to seven; Bucks is 2nd in the UK for the specific question about opportunities for students to apply what they learn; and we are 8th in the UK for the advice we offer our students about study choices.

In 19 questions of the survey the University's performance is close to or better than benchmark. Though Overall Satisfaction is not yet at the target set within Impact 2022, satisfaction has improved markedly and remains on an upward trajectory.

5.4 Retention

The University's latest continuation rates continue to exceed benchmark standing at 87.5% for the 2017-18 year of entry, against a benchmark of 85%, with six of seven of the University's schools exceeding benchmark.

5.5 Highly Skilled Employment

The University's student employment outcomes, having been assessed previously by the DLHE, Destinations of Leavers of Higher Education, survey, they are now reported using the Graduate Outcomes (GO) survey, the results of which are being released in phases. The key difference between the surveys is that DLHE examined outcomes 6 months after graduation, whilst the GO survey measures these 15 months after graduation.

In the first releases of data, the University has been attributed with a stellar employment rate, of 96-98%, depending on the precise measure used. An article in the online edition of the i newspaper on 23rd June cited our extremely low unemployment rate of 2%, comparing this favourably to the rates of Russell Group institutions, such as Oxford, Cambridge, Imperial and LSE. This performance places the University comfortably within the top 10 of all UK Universities (excluding small and specialist providers), and the best of all post-92s in London and the South-East.

The University's highly skilled employment indicator has also improved significantly, though there is as yet no agreed sector-wide measure. However, the Guardian University Guide 2021 reports our highly skilled employment indicator to be 74%, with a ranking of joint 82nd out of 121 Universities. The University's internal data suggests the indicator is 76%, giving the University a ranking of 75th out of 126 Universities, and in the top 20 post-92 institutions nationally for the highly skilled employment rates of its full-time undergraduates.

We were also proud to see Bucks rise nine places for graduate prospects in the Times and Sunday Times Good University Guide 2021.

5.6 League Table Ranking

2019-20 has seen generally good performance in league tables, with aggregate ranking in the three principal league tables having improved by 7 places to 109. This rise however disguises a mixed pattern of changes in each league table.

The University has seen an exceptional rise of 28 places in the Guardian University Guide 2021, moving from a position of 120th to 92nd, the 9th highest rise across all UK universities. This was the third highest rise in England with the University rising at a greater pace than 34 of the 36 universities in London and the South East.

The University was ranked 13th highest in the UK for expenditure to support its students. On average, the University climbed in the rankings by almost 13 places at subject level. This is the 7th highest average climb rate of all the 120 UK universities included in the Guide. Bucks also improved its ranking in more than 10 out of the 14 (71%) Guide's subject areas, the 10th best performance across all UK universities.

Subject level highlights include

- » Accounting & Finance ranked 25th best in the UK, and 3rd best in the South East
- » Business, Management and Marketing ranked 14th best in the UK
- » In London and South East, Bucks is also a top 10 university for Accounting and Finance; Computer Science and Information Studies; Fashion and Textiles; Hospitality, Events Management & Tourism; Sociology; and Sports Science.
- » For Post-92 Universities, Bucks climbed 41 places to 21st for Business, Management and Marketing; and 42 places to 8th for Accounting and Finance.

The University rose also in The Times and Sunday Times Good University Guide 2021, rising nine places for graduate prospects and being ranked highly for the quality of its teaching; the student experience it provides; and the amount spent on services and facilities.

Out of 131 UK universities, Bucks is:

- » A top 25 university for teaching quality, rising 11 places this year;
- » Ranked 34th for student experience, moving up 5 places; and
- » Rated 37th in the UK for the amount the University spends on services and facilities.

The Good University Guide also highlighted the University's strong performance in widening participation in higher education amongst under represented groups, and in supporting all students to complete their studies and succeed. The Guide shows that Bucks has the:

- » UK's 3rd lowest dropout rate for students from deprived areas (and the lowest in the South East);
- » 11th lowest black attainment gap across UK universities (and the second lowest in the South East)
- » 6th highest number of mature students in the UK (and the 2nd highest in the South East).

This pattern of improvement in the league tables was marred by a decline in the Complete University Guide, by 9 places, but this guide did not use the latest student satisfaction data nor the graduate employment data derived from the more recent Graduate Outcomes survey. However, the University was ranked 12th highest in the UK for spending on academic services.

5.7 TEF

The University was awarded a Silver TEF rating in 2018 and retains this award for three full years under current guidance. However, the TEF has been subject to review, and the sector still awaits the publication of the independent review led by Dame Shirley Pearce. The University anticipates submitting to the revised TEF during 2021 and is working to strengthen its submissions. While the improved performance in the National Student Survey, Graduate Outcomes, and continuation rates bode well for a strong overall submission, much will depend on the reforms that are introduced by the Office for Students.

5.8 Financial Indicators

The following financial indicators and targets were set against the financial performance of the University in 2018/19, and since then the University's financial statements reflect the full income and cost value of franchise partnership activity. As a consequence, to understand University financial performance against some of the above targets – surplus, staff costs and liquidity – they need to be related to an income figure adjusted to reflect the net contribution from those partnerships.

5.9 Surplus

In spite of the challenge of COVID-19, increasing the costs of our operations and reducing income from student accommodation and commercial activity, in 2019-20 we recorded an operating surplus of £4.1m (6.1% of net total income), a significant reverse from the deficits recorded in each of the previous two financial years of £2.5m (4.3% of net total income) in 2018/19, and £4.5m (7.8% of net total income) in 2017/18. This is testament to the growth in student numbers, bolstering tuition fee income, prudent cost management, and the development of other commercial income streams, many of which had been subject to the University's transformation programme over the previous two years.

5.10 Staff Costs

This impressive financial performance has been achieved against a prudent approach to the cost base, including staff costs, which fell to 48.0% in 2019-20 from 52.6% in 2018/19, reflecting work undertaken as part of our Fit for Future programme, which led to reduced staffing in some areas balanced by additional staffing aligned to Impact 2022 and its growth agenda.

5.11 Liquidity

The University improved its already strong cash position during 2019/20, with resulting improvements in liquidity. This has risen from 123 days at the end of 2018-19 to 134 days at the end of 2019/20, increasing the University's financial resilience.

PUBLIC BENEFIT STATEMENT

Our University has been transforming lives for more than 125 years, from developing our students' full potential to making a positive impact to the environment and in our communities. The University's Impact 2022 strategy expresses the importance of corporate social responsibility and reaffirms our commitment to reduce our environmental impact; increase sustainability; and address challenges by building effective and strategic partnerships. Bucks was the first university in the UK to achieve Gold CSR Accreditation, described by the awarding body as 'a visible testimony of excellence' in CSR.

Being a responsible corporate citizen is important to us and so we will:

- deliver against our mission as a civic University, engaging with communities in Buckinghamshire and elsewhere.
- engage effectively with business, actively contributing to the local and national industrial strategies, and economic growth within the region.
- minimise the environmental impact of our estate by setting new targets to meet the highest standards around energy, waste and travel.

The most direct beneficiaries of our impact are our highly diverse community of undergraduate and postgraduate students who choose Bucks for sector-leading and life-changing education, designed to deliver excellent employment outcomes.

We provide an education that works for all regardless of background or circumstance, and provides skills for life, to meet the global challenges of the 21st century. In The Times and Sunday Times Good University Guide 2021, we were proud to have the third lowest dropout rate for students from deprived areas, highlighting our strength in supporting all Bucks students to succeed. Bucks also had the 11th lowest black attainment gap across UK universities in the Guide.

Our University supports tens of thousands of regional jobs with significant beneficial impact to the region, reflecting the economic activity of our students, staff, and alumni. Bucks students work in and support many key local industries, including the vitally important health and social care sector. COVID-19 lockdown restrictions impacted on the ways in which our students bolster the region's economic activity, enrich the arts and culture, and support voluntary and charitable institutions in the communities in which our campuses are based.

Our University community has worked tirelessly in the fight against COVID-19, with our staff and students serving on the front line in healthcare and volunteering to help those in need. We provided around 13,500 items of critically-required personal protective equipment (PPE) to the NHS to protect staff on the front-line, including face masks, visors, gloves, aprons, and surgical gloves. The University also offered the NHS use of its nursing simulation labs and meeting rooms to relieve any pressure on space at NHS sites, and gave free parking spaces at its

High Wycombe Campus to frontline workers to ensure they could get to work quickly and easily. Everyone at Bucks is so grateful for all that key workers have done during these challenging times.

We were delighted that internationally renowned British artist and Buckinghamshire New University graduate, Ian Berry chose to project his #iclapfor animation which celebrated frontline workers on to our High Wycombe campus during a socially-distanced event in May.

Throughout the year, we strove to continue making a positive contribution and impact across several key areas:

- » Research activities
- » Teaching impact
- » Environment
- » Community engagement
- » Outreach and widening-participation activities
- » External engagement

RESEARCH ACTIVITIES

Our research is focused on ensuring that the University is a catalyst for positive change.

We are proud to be a partner in the Buckinghamshire Life Sciences Innovation Centre which supports innovative businesses to develop products focused on health and wellbeing, prevention and public health, and in so doing meet the health needs of our region and improve patient outcomes. The University is also among a consortium of eight higher education institutions, led by Imperial College London, tackling medtech challenges in the MedTech SuperConnector programme.

In January, University researchers shared their findings on what is believed to be the largest scientific survey on violent youth radicalisation in Europe. The three-year European Commission-funded Youth Empowerment and Innovation Project looked at violent youth radicalisation in Europe, focusing on the UK, Greece, Cyprus, Italy, Portugal, Sweden, and Romania. More than 3,500 interviews were conducted with 16-18-year-olds to understand their views about violent radicalisation, and issues of identity and wellbeing. The Erasmus+ funded project, coordinated by the IARS International Institute, trained local teams of young people who conducted original fieldwork in schools, youth prisons, universities, migrant centres and online. The project now aims to design a youth-led, positive policy prevention framework – at national and UK levels – to tackle and prevent the marginalisation and violent radicalisation of young people in Europe.

Other research highlights included detailing the key building blocks needed to develop team resilience in elite level sport, as partners in the Sport Psychology Research Group based at Loughborough University. The project included a prolonged season-long study of a leading English national league-winning semi-professional rugby union team. Data was collected across multiple methods, including interviews, observation, and field notes to provide 'five pillars' of advice and guidelines to coaches and managers to develop robustness within their teams.

In November, a new report led by Buckinghamshire New University's Professor Margaret Greenfields found that EU nationals rarely claim benefits they are entitled to, and highlighted the concerns of employers already facing a labour shortage ahead of Brexit. The report focused on Fenland, an area of Cambridgeshire with a large population of EU migrants, and was presented at a national conference entitled 'Modern slavery and migration in rural areas: the impacts.' The role of information and advice centres and voluntary sector agencies was highlighted as key to breaking down barriers, and ensuring that migrant workers were informed about their rights and entitlements, so as to minimise risks of exploitation, for example relating to residence in unfit housing. The study also highlighted the importance of migrant labour to the local economy and growing levels of integration, often enhanced by the relationships which form when children of migrant workers enter school.

The coronavirus-enforced lockdown led to quicker than expected progress for the University's five-year research project examining the lives of people who lived and worked in the central Chilterns over the past 150 years. Dr Helena Chance said lockdown had been 'a catalyst' in collecting data more quickly for the Woodlanders' Lives and Landscapes project which examines the day-to-day lives of people who worked in the chair-making, lace-making, beading and plaiting straw in the central Chilterns. Researchers have made significant progress in collecting data from population censuses from the mid-19th century onwards to analyse those working in the village industries and understand better how the range of and changes in occupations varied regionally across the central Chilterns.

TEACHING IMPACT

We are proud to train the nurses; operating department practitioners; social workers and police officers of the future, many of whom choose to stay on and work in the local area after graduation. All our graduates make a difference in the real world through their significant contribution to sectors and industries including design; music and film; sport; business and law; and aviation.

We provide a high-quality learning experience for all of our students, and we have outlined in the

Strategic Report the many league table successes the University has achieved. The University's improved rankings are testament to our proud history of offering employment-focused and skills based learning.

Applying knowledge in authentic work-related scenarios is a hallmark of every course at Bucks. From day one, we encourage our students to focus on their future careers and to take advantage of the many opportunities to bolster their job prospects while they study. In

partnership with Bucks Students' Union, we do everything we can to ensure our students are well prepared to stand out in the highly competitive employment market when they graduate. It is why Bucks graduates go on to be successful in their chosen careers, and we're so proud of all that they achieve.



ENVIRONMENT

Joining the fight against climate change

At Buckinghamshire New University, we've always taken our environmental responsibilities seriously and we're committed to building on our achievements because we know that sustainability is as important to our students and stakeholders as it is to our staff

This year, we've redoubled our efforts by joining others in the higher education sector to fight against climate change, building on our existing achievements which include being the first university to receive a Gold CSR Award. In February 2020, Buckinghamshire New University signed the United Nations Sustainable Development Goals (SDGs) Accord. We have committed to publicly sharing our submissions to the UN to provide transparency around our progress against the 17 SDGs which span climate change, reducing inequalities, promoting economic growth, providing quality education and tackling poverty. Although we are at an early stage of explicitly aligning the SDGs to our strategic work, we are very proud of all that our University community has already done to make a positive impact locally, nationally and globally.

We organised a Love Our Planet day across our campuses on 14 February 2020, and announced our pledge to go carbon net zero by 2030 - 20 years ahead of the Government's target. We had already exceeded our carbon footprint target for 2020, with a 64% reduction since 2011. Our University community celebrated with environmentally-friendly activities, including Fashion and Textiles students unveiling a 'tree hug' piece created from recycled materials which was displayed on a tree on our High Wycombe campus. Staff and students shared their environmental pledges by writing on sustainable bunting which was created from scrap material left over from students' fashion and textile projects.

Empowering positive change through our curriculum

We are moving towards embedding sustainability into our curriculum

for all disciplines. For example, we have adapted our curriculum to ensure that Fashion Design and Textiles students develop greater awareness and understanding of mass consumption production methods. Guest lecturers share their industry expertise ranging from highlighting the decimation of Mongolian grasslands to meet the demand for cashmere to showcasing alternate environmentally-friendly manufacturing processes for textiles. Students build their knowledge and skills through workshops on techniques that promote safer ecological footprints, such as etching on velvets to create devore-style fabrics without the need for chemicals and high water consumption.

We encourage students to use upcycling and sustainable materials, focusing on production methods for yarn and fabric and discussing waste and pollution as part of the curriculum. Our students' work includes growing 'vegan leather' from a symbiotic culture of bacteria and yeast; using polyester made from recycled plastic bottles; and creating sustainably-sourced materials from nettle fibre and hemp. We are so proud to support our students to be successful and sustainable designers of the future.

Our students give their time to make a difference

During the year, Bucks Students' Union offered students the opportunity to participate in two beach cleaning events in Bournemouth and Brighton. More than 40 students took part and a total of 22 bags of rubbish were removed from the beaches. Two student societies also organised a litter pick project to clean along the River Rye, close to our High Wycombe campus, and staff from Bucks Students' Union cleaned up the Wendover canal.

Bucks Students' Union also ran campaigns during the year to promote sustainability, and students were encouraged and supported in leading campaigns to tackle issues that matter to them. In 2019, the Students' Union's Green Ambassador challenged the University to be more sustainable by reducing the use of

paper. Discussions with academics saw dissertation submissions in some Schools move to solely digital formats. The campaign also influenced the Students' Union office staff who pledged to only hold paperless meetings, reducing an estimated 17,500 pieces of printed meeting papers a year.

Making an environmental impact with our research

The University undertakes environmental research which includes our proud role as part of WATERSPOUTT, a major international research project to develop low-cost technologies which give more people access to safe drinking water. The technologies are designed in consultation with families, schools and clinics in Africa. As part of the project, solar water disinfection buckets designed by Bucks, and made by the Polytechnic University of Malawi, are being used by more than 500 families in the Chikwawa region of Malawi, in south east Africa.

Buckinghamshire New University has also contributed to research on the impact of effectively utilising natural resources to mitigate climate change. Our researchers monitored positive climate efforts in forests and forestry in Malaysia, Romania, and Ghana and recommended ways to reduce emissions from deforestation and forest degradation programmes. The research has resulted in changes in government policy and protected 200,000 hectares of forest in Romania and 400,000 hectares in Ghana. As part of the research programme, we also analysed the economic and policy strategies required to motivate landowners to undertake efforts for mitigation in forests and also to address issues further down the wood value chain.

Bucks' researchers are also involved in decarbonisation work around coastal tourism in European islands including Cyprus, Malta, Crete, and Madeira, as well as the UK, and West Indies. The work is part of SOCLIMPAT, funded by the EU Horizon 2020 scheme, which is looking in to the effect climate change could have on the economies of islands in the European Union.

Energy-saving initiatives

We put our energy into saving energy:

- » Investing in a modern building management system has enabled greater control of utility spend. Our building management system controls heating, cooling and hot water, and increases the amount of time when the plant can be turned off. During the COVID-19 outbreak, this has enabled building services systems to be monitored and managed successfully off campus.
- » We have installed LED lighting in refurbished areas of our campuses, and detectors to turn off lights when rooms are not in use.
- » 150 kWp of solar panels have been installed on the main High Wycombe campus. We create surplus energy which we sell back to the National Grid. There was a 140% increase in the amount of renewable energy generated on campus.
- » All the electricity we purchase and consume comes from a renewable source.
- » We have installed low flow shower heads in our student accommodation, and have fitted flow controls to urinals.
- » Insulation has been improved through double glazed windows and roof improvements.
- » Our mechanically-ventilated buildings recover heat before air is expelled, which is used to preheat air entering the building to save on energy consumption.
- » Presence detection is now being used in many teaching rooms to control heating systems.
- » Electric vehicles comprise 66% of our fleet, and we have an electric car club scheme for staff, along with charging points for our employees' electric vehicles.
- » We specify that our IT equipment must be energy efficient.
- » A wildflower garden at our High Wycombe Campus supports biodiversity, and we have created green roof spaces at our Hughenden Student Village Halls of Residence.

Responsible waste management

We manage and dispose of our waste responsibly and have achieved a 12% year-on-year reduction in the amount of waste produced across our three campuses:

- » Recycling facilities are available for paper, card, plastics, metal, electrical equipment, batteries and mattresses. Our recycling rates are currently at 49%, and increasing.
- » We are working on food recycling at our campuses and halls of residence, and coffee cup recycling for our cafes. Customers using a reusable Bucks cup already receive discounts on hot drink purchases to discourage the use of paper cups.
- » Office furniture is reused and repaired until it is no longer economical to do so.
- » Waste that cannot be recycled is sent to a waste-to-energy plant where possible, and to landfill as a last resort. All hazardous waste is stored in suitable containers and disposed of by specialist contractors.
- » We have removed more than 5,000 plastic straws from our bars and cafes.
- » The Bucks New Usage upcycling scheme - which won a Green Apple Award for Environmental Best Practice - redistributes used and wanted items from student accommodation, such as crockery, kettles and kitchen equipment, to new students. This is both sustainable and helps our students to save money they would have had to spend to prepare for University life. Usable duvets left in our student accommodation are donated to the YMCA, and the remainder are donated to Stokenchurch Dogs' Home. All donations are delivered using the University's electric car, the post bus or are collected in person to minimise our environmental impact.

COMMUNITY ENGAGEMENT

Helping our local communities

Every Christmas, the University community donates food, drinks and hygiene products as part of Bucks Students' Union's 'Hampers for the Homeless' initiative. More than 100 bags are distributed to the homeless community, working with the Wycombe Homeless Connection charity. In December 2019, our staff donated toys to the children's ward at Wycombe Hospital, and our students invited residents from Ryevue Manor Care Home in High Wycombe to a Christmas lunch hosted by Bucks Students' Union. Our students also organised a Winterland event to provide families in our local community with a day of free seasonal fun and entertainment.

In February 2020, Buckinghamshire New University and Bucks Students' Union joined forces with the Beauty Banks charity to help local people living in hygiene poverty. We were the first university community in London and the south – and only the second in the UK – to set up a public donation point so that local residents and businesses could also get involved. Beauty Banks links donations of personal care and hygiene products for women and men to local registered charities (including food banks, homeless centres, refuges and secondary schools) so that what's donated locally, stays local. Jo Jones, co-founder of Beauty Banks praised our staff and students for their 'keen and active' support which saw a total of 886 items donated before our campuses had to close in March 2020 due to COVID-19 restrictions.

In January 2020, we welcomed television star Gabby Logan as part of our commitment to the Row Britannia challenge which called on universities to raise funds to support Sport Relief's work around mental health. Gabby was joined by Paralympic rowing gold medallist, and Bucks alumni, Naomi Riches MBE along with students and staff from the University and Bucks Students' Union.

The University's volunteering policy gives all staff two days' paid leave each year to support charities of their choice. Charities which benefit from this initiative include the Samaritans, Hounds for Heroes and Blood Bikes. Bucks Students' Union also promotes volunteering to students and a total of 13,000 volunteering hours were logged in 2019-20.

Providing financial support for students in need

In addition to free equipment for students through the award-winning Bucks New Usage scheme, our Bucks Hardship Fund provides discretionary financial assistance to help our students remain in higher education. It is particularly aimed at those students who need financial help to meet specific course and living costs that cannot be met from other sources of support. The fund can provide emergency payments for unexpected financial crises. Payments are usually given as grants, which do not have to be repaid of up to £3k per year of study. We also offer interest-free loans to students on a short-term basis.

We recognised that many of our students faced financial difficulties during the COVID-19 outbreak when the part-time employment on which they relied was disrupted by lockdown restrictions. Therefore we took steps to ease their worries and concerns by:

- Setting up an emergency allowance, in addition to our existing Hardship Fund, for students to claim up to £250 to meet any pressing money issues. More than 600 students received grants totalling £100,000 through the Bucks Emergency Allowance.
- Waiving the costs of accommodation for the summer term, and dramatically reducing the costs (by 75%) for those students still living in halls.
- Writing an open letter to private landlords asking that they recognise the exceptional circumstances and consider rent discounts or early release from contracts for students.

Supporting Bucks Students' Union

Buckinghamshire New University is the principal funding partner of Bucks Students' Union, an independent educational charity with a mission to make life better for students at Bucks. We invest in the Students' Union because we believe it is important to support their work, not only in supporting and developing our students, but in building links between their members and the local community; charity fundraising; volunteering; citizenship and endeavours to promote fair trade, sustainability, social inclusion and environmental and ecological good practice. In 2019-20, Bucks Students' Union received a funding grant of £1.48m from the University. The Students' Union's unique Big Deal initiative ensures that all students, irrespective of their income, can access recreation, sports and skills development opportunities for free. This ensures that income, and financial pressures, are not barriers to participating fully in all aspects of university life at Bucks.

NDACA

We are proud to host the National Disability Arts Collection and Archive (NDACA), the first physical location of its kind dedicated to Britain's disability arts movement which features more than 3,500 pieces of artwork. Our commitment to NDACA is a symbol of our overall commitment to supporting achievement among disabled people. We are excited about welcoming researchers, heritage professionals and those interested in this important area of the UK's cultural identity to Buckinghamshire New University, as well as drawing on the archive to enrich our courses and research.

OUTREACH AND WIDENING PARTICIPATION ACTIVITIES

We are proud of everyone in our diverse and inclusive University community and work tirelessly to break down barriers to ensure that everyone can benefit from the transformative education we provide. Some 24% of our students come from postcodes with lower participation rates in higher education, and 36% are from areas of deprivation.

Our outreach work

Last year we continued our work with local schools and colleges as part of our commitment to widening participation (WP) amongst those groups typically under-represented in higher education, and were delighted to see more than 2,000 school pupils engage across 92 events. Half of the young people we worked with would be first generation University students and 42% were members of the BAME community. Just under half (46%) of the pupils we worked with came from disadvantaged backgrounds and, on average, a third live in areas of low participation in higher education.

Our events to widen participation included taster days, careers days and careers advice and guidance sessions across a variety of age groups from Years 8 to 13. These engagements reflect the increasing emphasis by government and schools on careers advice, and aim to help students in their career choices and illustrate the

pathways available to them, whether or not this includes higher education.

Our Futures Days campus visits are aimed at Year 9 students, offering a first-hand experience of university life to encourage them to consider higher education, irrespective of their background. Last year we held 15 Futures Days which were offered to all local schools which meet our WP criteria. For older age groups we support both their move into further education and their application to higher education, as well as offering parents' information evenings and HE workshops. We actively seek to recruit Student Ambassadors who attended our target WP schools to provide school pupils with relatable role models.

We have continued our outreach work throughout the COVID-19 restrictions, consulting with schools to create a range of virtual and face-to-face sessions to meet the needs of their pupils which were supported with new resources and social media activity. This included an eight-week Fashion Futures initiative where academics in our Fashion course team provided subject-specific widening participation support. We also organised a virtual Q&A session to help parents support their children in transitioning from school to higher education.

Buckinghamshire New University is a partner in Study Higher, part of the National Collaborative Outreach Programme which targets students from areas where progression to higher education is low. As well as taking part in joint ventures with our partners - Oxford Brookes University, The University of Reading and The University of Oxford - we have successfully launched our Simulate Your Future project. This uses a state of the art 'simulation vehicle' to promote higher education study across the region through the use of cutting-edge 'simulator' technology that places participants in virtual career environments. We were delighted to see around 1,400 young people take part in Simulate Your Future events during the year.

As part of our widening participation work, we invited local school pupils to help us celebrate International Women's Day by joining a Q&A session with our female leaders. The pupils asked the panel questions including who their female role models were, how they viewed the future for women in the workplace, and what advice they would give them about entering the world of work. We were delighted to welcome the young women to our University community, and to pass on a range of experiences and views about women in the workplace to help inform their future education and career choices.



Widening participation in higher education

In June 2020, Buckinghamshire New University was proud to celebrate the varied and valued contributions the Gypsy, Roma and Traveller (GRT) communities make to British society during GRT History Month. This was part of our ongoing commitment to encourage members of the GRT communities to participate in higher education. We hosted an online exhibition of work by Dr. Daniel Baker, a Romani Gypsy who is an artist, curator and theorist, on our website. The University also hosted a debate including representatives from leading GRT organisations and non-governmental organisations, as well as GRT academics and representatives from ten universities. Our Vice-Chancellor, Professor Nick Braisby and Professor Margaret Greenfields joined the debate to explore performance, identity, prejudice and representations of the communities in public debate and the media.

Our proud track record to widen participation from GRT communities includes developing a 'good practice pledge' to encourage access to higher education from these communities, by bringing together GRT university graduates, other universities, and education charities. We hope this work will be transformational in opening up opportunities for members of the GRT communities to flourish within UK higher education, and we intend to organise further activities as we work in partnership alongside our GRT students, colleagues and broader networks.

We are proud to be introducing a Gypsy, Roma, Traveller, Showmen and Boater student bursary in 2020-21 to further encourage and support members of these communities in accessing higher education. This is in addition to the support we already offer with accommodation, assistance with university applications, and providing mentorship throughout a student's studies. We believe we are the only university in the country that has taken in to account the additional challenges members of the communities may face in entering or remaining in higher education, by introducing a package of bursaries and tailored support.



EXTERNAL ENGAGEMENT

Our external engagement work is reflected in and driven by our University strategy, Impact 2022, and the imperatives it contains for the University to become better connected and more permeable, ever more student- and customer-focused, business-oriented, strategically aligned and, above all, impactful. An essential aspect of the strategy is for the University to build strategic partnerships and alliances especially locally and throughout our region, but also further afield as well.

This year the University rejoined GuildHE. Unlike mission groups, GuildHE is one of two officially recognised representative bodies for higher education, the other being Universities UK, of which the University is also an active member, through the contributions of the Vice-Chancellor, Professor Nick Braisby. GuildHE and UUK enable the voice of the University to be heard and this year we were pleased to see government guidance around student number controls change after direct lobbying by the Vice-Chancellor. The University has also joined the All Party Parliamentary Universities Group.

External engagement is deeply reflected in the activities of the senior team as they lead the delivery of Impact 2022. The University has appointed a new member of the senior team, Dr Rachel Cragg, as Pro Vice-Chancellor (External Engagement) to lead our external engagement work with educational partners and apprenticeship employers.

This year our Vice-Chancellor joined the Universities UK Racial Harassment Advisory Group, a group established to develop practical guidance for universities on preventing and responding to all forms of racial harassment experienced by staff and students. The group is expected to produce its report in the autumn of 2020.

In response to the COVID-19 pandemic, the membership organisation JISC established a new

programme, Learning and Teaching Reimagined. The Vice-Chancellor joined the Advisory Board as a Universities UK representative and has been active in the programme, producing one of its long-term vision statements. The final report Learning and Teaching Reimagined: a new dawn for higher education? has now been produced, and as the programme closes the Vice-Chancellor has joined the HE Edtech Advisory Board.

The Vice-Chancellor has also continued to Chair the Strategic Board for the Bucks Health and Social Care Academy, a novel, innovative multi-partner organisation, jointly founded by the University and Buckinghamshire Healthcare NHS Trust, and bringing together the Buckinghamshire Council, Buckinghamshire College Group, Buckinghamshire LEP, Fed Bucks (the GPs' Federation), Health Education England, and the Universities of Bedfordshire and Buckingham. The Vice-Chancellor remains active in other local, regional and national organisations, chairing the Board of Governors for the University-sponsored Buckinghamshire University Technical College, sitting on the Learning Analytics and Innovation Board sponsored by Civitas Learning Inc., and sitting on the Development Board for Bucks Culture. Finally, the Vice-Chancellor joins other senior leaders of higher education institutions as a member of the West London HEI Vice-Chancellor's group, a group aimed at ensuring higher education plays a significant role in the economic regeneration of West London, a region especially badly hit by the pandemic.

During the year, Professor Gavin Brooks, the University's Provost and Deputy Vice-Chancellor at Buckinghamshire New University, took the reins of a county-wide group charged by Government with ensuring that the skills taught in universities, schools and colleges match what local employers need for their businesses to thrive, both now and in the future. The Skills Advisory

Panel (SAP) brings together local employers and education providers to address the county's skills challenges, which include helping people who have lost their jobs as a consequence of COVID-19 to retrain or transfer their existing skills to another sector. The SAP, one of many set up in local authority areas across the country since 2018, meets quarterly and reports to the Buckinghamshire Local Enterprise Partnership (LEP) Board. Buckinghamshire New University has received £2.9 million of LEP funding since 2017 to support a variety of projects that benefit the county's economy and health sector, including its Health and Digital Business Hubs and the Bucks Health and Social Care Academy.

One of those projects has been a significant investment in Bucks Creates, a University-led project to bring higher education, skills and training onto the Pinewood site in Buckinghamshire, enabling students to acquire practical, vocational skills in the cutting-edge Pinewood environment.

Bucks also has a representative on High Wycombe BID company (HWBIDCo), helping to inform developments and activity in the town for the benefit of students and the community.

Bucks HSC Ventures, an EU-funded health and social care innovation programme which is hosted at the University, works with Buckinghamshire Healthcare NHS Trust, Buckinghamshire County Council, Oxford AHSN, and Buckinghamshire Clinical Commissioning Group. It has supported 55 small to medium-sized enterprises (SMEs), each receiving workshops and specialist support worth from £1,500 to £10,000. Innovative ideas are based on themes such as 'Best Start in Life', 'Prevention', 'Age Well', and 'Staff Wellness' with the aim of making Buckinghamshire the 'go-to' destination for health and social care innovation. Buckinghamshire New University's PhD student Richard Harlow is one of only 13 early career

researchers to be selected to the current cohort. Richard is progressing his idea of "Safer-Cap", which is a specially designed cap for child resistant bottles that makes opening them safe and easy for someone who suffers from arthritis and has difficulty squeezing and twisting. Due to its ingenious design, the cap is also child resistant for ages 6 and below.

We have also been working throughout the year to create a new Institute for Health and Social Care to provide strategic oversight for all health and social care activities across the University. The University has very strong links with NHS Trusts and social care providers in the region, and has already established the Buckinghamshire Health and Social Care Academy. The new Institute will support the University's commitment to help shape and support the health and social care agenda in the region and across the UK. It provides an exciting opportunity to both strengthen existing and forge new relationships with our NHS Trust partners and FE colleges to co-create and deliver, relevant work-based training programmes.

Taking religious sensitivities in to account and improving recovery outcomes for patients were among projects developed in a course run between our University and the Macmillan Cancer Support charity. Macmillan healthcare professionals and a specialist cancer nurse completed the four-month Enhancing Cancer Care Practice Through Work Related Learning course, equipping them with skills to develop projects to improve cancer services. The course, which is in its fourth year, facilitates knowledge-exchange by bringing together healthcare professionals to share their skills and experiences. The innovative projects implemented as part of their studies include supporting patients with a high grade brain tumour to access community support services and developing a support package for people with a stable incurable illness living at home. This course is a great example of how our University works with charities and NHS partners to

share our expertise for the benefits of patients across the UK.

We continue to work in partnership within our local communities with Bucks Students' Union which has a good working relationship with Wycombe District Council and Thames Valley Police. Together we created a Community Guide to promote the importance of living safely and sensibly in the community.

Further afield, Bucks is part of the Heathrow Skills Partnership, helping to adapt and reskill the existing workforce and create a pipeline of talent not only to benefit Heathrow but also the wider infrastructure industry.

During the year, Bucks-based company CSR-Accreditation (CSRA) - which helps organisations to demonstrate their positive impact on society and the environment - was rigorously assessed and then endorsed by a University scrutiny panel. As a higher education provider, we look forward to continuing our partnership with CSRA to encourage the sector to embed CSR in to the curriculum so that future generations are inspired to make a difference and positive contribution in their local communities and the wider world.

We have established a strong partnership with Amazon and our Computing students are gaining cutting-edge cloud computing skills through a qualification with its AWS Academy.

The University is proud to work with Bucks Students' Union, Swim England, and Wycombe District Swimming Club, as one of only five national performance centres for swimming to promote dual career development for athletes. The University is also one of only 11 universities to be accredited by Sport England and the Football Association Women's Super League Academy programme (linked with Reading Women's FC Academy) to deliver sport science services and support players' academic aspirations.

We continue to offer our facilities to local organisations and community groups, both charged and pro bono. In December 2020, the University hosted a General Election Hustings in conjunction with the Bucks Free Press local newspaper so that local people could listen and pose questions to High Wycombe's parliamentary candidates.

The University also held events at it's High Wycombe campus and supported work by the Students' Union to promote Time to Talk Day to raise awareness of mental health and the support offered by the University, working with charities including Chilterns Samaritans.

OUR ACHIEVEMENTS

THE TIMES THE SUNDAY TIMES Good University Guide 2021

- » Top 25 university for teaching quality
- » Up 9 places for graduate prospects
- » UK's 3rd lowest dropout rate for students from deprived areas
- » 11th lowest black attainment gap across all UK universities

The Guardian

- » Up 28 places, 9th highest rise across all UK universities and top-three climber in England
- » 13th highest in the UK for our spend on student support
- » Improved our ranking in more than 10 of the 14 subject areas, giving us the 10th best performance across all UK universities



- » Overall satisfaction rose by 2% and above sector average
- » Courses achieving 100% Overall Satisfaction up from five to seven
- » In the top 20 of all UK Universities (when all 27 questions in the survey are averaged)



STRONG FINANCIAL PERFORMANCE

- » Operating surplus of £4.1m
- » Total income up to £117.3m
- » Cash in bank: up £2.6m to £20.4m



5TH LOWEST GRADUATE UNEMPLOYMENT RATE

In the UK (2.1%) across multi-faculty UK universities (HESA data)



47% RISE

In postgraduate students



> 63%

Increase in degree apprenticeship learners



87.5% STUDENT CONTINUATION RATES

Exceeding sector benchmark



2000+

Pupils took part in our 92 widening participation events



£1.48M FUNDING

For Bucks Students' Union to support best student experience



13,000 HOURS

Students volunteered 13,000 hours of their time to help others



£13,000 FOR CHARITY

University community raised £13,000+ for RAG charities



5,000 PLASTIC STRAWS

Removed from our bars and cafes



140%

Increase in renewable energy generated on our campuses



64%

Fall in our carbon footprint since 2011



CARBON NET ZERO

Pledged to be carbon net zero by 2030 – 10 years earlier than Government target



886 ITEMS

Donated to tackle hygiene poverty



STRATEGIC RISKS

During 2019, the University continued to comply with the OfS ongoing Conditions of registration and to follow the Committee of University Chairs (CUC). Higher Education Code of Governance. In doing so the governing body must ensure institutional financial health including adopting effective systems of control and risk management which promote value for money, meet mandatory audit requirements, and produce accurate and quality assured institutional data.

In order to ensure that the strategy and its key performance indicators can be achieved, the University's Council also identifies and closely monitors business risks. Members of the executive team provide regular briefings to the Audit Committee and to the University's Council, allowing Governors to monitor the assessment, mitigation and responses to these risks.

In 2019-20, the University operated its revised Risk Management Policy (December 2018). The University's Executive Team reviewed both local and institutional risks on a quarterly basis, reporting to Audit Committee. The Audit Committee concluded that the University continues to operate adequate and effective risk management processes.

Further details on the University's risk management procedures and policies are set out in the statement of corporate governance.

Strategic risks each fall into one or more of four risk areas, namely financial sustainability, compliance, reputation and organisational effectiveness, and are listed below:

- » Failure to control costs, grow income and invest in the future
- » Failure to recruit to targets for student numbers
- » Failure to deliver student success outcomes, including retention and completion targets
- » Programmes do not deliver key graduate attributes, employment skills and experience opportunities
- » Provision fails to meet academic standards
- » On non-academic grounds, the university breaches the conditions of registration with the Office for Students or otherwise transgresses sector regulations
- » Failure to support and oversee quality and student experience or meet targets for income generation and outputs for research and enterprise through our partnerships
- » Failure to meet income targets and delivery of strategy for growth in research and enterprise activity
- » Failure to deliver the organisational change set out in the people strategy
- » Failure to deliver an IT strategy that provides fit-for-purpose corporate systems and technology
- » Failure to deliver value for money, high quality services and facilities
- » Failure to ensure the safety and security of staff



FINANCIAL REVIEW

The financial statements presented by the University's Council comprise the consolidated results of the University and its subsidiary companies and joint ventures (the Group). The Group companies undertake activities which, for legal or commercial reasons, are more appropriately channelled through a limited company. Where possible, subsidiary companies pay their taxable profits to the University under the Gift Aid scheme.

COVID-19

The impact of COVID-19 for the Group in the year ended 31 July 2020 was £2.8m (£2.4m for the University, £0.4m for Missenden Abbey Limited). Income was reduced due to releasing students from their accommodation contracts for the last term of the year so that they could return home, apprenticeship starts were delayed and the Missenden Abbey activities were heavily affected by the restrictions on the hospitality industry. The University invested in key areas to enable it to operate in the post COVID-19 environment and as a result additional costs were incurred on ensuring COVID-19 secure provision on campus, the IT spend incurred to move activities – both educational and administrative – online and the creation and payment of student hardship funds specifically related to the impact of the pandemic. This lost income and increased costs of operating were offset by the savings in expenditure as a result of a slowdown in operating activity from having the campus dormant from the end of March through to the end of the financial year.

Key Financial Highlights

The results for the year ended 31 July 2020 are summarised below:

| | 2019-20 £m | 2018-19 £m |
|---|--------------|------------|
| Income | 117.3 | 84.5 |
| Expenditure | 113.2 | 85.1 |
| Surplus/(Deficit) before other gains and losses | 4.1 | (0.6) |
| Other items | 0.0 | (1.9) |
| Surplus/(Deficit) for the year | 4.1 | (2.5) |
| Cash at bank | 23.0 | 20.4 |

Results for the Year Ended 31 July 2020

The Group

Results for the 2019-20 financial year show a consolidated group surplus before other gains and losses of £4.1m (2018-19 £0.6m), exceeding the budget submitted to the Office for Students (OfS). This is a positive performance compared to last year, especially considering the impact of COVID-19 on the Group in the latter half of the year. During the year the University has continued to hold income from its own provision steady and has seen substantial increases in income from its key partnerships. In the year the University has restated for the corrected recognition of partnership income. Details of the treatment of partnership income and its impact on the figures can be found on page 47 under Income Recognition for 2019-20 and on page 50 for the Prior Year Adjustment. Therefore, in the year total income for the Group is reported at £117.3m (2018-19 £84.5m), an increase of 38.8% on last year. The most significant change from last year is shown in income from full time Home and EU students of £91.0m (2018-19 £56.0m) an increase of 62.5% on last year, which was predominantly the result of growing the strong partner base within the University in the year. Figure 1 shows a breakdown of the Group's income by category, 84% of income comes from tuition fees with the remaining 16% coming from a variety of smaller sources.

Total expenditure for the Group is £113.2m (2018-19 £85.2m), an increase of 32.9% on last year. The most significant change from last year is shown in note 8. Academic related expenditure of £80.7m (2018-19 £55.2m) has increased year on year by 46.1%. This reflects the corrected recognition of partnership payments.

Total expenditure on staff costs of £31.5m (2018-19 £30.8m) now represent 26.9% of total income (excluding restructuring costs), an improvement of 9.5% from last year's figures. Other operating expenses for the year of £73.3m (2018-19 £47.2m) are 62.5% of income, an increase from the previous year's restated 55.8% and a result of the increasing level of partnership activity and the associated costs of the partners' provision of educational services. Figure 2 shows a breakdown of the Group's expenditure, demonstrating that 71.2% is related to academic activities with the largest part of the remaining 28.8% being incurred on administrative and central services.

The Group's income and expenditure have both been impacted by the effects of COVID-19, with the net cost being estimated at £2.8m. The results of the Group benefited from the recognition of a one-off gain on acquisition credit of £3.2m, shown under exceptional income, which arises from the acquisition of Buckinghamshire Education Skills and Training (BEST) as a wholly owned subsidiary at the start of the year (2.8% of total income as shown in figure 1).

Figure 1: Group Income 2019-20

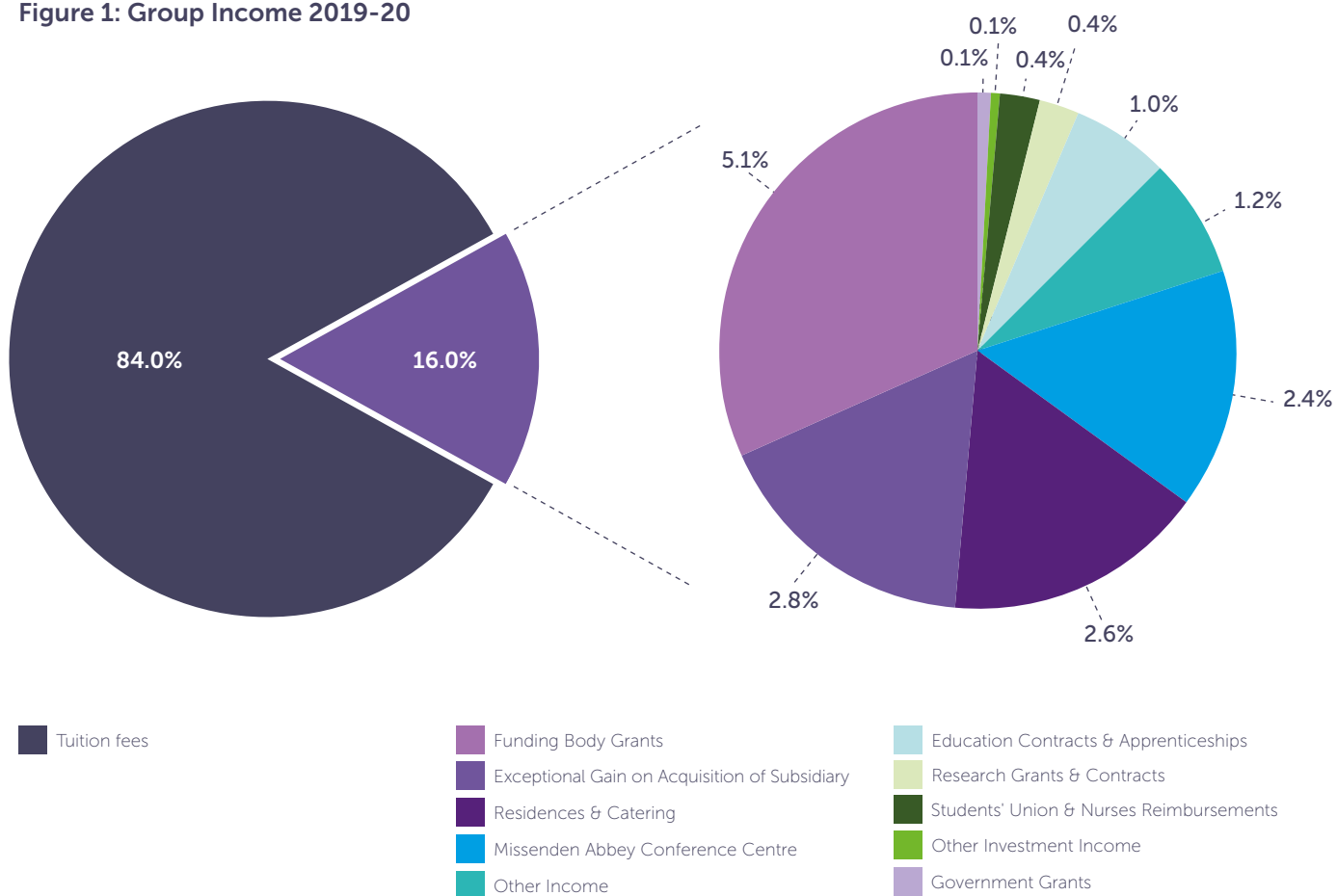
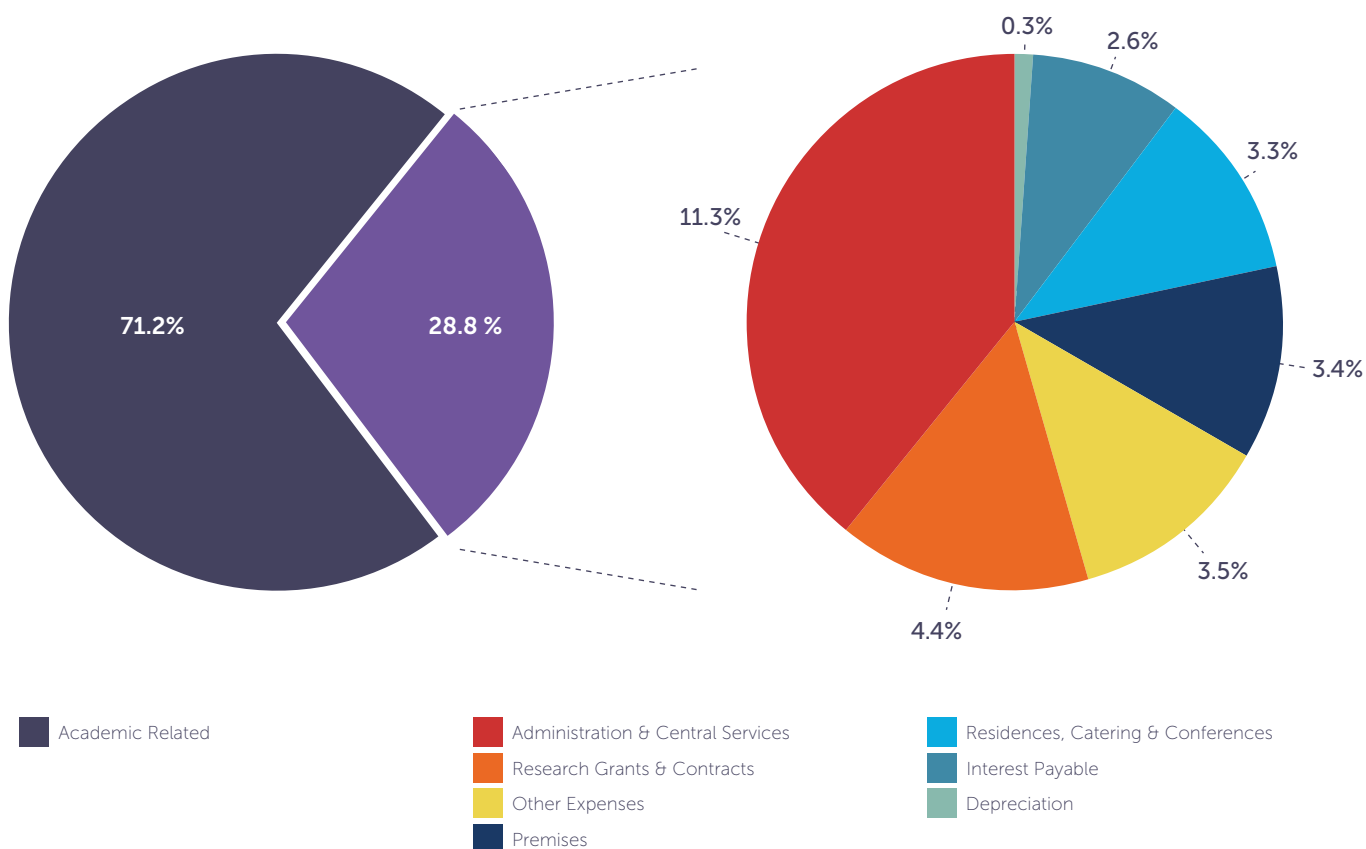


Figure 2: Group Expenditure 2019-20



The University

The University generated a surplus in the 2019-20 financial year of £2.2m, a £3.9m improvement on the previous year's £1.7m deficit. The income for the year was £112.1m; an improvement of £29.5m over the previous year's income, after restating that income for the corrected recognition of partnership income. Expenditure for the year was £110.0m, an increase of £26.6m year on year, after restating the prior year costs for the costs associated with the corrected recognition of partnership payments. The net effect on the prior year's deficit of the restatement to partnership reporting is zero. Expenditure for the year excluding the costs of tuition for students studying with partners was £58.4m, an increase of £1.1m over the previous year's £57.3m.

The University's results were impacted by the effects of COVID-19 in several ways. Tuition fees were reduced by approximately £1.0m (£0.5m for Healthcare CPD and lower Nursing students, and £0.5m for apprenticeships as the government removed nursing students from their placements in response to COVID-19) while the cost of releasing students from their accommodation contracts for the final term of the year was £1.2m. Income from other sources, such as the on-site gym and catering, was lowered by £0.6m.

Subsidiaries

Buckinghamshire Education Skills and Training (BEST)

From 1 August 2019, Buckinghamshire Education Skills and Training (BEST) has operated as a 100% owned subsidiary of the University. The previous existing joint venture between the University and Buckinghamshire College Group (BCG) ended at the end of the previous financial year. On acquisition the University acquired £20.6m of fixed assets, including land and buildings with a net book value of £20.1m, along with the associated capitalised finance lease liability of £19.2m. During the 2019-20 financial year, BEST has made a profit of £0.2m (£1.52m loss in 2018-19 with £0.76m consolidated into these accounts using the equity method). This profit is primarily driven by the loan balance owed to BCG (£1.27m) as at 31 July 2019 being converted

to a donation to BEST as part of the agreement for the University to take full control of the former joint venture. As it was part of the agreement for acquisition that the loan was waived, the liability was never recognised in the consolidated accounts of the Group.

Missenden Abbey Limited

Missenden Abbey Limited is a 100% owned subsidiary and provides a centre for adult education, conferences and management training. The company's activities were particularly impacted by the effects of COVID-19 and the government's restrictions on the activities of the hospitality sector from March onwards. The income lost due to these factors was estimated at £0.6m, partially offset by reduced operating costs of £0.1m and £0.1m of credits claimed from the HMRC Coronavirus Job Retention Scheme to cover 80% of the wages of employees furloughed due to coronavirus. A revaluation of the assets of Missenden Abbey Limited at the end of the year was commissioned to identify any impairment in the assets' value but it was determined that their market value was not less than their book value and no impairment of the assets was required. Income for the year was £1.4m, a decrease of £0.5m compared to the previous year's £1.9m. Expenditure decreased year on year by £0.2m from £1.9m in 2018-19 to £1.7m in 2019-20. The deficit in the year is £0.3m (£0.05m surplus in 2018-19).

BCUC (Services) Limited

BCUC (Services) Limited is a 100% owned subsidiary and operates a lecture theatre complex. The company's turnover remained constant at £0.1m in the 2019-20 financial year (£0.1m in 2018-19), expenditure increased to £0.03m in 2019-20 from £0.02m in the previous year and the operating profit is £0.08m (£0.09m in 2018-19) which is gift aided to the University.

Pension Schemes

In this year's Consolidated Statement of Comprehensive Income and Expenditure (SOCIE), the requirement to fund the administrative expenses of the Local Government Pension Scheme (LGPS) in the year and the net interest cost has seen an in-year charge of £1.1m (2018-19 £1.2m).

The charge to staff costs in the year due to movement in the pension provisions is £1.8m (2018-19 £2.1m) and can be seen in note 7.

The actuarial adjustment in respect of pension schemes forms part of the total comprehensive income for the year. The actuarial loss which the University has recognised in this financial year is £12.4m (£5.2m loss in 2018-19) and is a reflection of the changes in financial assumptions and investment performance (Fig.4).

The majority of academic staff are members of the Teachers' Pension Scheme, a multi-employer scheme accounted for on a defined contribution basis.

The University has a small number of employees who are members of the Universities Superannuation Scheme. As the scheme is in deficit and a funding plan agreed, section 28 of FRS102 now requires employers to recognise a liability for the contributions payable to close the funding gap. As at 31 July 2020 the balance sheet provision is £0.16m (£0.19m at 31 July 2019).

Full details of the pension schemes liabilities can be seen in note 28.

Capital Projects

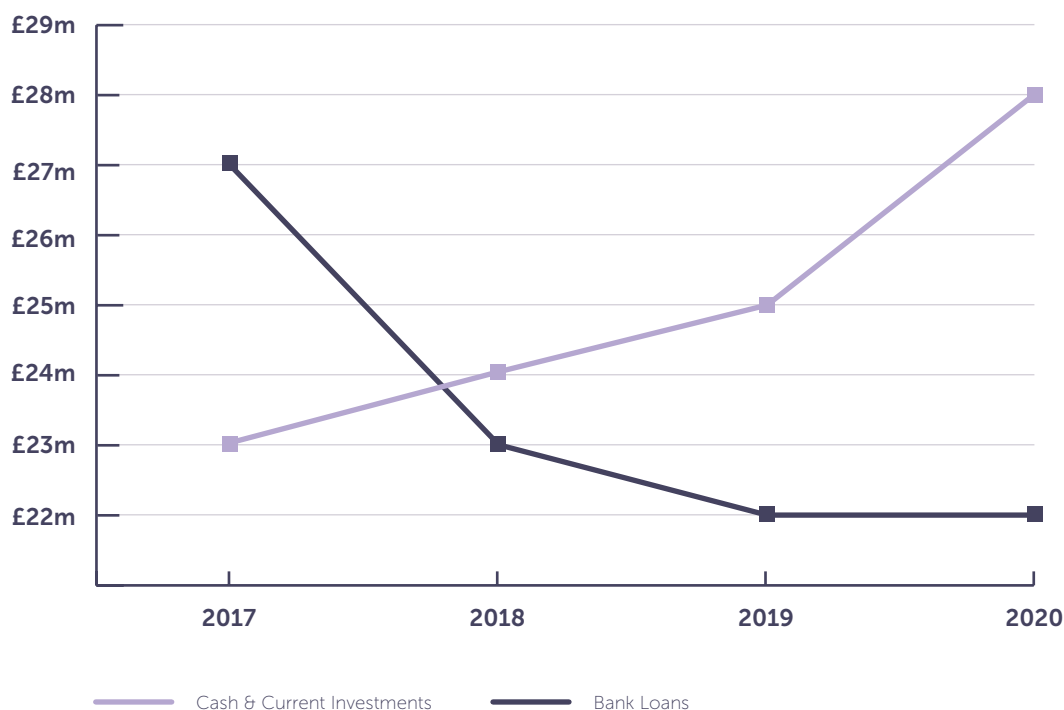
During the year £3.2m, of capital additions were made, the majority of which were to improve IT facilities and our infrastructure for staff and students throughout all campuses. This included the continuing investment in the new facilities for nursing at Aylesbury, new IT hardware for staff to support the upgrade to Windows 10, the new PA system for the Students' Union / Media School, the development of a Business Intelligence program and continued spend on the Student Connect student record system project.

Cash Flow

The cash balance (excluding short-term deposits) of £23.0m represents a £2.6m improvement over the previous year's balance of £20.4m, demonstrating the University's cash generative position with a £7.9m net cash inflow from operating activities. Additionally, the University's liquidity days have improved to 134 days as at the end of the financial year compared to 123 days as at the end of the 2018-19 financial year. External debt of £0.6m has been repaid leaving the total amount of debt outstanding at £21.7m (£22.3m in 2018-19). The University has a "revolving credit facility" providing access to short term funds as required.

An analysis of Group cash balances (including short term deposits) versus bank loans over the last four years is shown on the next chart. The excess of the cash balance over bank loans continues to increase, being £6.0m at 31 July 2020 compared to £3.0m at 31 July 2019.

Figure 2: Group Cash & Bank Loans



The debt-to-income ratio for the Group has improved to 18% at 31 July 2020 from 26% at 31 July 2019:

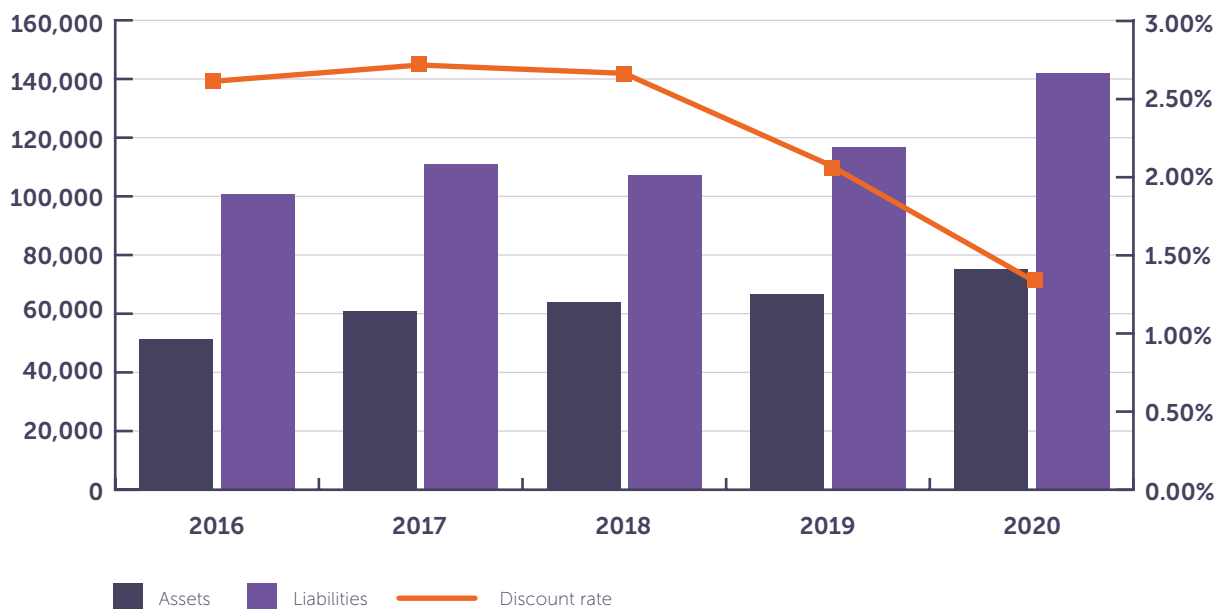
| | 2019-20 £m | 2018-19 £m |
|--------|------------|------------|
| Debt | 21.7 | 22.3 |
| Income | 117.3 | 84.5 |
| Ratio | 18% | 26% |

During and at the end of the year the University achieved all of the banking covenants on the institution.

Balance Sheet and Reserves

The balance sheet shows a decrease in net assets of £8.3m since 31 July 2019 for the Group. The main reason for this is the increase in the pension provision requirement due to the increase in liabilities in the actuarial valuation of the LGPS scheme. This is a result of the discount rate used in the actuarial valuation for the 2019-20 financial year – 1.35% compared to 2.10% in the previous year. Figure 4 shows the relationship between the discount used in the actuarial valuation of the LGPS scheme and the value of the liabilities over the last five years.

Figure 4: LGPS Valuation



The acquisition of BEST as a 100% owned subsidiary resulted in the full consolidation of that company's assets and liabilities into the consolidated balance sheet – most notably £19.6m of fixed assets and £18.8m of liabilities related to the capitalised finance lease for the Aylesbury campus building.

With cash balances forecast to remain healthy during this period, management remain satisfied 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 accounts.

Investment Policy and Performance

Investment limits have been agreed by Council that reflect the credit rating of the relevant counterparty and the period of the deposit. A financial institution is deemed to be an individual institution if it is registered separately with the FCA (Financial Conduct Authority) and treated as an individual institution for the purposes of the Financial Services Compensation Scheme (FSCS). Therefore, different institutions within the same banking group may receive individual banking licenses. Credit ratings are taken to be the lowest of those assessed by the principal recognised agencies (Moody's, Fitch and Standard & Poor's) as applied to the senior debt of the relevant counterparty.

Only sterling deposits or sterling commercial paper with maturities within the limits set out in the next table are eligible:

| Counterparty | Limit | Time Period |
|---|--------------|---------------------|
| Barclays Bank subject to long term A rating | £30 million | Aggregate limit |
| | £50 million* | Temporary - 14 days |
| | £10 million | Over 1 month |
| | £5 million | Over 3 months |
| | £5 million | Over 6 months |
| Any other Bank or Financial Institution long term A rated | £5 million | Aggregate limit |
| | £2 million | Over 3 months |
| | £1 million | Over 6 months |
| Liquidity or Money Market Investment Fund AAA rated | £10 million | Up to 3 months |

*An aggregate limit with Barclays of £50m was approved by Council in July 2020 to take into account short periods of time when funds are received from the Student Loan Company and remain with the University before payment is made to Partners.

At 31 July 2020 there was a total balance of £19.6m held in deposit accounts. This was split between Handelsbanken (£5m), Santander (£5m), Barclays (£5m) and Lloyds (£4.6m).

THE YEAR AHEAD

Initial indications for the year show a positive financial performance for the University, placing it well to navigate any further challenges arising from the COVID-19 epidemic. We are projecting that the recruitment of home students will be ahead of budget, and the improved value of our 2020-21 accommodation packages has boosted demand for places in our halls of residence. Furthermore, the University is fortunate to not be as financially reliant on international students as others in the sector.

We will continue to review and develop our course portfolio to ensure that the programmes we offer meet market demand and are developed so as to enhance our graduates' employability.

The University remains committed to carefully managing its costs to maximise the potential for investment in the student experience, and to maintain high levels of spend in academic areas.

The cash balance of the University remains strong and has elected for 2020-2021 to continue to receive fee loan payments from the Student Loan Company as usual (25% in October; 25% in February; and 50% in May), rather than to receive the first two payments in October.

STATEMENT OF CORPORATE GOVERNANCE

The following statement is provided to enable readers of the financial statements of Buckinghamshire New University to gain a better understanding of the governance and legal structure of the University and covers the period 1 August 2019 to 31 July 2020.

Buckinghamshire New University is an independent corporation, established as a Higher Education Corporation under the provisions of the Education Reform Act 1988 and the Further and Higher Education Act 1992. It is an exempt charity as defined under the Charities Act 2011. The University is regulated by the Office for Students (OfS) since 1 April 2018 which is the principal regulator for English higher education institutions that are exempt charities, previously it was regulated by the Higher Education Funding Council for England (HEFCE). During 2019-20 The University's Council, as trustee of the University, continued to have due regard to the Charity Commission's guidance on public benefit and its supplementary guidance on the advancement of education.

The University conducts its business in accordance with the OfS public interest governance principles, the seven principles identified by the Committee on Standards in Public Life and with the guidance to institutions of higher education provided by the Committee of University Chairs (CUC). The

University's Council is satisfied that it is aligned to the HE Code of Governance published by CUC in December 2014, revised June 2018 and September 2019, and that the University continues to meet the OfS Ongoing Conditions of Registration.

Its objects, powers and framework of governance are set out in the Articles of Government. Amendments to these Articles must be approved by the OfS (formerly Privy Council). The Articles require the University to constitute a University Council and an Academic Board, each with clearly defined functions and responsibilities, to oversee and manage its activities.

University Council

The University's Council comprises independent and University members appointed under the Instrument and Articles of Government of the University, the majority of whom are non-executive. The roles of Chair and Deputy Chair of the Council are separated from the role of the University's Vice-Chancellor. The matters specially reserved to the Council for decision are set out in the Articles of the University, by custom and under the Terms and conditions of funding for higher education institutions with the OfS. The Council identifies that it has primary responsibilities that it reserves to itself for the ongoing strategic direction of the University, the determination of the educational character and

mission of the University, the approval of the annual estimates of income and expenditure, the approval of major developments and the receipt of regular reports from Executive Officers on the day-to-day operations of its business and its subsidiary companies.

The Council also has responsibility for:

- » The effective and efficient use of resources, the solvency of the University and the Corporation and for safeguarding their assets;
- » The employment of those designated by the Council as Senior Employees and their appointment, grading, assignment, appraisal, suspension, dismissal and determination of their pay and conditions of service;
- » Setting the framework for the employment, including pay and conditions, of all other employees and contractors;
- » Corporate policies, regulations and procedures to assure the effective governance of the University and to meet statutory and other legal obligations, including an anti-fraud and anti-corruption policy.



The Council met six times (in person and virtually) during the year and had several Committees reporting to it, including a Resources Committee, a Remuneration Committee, a Governance Committee and an Audit Committee. All of these Committees are formally constituted with terms of reference and predominantly comprise of lay members of Council, one of whom is the Chair.

Senate

Subject to the overall responsibility of the University's Council, the Senate has oversight of the academic affairs of the University and draws its membership entirely from the staff and students of the University. It is particularly concerned with issues relating to the teaching and research work of the University. Senate is chaired by the Vice-Chancellor in his capacity as Head of the Institution.

Resources Committee

The Resources Committee recommends to Council the University's annual revenue and capital budgets, and monitors performance in relation to these approved budgets and key performance indicators. The committee usually meets three times during each academic year.

Governance and Remuneration Committees

The Governance Committee considers and is responsible for the

effective operation of the University's Council in accordance with the CUC HE Governance Code of Practice including the nomination, appointment and induction of new members to ensure an appropriate mix of skills and expertise.

The Remuneration Committee determines the remuneration of the senior employees, including the Vice-Chancellor and is responsible for approving the University's Annual Remuneration Report, the Staff Note for publication in the annual Financial Statements and the Remuneration Statement for publication on the University's website.

Audit Committee

The Audit Committee normally meets four times each year. In addition independent members meet privately with the internal and external auditors to discuss audit findings. The committee considers the detailed internal audit report findings prepared by the University's internal audit service, reviews the effectiveness of the systems of internal controls and monitors adherence with regulatory requirements. It reviews the annual financial statements together with the accounting policies. It reviews the system and processes in respect of the preparation and submission of statutory returns to the OfS and the Higher Education Statistics Agency (HESA).

Overview

These committees are composed of independent and external co-opted members of the University's Council. The decisions of all these committees are reported formally to the Council. The University's Council conducts regular effectiveness reviews of itself and its committees. These reviews include an analysis of attendance, work undertaken and the views of members so that changes can be introduced as appropriate during the next cycle. As Chief Executive, the Vice-Chancellor leads the development of the University strategy, the identification and planning of new developments and the shaping of the University ethos. Members of the University Executive Team (currently the Vice-Chancellor, Provost and Deputy Vice-Chancellor, Pro Vice-Chancellor Education and Digital, Pro Vice-Chancellor External Engagement, Director of Finance, Director of Human Resources and University Secretary and Clerk to the Council) all contribute in various ways to this aspect of the work. However, the ultimate responsibility to the Council rests with the Vice-Chancellor.

In accordance with the Articles of Government of the University, the University Secretary and Clerk to the Council has been designated Secretary to the University's Council and in that capacity provides independent advice on matters of governance to all Council members.



Statement of Internal Control

The University's Council acknowledges its responsibility for ensuring that an effective system of internal financial control is maintained and operated by Buckinghamshire New University and the University's Council confirms it has reviewed the effectiveness of these arrangements.

The system of internal financial control is based on a framework of regular management information, administrative procedures including the segregation of duties and a system of delegation and accountability.

The following processes are established to review the adequacy and effectiveness of the University's system of internal control:

- » KCG provides internal audit services for the University. KCG provides an annual opinion on the adequacy and the effectiveness of internal controls and risk management across the University, in accordance with the Office for Students Terms and Conditions of funding for Higher Education institutions (OfS 2018.15, Annex C).
- » The Audit Committee receives regular reports from the internal audit service, including its independent opinion on the adequacy and effectiveness of the University's system of internal control, together with recommendations for improvement.
- » Council receives regular reports from the Audit Committee on internal control and the business of the Committee.
- » There is a comprehensive budgeting system with an annual and five year budget which is reviewed and agreed by Council.

The University's Council has established the processes for the identification, evaluation and management of risks the University faces. The University's Council has responsibility for maintaining a sound system of internal control that supports the achievement of policies, aims and objectives, while safeguarding the public and other funds and assets for which it is

responsible. This is in accordance with the responsibilities assigned to the governing body in the Instrument and Articles of Government and the Terms and conditions of funding for higher education institutions with the OfS.

The system of internal control is designed to manage rather than eliminate the risk of failure to achieve policies, aims and objectives. It can therefore only provide reasonable and not absolute assurance of effectiveness.

The system of internal control is based on an ongoing process designed to identify the principal risks to the achievement of policies, aims and objectives, to evaluate the nature and extent of those risks and to manage them efficiently, effectively and economically. More specifically:

- » The Audit Committee provides an oversight of risk management.
- » Regular meetings between senior managers and Service Leaders to review progress and issues arising from operational activities, and similar meetings with Heads of School in relation to academic developments.
- » Oversight by Resources Committee of matters relating to resource allocation, forward planning, effectiveness and value for money.
- » The University's Council receives periodic reports from the Chair of the Audit Committee concerning internal control and requires regular reports from managers on the steps they are taking to manage risks in their areas of responsibility, including progress reports on key projects.
- » A robust risk prioritisation methodology based on risk ranking and cost-benefit analysis has been established and an organisation-wide risk register is maintained.
- » Clear definitions of the responsibilities of, and the authority delegated to, senior officers of the University.
- » Internal Audit during 2019-20 carried out nine Audit Assignments and no significant internal control weaknesses were identified.

- » External Auditors, in their audit for the year ending 31 July 2020, included consideration of internal control relevant to the preparation of the Financial Statements, the external audit finding no significant deficiencies.

Statement of Responsibilities of the University's Council

The University's Council is responsible for keeping adequate accounting records, which disclose with reasonable accuracy at any time the financial position of the Group, and for ensuring that the financial statements are prepared in accordance with the Instrument and Articles of Government, the Statement of Recommended Practice: Accounting for Further and Higher Education and FRS102.

Within the Terms and Conditions of funding for higher education institutions with the OfS and the University's Council, through its designated accountable officer, the University is required to prepare financial statements for each financial year which give a true and fair view of the state of affairs of Buckinghamshire New University and Group and of the surplus or deficit and cash flows for that year.

At Buckinghamshire New University the designated accountable officer has been identified as the Vice-Chancellor. In preparing those financial statements, the University's Council is required to:

- » Select suitable accounting policies and then apply them consistently.
- » Make judgements and estimates that are reasonable and prudent and state whether applicable United Kingdom Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements.
- » Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Group will continue in operation.

The University's Council has taken reasonable steps to:

- » Ensure that funds from the OfS and other funding bodies are used only for the purposes for which they have been given and in accordance with conditions which the funding bodies may from time to time prescribe, for example, in the Terms and Conditions of funding for higher education institutions with the OfS.
- » Ensure that there are appropriate financial and management controls in place to safeguard public funds from other sources.
- » Safeguard the assets of the Group and prevent and detect fraud and other irregularities.

- » Secure the economical, efficient and effective management of the University's resources and expenditure.

In so far as each of the Council Members are aware:

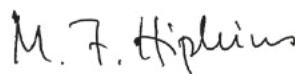
- » There is no relevant audit information of which the University's auditors are unaware.
- » The Council Members have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

The University's Council is responsible for the maintenance and integrity of the corporate and financial information included on the University's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.



Professor Nick Braisby

Vice-Chancellor and Chief Executive Officer



Dr Michael Hipkins

Pro Chancellor and Chair of Council

22 December 2020

Buckinghamshire New University
High Wycombe Campus,
Queen Alexandra Road,
High Wycombe, Buckinghamshire,
HP11 2JZ



INDEPENDENT AUDITOR'S REPORT TO THE COUNCIL OF BUCKINGHAMSHIRE NEW UNIVERSITY

Opinion

We have audited the financial statements of Buckinghamshire New University (the 'parent university') and its subsidiaries (the 'group') for the year ended 31 July 2020, which comprise Consolidated Statement of Comprehensive Income and Expenditure, Consolidated and University Statement of Changes in Reserves, Consolidated and University Balance Sheets, Consolidated Cash Flow 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 FRS 102; The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- » give a true and fair view of the state of the group's and the parent university's affairs as at 31 July 2020 and of the group's and parent university's income and expenditure, gains and losses, changes in reserves and group's and parent university's cash flows for the year then ended; and
- » have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice and the Statement of Recommended Practice: Accounting for Further and Higher Education published in October 2018.

Basis for opinion

We have been appointed as auditor under the Education Reform Act 1988 and report in accordance with regulations made under those Act. 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 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.

The impact of uncertainties arising from the UK exiting the European Union on our audit

Our audit of the financial statements requires us to obtain an understanding of all relevant uncertainties, including those arising as a consequence of the effects of Brexit. All audits assess and challenge the reasonableness of estimates made by the council and the related disclosures and the appropriateness of the going concern basis of preparation of the financial statements. All of these depend on assessments of the future economic environment and the group's and parent university's future prospects and performance.

Brexit is one of the most significant economic events for the UK, and at the date of this report its effects are subject to unprecedented levels of uncertainty, with the full range of possible outcomes and their impacts unknown. We applied a standardised firm-wide approach in response to these uncertainties when assessing the group's and parent university's future prospects and performance. However, no audit should be expected to predict the unknowable factors or all possible future implications for the group and parent university associated with a course of action such as Brexit.

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 council's use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- » the council have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the group's or the parent 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.

In our evaluation of the council's conclusions, we considered the risks associated with the university's business model, including effects arising from Brexit, and analysed how those risks might affect the group's and parent university's financial resources or ability to continue operations over the period of at least twelve months from the date when the financial statements are authorised for issue. In accordance with the above, we have nothing to report in these respects.

However, as we cannot predict all future events or conditions and as subsequent events may result in outcomes that are inconsistent with judgements that were reasonable at the time they were made, the absence of reference to a material uncertainty in this auditor's report is not a guarantee that the group and parent university will continue in operation.

Other information

The council are responsible for the other information. The other information comprises the information included in the annual report set out on pages 4 to 37, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. In connection

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

We have nothing to report in this regard.

Opinion on other matters prescribed by the Office for Student's ('OfS') accounts direction (issued October 2019)

In our opinion, in all material respects:

- » funds from whatever source administered by the parent university for specific purposes have been properly applied to those purposes and managed in accordance with the relevant legislation;
- » funds provided by the OfS, UK Research and Innovation (including Research England), the Education and Skills Funding Agency and the Department of Education have been applied in accordance with the relevant terms and conditions, and any other terms and conditions attached to them, and
- » the requirements of the OfS's accounts direction (issued October 2019) have been met.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the OfS accounts direction (issued October 2019) requires us to report to you where:

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

Responsibilities of Council for the financial statements

As explained more fully in the Statement of responsibilities of the Council on pages 36 to 37, the Council is responsible for the preparation of the financial statements and for being satisfied they give a true and fair view, and for such internal control as the Council determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Council are responsible for assessing the group's and the parent university's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless the Council either intend to liquidate the group or the parent 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. This description forms part of our auditor's report.

Use of our report

This report is made solely to the university's Council, as a body, in accordance with paragraph 12.2 (c) of the university's articles of government. Our audit work has been undertaken so that we might state to the university's Council those matters we are required to state to it in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the university and the university's Council as a body, for our audit work, for this report, or for the opinions we have formed.

Grant Thornton UK LLP

Grant Thornton UK LLP

Statutory Auditor, Chartered Accountants
London

22 December 2020

Consolidated Statement of Comprehensive Income and Expenditure

Year Ended 31 July 2020

| | | Year ended 31 July 2020 | | Year ended 31 July 2019 | |
|---|-------|-------------------------|---------------------|-----------------------------------|---------------------------------|
| | Notes | Consolidated £'000 | University £'000 | Restated Consolidated £'000 | Restated University £'000 |
| Income | | | | | |
| Tuition fees and education contracts | 1 | 101,238 | 100,823 | 69,748 | 69,748 |
| Funding body grants | 2 | 6,007 | 5,892 | 4,989 | 4,989 |
| Research grants and contracts | 3 | 495 | 495 | 589 | 589 |
| Other income | 4 | 6,193 | 4,903 | 9,005 | 7,225 |
| Investment income | 5 | 109 | 108 | 210 | 208 |
| Exceptional income | 6 | 3,225 | - | - | - |
| Total income | | 117,267 | 112,221 | 84,541 | 82,759 |
| Expenditure | | | | | |
| Staff costs | 7 | 31,539 | 30,375 | 30,766 | 29,860 |
| Fundamental restructuring costs | 8 | 522 | 522 | 277 | 277 |
| Other operating expenses | 8 | 73,239 | 72,357 | 47,165 | 46,308 |
| Depreciation | 11&12 | 4,929 | 4,428 | 4,567 | 4,523 |
| Interest and other finance costs | 9 | 2,977 | 2,292 | 2,377 | 2,377 |
| Total expenditure | 8 | 113,206 | 109,974 | 85,152 | 83,345 |
| Surplus/(Deficit) before other gains losses and share of operating deficit of joint ventures and associates. | | 4,061 | 2,247 | (611) | (586) |
| (Loss)/Gain on disposal of fixed assets | | - | - | (6) | (6) |
| Share of operating deficit in joint venture | 14 | - | - | (765) | - |
| Impairment of long term debtor | 17 | - | - | (1,149) | (1,149) |
| Surplus/(Deficit) before tax | | 4,061 | 2,247 | (2,531) | (1,741) |
| Taxation | 10 | - | - | - | - |
| Surplus/(Deficit) for the year | | (12,360) | (12,360) | (5,150) | (5,150) |
| Actuarial (loss)/ gain in respect of pension schemes | 28 | (12,360) | (12,360) | (5,150) | (5,150) |
| Total comprehensive income for the year | | (8,299) | (10,113) | (7,681) | (6,891) |
| Represented by: | | | | | |
| Restricted comprehensive income for the year | | - | - | - | - |
| Unrestricted comprehensive income for the year | | (8,299) | (10,113) | (7,609) | (6,819) |
| Revaluation reserve comprehensive income for the year | | - | - | (72) | (72) |
| Attributable to the University | | (8,299) | (10,113) | (7,681) | (6,891) |

| | | Year ended 31 July 2020 | | Year ended 31 July 2019 | |
|---|-------|-------------------------|------------|-------------------------|------------|
| Reconciliation of Total Comprehensive Income to the Operating Performance | Notes | Consolidated | University | Consolidated | University |
| | | £'000 | £'000 | £'000 | £'000 |
| Total Comprehensive Income | | (8,299) | (10,113) | (7,681) | (6,891) |
| Actuarial (loss)/ gain in respect of pension schemes | 28 | 12,360 | 12,360 | 5,150 | 5,150 |
| Surplus/(Deficit) for the year | | 4,061 | 2,247 | (2,531) | (1,741) |
| Pension Interest | 9 | 1,089 | 1,089 | 1,154 | 1,154 |
| Movement on pension provisions | 7 | 1,769 | 1,769 | 2,054 | 2,054 |
| Exceptional income | 6 | (3,225) | - | - | - |
| Underlying Operating Performance Surplus / (Deficit) | | 3,694 | 5,105 | 677 | 1,467 |

All items of income and expenditure relate to continuing activities.

Accompanying notes and policies on pages 47 to 75 form part of these financial statements.



Consolidated and University Statement of Changes in Reserves

Year Ended 31 July 2020

| Consolidated | Income and expenditure account | | Revaluation reserve | Total |
|--|--------------------------------|-----------------------|---------------------|-----------------|
| | Restricted £'000 | Unrestricted £'000 | £'000 | £'000 |
| Balance at 1 August 2018 | 13 | 20,556 | 4,409 | 24,978 |
| (Deficit)/surplus from the income and expenditure statement | - | (2,531) | - | (2,531) |
| Other comprehensive income | - | (5,150) | - | (5,150) |
| Transfers between revaluation and income and expenditure reserve | - | 72 | (72) | - |
| Release of restricted funds spent in year | - | - | - | - |
| Total comprehensive income for the year | - | (7,609) | (72) | (7,681) |
| Balance at 1 August 2019 | 13 | 12,947 | 4,337 | 17,297 |
| (Deficit)/ surplus from the income and expenditure statement | - | 4,061 | - | 4,061 |
| Other comprehensive income | - | (12,360) | - | (12,360) |
| Transfers between revaluation and income and expenditure reserve | - | - | - | - |
| Received of restricted funds in year | - | - | - | - |
| Total comprehensive income for the year | - | (8,299) | - | (8,299) |
| Balance at 31 July 2020 | 13 | 4,648 | 4,337 | 8,998 |
| University | Income and expenditure account | | Revaluation reserve | Total |
| | Restricted £'000 | Unrestricted £'000 | £'000 | £'000 |
| Balance at 1 August 2018 | 13 | 22,432 | 4,409 | 26,854 |
| (Deficit)/surplus from the income and expenditure statement | - | (1,741) | - | (1,741) |
| Other comprehensive income | - | (5,150) | - | (5,150) |
| Transfers between revaluation and income and expenditure reserve | - | 72 | (72) | - |
| Release of restricted funds spent in year | - | - | - | - |
| Total comprehensive income for the year | - | (6,819) | (72) | (6,891) |
| Balance at 1 August 2019 | 13 | 15,613 | 4,337 | 19,963 |
| (Deficit)/ surplus from the income and expenditure statement | - | 2,247 | - | 2,247 |
| Other comprehensive income | - | (12,360) | - | (12,360) |
| Transfers between revaluation and income and expenditure reserve | - | - | - | - |
| Received of restricted funds in year | - | - | - | - |
| Total comprehensive income for the year | - | (10,113) | - | (10,113) |
| Balance at 31 July 2020 | 13 | 5,500 | 4,337 | 9,850 |

Accompanying notes and policies on pages 47 to 75 form part of these financial statements.

Consolidated and University Balance Sheet

Year Ended 31 July 2020

| | | Year ended 31 July 2020 | | Year ended 31 July 2019 | |
|---|---------|-------------------------|---------------------|-------------------------|---------------------------------|
| | Notes | Consolidated £'000 | University £'000 | Consolidated £'000 | Restated University £'000 |
| Non-current assets | | | | | |
| Intangible assets | 11 | 3,063 | 3,063 | 3,311 | 3,311 |
| Fixed assets | 12 | 98,538 | 77,372 | 78,569 | 77,525 |
| Investments | 13 | - | 1,036 | - | 1,036 |
| | | 101,601 | 81,471 | 81,880 | 81,872 |
| Current assets | | | | | |
| Stock | 16 | 13 | - | 16 | - |
| Trade and other receivables | 17 | 13,187 | 14,196 | 8,858 | 9,062 |
| Investments | 18 | 5,034 | 5,034 | 5,011 | 5,011 |
| Cash and cash equivalents | 23 | 23,016 | 22,645 | 20,440 | 19,897 |
| | | 41,250 | 41,875 | 34,325 | 33,970 |
| Less: Creditors: amounts falling due within one year | 19 | (17,022) | (16,200) | (13,545) | (13,649) |
| | | 24,228 | 25,675 | 20,780 | 20,321 |
| Net current assets/(liabilities) | | | | | |
| | | 24,228 | 25,675 | 20,780 | 20,321 |
| Total assets less current liabilities | | | | | |
| | | 125,829 | 107,146 | 102,660 | 102,193 |
| Creditors: amounts falling due after more than one year | 20 | (48,797) | (29,262) | (32,575) | (29,442) |
| Provisions | | | | | |
| Pension provisions | 21 & 28 | (68,034) | (68,034) | (52,788) | (52,788) |
| | | 8,998 | 9,850 | 17,297 | 19,963 |
| Total net assets | | | | | |
| | | 8,998 | 9,850 | 17,297 | 19,963 |
| Restricted Reserves | | | | | |
| Income and expenditure reserve - restricted reserve | 22 | 13 | 13 | 13 | 13 |
| Unrestricted Reserves | | | | | |
| Income and expenditure reserve - unrestricted | | 4,648 | 5,500 | 12,947 | 15,613 |
| Revaluation reserve | | 4,337 | 4,337 | 4,337 | 4,337 |
| | | 8,985 | 9,837 | 17,284 | 19,950 |
| | | 8,998 | 9,850 | 17,297 | 19,963 |
| Total Reserves | | | | | |
| | | 8,998 | 9,850 | 17,297 | 19,963 |

Accompanying notes and policies on pages 47 to 75 form part of these financial statements.

Restated to separate our intangible assets from fixed assets.

The financial statements were approved by the Governing Body on and were signed on its behalf on that date by:



Professor Nick Braisby

Vice-Chancellor and Chief Executive Officer



Dr Michael Hipkins

Pro Chancellor and Chair of Council

22 December 2020

Consolidated Statement of Cash Flows

Year Ended 31 July 2020

| | Notes | Year ended 31 July 2020 £'000 | Year ended 31 July 2019 £'000 |
|---|---------|-------------------------------------|-------------------------------------|
| Cash flow from operating activities | | | |
| Surplus / (Deficit) for the year | | 4,061 | (2,531) |
| Adjustment for non-cash items | | | |
| Depreciation | 11 & 12 | 4,929 | 4,567 |
| Impairment loss on BEST Loan | 17 | - | 1,149 |
| (Increase)/decrease in stock | 16 | 3 | 4 |
| Decrease/ (increase) in debtors | 17 | (4,309) | (3,255) |
| Increase in creditors | 19 | 2,807 | 2,926 |
| Increase in pension provision contribution | 28 | 1,769 | 2,054 |
| Share of operating deficit in joint venture | 14 | - | 765 |
| Exceptional gain on acquisition of subsidiary | 6 | (3,225) | - |
| Adjustment for investing or financing activities | | | |
| Investment income | 5 | (109) | (210) |
| Interest payable | 9 | 2,977 | 2,377 |
| Loss /Profit on the sale of fixed assets | | - | 6 |
| Capital grant income | | (958) | (733) |
| Net cash inflow from operating activities | | 7,945 | 7,119 |
| Cash flows from investing activities | | | |
| Proceeds from sales of fixed assets | | - | - |
| Capital grants receipts | | 765 | 1,519 |
| Loan to BEST | | - | (1,149) |
| Investment income | | 109 | 210 |
| Payments made to acquire fixed assets | | (3,160) | (3,559) |
| Pension Contribution in respect of past service | | - | - |
| Increase in current investments | 18 | (23) | (2,011) |
| | | (2,309) | (4,990) |
| Cash flows from financing activities | | | |
| Interest paid | | (1,870) | (1,209) |
| Interest element of finance lease and service concession payments | | (18) | (14) |
| Repayments of amounts borrowed | | (624) | (603) |
| Capital element of finance lease and service concession payments | | (548) | (484) |
| | | (3,060) | (2,310) |
| (Decrease)/increase in cash and cash equivalents in the year | | 2,576 | (181) |
| Cash and cash equivalents at beginning of the year | 23 | 20,440 | 20,621 |
| Cash and cash equivalents at end of the year | 23 | 23,016 | 20,440 |

The University has taken advantage of the exemption under paragraph 1.12 of FRS102 for qualifying entities from preparing its own cash flow statement.

Accompanying notes and policies on pages 47 to 75 form part of these financial statements.



2019-20

STATEMENT OF PRINCIPAL ACCOUNTING POLICIES

The country of incorporation of Buckinghamshire New University is the United Kingdom.

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

The functional currency used in the preparation of the financial statements is GBP Sterling.

Basis of preparation

These financial statements have been prepared in accordance with the statement of recommended practice 'SORP: Accounting for Further and Higher Education Institutions 2019', the requirements of the OfS's accounts direction (issued October 2019) and in accordance with the FRS102 Accounting Standards. The University is a public benefit entity and therefore applies the relevant public benefit requirement of FRS102.

Basis of accounting

The financial statements are prepared under the historical cost convention modified by the revaluation of certain fixed assets.

Going Concern

The University's forecasts and projections, taking account of reasonably possible changes in performance, show that the University will be able to operate within the level of its current facilities. The Council has a reasonable expectation that the University has adequate resources to continue in operational existence for the foreseeable future. The University prepares budgets and forecasts on an annual basis and operates an ongoing five-year forecast sustainability review in line with

OfS guidance. These budgets and forecasts have been prepared taking into account the effect of COVID-19 on the University's operations and cash flows. The going concern position of the University has been considered for a period of greater than 12 months from the date of approval of the Financial Statements. Detailed cash flow forecasts covering the same period have been prepared and the University is satisfied that it can meet its day to day working capital needs out of cash and liquid investments. The Council is not aware of any material uncertainties which would prevent the University from continuing as a going concern. The University therefore continues to adopt the going concern basis in preparing its financial statements.

Basis of consolidation

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

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

Joint ventures and investments in associates are accounted for using the equity method.

Income Recognition

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

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

Investment income is credited to the Statement of Consolidated Income and Expenditure on a receivable basis.

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

In the year ended 31 July 2020 the University's relationship with some of its partners was determined to be that of principal. The gross tuition fees are recognised as revenue and the partners' costs of providing the tuition are recognised as academic expenditure.

The adjustment for the year ended 31 July 2020 was an increase in Tuition fees of £51.5m and an increase in

academic and related expenditure of £51.5m. The total net income for the year was £65.8m which already included net partnership income of £12.4m. The grossing up adjustment of £51.5m increased gross partnership income to £63.9m and total gross income to £117.3m. The adjustment to academic and related expenditure, reflecting the partners' costs of providing the tuition, increased this expenditure from £29.2m to £80.7m. The net impact to the Surplus/(Deficit) before tax was £nil.

Grant funding

The University has adopted the accrual model for government revenue grants.

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

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

Capital grants

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

Donations and endowments

Non exchange transactions without performance related conditions are donations and endowments. Donations and endowments with donor imposed restrictions are recognised in income when the University is entitled to the funds. Income is retained within the restricted reserve until such

time that it is utilised in line with such restrictions at which point the income is released to general reserves through a reserve transfer.

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

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

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

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

Research and Development expenditure

Expenditure on Research and Development is written off to the Consolidated Statement of Comprehensive Income and Expenditure in the year in which it is incurred.

Maintenance of premises

The University has a five-year rolling long-term maintenance plan, which forms the basis of the ongoing maintenance of the estate. The cost of long term and routine corrective maintenance is charged to the Consolidated Statement of Comprehensive Income and Expenditure as incurred for work and is not capital in nature.

Foreign currency

Transactions in foreign currencies are translated to the respective functional currencies of Group entities at the foreign exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are translated to the functional currency at the foreign exchange rate ruling at that date. Foreign exchange differences arising on translation are recognised in Surplus or Deficit. Non-monetary assets and liabilities that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the transaction. Non-monetary assets and liabilities denominated in foreign currencies that are stated at fair value are retranslated to the functional currency at foreign exchange rates ruling at the dates the fair value was determined.

Accounting for retirement benefits

Retirement benefits for most employees of the University are provided by either the Teachers' Pension Scheme (TPS) or the Local Government Pension Scheme (LGPS). Some retirement benefits are provided by Universities Superannuation Scheme (USS) and Scottish Widows Scheme. The TPS, LGPS and USS schemes are defined benefit schemes which are externally funded and contracted out of the State Second Pension (S2P). Scottish Widows is a defined contribution plan.

The USS is a multi-employer scheme for which it is not possible to identify the assets and liabilities to the University as members due to the mutual nature of the scheme and therefore this scheme is accounted for as a defined contribution retirement benefit scheme.

A liability is recorded within provisions for any contractual commitment to fund past deficits within the USS scheme.

Defined Benefit Plan

Defined benefit plans are post-employment benefit plans other than defined contribution plans. Under defined benefit plans, the University's obligation is to provide the agreed benefits to current and former employees, and actuarial risk (that benefits will cost more or less than expected) and investment risk (that returns on assets set aside

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

Defined Contribution Plan

A defined contribution plan is a post-employment benefit plan under which the company pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts. Obligations for contributions to defined contribution pension plans are recognised as an expense in the Consolidated Statement of Comprehensive Income and Expenditure in the periods during which services are rendered by employees.

Employment benefits

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

Tangible fixed assets

Fixed assets are stated at cost less accumulated depreciation and accumulated impairment losses. Certain items of fixed assets that had been revalued to fair value on or prior to the date of transition to the 2019 FE HE SORP, are measured on the basis of deemed cost, being the

revalued amount at the date of that revaluation.

- » Core - 50 to 80 years; Roofs – 40 years; Finishes – 30 years;
- » Fixtures and fittings – 20 years; Mechanical and electrical – 30 years;
- » Refurbishments of freehold buildings – 30 years;
- » Refurbishments of leasehold buildings – over the remaining period of the lease; Minor capital works – 5 years;
- » Equipment - 5 to 15 years;
- » Operating lease buyouts – over the remaining useful life of the underlying assets No depreciation is provided on freehold land

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 (LEA) are stated in the balance sheet at valuation on the basis of depreciated replacement cost. Other land and buildings are included in the balance sheet at cost. Freehold land is not depreciated as it is considered to have an indefinite useful life.

A review for impairment of a fixed asset is carried out annually for assets with an anticipated useful economic life in excess of 50 years. The useful life of all assets is reviewed if events or changes in circumstances indicate that the carrying amount of the fixed asset may not be recoverable.

b. Buildings - Buildings under construction are accounted for at cost, based on the value of architects' certificates and other direct costs, including associated finance costs, incurred to 31 July. No depreciation is charged on assets in the course of construction.

c. Equipment - Equipment, including computers and software, costing less than £5,000 per individual item is recognised as expenditure. All other equipment is capitalised. Capitalised equipment is depreciated over its useful economic life.

Where equipment is acquired with the aid of specific grants it is capitalised and depreciated in accordance with the above policy, with the related grant being credited to a deferred capital grant account and released to Consolidated Statement of Comprehensive Income and Expenditure over the expected useful economic life of the related equipment

Intangible fixed assets

Intangible fixed assets are stated at cost less accumulated amortisation and accumulated impairment losses. Amortisation is provided to write off the cost or valuation less the estimated residual value of the intangible fixed assets by equal instalments over their useful economic life.

Investments

Investments in subsidiary undertakings are recognised at cost less provision for impairment losses.

Stock

Stock is held at the lower of cost and net realisable value, and is measured using a fair valuation method. Educational stock is not material in relation to the University finances and is therefore charged to the Consolidated Statement of Comprehensive Income and Expenditure when purchased.

Taxation

The University is an exempt charity within the meaning of schedule 3 of the Charities Act 2011 (formerly schedule 2 of the Charities Act 1993) and as such within the meaning of paragraph 1 of schedule 6 to the Finance Act 2010. Accordingly, the University is potentially exempt from taxation in respect of income or capital gains received within categories covered by sections 478 to 488 of the Corporation Taxes Act 2010 (formerly enacted in section 505 of the Income and Corporation Taxes Act 1988), or section 256 of the Taxation of Chargeable Gains Act 1992 to the extent that such income or gains are applied to exclusively charitable purposes.

The University receives no similar exemption in respect of Value Added Tax (VAT). Irrecoverable VAT on inputs is included in the costs of such inputs. Any irrecoverable VAT

allocated to fixed assets is included in their cost.

The University's subsidiary companies are subject to corporation tax and VAT in the same way as any commercial organisation.

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.

Short Term Investments

Short term investments comprise bank deposits which are not repayable within 24 hours.

Provisions, contingent liabilities and contingent assets

Provisions are recognised in the financial statements when:

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

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

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

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

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

Agency arrangements

Funds the institution receives and disburses as paying agent on behalf of a funding body or other body, where the institution is exposed to minimal risk or enjoys minimal economic benefit related to the receipt and subsequent disbursement of the funds, are excluded from the Consolidated Statement of Comprehensive Income and Expenditure of the institution.

Financial Instruments

The University only has financial assets and liabilities of a kind that qualify as basic financial instruments. They are initially recognised at transaction value and subsequently measured at their settlement value, as follows:

- » **Cash – cash held**
- » **Debtors –** settlement amount after any discounts
- » **Creditors –** settlement after any trade discounts
- » **Loans –** amortised cost
- » **Finance leases –** amortised cost

Finance Leases

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

Minimum lease payments are apportioned between the finance charge and the reduction of the outstanding liability. The finance charge is allocated to each period during the lease term so as to produce a constant periodic rate of interest on the remaining balance of the liability.

Operating leases

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

Borrowing costs

Borrowing costs are recognised as expenditure in the period in which they are incurred.

Accounting for Joint Operations, Jointly Controlled Assets, Jointly Controlled Operations and Investments in Associates

The University accounts for its share of joint ventures using the equity method.

The University accounts for its share of transactions from joint operations and jointly controlled assets in the Consolidated Statement of Income and Expenditure.

The University accounts for its investments in associates under the equity method.

Reserves

Reserves are classified as restricted or unrestricted.

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

Prior Year Adjustment

During the year it was recognised that the University's treatment of the recognition of the income from students studying with sub-contracted/franchise partners was inconsistent with FRS102. In prior years the University had considered itself to be acting as an agent in the relationship and the income recognised was the net of the gross tuition fee and the partners' cost of providing the tuition.

The adjustment for the year ended 31 July 2019 was an increase in Tuition fees of £26.0m and an increase in academic and related expenditure of £26.0m. The total net income for the year was £58.5m which already included net partnership income of £4.7m. The grossing up adjustment of £26.0m increased gross partnership income to £30.7m and total gross income to £84.5m. The adjustment to academic and related expenditure, reflecting the partners' costs of providing the tuition, increased this expenditure from £29.1m to £55.2m. The net impact to the Surplus/(Deficit) before tax was £nil.

2019-20

ACCOUNTING ESTIMATES AND JUDGEMENTS

The following accounting judgements are considered critical in applying the University's accounting policies:

Partnership Income Recognition

The University applies judgment in determining the agency/principal relationship with its franchise partners. Where the University is exposed to the majority of the benefits and risks of the relationship the University considers itself to be acting as a principal and the student income is recognised on a gross basis. Where the University is not exposed to the majority of the benefits and risks of the relationship the University considers itself to be acting as an agent and the income is recognised on a net basis.

The primary factors that the University considers indicative when determining whether or not it is exposed to the majority of the benefits and risks of the relationship are:

1. A direct relationship with the Student Loan Company for the tuition fees of the students.
2. A direct relationship with the Office for Students for the teaching grants of the students.
3. A direct relationship with HESA for the students number return for those students.
4. The University having full contractual responsibility for teaching out the students if the partner fails.
5. The University bearing the risk of investment in the development of the course programmes which it designs as well as the inventory risk.
6. The University controlling the price of all courses charged to students.

Accounting for Chiltern Student Village

The University is a third member of Chiltern Student Villages Ltd (CSV), a charitable company whose objects include the advancement of education through the provision of housing and associated services to students of the University and other educational institutions.

During 2016-17 the University completed the sale of its student accommodation to CSV as part of a wider refinancing arrangement with an alternative finance provider. This resulted in the University committing to an operating rental lease of the buildings on the site from Aviva as part of the transaction for a period of 30 years.

In the arrangements that exist above management have considered two key items in reviewing the application of appropriate accounting treatment:

1. Whether or not the University has control over CSV – it is concluded that management has no control over CSV as it is obliged to act within its objects which are not exclusively for the benefit of students of the University, Charity's trustees are bound by charity law to act within the objects of CSV regardless of who appoints them. The University does have the right to remove the bank from CSV; however doing so would cause a significantly adverse commercial impact on the entity that this would never take place in practice.
2. Whether the arrangement with Aviva is an operating or finance lease – it has been concluded by management that the arrangement is an operating lease because at the end of the arrangement there is no beneficial financial arrangements with regards to continuing with the lease or the purchase of the asset. The life of the asset is 53 years as opposed to the length of the lease which is 30 years and the NPV of the minimum lease payments is significantly lower than the deemed value of the asset.

Accounting for bad debt provisions

The University has bad debt provisions in respect of student, partnership, commercial and research debts. The bad debt provision is calculated on a specific basis according to where the student or student sponsor is in the debt collection cycle with a general provision calculated for remaining debtors with regards to the ageing of the debt to provide for balances which may prove irrecoverable due to the economic effects of COVID-19 on debtors. The specific provision takes into consideration the debtors engagement with the University and if their account has been placed with an external collector, if it is awaiting legal action and if there is an agreed payment plan in place.

Debt deemed to be uncollectable during the year is written off to the Consolidated Statement of Income and Expenditure.

NOTES TO THE ACCOUNTS



Notes to the Accounts

Year Ended 31 July 2020

| | Year ended 31 July 2020 | | Year ended 31 July 2019 | |
|---|-------------------------|----------------|-------------------------|---------------------|
| | Consolidated | University | Restated Consolidated | Restated University |
| | £'000 | £'000 | £'000 | £'000 |
| 1 Tuition fees and education contracts | | | | |
| Full-time home and EU students | 90,963 | 90,548 | 55,976 | 55,976 |
| Full-time international students | 1,802 | 1,802 | 973 | 973 |
| Part-time students | 2,977 | 2,977 | 3,795 | 3,795 |
| Education contracts | 2,779 | 2,779 | 7,412 | 7,412 |
| Apprenticeship fee income | 2,717 | 2,717 | 1,592 | 1,592 |
| | 101,238 | 100,823 | 69,748 | 69,748 |

Full time Home and EU students includes £63,870k for 2019-20 and £30,694k for 2018-19 for students recruited through partners

| | Year ended 31 July 2020 | | Year ended 31 July 2019 | |
|--------------------------------------|-------------------------|--------------|-------------------------|--------------|
| | Consolidated | University | Consolidated | University |
| | £'000 | £'000 | £'000 | £'000 |
| 2 Funding body grants | | | | |
| Recurrent grant | | | | |
| Office for Students | 4,434 | 4,434 | 3,590 | 3,590 |
| Education and Skills Fundings Agency | 183 | 183 | 336 | 336 |
| Specific grants | | | | |
| Knowledge Exchange Funding | 313 | 313 | 348 | 348 |
| Capital grants released in year | 1,077 | 962 | 715 | 715 |
| | 6,007 | 5,892 | 4,989 | 4,989 |

| | Year ended 31 July 2020 | | Year ended 31 July 2019 | |
|--|-------------------------|------------|-------------------------|------------|
| | Consolidated | University | Consolidated | University |
| | £'000 | £'000 | £'000 | £'000 |
| 3 Research grants and contracts | | | | |
| Research councils | - | - | 1 | 1 |
| Research charities | 10 | 10 | 23 | 23 |
| Government (UK and overseas) | 482 | 482 | 255 | 255 |
| Industry and commerce | 1 | 1 | 35 | 35 |
| Other | 2 | 2 | 275 | 275 |
| | 495 | 495 | 589 | 589 |

| | Year ended 31 July 2020 | | Year ended 31 July 2019 | |
|---|-------------------------|--------------|-------------------------|--------------|
| | Consolidated | University | Consolidated | University |
| | £'000 | £'000 | £'000 | £'000 |
| 4 Other income | | | | |
| Residences and catering | 3,072 | 3,057 | 4,659 | 4,639 |
| Missenden Abbey Conference Centre | 1,191 | - | 1,883 | - |
| Student Union and Nurses Reimbursements | 429 | 429 | 488 | 488 |
| Other income | 1,360 | 1,417 | 1,976 | 2,098 |
| Government grants | 141 | - | - | - |
| | 6,193 | 4,903 | 9,006 | 7,225 |

| | Year ended 31 July 2020 | | Year ended 31 July 2019 | |
|----------------------------|-------------------------|------------|-------------------------|------------|
| | Consolidated | University | Consolidated | University |
| | £'000 | £'000 | £'000 | £'000 |
| 5 Investment income | | | | |
| Other investment income | 109 | 108 | 210 | 208 |
| | 109 | 108 | 210 | 208 |

| | Year ended 31 July 2020 | | Year ended 31 July 2019 | |
|---|-------------------------|------------|-------------------------|------------|
| | Consolidated | University | Consolidated | University |
| | £'000 | £'000 | £'000 | £'000 |
| 6 Exceptional income | | | | |
| Exceptional gain on acquisition of subsidiary | 3,225 | - | - | - |
| | 3,225 | - | - | - |

Notes to the Accounts

Year Ended 31 July 2020

Until 31 July 2019 the University held a 50% share of Buckinghamshire Education Skills and Training ("BEST"), a company limited by guarantee. The investment was treated as a joint venture accounted for under the equity method. The University's share of the loss of BEST in the year ended 31 July 2019 is disclosed in note 14 and the University's share of the net debt of BEST as at 31 July 2019 is disclosed in note 20.

On 1 August 2019, BEST became a wholly-owned subsidiary of the University. As a result of this stepped acquisition, additional assets and liabilities have been recognised in the consolidated statement of financial position from the date of acquisition and these are disclosed in note 15. This acquisition was at £nil consideration and as such is in substance a gift to the University, a gain has been recognised on the face of the consolidated statement of comprehensive income and expenditure of £3,225k (2019 - £nil) to reflect this.

Note

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

| | Year ended 31 July 2020 | | Year ended 31 July 2019 | |
|---|-------------------------|----------------|-------------------------|---------------|
| | Consolidated | University | Consolidated | University |
| Grant and Fee income | £'000 | £'000 | £'000 | £'000 |
| Grant income from the OfS | 5,054 | 5,054 | 4,162 | 4,162 |
| Grant income from other bodies | 1,448 | 1,333 | 1,416 | 1,416 |
| Fee income for research awards (exclusive of Vat) | 205 | 205 | 45 | 45 |
| Fee income from non-qualifying courses (exclusive of Vat) | 69,366 | 69,366 | 39,698 | 39,698 |
| Fee income for taught awards (exclusive of Vat) | 31,667 | 31,252 | 30,005 | 30,005 |
| Total grant and fee income | <u>107,740</u> | <u>107,210</u> | <u>75,326</u> | <u>75,326</u> |

Notes to the Accounts

Year Ended 31 July 2020

| 7 Staff Costs | Year ended 31 July 2020 | | Year ended 31 July 2019 | |
|----------------------------|-------------------------|---------------------|-------------------------|---------------------|
| | Consolidated £'000 | University £'000 | Consolidated £'000 | University £'000 |
| Salaries | 22,897 | 21,806 | 22,633 | 21,807 |
| Social security costs | 2,163 | 2,113 | 2,183 | 2,127 |
| Movement on LGPS provision | 1,800 | 1,800 | 1,920 | 1,920 |
| Movement on USS provision | (31) | (31) | 134 | 134 |
| Other pension costs | 4,710 | 4,687 | 3,896 | 3,872 |
| Total | 31,539 | 30,375 | 30,766 | 29,860 |

a) Number of staff with a full-time equivalent basic salary of over £100,000 per annum

| | Number | Number |
|----------------------|----------|----------|
| £100,000 to £104,999 | - | - |
| £105,000 to £109,999 | - | - |
| £110,000 to £114,999 | - | - |
| £115,000 to £119,999 | - | - |
| £120,000 to £124,999 | - | - |
| £125,000 to £129,999 | - | - |
| £130,000 to £134,999 | - | - |
| £135,000 to £139,999 | - | - |
| £140,000 to £144,999 | - | - |
| £145,000 to £149,999 | - | - |
| £150,000 to £154,999 | - | - |
| £155,000 to £159,999 | - | - |
| £160,000 to £164,999 | - | - |
| £165,000 to £169,999 | 1 | - |
| £170,000 to £174,999 | - | - |
| £175,000 to £179,999 | - | - |
| £180,000 to £184,999 | - | - |
| £185,000 to £189,999 | - | - |
| £190,000 to £194,999 | - | - |
| £195,000 to £199,999 | 1 | 1* |
| £200,000 to £204,999 | - | - |
| | 2 | 1 |

* The Deputy-Vice-Chancellor was appointed to the role of acting Vice-Chancellor on 1 December 2018 and then confirmed in role on 1 February 2019. For clarity we have only shown the highest salary for 2018/19

Remuneration Package of the Head of Provider (Vice-Chancellor)

| | Prof Nick Braisby (2019/20) | Prof Nick Braisby (2018/19) Appointed: 1 Dec 18 | Prof Rebecca Bunting (2018/19) Left: 31 Dec 18 |
|--|--------------------------------|---|---|
| i) Basic Salary | £198,510* | £124,018 | £87,396 |
| ii) Payments in lieu of pension contributions | None | None | None |
| iii) Payment of dividends | None | None | None |
| iv) Performance related pay and other bonuses including amount waived or deferred payment arrangements | None | None | None |
| v) Pension contributions | £41,588 | £23,298 | £14,403 |
| vi) Salary sacrifice arrangements | None | None | None |
| vii) Compensation for loss of office | None | None | None |

Notes to the Accounts

Year Ended 31 July 2020

| | | | | |
|-------|--|------|------|------|
| viii) | Any sums paid under any pension scheme in relation to employment with the provider | None | None | None |
| ix) | Other taxable benefits | None | None | None |
| x) | Non-taxable benefits | None | None | None |
| xi) | Other remuneration | None | None | None |

*A salary increase of £20,490 is deferred and has been accrued for in the 2019-20 Financial Statements. Payment of this sum will be made to the Vice-Chancellor at a later date subject to his performance remaining satisfactory throughout the intervening period.

c) Justification for the total remuneration package for the head of provider (Professor Nick Braisby)

The Chair of Council undertakes the Vice-Chancellor and Chief Executive Officer's annual Performance and Development Review (PDR) against an agreed set of objectives, both institutional and personal, which were reviewed periodically during the year. The overall conclusion from the review for 2019-20 was that the Vice-Chancellor had enjoyed a very good year, in relation to achieving his performance objectives. The Chair noted that the circumstances and context had been particularly challenging, and not only had the Vice-Chancellor achieved his objectives, but had other significant achievements as well.

With the assistance of independent specialist advice, the Vice-Chancellor's remuneration has been benchmarked and found to be appreciably below what would be expected for an institution of comparable income. Because of this, and the Vice-Chancellor's sustained and exceptional performance, the Remuneration Committee decided to increase the base pay for the Vice-Chancellor to the benchmark. However the Vice-Chancellor has chosen not to take an increase in remuneration this year and this increase has been accrued for in the 2019-20 financial statements.

The Remuneration Committee has agreed that the shortfall will be made at a later date, and the accumulated difference between his remuneration and the benchmark remuneration will be paid at the end of that period thus bringing the Vice-Chancellor's remuneration in line with the market for future years. This arrangement will be formally documented and approved by the Remuneration Committee.

d) Relationship between head of provider's remuneration and that for all other employees

The pay ratio/multiple between the head of provider's remuneration and the median salary for all staff for 2019-20 is 5.9.

a) Severance Payments

| Category | Total amount of compensation | Number of people to whom this was payable |
|--|------------------------------|---|
| i) Loss of office | £391,116 | 23 |
| ii) Loss of any other office connected with the provider's affairs | None | None |
| iii) Loss of any other office connected with the affairs of a parent or subsidiary undertaking of the provider | None | None |

These costs are not included in the staff costs table above, but are included in the Fundamental Restructuring Costs in the Statement of Comprehensive Income and Expenditure.

b) Disclosures about the head of provider (Professor Nick Braisby)

| Category | Amount paid to the head of provider |
|---|-------------------------------------|
| i) Loss of office | None |
| ii) Where compensation paid includes benefits | Not applicable |
| iii) Where compensation paid includes additional pension payments | Not applicable |

Notes to the Accounts

Year Ended 31 July 2020

Average staff numbers by major category

| | Number | Number |
|-------------------------|------------|------------|
| Academic | 274 | 297 |
| Research | 5 | 12 |
| Management & specialist | 102 | 107 |
| Technical | 56 | 64 |
| Other | 149 | 145 |
| | 586 | 625 |

Key management personnel

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

The key management personnel at the University are its senior management team which is headed up by the Vice Chancellor and during this financial year has comprised the Deputy Vice Chancellor, the Pro-Vice Chancellor Education and Digital, the Pro-Vice Chancellor External Engagement, the Director of Finance, the Director of Human Resources and the Academic Registrar and Secretary. In 2018-19 the team did not include the Pro-Vice Chancellor External Engagement.

| | Year ended 31 July 2020 £'000 | Year ended 31 July 2019 £'000 |
|--|-------------------------------------|-------------------------------------|
| Key management personnel compensation | 717 | 490 |

Council Members

The University council members are the trustees for charitable law purposes. Due to the nature of the University's operations and the compositions of the Council, 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 Council may have an interest. All transactions involving organisations in which a member of Council may have an interest, including those identified below, are conducted at arms length and in accordance with the University's Financial Regulations and usual procurement procedures. In 2019-20 transactions of this nature totalled £0 (2018-19 nil).

No council member has received any remuneration/waived payments from the group during the year (2019 - none)

The total expenses paid to or on behalf of five council members was £723 (2019 - £2,121 to 6 council members). This represents travel and subsistence expenses incurred in attending Council, Committee meetings and Charity events in their official capacity.

Notes to the Accounts

Year Ended 31 July 2020

| | Year ended 31 July 2020 | | Year ended 31 July 2019 | |
|--|-------------------------|---------------------|-----------------------------------|---------------------------------|
| | Consolidated £'000 | University £'000 | Restated Consolidated £'000 | Restated University £'000 |
| 8 Analysis of total expenditure by activity | | | | |
| Academic and related expenditure | 80,672 | 80,672 | 55,155 | 55,155 |
| Administration and central services | 12,753 | 12,253 | 10,497 | 10,512 |
| Premises | 3,801 | 3,932 | 5,858 | 5,858 |
| Residences, catering and conferences | 3,748 | 2,087 | 2,788 | 1,015 |
| Research grants and contracts | 321 | 321 | 311 | 311 |
| Depreciation | 4,929 | 4,428 | 4,567 | 4,523 |
| Interest payable | 2,977 | 2,292 | 2,377 | 2,377 |
| Other expenses | 4,005 | 3,989 | 3,599 | 3,595 |
| | 113,206 | 109,974 | 85,152 | 83,346 |

Academic and related expenditure includes £51,517k for 2019-20 and £26,016k for 2018-19 for the costs of tuition of students recruited through partners

Other operating expenses include:

| | | | | |
|---|----|----|----|----|
| External auditors -Audit (excluding VAT) | 97 | 70 | 47 | 38 |
| External auditors-non-audit (excluding VAT) | 1 | 1 | 2 | 2 |
| Internal audit services (excluding VAT) | 47 | 47 | 41 | 41 |

Other operating expenses include:

| | | | | |
|-------------------------|--------------|--------------|--------------|--------------|
| Operating lease rentals | 3,889 | 3,889 | 3,585 | 3,585 |
| | 3 | 3 | 5 | 5 |
| | 3,892 | 3,892 | 3,590 | 3,590 |

| | | | | |
|---------------------------------|-----|-----|-----|-----|
| Fundamental restructuring costs | 522 | 522 | 277 | 277 |
|---------------------------------|-----|-----|-----|-----|

8b Access and Participation

| | | | | |
|-------------------------|--------------|--------------|--|--|
| Access Investment | 1,043 | 1,043 | | |
| Financial Support | 1,911 | 1,911 | | |
| Disability Support | 988 | 988 | | |
| Research and Evaluation | 81 | 81 | | |
| | 4,023 | 4,023 | | |

[Access and Participation Plan 2019-20](#)

[Access and Participation Plan 2020-24:](#)

All staff costs of £161k are included in the overall staff cost figure (ref: Note 7).

Note on partners

Investment by sub-contractual partners is included in the statement. This information is provided by the partners and combined with spend for Bucks 'taught' students.

Access investment

At Bucks, 2,000 school pupils engaged in over 90 events:

- 50% were potential first-generation in HE
- 42% were members of the BAME community
- 46% came from disadvantaged backgrounds
- 33% came from areas of low participation in higher education

Events included taster days, careers days and careers advice and guidance sessions across a variety of age groups from Years 8 to 13. Fifteen Futures Days were held which were offered to all local schools which meet our WP criteria. For older age groups we support both their move into further education and their application to higher education, as well as offering parents' information evenings and HE workshops. We employ Student Ambassadors who attend our target WP schools to provide school pupils with relatable role models.

Notes to the Accounts

Year Ended 31 July 2020

Support for disabled students

Bucks spent £332,8756. and UCFB £642,059, on support for disabled students.

Research and evaluation

There has been significant investment in business intelligence and evaluation capability during 2019/20. One manager and one analyst in the strategic planning team partially support the development of a robust institutional evaluation framework and associated business intelligence. The figure also includes HEAT membership.

Financial support

The types of financial support available in 2019-20 were as set out in our five-year plan (2020-2024). This commitment includes but exceeds the commitment made in the 2019-20 plan.

Bucks 'taught' students: £1,205,357

76 UK domiciled students from underrepresented groups received bursaries:

- 41 Bucks Student Success Programme;
- 31 Foundation and 4 Clearing Access (standard accommodation discount)

49 UK domiciled students received support from the Bucks hardship fund.

Direct support for disabled students: 10 students received direct financial disability support at Bucks.

675 received the Bucks Emergency Allowance of up to £500. This was a response to lockdown and was offered to those experiencing financial hardship likely to negatively impact on their ability to study. The total amount spent was £102,085. Although hardship spend is countable for all students, it should be noted that 70% of recipients come from disadvantaged or underrepresented groups.

The cost of accommodation waivers as a response to the impact of lockdown on student hardship was £909,585 and this has been included as hardship spend.

University Campus of Football Business (UCFB) students: £653,508

UCFB, our partner college spent £576,382 on bursaries and scholarships, £74,000 on fee waivers, and £3,126 on hardship funds.

- 308 received a bursary or scholarships
- 8 received a fee waiver
- 19 received support from the hardship fund

Other partners

Other partners spent £52,000 on financial support.

Note on notional overspend/ underspend

Overspend in Access & Outreach: This relates to spend by our partner LSST which was not included in our original plan. Bucks (excluding partners) saw a decrease in spend which was partly planned (see five-year plan para 2.1.2) and partly due to the impact of lockdown.

Underspend in Financial Support: Although there is an overspend on financial support due to efforts to mitigate the impact of lockdown on student hardship, we acknowledge that there is a notional underspend on planned support.

Underspend on planned bursaries – due to low take up of bursaries in year which has now been addressed. For the 2019-20 year, monitoring of bursary spend took place near the end of the academic year and additional promotion was then undertaken with some further uptake. This approach has been changed for 2020-21 and reports on spend to date are now expected at each Access & Participation Steering Group meeting as well as being discussed regularly with the Finance Business Partner. This will ensure that progress against target spend is maintained.

UCFB commitment per plan was £865k - £212k underspend. This commitment had already been reduced to £750k from 20/21 in the five-year plan due a shift of focus onto direct attainment raising activity. This will reduce further as this partnership is ending and we are currently teaching out existing cohorts. We will submit a revised plan to the OfS to reflect this overall reduction in investment.

Notes to the Accounts

Year Ended 31 July 2020

| | Year ended 31 July 2020 | | Year ended 31 July 2019 | |
|---|-------------------------|---------------------|-------------------------|---------------------|
| | Consolidated £'000 | University £'000 | Consolidated £'000 | University £'000 |
| 9 Interest and other finance costs | | | | |
| Loan interest | 1,870 | 1,185 | 1,209 | 1,209 |
| Finance lease interest | 18 | 18 | 14 | 14 |
| Net charge on pension scheme | 1,089 | 1,089 | 1,154 | 1,154 |
| | 2,977 | 2,292 | 2,377 | 2,377 |

10 Taxation

As explained in the accounting policies, the University is potentially exempt from taxation because of its charitable status and no taxation on income or capital gains is payable for 2019-20 or 2018-19

11 Intangible Fixed Assets

Consolidated and University

| | Networked Application Software £'000 | Assets in the Course of Construction £'000 | Total £'000 |
|--------------------------|---|---|----------------|
| Cost or valuation | | | |
| At 1 August 2019 | 2,511 | 1,540 | 4,051 |
| Additions | 145 | 155 | 300 |
| Transfers | - | - | - |
| Reallocation to Tangible | - | - | - |
| At 31 July 2020 | 2,656 | 1,695 | 4,351 |
| Depreciation | | | |
| At 1 August 2019 | 740 | - | 740 |
| Charge for the year | 548 | - | 548 |
| At 31 July 2020 | 1,288 | - | 1,288 |
| Net book value | | | |
| At 31 July 2020 | 1,368 | 1,695 | 3,063 |
| At 31 July 2019 | 1,771 | 1,540 | 3,311 |

Notes to the Accounts

Year Ended 31 July 2020

12 Fixed Assets

| | Freehold Land and Buildings £'000 | Leasehold Land and Buildings £'000 | Fixtures, Fittings and Equipment £'000 | Assets in the Course of Construction £'000 | Total £'000 |
|-------------------------------------|--|---|---|---|----------------|
| Cost or valuation | | | | | |
| At 1 August 2019 | 89,233 | 10,331 | 14,176 | 1,750 | 115,490 |
| Additions | 819 | | 1,695 | 1,224 | 3,738 |
| Acquisitions | | 21,386 | 552 | | 21,938 |
| Transfers | | | | | - |
| Reallocation from Intangible assets | | | | | - |
| Disposals | - | - | - | - | - |
| At 31 July 2020 | 90,052 | 31,717 | 16,423 | 2,974 | 141,166 |
| Depreciation | | | | | |
| At 1 August 2019 | 22,513 | 2,533 | 11,875 | - | 36,921 |
| Charge for the year | 2,430 | 553 | 1,398 | - | 4,381 |
| Acquisitions | | 1,275 | 51 | | 1,326 |
| Disposals | - | - | - | - | - |
| At 31 July 2020 | 24,943 | 4,361 | 13,324 | - | 42,628 |
| Net book value | | | | | |
| At 31 July 2020 | 65,109 | 27,356 | 3,099 | 2,974 | 98,538 |
| At 31 July 2019 | 66,720 | 7,798 | 2,301 | 1,750 | 78,569 |

University

| | Freehold Land and Buildings £'000 | Leasehold Land and Buildings £'000 | Fixtures, Fittings and Equipment £'000 | Assets in the Course of Construction £'000 | Total £'000 |
|-------------------------------------|--|---|---|---|----------------|
| Cost or valuation | | | | | |
| At 1 August 2019 | 87,760 | 10,331 | 13,779 | 1,750 | 113,620 |
| Additions | | | 2,503 | 1,225 | 3,728 |
| Transfers | | | | | - |
| Reallocation from Intangible assets | | | | | - |
| Disposals | - | - | - | - | - |
| At 31 July 2020 | 87,760 | 10,331 | 16,282 | 2,975 | 117,348 |
| Depreciation | | | | | |
| At 1 August 2019 | 22,047 | 2,532 | 11,516 | - | 36,095 |
| Charge for the year | 2,406 | 203 | 1,272 | - | 3,881 |
| Charge for the year | - | - | - | - | - |
| At 31 July 2020 | 24,453 | 2,735 | 12,788 | - | 39,976 |
| Net book value | | | | | |
| At 31 July 2020 | 63,307 | 7,596 | 3,494 | 2,975 | 77,372 |
| At 31 July 2019 | 65,713 | 7,799 | 2,263 | 1,750 | 77,525 |

At 31 July 2020, freehold land and buildings included £14.45 (2019 - £14.45m) in respect of freehold land and is not depreciated.

Included in the cost of fixed assets is aggregated interest capitalised of £2.6m (2019 - £2.6m)

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

Notes to the Accounts

Year Ended 31 July 2020

| | Year ended 31 July 2020 | Year ended 31 July 2019 |
|--------------------------|----------------------------|----------------------------|
| | £'000 | £'000 |
| Cost | 1,376 | 1,376 |
| Accumulated depreciation | (1,018) | (743) |
| Charge for year | (275) | (275) |
| Net book value | <u>83</u> | <u>358</u> |

13 Non-Current Investments

| | |
|---|---------------------|
| Other non-current investments consist of : | University £'000 |
| BCUC (Conferences) Limited Share Capital - Dormant | 1,822 |
| BCUC (Conferences) Limited Provision for Loss - Dormant | (886) |
| Missenden Abbey Limited | 100 |
| | <u>1,036</u> |

Within the capital and reserves of BCUC (Conferences) Limited is £628k of called up share capital in BCUC (Services) Limited.

14 Investment in joint venture and associate entities

Until 31 July 2019, the University held a 50% share of Buckinghamshire Education Skills and Training (BEST), a company limited by guarantee without share capital. This was a joint venture company owned equally by the University and Bucks College Group. The arrangement was treated as a joint venture and was accounted for using the equity method, such that 50% of the company's gross assets and liabilities were incorporated into the consolidated balance sheet of the University and 50% of its net income was reported in the University's consolidated income and expenditure account. From 1 August 2019 the University no longer accounts for BEST as a joint venture. See note 15 for details of the acquisition.

| | Year ended 31 July 2020 | | Year ended 31 July 2019 | |
|---|-------------------------|-------|-------------------------|----------|
| | £'000 | £'000 | £'000 | £'000 |
| Income and expenditure account | | | | |
| Income | | - | | 126 |
| Deficit before tax | | - | | 765 |
| Balance sheet | | | | |
| Fixed assets | - | | 10,306 | |
| Current assets | - | - | 11 | 10,317 |
| Creditors: amounts due within one year | - | | (343) | |
| Creditors: amounts due more than one year | - | - | (13,107) | (13,450) |
| Share of net assets | | - | | (3,133) |

Chiltern Student Villages Limited, a charitable company, is an associated entity of the University accounted for under the equity method. The cost and carrying amount of the investment at 31 July 2020 was nil (2019: Enil). Chiltern Student Villages Limited is a company limited by guarantee and has no shareholders and makes no distribution to its members. As such, in the year ended 31 July 2020 the University's share of the associate charitable company's result is nil (2019: Enil).

Notes to the Accounts

Year Ended 31 July 2020

15 Acquisition

On 1 August 2019, the University took on 100% control of Buckinghamshire Education Skills & Training ("BEST"), which was previously a 50% owned joint venture (see note 14). The University did not pay any consideration in order to take on the additional interest in BEST and as such the combination is in substance a gift.

The acquisition of BEST has been accounted for using the purchase method of accounting. At 1 August 2019 (the 'acquisition date'), the assets and liabilities of BEST were consolidated at their fair values to the Group, as set out below:

| | Book Value | Adjustments | Fair Value |
|---|------------|-------------|------------|
| | £'000 | £'000 | £'000 |
| Tangible fixed assets | 20,612 | | 20,612 |
| Debtors | 22 | | 22 |
| Creditors falling due within one year | (685) | | (685) |
| Creditors falling due after one year: | | | |
| Deferred capital grants | (1,058) | | (1,058) |
| Amounts owed to members | (6,356) | 6,356 | - |
| Finance lease obligations | (18,799) | | (18,799) |
| Net assets on acquisition | | | 92 |
| Losses previously recognised in respect of the existing 50% share | | | 3,133 |
| Gain on acquisition | | | 3,225 |

The gain on acquisition of £3,225k has been recognised in the consolidated statement of comprehensive income and expenditure and is shown in note 6

As part of the agreement for the Group to take on BEST as a wholly-owned subsidiary, the outgoing joint venture partner agreed to waive the balance of £1,274k due to them, and so this liability was never assumed by the Group.

The University has always fully impaired the £5,082k balance with BEST in its single entity and group financial statements (see note 17). As a result, the value of the liability in BEST to the Group is nil.

For all other assets and liabilities of BEST, the Group believes that the net book value equates to the fair value.

Notes to the Accounts

Year Ended 31 July 2020

16 Stock

| | Year ended 31 July 2020 | | Year ended 31 July 2019 | |
|---------------------|-------------------------|---------------------|-------------------------|---------------------|
| | Consolidated £'000 | University £'000 | Consolidated £'000 | University £'000 |
| General consumables | 13 | - | 16 | - |
| | <u>13</u> | <u>-</u> | <u>16</u> | <u>-</u> |

17 Trade and other receivables

| | Year ended 31 July 2020 | | Year ended 31 July 2019 | |
|---|-------------------------|---------------------|-------------------------|---------------------|
| | Consolidated £'000 | University £'000 | Consolidated £'000 | University £'000 |
| Amounts falling due within one year: | | | | |
| Trade Receivables | 10,156 | 10,079 | 6,273 | 6,132 |
| Prepayments and accrued income | 3,031 | 3,016 | 2,585 | 2,548 |
| Amounts due from subsidiary companies | - | 1,101 | - | 382 |
| Amounts falling due after more than one year: | | | | |
| Loan to BEST | - | 5,082 | 5,082 | 5,082 |
| Impairment of BEST Loan | - | (5,082) | (5,082) | (5,082) |
| | <u>13,187</u> | <u>14,196</u> | <u>8,858</u> | <u>9,062</u> |

Included within the debtor amount above is a £5.08m (2018-19 £5.08m) impairment adjustment to provide against the risk of the non-payment of the loan to BEST.

18 Current Investments

| | Year ended 31 July 2020 | | Year ended 31 July 2019 | |
|---------------------|-------------------------|---------------------|-------------------------|---------------------|
| | Consolidated £'000 | University £'000 | Consolidated £'000 | University £'000 |
| Short term deposits | 5,034 | 5,034 | 5,011 | 5,011 |
| | <u>5,034</u> | <u>5,034</u> | <u>5,011</u> | <u>5,011</u> |

19 Creditors: amounts falling due within one year

| | Year ended 31 July 2020 | | Year ended 31 July 2019 | |
|--|-------------------------|---------------------|-------------------------|---------------------|
| | Consolidated £'000 | University £'000 | Consolidated £'000 | University £'000 |
| Secured loans | 667 | 667 | 623 | 623 |
| Amounts due to subsidiary undertakings | - | - | - | 369 |
| Deferred capital grants | 925 | 810 | 858 | 858 |
| Obligations under finance leases | 725 | 262 | 287 | 287 |
| Trade payables | 2,294 | 2,298 | 1,565 | 1,539 |
| Social security and other taxation payable | 583 | 574 | 730 | 718 |
| Accruals and deferred income | 11,258 | 11,020 | 9,406 | 9,182 |
| Other creditors | 570 | 569 | 76 | 73 |
| | <u>17,022</u> | <u>16,200</u> | <u>13,545</u> | <u>13,649</u> |

Notes to the Accounts

Year Ended 31 July 2020

Deferred income

Included with accruals and deferred income are the following items of income which have been deferred until specific performance related conditions have been met.

| | Year ended 31 July 2020 | | Year ended 31 July 2019 | |
|-------------------------------------|-------------------------|---------------------|-------------------------|---------------------|
| | Consolidated £'000 | University £'000 | Consolidated £'000 | University £'000 |
| Research grants received on account | - | - | - | - |
| Grant income | 810 | 810 | 858 | 858 |
| Other income | 6,828 | 6,777 | 4,837 | 4,727 |
| | 7,638 | 7,587 | 5,695 | 5,585 |

20 Creditors: amounts falling due after more than one year

| | Year ended 31 July 2020 | | Year ended 31 July 2019 | |
|---------------------------------|-------------------------|---------------------|-------------------------|---------------------|
| | Consolidated £'000 | University £'000 | Consolidated £'000 | University £'000 |
| Deferred capital grants | 8,395 | 7,452 | 7,483 | 7,483 |
| Obligations under finance lease | 19,234 | 642 | 94 | 94 |
| Provision for BEST | - | - | 3,133 | - |
| USS Pension Liability | 156 | 156 | 185 | 185 |
| Secured loans | 21,012 | 21,012 | 21,680 | 21,680 |
| | 48,797 | 29,262 | 32,575 | 29,442 |

USS deficit

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

The assumptions for calculating the provision for the obligation to fund the deficit for the USS scheme are:

| | Consolidated |
|------------------|--------------|
| Discount rate | 0.73% |
| Salary inflation | 2.00% |

Analysis of secured and unsecured loans:

| | Year ended 31 July 2020 | | Year ended 31 July 2019 | |
|--|-------------------------|---------------------|----------------------------|---------------------|
| | Consolidated £'000 | University £'000 | Consolidated £'000 | University £'000 |
| Due within one year or on demand (Note 19) | 667 | 667 | 623 | 623 |
| Due between one and two years | 703 | 703 | 667 | 667 |
| Due between two and five years | 2,343 | 2,343 | 2,228 | 2,228 |
| Due in five years or more | 17,966 | 17,966 | 18,785 | 18,785 |
| Due after more than one year | 21,012 | 21,012 | 21,680 | 21,680 |
| Total secured and unsecured loans | 21,679 | 21,679 | 22,303 | 22,303 |
| Secured loans repayable by 2039 | 21,679 | 21,679 | 22,303 | 22,303 |
| | 21,679 | 21,679 | 22,303 | 22,303 |
| Lender | Amount £'000 | Term | Interest rate % | Borrower |
| Barclays Bank | 21,679 | 2039 | 5.32 | University |

The University has a flexible facility with Barclays to draw down up to £3.8m until November 2022 at a rate of LIBOR + 0.28%. There was no draw down against this facility at 31 July 2020.

Notes to the Accounts

Year Ended 31 July 2020

21 Pension Provision (LGPS)

| Consolidated and University | Defined Benefit Obligations (Note 24) £'000 |
|---------------------------------|---|
| At 1 August 2019 | 52,788 |
| Utilised in year | - |
| Additions | 15,246 |
| Unused amounts reversed in year | - |
| At 31 July 2020 | 68,034 |

Pension enhancement

The assumptions for calculating the provision for pension enhancements on termination under FRS102, are as follows:

| | 2020 Consolidated | 2019 Consolidated |
|-----------------------------|-------------------|-------------------|
| Discount rate | 1.35% | 2.1% |
| Rate of inflation above CPI | 1.0% | 1.5% |

22 Restricted Reserves

Consolidated reserves with restrictions represent scholarships and bursaries and are as follows:

| | 2020 Total £'000 | 2019 Total £'000 |
|-----------------------------------|------------------|------------------|
| Balances at 1 August 2019 | 13 | 13 |
| Received/(Payment) from donations | - | - |
| At 31 July 2020 | 13 | 13 |

23 Cash and cash equivalents

| | At 1 August 2019 £'000 | Cash Flows £'000 | At 31 July 2020 £'000 |
|--------------|------------------------|------------------|-----------------------|
| Consolidated | 20,440 | 2,576 | 23,016 |
| University | 19,897 | 2,748 | 22,645 |

Notes to the Accounts

Year Ended 31 July 2020

24 Capital and other commitments

Provision has not been made for the following capital commitments:

| | Year ended 31 July 2020 | | Year ended 31 July 2019 | |
|----------------------------|-------------------------|---------------------|-------------------------|---------------------|
| | Consolidated £'000 | University £'000 | Consolidated £'000 | University £'000 |
| Commitments contracted for | 1,527 | 1,527 | 2,222 | 2,222 |
| | 1,527 | 1,527 | 2,222 | 2,222 |

These commitments include the implementation of a new U4 Student Management System and Windows 10 and hardware upgrades.

25 Lease obligations

Total rentals payable under operating leases:

| | 31 July 2020 | | 31 July 2020 | 31 July 2019 |
|--|--------------------------------|---------------------------------|----------------|----------------|
| | Land and Buildings £'000 | Plant and Machinery £'000 | Total £'000 | Total £'000 |
| Payable during the year | 3,621 | 54 | 3,675 | 3,589 |
| Future minimum lease payments due: | | | | |
| Not later than 1 year | 3,706 | 3 | 3,709 | 3,649 |
| Later than 1 year and not later than 5 years | 12,501 | 3 | 12,504 | 13,388 |
| Later than 5 years | 73,543 | | 73,543 | 76,368 |
| Total lease payments due | 89,750 | 6 | 89,756 | 93,405 |

The operating lease commitments primarily relate to the rents payable for the student accommodation buildings Windsor House and Hughenden Student Villages.

Total rentals payable under finance leases:

| | 31 July 2020 £'000 | 31 July 2019 £'000 |
|--|-----------------------|-----------------------|
| Payable during the year | 725 | 287 |
| Future minimum lease payments due: | | |
| Not later than 1 year | 601 | 94 |
| Later than 1 year and not later than 5 years | 2,560 | - |
| Later than 5 years | 16,073 | - |
| Total lease payments due | 19,959 | 381 |

The finance lease commitments relate primarily to the Aylesbury campus building and land.

26 Contingent liabilities

There were no contingent liabilities as at 31 July 2020 or 31 July 2019.

27 Subsidiary undertakings

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

| Company | Principal Activity | Status |
|---|--|------------|
| Missenden Abbey Limited | A hotel and management training complex | 100% owned |
| BCUC (Conferences) Limited | Dormant | 100% owned |
| BCUC (Services) Limited | The operation of a lecture theatre complex | 100% owned |
| Thames Valley Training & Development Ltd | Dormant | 100% owned |
| Buckinghamshire Education and Skills Training | The provision of higher education | 100% owned |

Notes to the Accounts

Year Ended 31 July 2020

28 Pension Schemes

Different categories of staff are eligible to join one of two main schemes at the University:

- » Teachers' Pension Scheme (TPS); for academic employees
- » Local Government Pension Scheme (LGPS); for non-academic employees

There are a very small number of academic employees who are also part of the Universities Superannuation Scheme (USS).

These schemes are defined benefit schemes contracted out of the State Second Pension (S2P), the assets of which are held in separate trustee administered funds. These are funded by contributions from the University and employees and the accounts reflect the cost of providing these benefits.

If the University ever closes and there is no successor establishment, the Secretary of State becomes the compensating authority.

Teachers' Pension Scheme (TPS)

The Teachers' Pension Scheme (TPS) is a statutory, contributory, defined benefit scheme, governed by the Teachers' Pension Scheme Regulations 2014. These regulations apply to teachers in schools and other educational establishments, including universities. Membership is automatic for teachers and lecturers at eligible institutions. Teachers and lecturers are able to opt out of the TPS.

Although members may be employed by various bodies, their retirement and other pension benefits are set out in regulations made under the Superannuation Act (1972) and Public Service Pensions Act (2013) and are paid by public funds provided by Parliament. The TPS is an unfunded scheme and members contribute on a 'pay as you go' basis – these contributions, along with those made by employers, are credited to the Exchequer under arrangements governed by the above Act. Retirement and other pension benefits are paid by public funds provided by Parliament.

Under the definitions set out in FRS102 (28.11), the TPS is a multi-employer pension plan. The University is unable to identify its share of the underlying assets and liabilities of the plan.

Accordingly, the University has taken advantage of the exemption in FRS102 and has accounted for its contributions to the scheme as if it were a defined-contribution plan.

Valuation of the TPS

The valuation of the TPS is carried out in line with regulations made under the Public Service Pension Act 2013. Valuations credit the teachers' pension account with a real rate of return assuming funds are invested in notional investments that produce that real rate of return.

The latest actuarial review of the TPS was carried out as at 31 March 2016. The valuation report was published by the Department for Education in April 2019. The valuation reported total scheme liabilities (pensions currently in payment and the estimated cost of future benefits) for service to the effective date of £218 billion, and notional assets (estimated future contributions together with the notional investments held at the valuation date) of £196 billion giving a notional past service deficit of £22 billion.

As a result of the valuation, new employer contribution rates were set at 23.68% of pensionable pay from September 2019 onwards (compared to 16.48% during 2018/19. Whilst the Department for Education has agreed to pay a teacher pension employer contribution grant to cover the additional costs during the 2019-20 academic year for schools, it has not provided equivalent funding to the Higher Education Sector.

A full copy of the valuation report and supporting documentation can be found on the Teachers' Pension Scheme website.

The employer's contributions to the Teachers' Pension Scheme is £1,991,523 in 2019-20 (2018-19: £1,783,072).

Notes to the Accounts

Year Ended 31 July 2020

Universities Superannuation Scheme (USS)

The institution participates in Universities Superannuation Scheme. The assets of the scheme are held in a separate trustee-administered fund. Because of the mutual nature of the scheme, the assets are not attributed to individual institutions and a scheme-wide contribution rate is set. The institution is therefore exposed to actuarial risks associated with other institutions' employees and is unable to identify its share of the underlying assets and liabilities of the scheme on a consistent and reasonable basis. As required by Section 28 of FRS102 "Employee benefits", the institution therefore accounts for the scheme as if it were a defined contribution scheme. As a result, the amount charged to the profit and loss account represents the contributions payable to the scheme. Since the institution has entered into an agreement (the Recovery Plan) that determines how each employer within the scheme will fund the overall deficit, the institution recognises a liability for the contributions payable that arise from the agreement (to the extent that they relate to the deficit) with related expenses being recognised through the profit and loss account.

The total write back to the profit and loss account is £31,000 (2019 cost of £134,000) as shown in note 7.

Deficit recovery contributions due within one year for the institution are £7,000 (prior year: £5,000).

The latest available complete actuarial valuation of the Retirement Income Builder is at 31 March 2018 (the valuation date), which was carried out using the projected unit method. A valuation as at 31 March 2020 is underway but not yet complete.

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

The 2018 valuation was the fifth valuation for the scheme under the scheme-specific funding regime introduced by the Pensions Act 2004, which requires schemes to adopt a statutory funding objective, which is to have sufficient and appropriate assets to cover their technical provisions. At the valuation date, the value of the assets of the scheme was £63.7 billion and the value of the scheme's technical provisions was £67.3 billion indicating a shortfall of £3.6 billion and a funding ratio of 95%.

Notes to the Accounts

Year Ended 31 July 2020

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

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

The main demographic assumption used relates to the mortality assumptions. These assumptions are based on analysis of the Scheme's experience carried out as part of the 2017 actuarial valuation.

The mortality assumptions used in these figures are as follows:

| | 2018 valuation |
|----------------------------------|--|
| Mortality base table | Pre-retirement: 71% of AMC00 (duration 0) for males and 112% of AFC00 (duration 0) for females. Post retirement: 97.6% of SAPS S1NMA 'light' for males and 102.7% of RFV00 for females. CMI_2017 with a smoothing parameter of 8.5 and a long term improvement rate of 1.8% pa for males and 1.6% for females. |
| Future improvements to mortality | CMI_2017 with a smoothing parameter of 8.5 and a long term improvement rate of 1.8% pa for males and 1.6% for females. |

The current life expectancies on retirement at age 65 are:

| | 2020 | 2019 |
|-----------------------------------|------|------|
| Males currently aged 65 (years) | 24.4 | 24.6 |
| Females currently aged 65 (years) | 25.9 | 26.1 |
| Males currently aged 45 (years) | 26.3 | 26.6 |
| Females currently aged 45 (years) | 27.7 | 27.9 |

| | 2020 | 2019 |
|-----------------------------|---------|---------|
| Scheme assets | £63.7bn | £60.0bn |
| Total scheme liabilities | £67.3bn | £67.5bn |
| FRS102 total scheme deficit | £3.6bn | £7.5bn |
| FRS102 total funding level | 95% | 89% |

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

| | 2020 | 2019 |
|-------------------------|-------|-------|
| Discount rate | 2.59% | 2.44% |
| Pension increases (CPI) | 4.20% | 2.11% |

Notes to the Accounts

Year Ended 31 July 2020

Local Government Pension Scheme (LGPS)

The Local Government Pension Scheme (LGPS) is a defined benefit statutory scheme administered in accordance with the Local Government Pension Scheme Regulations 2013 and currently provides benefits based on career average revalued earnings. The administering authority for the Fund is Buckinghamshire County Council.

The Local Government Pension Scheme is valued every three years by a professionally qualified independent actuary using the projected unit method, the rates of contribution payable being determined by the trustees on the advice of the actuary. The next actuarial valuation of the Fund will be carried out as at 31 March 2022 and will set contributions for the period from 1 April 2023 to 31 March 2026.

The table below summarises the minimum employer contributions due from the University to the Fund during this inter-valuation period. The calculation is split between a % contribution of 17.3% (representing the calculated cost of the accrual of future benefits) and an additional monthly amount as set out in the next table:

| Minimum employer contribution for the period beginning | 01-Apr-20 | 01-Apr-21 | 01-Apr-22 |
|--|-----------|-----------|-----------|
| Percent of payroll | 17.30% | 17.30% | 17.30% |
| Plus monetary amount (£000s) | 480 | 500 | 520 |

To assess the value of the Employer's liabilities at 31 July 2020, the value of the liabilities calculated for the funding valuation as at 31 March 2019 have been rolled forward, using financial assumptions that comply with FRS102.

To calculate the asset share the actuary has rolled forward the assets allocated to the Employer as at 31 March 2019 allowing for investment returns, contributions paid into and estimated benefits paid from the Fund by and in respect of the Employer and its employees. The estimated asset allocation for Buckinghamshire New University as at 31 July 2020 is £74.439m (31 July 2019 £66.203m).

The pension scheme assets are held in a separate trustee-administered fund to meet long-term pension liabilities to current and former employees. The trustees are required to act in the best interests of the fund's beneficiaries. The trustees are responsible for setting the investment strategy for the scheme in consultation with professional advisers.

An amount of £180,000 (2019: £181,000) was paid directly by the University in respect of supplementary pension entitlements of employees taking early retirement at the time of incorporation. The pension liability associated with this commitment is valued in line with the assumptions for the LGPS in the sections below.

Assumptions used in calculating the schemes liabilities under FRS102

Financial assumptions

The financial assumptions used to calculate the results are in the table below.

| | 2020 | 2019 | 2018 | 2017 | 2016 |
|---|-------|-------|-------|-------|-------|
| Salary increases | 3.25% | 3.85% | 3.85% | 4.20% | 4.00% |
| Pension increases | 2.25% | 2.35% | 2.35% | 2.70% | 2.20% |
| Discount rate applied to scheme liabilities | 1.35% | 2.10% | 2.65% | 2.70% | 2.60% |

These assumptions are set with reference to market conditions at 31 July 2020.

The estimate of the employer's past service liability duration is 22 years. The discount rate is the annualised yield at the 22 year point on the Merrill Lynch AA-rated corporate bond yield curve which has been chosen to meet the requirements of FRS102 and with consideration of the duration of the Employer's liabilities.

Notes to the Accounts

Year Ended 31 July 2020

Demographic assumptions

The current mortality rates allow for a long-term rate of improvement in life expectancy of 1.5% p.a. The assumed life expectations from 65 are as below:

| | 2020 | 2019 | 2018 | 2017 | 2016 |
|-----------------------|------|------|------|------|------|
| Retiring in 20 years: | | | | | |
| Males | 23.2 | 24.6 | 26.3 | 26.1 | 26.1 |
| Females | 26.6 | 26.6 | 28.4 | 28.3 | 28.5 |
| Retiring Today: | | | | | |
| Males | 21.8 | 22.9 | 24 | 23.9 | 23.8 |
| Females | 25.1 | 24.8 | 26.1 | 26 | 26.2 |

Scheme assets and expected rate of return

The return on the Fund (on a bid value to bid value basis) for the year to 31 July 2020 is estimated to be 6%. The actual return on Fund assets over the year may be different.

Based on the estimated asset allocation, the Employer's share of the assets of the Fund is approximately 2%.

The estimated asset allocation for Buckinghamshire New University as at 31 July 2020 is as follows:

| Asset breakdown | 31 Jul 2020 | | 31 Jul 2019 | |
|---------------------------|---------------|-------------|---------------|-------------|
| | £'000s | % | £'000s | % |
| Gilts | 7,844 | 11% | 8,033 | 12% |
| Equities | 40,813 | 55% | 34,423 | 52% |
| Other Bonds | 11,663 | 16% | 9,804 | 15% |
| Property | 4,658 | 6% | 4,831 | 7% |
| Cash | 1,952 | 3% | 2,013 | 3% |
| Alternative Assets | 670 | 1% | 577 | 1% |
| Hedge Funds | 3,528 | 5% | 3,451 | 5% |
| Absolute Return Portfolio | 3,311 | 4% | 3,071 | 5% |
| Total | 74,439 | 100% | 66,203 | 100% |

Re-measurements in other comprehensive income:

| Re-measurement of the net assets | Year to 31 Jul 2020 | Year to 31 Jul 2019 |
|--|---------------------|---------------------|
| | £'000 | £'000 |
| Return on Fund assets in excess of interest | 2,661 | 1,303 |
| Other actuarial gains/(losses) on assets | 4,142 | - |
| Change in financial assumptions | (18,296) | (12,689) |
| Change in demographic assumptions | | |
| Experience gain/(loss) on defined benefit obligation | 2,282 | 6,512 |
| Changes in effect of asset ceiling | (3,149) | (276) |
| Re-measurement of the net assets/ (defined liability) | (12,360) | (5,150) |

Expected return on assets

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

Notes to the Accounts

Year Ended 31 July 2020

| The amounts recognised in the SOCIE are: | Year to 31 Jul 2020 £'000 | Year to 31 Jul 2019 £'000 |
|--|------------------------------|------------------------------|
| Service cost | (4,073) | (4,002) |
| Administration expenses | (59) | (51) |
| Net interest on the defined liability | (1,086) | (1,153) |
| Total Loss | (5,218) | (5,206) |

Negative figures represent costs to the University

Movement in net pension liability during the year:

| | Year to 31 Jul 2020 £'000 | Year to 31 Jul 2019 £'000 |
|--|------------------------------|------------------------------|
| Deficit in scheme at beginning of year | (52,788) | (44,565) |
| Current service costs | (3,939) | (3,319) |
| Employer contributions paid | 2,152 | 1,952 |
| Unfunded pension payments | 180 | 181 |
| Other finance costs | (1,086) | (1,153) |
| Settlements/curtailments | (134) | (683) |
| Administration Expenses | (59) | (51) |
| Remeasurement of the net assets/ (defined liability) | (12,360) | (5,150) |
| Net pension liability at end of year | (68,034) | (52,788) |

Reconciliation of the movement of the present value of the defined benefit obligation:

| | Year to 31 Jul 2020 £'000 | Year to 31 Jul 2019 £'000 |
|--|------------------------------|------------------------------|
| Opening defined benefit obligation | (118,991) | (107,760) |
| Current service costs | (3,939) | (3,319) |
| Interest cost | (2,477) | (2,829) |
| Change in financial assumptions | (18,296) | (12,689) |
| Change in demographic assumptions | 2,282 | 6,512 |
| Experience loss/(gain) on defined benefit obligation | (3,149) | (276) |
| Estimated benefits paid (net of transfers in) | 2,707 | 2,505 |
| Past service costs, including curtailments | (134) | (683) |
| Contributions by scheme participants | (656) | (633) |
| Unfunded pension payments | 180 | 181 |
| Closing defined benefit obligation | (142,473) | (118,991) |

Notes to the Accounts

Year Ended 31 July 2020

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

| | Year to 31 Jul 2020 £'000 | Year to 31 Jul 2019 £'000 |
|---|------------------------------|------------------------------|
| Opening fair value of scheme assets | 66,203 | 63,195 |
| Interest on assets | 1,391 | 1,676 |
| Return on assets less interest | 2,661 | 1,303 |
| Other actuarial gains/(losses) | 4,142 | 0 |
| Administration expenses | (59) | (51) |
| Contributions by employer including unfunded | 2,332 | 2,133 |
| Contributions by scheme participants and other employers | 656 | 633 |
| Estimated benefits paid plus unfunded net of transfers in | (2,887) | (2,686) |
| Closing fair value of Scheme assets | 74,439 | 66,203 |

History of experience gains and losses:

| | 2020 £'000 | 2019 £'000 | 2018 £'000 | 2017 £'000 | 2016 £'000 |
|--|-----------------|---------------|---------------|---------------|---------------|
| Present value of scheme liabilities | 142,473 | 118,991 | 107,760 | 111,020 | 102,934 |
| Fair value of scheme assets | 74,439 | 66,203 | 63,195 | 60,458 | 51,961 |
| Net liability in balance sheet | (68,034) | (52,788) | (44,565) | (50,562) | (50,973) |
| Experience adjustments on scheme liabilities | (3,149) | (276) | 0 | 3,202 | 226 |
| Experience adjustments on scheme assets | 0 | 0 | 0 | 0 | 0 |

The University has elected not to restate prior year amounts as permitted by FRS102. The employer contributions to the scheme for the year to 31 July 2020 is £2,332,000.

Sensitivity Analysis

The following table sets out a sensitivity analysis on the major assumptions which have been used in the above calculations

| Sensitivity Analysis | £000s | £000s | £000s |
|---|----------------|----------------|----------------|
| Adjustment to discount rate: | +0.1% | 0.0% | -0.1% |
| Present value of scheme liabilities | 139,394 | 142,473 | 145,624 |
| Projected service cost | 5,104 | 5,275 | 5,451 |
| Adjustment to long term salary increase: | +0.1% | 0.0% | -0.1% |
| Present value of total obligation | 142,688 | 142,473 | 142,261 |
| Projected service cost | 5,278 | 5,275 | 5,272 |
| Adjustment to pension increases and deferred revaluation | +0.1% | 0.0% | -0.1% |
| Present value of total obligation | 145,378 | 142,473 | 139,631 |
| Projected service cost | 5,447 | 5,275 | 5,108 |
| Adjustment to life expectancy assumptions | +1 Year | None | -1 Year |
| Present value of total obligation | 149,162 | 142,472 | 136,100 |
| Projected service cost | 5,483 | 5,275 | 5,075 |

Notes to the Accounts

Year Ended 31 July 2020

29 Related party transactions

Certain members of the Council are associated with other organisations that may from time to time undertake transactions with the University or its subsidiaries. All such transactions are undertaken on an arm's length basis and in accordance with the University's normal terms. No member of the Council has any financial interest in such transactions, nor is such other organisations related parties of the University or its subsidiaries.

As all subsidiary undertakings are wholly owned, the University has taken advantage of the exemption contained in FRS102 and has therefore not disclosed transactions or balances with entities which form part of the group.

The University is a third member of Chiltern Student Villages Ltd along with Bank of Scotland and European Structured Finance Limited. There is no controlling party. The charitable company was set up in July 2008 for the transfer, development, provision and management of student accommodation at the University.

The Bucks Students' Union is an independent organisation largely funded by the University. During the 2019-20 financial year the Union was in receipt of £1.538m (2018-19 £1.423m) of grant funding from the University. At the 31 July 2020, the University had a creditor with the Students' Union of £15,531k and a debtor of £69,873k.

Independent & Co-opted Council Members

| | |
|--------------------|--|
| Dr Michael Hipkins | Independent |
| Dr Maggie James | Independent |
| Irene Kirkman | Independent |
| Tim Marshall OBE | Co-opted |
| Ken McCrea | Co-opted |
| Anthony Murphy | Independent |
| Dr Susan Rosser | Independent |
| Bob Shennan | Independent |
| John Smith | Independent |
| Supriya Sobti | Independent |
| Andy Cole OBE | Independent |
| Annet Gamell | Independent |
| Karen Satterford | Independent |
| Anna Crabtree | Independent |
| Megan Staples | Co-opted member (student) |
| Jordan Penning | Co-opted member (student) |
| Steve Jordan | Co-opted Specialist to Audit Committee |

Chair

Term of office ended 31 July 2020

Appointed 1 August 2019

Appointed 1 August 2019

Appointed 1 August 2019

Appointed 1 August 2020

Term of office ended 31 July 2020

Appointed 1 August 2020

Term of office ended 31 July 2020

University Council Members

| | |
|------------------------|--|
| Professor Nick Braisby | Vice-Chancellor |
| Dr Florin Ioras | Elected Senate Member |
| Dr Cheryl Pitt | Academic Staff (elected) |
| Dr Paul Morgan | Senate Chair's Nomination to Honorary Awards Committee |
| Phillip Wood MBE | Elected Senate Member |
| Joanna Boardman | Elected Professional Services Employee |
| Emma Binnie | Elected Professional Services Employee |
| John Hathaway | Academic Staff (elected) |
| Tao Warburton | President, Bucks Students' Union |
| Tamsin Grainger | President, Bucks Students' Union |

Appointed 12 February 2019

Term of office ended 31 July 2019

Term of office ended 31 July 2020

Appointed 1 August 2020

Appointed 1 August 2019

Term of office ended 30 June 2020

Appointed 1 July 2020

University Executive Team

| | |
|-----------------------------|---|
| Professor Nick Braisby | Vice-Chancellor |
| Professor Gavin Brookes | Provost and Deputy Vice-Chancellor |
| Rod Mercer | Director of Finance |
| Trevor Gabriele | Director of Finance |
| Alexandra Bode-Tunji | Director of Human Resources |
| Ellie Smith | University Secretary and Clerk to the Council |
| Professor Julie McCleod | Interim Pro Vice-Chancellor |
| Professor Elizabeth Cleaver | Pro Vice-Chancellor Education and Digital |
| Dr Rachel Cragg | Pro Vice-Chancellor External Engagement |

Appointed 12 February 2019

Appointed 1 January 2020

Left 31 January 2020

Appointed 20 April 2020

Left 12 January 2020

Appointed 9 June 2020

Appointed 22 January 2020

Key Advisers

| | |
|-------------------|-----------------------|
| Bankers | Barclays Bank PLC |
| External Auditors | Grant Thornton UK LLP |
| Internal Auditors | KCG Audit Limited |
| Lawyers | Mills and Reeve LLP |

Legal and Administration

University Registered Office:
Buckinghamshire New University
Queen Alexandra Road
High Wycombe
Buckinghamshire
HP11 2JZ

Established by an Act of Parliament as a Higher Education corporation; its University status confirmed by the name change to Buckinghamshire New University in October 2007. Its charitable status is regulated by the Office for Students.

Addresses of Key Advisers:

Barclays Bank
5 North Colonnade
Canary Wharf
London
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7 Bell Yard Street
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