



**Bournemouth
University**

**Bournemouth University,
Higher Education Corporation**

Report and Financial Statements for the year ended 31 July 2023

Board members and advisers

Board Membership at 24 November 2023 (date of formal approval)

Board Members (Independent)

Mr David Furniss (Chair)
Mr John Beswick (to 1 December 2022)
Prof Carol Evans (to 25 January 2023)
Dr David Crosby (from 18 September 2023)
Ms Karima Fahmy (Deputy Chair from 1 December 2022)
Ms Maggie Frost
Mr Nicholas Golding
Mr Karl Hoods
Mr Simon Jackson
Mr Stuart Jones
Mrs Jean Lang (Deputy Chair to 30 November 2022)
Ms Sara Luder
Mr Anthony Murphy (from 11 February 2023)
Mrs Adetola Oloyede (to 30 November 2022)
Ms Jo Pretty (from 18 September 2023)
Mr David Smith (from 1 December 2022)
Ms Deborah Ward
Mrs Deborah Warman
Mr Robert Williams

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Board Members (Executive, Staff and Students)

Mrs Paula Alliston (Professional & Support Staff Member to 30 November 2023)
Mr Jim Andrews (Chief Operating Officer)
Ms Nastassia Asselin (Student Member) (from 1 August 2022)
Ms Omuwa Ayomoto (President Students' Union at Bournemouth University) (to 31 July 2023)
Prof Carol Clark (Senate Member) (to 31 July 2023)
Mr Chike Dike (President Students' Union at Bournemouth University) (from 1 August 2023)
Dr Lois Farquharson (Academic Staff Member)
Prof Tim McIntyre-Bhatty (Deputy Vice-Chancellor) (to 31 March 2023)
Mrs Susie Reynell (Finance Director)
Prof John Vinney (Vice-Chancellor)

Internal Auditors

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Report of the Board of Governors

Scope and format of the financial statements

We are pleased to present the financial statements for Bournemouth University (BU) for the year ended 31 July 2023. The financial statements comprise the consolidated results of the University and its wholly owned subsidiaries, BU Innovations Limited and BU Community Business Limited.

Operating and financial review

Introduction

Our vision

The University's vision is to be recognised worldwide as a leading university for inspiring learning, advancing knowledge and enriching society through the fusion of education, research and practice. Our values are creativity, inclusivity, responsibility and excellence. BU2025 is the next step in BU's development, building on our success. We have retained the core of what makes BU distinct, including our Fusion approach. Fusion, which has been a guiding principle to our organisation for over a decade brings together research, education and practice to create something that is greater than the sum of its parts. As we progress into the final years of our current strategic plan, our commitment to BU2025 and Fusion remains resolute and as an organisation we are committed to meeting our objectives, as described by our six strategic narratives:

- helping people live better, for longer,
- helping to protect and preserve a sustainable environment,
- helping to prepare for and recover from crisis,
- challenging marginalisation, misinformation and under-representation,
- helping creative industries and cultural heritage to thrive; and

- using our expertise to be a catalyst for growth, boosting skills and advancing the region.

In the summer, we announced that after 17 years at BU, including nearly 14 years as Vice-Chancellor, Professor John Vinney will step down in August 2024. As we progress with the recruitment of his successor, we are mindful that July 2025 is approaching, this being the end of our current strategic plan, and work is underway to define our strategy for the next phase of the University's development, which is expected to cover the seven-year period up to 2032.

Current year results

BU again saw strong student recruitment which underpins the robust financial performance presented in this report. We attracted students from a broad range of backgrounds in an increasingly competitive environment. Supporting our students to complete their studies with us and progress into roles with positive graduate outcomes is a central focus of our talented staff and, the income associated with our educational activity is the foundation of our financial performance.

The University continues to achieve its targets as measured with reference to our Financial Performance Indicators, where all metrics were met or exceeded for 2022/23.

Our Fusion approach to high-quality teaching and learning which is informed by and engages research and professional practice continues to generate benefits for the institution. There are positive developments in student experience which remains an area of focus for improvement. Our students go on to achieve strong graduate outcomes as evidenced by an increase in the number who are in full-time employment 15 months after graduation (for students who completed their programmes in 2020/21: 67% versus 2019/20: 66%) which is 9% ahead of the sector average. Additionally, 80% of our graduates entered work in highly skilled roles, being 1% ahead of the sector average.

Our research and knowledge exchange output continues to grow. We have taken an inclusive approach which ensures participation across all our subject areas, with engagement from academic colleagues at all stages of their careers, as demonstrated in a strong performance in the Research Excellence Framework 2021. The most notable achievements are:

- 94% of our research was found to be internationally recognised or above, with 96% of the research delivering considerable impact or above;
- the percentage of BU staff participating in REF 2021 more than tripled compared to REF 2014 reflecting our inclusive approach. We are now in the upper quartile across the sector for research intensity; and

- for research power, BU is ranked 51st out of 157 institutions in the UK, which puts us in the top third of institutions nationally.

Our people

Our people are at the heart of what we do. Our decision making is guided by the needs of our students, and of our staff who inspire them. BU was fortunate to see our impressive staff base further strengthened with the addition of new colleagues who join us from across the globe, The University is grateful to all our staff for their professionalism and efforts with students, colleagues and partners throughout the past year.

Every day, we encourage our people to inspire learning, advance knowledge and enrich society. BU has embedded its Fusion model in its structures, including performance management and progression, workload planning, and reward and recognition. BU's academic staff are expected to engage in research, education and professional practice in order to ensure that the BU student experience benefits from the Fusion of these three elements.

Future plans and position

The University has prepared its financial budgets and forecasts to 31 July 2028. Student recruitment across the next 5 years remains strong and is expected to grow. Undergraduate student numbers (excluding foundation year students) are expected to grow (on a compound basis) at 3.6% per year, an assumption supported by the demographic upturn in the number of 18 years olds nationally, although the

September 2023 Home undergraduate students are short of budget expectation for the reason stated below.

The forecast numbers of degree apprentices, foundation year and continuation postgraduate students are expected to increase at a faster rate based on the growth in demand seen for these courses over the previous cycle. Our September 2023 intake of new postgraduate students did not meet our targets, due to a buoyant UK labour market reducing demand from home students, and cost of living inflation and UK student visa changes affecting demand from overseas students. Our overall income for 2023/24 is still expected to grow, but at a slower rate than previously forecast. We are considering the impact of the proposed cap to fees for foundation years but are not currently expecting that this will have a substantial impact on our plans in this area.

Opportunities to further grow our research and knowledge exchange activities are expected to yield growth in income of 12% per year over the next six years as we continue to grow our Fusion capacity and we capitalise on new and emerging streams of revenue.

The diversification of income streams is seen as key to the University's navigation of the challenging macroeconomic environment. Inflationary pressure will increase costs at a faster rate than previously forecast and our ambition for growth and diversification of our portfolio is planned to mitigate the risk of rising costs where the main income stream from home undergraduate fees remains fixed for the foreseeable future. Our

recent growth has been achieved through high demand from oversea students for post graduate taught courses and we recognise that this income stream is inherently more volatile, as it is exposed to greater political and economic factors, as evidenced in previous paragraph, and as the courses are of a shorter duration to the undergraduate portfolio.

Cash flow forecasts have also been prepared to 31 July 2028. Supported by a significant improvement in our cash position over the reporting period for the second consecutive period, year-end cash balances are expected to increase in each year as the target for net cash from operating activity as a % income is prioritised to maintain financial stability. The cash flow forecast shows that the University can operate within its current facilities without using any of its overdraft facility or revolving credit facility.

All long-term loan facilities are either fixed interest rate facilities or fixed by a derivative instrument therefore the University is not deemed to be materially exposed to movements in the Bank of England interest rate in the medium term.

Our performance remains under regular review to ensure we remain on track to meet our financial targets, with closer scrutiny deemed necessary given the volatility and uncertainty within the economy and political environment, both domestic and global. We take confidence from our successful navigation of past cashflow challenges and recognise that through the hard work and ingenuity of our staff, BU is in strong position to face emerging uncertainty and to continue to deliver our vision.

Future plans and position

The University retained a consolidated underlying operating surplus of £9.6m in 2022/23 (2021/22: £8.6m) – see Five-year financial summary table below. Income has grown by 8.8% (2021/22: 4.4%), driven primarily by increasing demand for postgraduate courses from overseas students. Other operating costs increased by £8.6m which included a £3.3m increase in the provision for dilapidations. The University's total reserves has strengthened to a net surplus position of £137.9m (2021/22 £93.3m), following the strong financial performance in the year and the change in the financial assumptions within the actuarial valuation of the LGPS defined benefit pension obligation. The long-term pension provision has reduced to £16.4m (2021/22: £50.3m).

	2022-23 Actual	2021-22 Actual	BU2025 Target
Surplus from income and expenditure statement, excluding changes to the pension provisions and restructuring charge as a % of income	5.2%	5.0%	4.0-6.0%
Net cash from operating activity as % of income	16.0%	14.1%	11.0%
Borrowing % of income	26.9%	30.8%	36.0%

BU reported an annual contribution as a % of income (excluding pension adjustment and restructuring charge) of 5.2% (2021-22 5.0%) and remained in line with the BU2025 target contribution of 4.0-6.0%. In 2022/23 the University reported a strong net cash from operating activity percentage of 16.0% (2021/22 14.1%), 5% above the BU2025 target of 11.0%. The borrowing to income percentage remained below the BU2025 target of 36.0%. There were no additional borrowings drawn in the 2022/23 financial year whilst capital repayments reduced long term loans by £2.6m.

Financial highlights of the year

Five-year financial summary	2022-23 £M	2021-22 £M	2020-21 £M	2019-20 £M	2018-19 £M
Total income	184.6	169.7	162.5	164.4	160.2
Total expenditure	175.0	161.1	154.5	157.3	151.7
Surplus from income and expenditure statement, excluding changes to the pension provisions and restructuring charge	9.6	8.6	8.0	7.1	8.5
Pension provision cost adjustment	5.1	15.3	11.9	8.6	9.9
Restructuring charge	0.3	0.1	1.0	2.5	2.4
Surplus/(Deficit) before other gains	4.2	(6.8)	(4.9)	(4.0)	(3.8)
Operating surplus excluding pension adjustment and restructuring charge as a % of income	5.2%	5.0%	4.9%	4.3%	5.3%
Net assets excluding pension reserve	154.3	143.6	132.8	127.7	124.7

2022-23 saw total income grow from £169.7m to £184.6m largely due to strong growth in overseas tuition fee income.

Total expenditure excluding the pension provision cost adjustment, increased by £13.9m, from £161.1m in 2021-22 to £175.0m in 2022-23, driven by staff costs (excluding changes to the pension provisions) increases of £6.0m, and other operating costs increases of £8.6m. The increase in other operating costs included a £3.3m increase in the provision for dilapidations, a £1.1m increase in scholarships and bursaries and a £1.6m inflationary increase on heat, light, water and power utilities.

It should be noted that total expenditure reported in the 2022-23 financial statements also includes an FRS102 accounting pension adjustment of £5.1m (2021-22 £15.3m), and a restructuring charge of £0.3m (2021-22 £0.1m), reducing the reported £9.6m operating surplus to an overall operating surplus of £4.2m (2021-22 deficit £6.8m). An actuarial gain on the LGPS pension scheme of £39.0m (2021-22 £125.5m), and a positive movement in the fair value of an interest rate hedge of £1.5m (2021-22 £1.5m) resulted in total comprehensive gain for the year of £44.7m (£121.1m).

The USS deficit recovery provision reduced from £1.3m in 2021-22 to £1.1m in 2022-23, whilst the pension enhancement liability reduced by £0.1m to £0.6m (see note 22).

Our student numbers (excluding Partner Colleges):

	2022-23			2021-22			
	Undergraduate	Postgraduate	TOTAL		Undergraduate	Postgraduate	TOTAL
Full-time	11,950	2,831	14,781	Full-time	12,208	2,121	14,329
Part-time	1,211	1,798	3,009	Part-time	1,072	1,454	2,526
TOTAL	13,161	4,629	17,790	TOTAL	13,280	3,575	16,855

BU's 2022-23 full-time student number population increased from 14,329 in 2021-22 to 14,781 in 2022-23. Postgraduate full-time and part-time student numbers also reported strong growth. The overall student population reported an increase of 935.

Income:

	2022-23 £M	2021-22 £M	Increase/(decrease) £M
Funding body grants	15.2	13.4	1.8
Tuition fees and education contracts	147.5	137.6	9.9
Research grants and contracts	5.5	5.2	0.3
Other operating income	14.8	13.3	1.5
Donation and endowment income	0.4	0.1	0.3
Investment income	1.2	0.1	1.1
Total income	184.6	169.7	14.9

The financial year 2022/23 saw total income grow from £169.7m to £184.6m largely due to strong growth in overseas tuition fee income. Funding body grants increased by £1.8m, predominately due to an increase in Quality-Related research funding from UK Research and Innovation (UKRI), offset by a reduction in capital grants from the Office for Students (OfS).

Expenditure:

	2022-23 £M	2021-22 £M	Increase/(decrease) £M
Staff costs	94.4	88.2	6.2
Staff cost relating to pension provision	3.4	12.6	(9.2)
Depreciation	13.0	13.8	(0.8)
Other operating expenses	65.8	57.2	8.6
Interest payable on loans	1.8	1.9	(0.1)
Pension provision finance cost	1.6	2.7	(1.1)
Total expenditure excluding restructuring charge	180.0	176.4	3.6
Restructuring charge	0.4	0.1	0.3
Total expenditure	180.4	176.5	3.9

Total expenditure increased by £3.9m to £180.4m. Staff costs grew by 7.0% or £6.2m whilst the staff cost relating to the pension provision reduced significantly by £9.2m. Other operating expenses increased by £8.6m, including an increase in the dilapidations provision of £3.3m (see note 23) and an increase in energy costs of £1.6m.

Pension reserve

BU holds three pension provisions on our balance sheet; The Local Government Pension Scheme (LGPS) which is administered by Dorset Council and is a multi-employer scheme where its assets and liabilities can be established for individual employers. The Universities Superannuation Scheme (USS) is also a multi-employer scheme with no basis to accurately identify employers share of assets and liabilities and therefore our deficit. We are required to estimate a provision for our obligation to make deficit recovery repayments. The Pension Enhancement liability relates to previous members of staff, who receive pension enhancement payments. The University also participates in the Teachers' Pension Scheme (TPS) which is a defined benefits scheme. There is no pension provision recognised on the balance sheet for the TPS. In addition, the National Health Service Pension Scheme (NHSPS) is in operation for certain staff.

The NHSPS is an unfunded defined benefit scheme, with pension benefits being paid out of contributions received in the year and contribution rates determined by HM Treasury.

The LGPS pension provision reported a significant reduction for the second financial year. The provision reduced by £33.7m from £48.4m in 2021-22 to £14.7m in 2022-23.

Statement of Financial Position

As at 31 July 2023, BU has reported a strong statement of financial position with consolidated total net assets increasing by £44.6m from £93.3m in 2021-22 to £137.9m in 2022-23. The improvement in the net asset position included a £34.0m reduction in pension provisions. The £5.3m increase in creditors: amounts falling due within one year was predominately due to an increase in deferred tuition fee income.

Cash flow and borrowings

BU's net cash inflow from operating activities increased from £23.8m in 2021-22 to £29.4m in 2022-23. Loan capital repayments reduced borrowings by £2.6m whilst the University invested £7.2m in capital additions. Cash and cash equivalents reported an increase

of £19.6m from £45.1m in 2021-22 to £64.7m in 2022-23. Investment income increased by £1.1m to £1.2m because of increased cash balances and improved returns.

Banking Facilities and covenants

BU has access to an overdraft facility of £5m and a £20m Revolving Credit Facility (RCF). Our RCF and overdraft remained undrawn and we were compliant with all our financial covenants during the 2022/23 financial year. BU is planning to maintain the current level of RCF facilities for the foreseeable future, ensuring that the University should have access to sufficient funds if required.

The budget and forecasts have been used to calculate the values of the banking covenants over the relevant period to ensure the University is compliant with them. BU is forecast to be compliant throughout the future forecast periods to July 2028.

Capital Investment

The University continues to invest in its physical and digital estate for the benefit of our students. Investment has proceeded at a slower rate than budgeted, due to challenges in recruitment, supply chains and the impact of the recent inflationary environment on project procurement. We invested £8.4m in capital projects (£7.2m cash and £1.2m accrued expenditure) in 2022-23 (2021-22 £7.4m). BU continued to significantly invest in its digital environment for the benefit of staff and students, which supports the flexible provision of teaching by allowing students to study flexibly and by improving student choice.

Work continued on the re-modelling of our Talbot Campus to promote a sense of belonging for our student community. Dorset House is undergoing significant transformation aimed at encouraging collaboration, promoting knowledge sharing and fostering a sense of community among our Business School Members. As part of our commitment to improving staff and student experiences, work has also commenced to improve accessibility for all to our Sir Michael Cobham Library.

Following our successful bid for a Public Sector Decarbonisation Scheme grant, BU will replace end of life fossil fuel gas boilers on our Talbot Campus with electrically powered Air Source Heat Pumps. The project supports our Climate and Ecological Crisis Action Plan and will be delivered in 2024.

Principal risks and uncertainties

We recognise the volatility in the global geo-political and economic environment. Current conflicts in Ukraine and Gaza, energy price shocks and high inflation have led to increasing interest rates and uncertainty over global growth. The Bank of England (on 2 November 2023) warned that the UK economy was on the brink of recession by mid-2024 and signalled that it intended to retain high interest rates for an extended period as inflationary pressures on consumer and corporate demand stubbornly continue. The employment market and the housing market are showing signs of decline, and there is political uncertainty with a General Election due before the end of January 2025.

Despite our improving cash and balance sheet position, we are not complacent. Our financial stability and resilience, which are dependent primarily on our ability to attract and retain students, are closely monitored and subject to scenario analysis and stress testing. BU operates a comprehensive corporate risk management and control arrangements to ensure the sustainability of its operations and its ability to continue to comply with all conditions of registration and that mitigating actions are deployed on a timely basis when a risk crystallises.

The corporate Risk Register consists of 12 risks which have been categorised under BU2025 strategic plan headings of Fusion and Investment, Leadership and Impact, Reputation and Networks, People and Culture, and Performance and Resilience. The corporate Risk Register is maintained by the University Executive Team who identify and prioritise significant risks. The Risk Register is scrutinised by the Audit, Risk and Governance Committee. The University Board also receives the Risk Register as part of the report from each Audit, Risk and Governance Committee meeting.

The University has identified the following significant risks:

Risk	Mitigation
There is a risk that BU is unable to maintain financial sustainability.	<p>Prioritise all activity and spend, ensuring investments and assets are correctly allocated between academic areas and release under-utilised assets to free up funds for re-investment.</p> <p>Comply with reserves policy and maintain required level of working capital to manage peaks and troughs in cash flow including £20M revolving credit facility and £5M overdraft.</p> <p>Regularly review control metrics including cashflow monitoring and KPI reporting and take corrective action as needed.</p> <p>Periodically revisit long-term plans and resize the cost base as needed to achieve the target future shape & size of BU and annually refresh budget and delivery plans for future research activity and student numbers.</p> <p>Monitor applications, demographics and government policy to understand student number volumes and trends.</p>
There is a risk that BU is unprepared for, or unable to respond to cyber security attacks.	<p>Ensure cyber-attack prevention and identification technologies are in place and maintained with continued investment.</p> <p>Training and awareness completed by all staff and students relating to types of possible attack and how to use IT safely to protect the University.</p> <p>Continued development of Computer Emergency Response Team (CERT) to enable early warning and notification systems and regular monitoring / reporting of potential attacks.</p>
There is a risk that BU fails to comply with regulatory body and/or legislative requirements or that excessive regulation undermines Universities' autonomy.	<p>Continual review of internal procedures, processes and polices to keep up to date with requirements.</p> <p>Ensure appropriate training and awareness is in place for staff and seek external advice where appropriate.</p> <p>Maintain specific risk registers for individual compliance risks with appropriate actions plans in place and being addressed.</p>
There is a risk that BU fails to build research profile at sufficient speed to deliver on BU2025 research aspirations. Failure to manage and sustain research performance and activity.	<p>Actively monitor research performance and manage return on investment to ensure delivery on expected benefits.</p> <p>Ensure effective performance management and succession planning is aligned to 3-year research plans.</p> <p>Ensure academic staff have sufficient time to undertake research with high quality development opportunities.</p> <p>Ensure targeted investment through BU Strategic Investment Areas with funding opportunities leveraged wherever possible.</p>
There is a risk that BU does not respond effectively to changes in the external environment leading to a financial impact which cannot be mitigated without significant changes to BU2025 implementation.	<p>Consider potential impacts and actions including:</p> <p>Marketing and recruitment,</p> <p>Annual review of planning assumptions,</p> <p>Budget planning and review process to enable planned response to any changes in funding,</p> <p>Regular finance updates and maintenance strong cash balances/reserves throughout financial years; and</p> <p>Maintenance of good/strong relationships with lenders and potential lenders</p>
There is a risk that BU does not have the strategic and tactical capability to plan for, respond to and recover from incidents which may threaten business continuity in the short, medium, and long term. For example; pandemic, adverse weather, fire, cyber-attack, negative publicity.	<p>Maintain Major Incident Plan (MIP), supported by experienced and trained Major Incident Group (MIG) and Business Continuity Plans.</p> <p>Review and exercise plans annually completing 'deep dives' where necessary.</p> <p>Active membership of the Higher Education Business Continuity Network, BCI, Dorset Local Resilience Forum & Dorset BC Forum, hosting and participating in exercises and professional development activities.</p>

Diversity and Equality

BU is committed to ensuring it is open and accessible to all, and values people for what they bring as individuals. Our compliance with the Equality Act 2010 is fully embedded as set out in our Equality and Diversity Policy and supporting Equality Analysis Procedures, and promoted regularly to all staff and students. We seek to ensure our staff are aware of their personal obligations in eliminating all forms of what the University considers to be unacceptable behaviour.

BU is committed to ensuring best practice and being recognised with the very best organisations in our sector. We have signed up to a number of equality charter marks and commitments including: Equality and Diversity charter marks and commitments: AccessAble; Athena SWAN charter (AdvanceHE); Business Disability Forum; Race Equality Charter (Advance HE); Stonewall Global Diversity Champion and Disability Confident. We are a member of these charter marks and commitments because they provide a framework for self-assessment, by identifying good practice and areas for future work. They also provide evidence of our real commitment to Equality and Diversity.

Sustainability

Everyone at BU has a role to play in addressing the climate and ecological crisis. Through our research we progress understanding on how to solve global problems including; restoring natural habitats, responding to climate disasters, and engaging children with climate issues. Our estates are managed in a way that minimises the impact of our students and staff on the planet, and through our educational programmes we help students leave BU understanding how their future careers can make a positive difference to the world.

BU continues to make progress against its Climate and Ecological Crisis Action Plan (CECAP), which is a plan to achieve net zero greenhouse gas emissions by 2030/31 with a 50% reduction in emissions across all three scopes. The plan is publicly available on the BU website. We continue to track progress against the 94 actions across 15 themes. Our aim is to reduce greenhouse gas emissions as rapidly as possible, with particular focus on energy consumption,

transport and capital development, and investing in high-quality carbon offsets, where necessary, to achieve the science-based net zero target.

This year, BU made progress to reduce energy consumption through careful monitoring, control of electricity and gas usage, increased onsite renewable generation (by installing a new 100kW solar photo-voltaic array on the roof of our Poole House building), and adding a new solar thermal system to support hot water for a new active travel facility. This facility further supports staff and students to cycle or walk to campus and includes showers, changing rooms and drying cabinets. BU has installed 24 electric vehicle charging points for our staff to support them to transition to electric vehicles. In addition, we have rolled out a new fleet of buses which, although are diesel, are the most efficient available. BU has a strong focus on Education for Sustainable Development and this year we found that 81% of our programmes were aligned to at least one UN Sustainable Development Goal.

BU has continued to perform well in external benchmarking for our sustainability performance. In 2023, BU ranked joint-29th in the world in the Times Higher Impact Rankings and submitted against all 17 of the United Nations Sustainable Development Goals. BU also retained its First-Class position and is ranked joint-19th in the UK for environmental and ethical performance in the People and Planet League.

Trade Union facility time

The Trade Union (Facility Time Publication Requirements) Regulations 2017 require the University to publish information on Trade Union facility time. The number of employees who were relevant union officials for the period 1 April 2022 to 31 March 2023 was 21 (3.7 FTE). The total cost of Trade Union facility time was £0. 3M, or 0.3% of the University's total pay bill.

Percentage of time spent on facility time:

Percentage of time	Number of employees
0%	4
1-50%	16
51-99%	1
100%	-

Legal status

The University was created as a higher education corporation by an order of the Privy Council dated 26 April 1993 and derives its powers from section 123A and 123B of the Education Reform Act 1988 as amended by the Higher Education and Research Act 2017. Under section 123A, the principal powers of a higher education corporation include the power to provide higher education; to provide further education; and to carry out research and to publish the results of the research, or any other material arising out of or connected with it, in such manner as the corporation think fit. These are also the charitable objects of the University. The University is an exempt charity under the Charities Act 2011 and its principal regulator is the Office for Students.

Public Benefit Statement

The University is required to demonstrate how it meets its responsibilities as a charity and show that its activities are of 'public benefit'. University Board Members are charity trustees. The trustees are aware of their duties with regard to acting for the public benefit and have had due regard to the Charity Commission's guidance on public benefit in exercising their duties.

Our students are key beneficiaries of our teaching and research activities. The education and research undertaken at the University also benefits other wider groups of the public; including for example, those accessing health services who are cared for by staff educated at the University.

Our values are excellence, inclusivity, creativity and responsibility. We strive for excellence in everything that we do. We value and respect diversity and act to ensure we are inclusive. We are imaginative, innovative and create solutions to problems. We take responsibility for the impact of our actions and focus our activity as a learning community on making a positive contribution to society.

Education and widening access

BU is committed to working with students, and our ambition is to enable achievement for all our students in a diverse and inclusive environment. We retain our commitment to a suitable financial support package for under-

represented groups for whom affordability may be an obstacle to studying at BU. Our outreach programme prioritises activities that support academic achievement and self-efficacy, and we seek ways to ensure that the benefits of this activity are visible and quantifiable.

We are taking a whole institution approach where all aspects of access, success and progression are considered holistically and are fully embedded throughout our structures and processes as articulated in our Access and Participation Plan. We aim to offer an excellent experience for all students, alongside targeted activities to support under-represented groups and address our performance gaps. We are prioritising greater personalisation of the student academic and learning experience. Our Fusion Learning approach is central to the implementation of BU2025 and has a strong focus on inclusivity and personalisation, ensuring that all students have opportunities to maximise their potential.

Our aim for all BU students is to offer programmes and placements that will prepare them for the world of work, ensure excellent career advice and support, and provide a range of extra-curricular activities to ensure that all graduates have the relevant skills. BU is committed to employability embedded within BU2025, and the development of employability skills through maximising the proportion of students undertaking a placement opportunity while studying on a BU programme and taking part in our extra-curricular Graduate Skills Programme.

Our partnerships with employers are key, and it is widely acknowledged that including a placement to prepare students for the workplace within a programme of study is a huge advantage in gaining graduate employment. All students at BU have the option of a placement and other opportunities to gain relevant industry knowledge and experience, as part of our Fusion approach to learning.

Many of our objectives and targets align to the Office for Students Key Performance Measures, ensuring the University's commitment to contribute to the equality of opportunity for under-represented groups nationally. In addition, inclusivity and equality are central to our strategic plan BU2025 where providing support

and development opportunities for all students, focusing on under-represented groups, is a key action.

A core feature of our support for student success is allocating all students on taught programmes a Personal Tutor who facilitates discussion on academic progress. Personal tutoring provides one-to-one support for students, encourages all students to engage fully in the learning process and in so doing promotes our unique Fusion of excellence in education, research, and professional practice.

Financial support

Our financial support is designed to ensure that students can engage with their studies and university life, allowing them the best possible opportunity for success. Our aim for financial support is to promote the continuation and attainment of low-income students. BU bursaries are allocated automatically, and students do not need to apply. Our hardship criteria will ensure that the fund continues to support general financial hardship whilst giving the flexibility for more targeted support linked to our priority groups and strategic aims. In 2022-23, BU provided £2.55m financial support to students (please see note 11). Our financial support targets students with low household income and 'care experienced' students, through two different bursaries:

- a) BU Maintenance Bursary (low household income): Eligible new students with household income below £16,000 will automatically receive a £2,400 bursary to support their learning and living costs; £800 to be paid in each year of full-time study.
- b) BU Care Leavers Bursary (Care experienced): All eligible care leavers will automatically receive a £9,000 bursary to support their learning and living costs; £3,000 will be paid in each year of full-time study.

Our financial support offer and demand on hardship funding will continue to be reviewed annually. This annual review will include monitoring the effectiveness of our communication of financial support information to students and will also ensure that we are responding to student feedback about communication of financial support information provided in the development of our Access and Participation Plan.

Disability support (including mental health)

We recognise that wellbeing support generally, and mental health specifically, is a key student issue. We believe that wellbeing is the responsibility of university community members, and our Student Welfare Policy is based on this principle. Our wellbeing support measures also link directly to our strategic aims to reduce continuation gaps for students from underrepresented groups.

One of our key activities is to work with our external partners to ensure that support provided by BU, the NHS and other agencies is joined up and seamless. This will help us to support our students to access the correct type and level of support for their individual needs and develop a referral pathway with help from our partners. We believe that disability support is better provided by our staff, who partner with students and the programme team to ensure an integrated approach to additional learning skills development and reasonable adjustments.

Research

BU2025 outlines our vision to inspire learning, advance knowledge and enrich society through our education, the impact of our research, and our contribution to global challenges.

Our research and knowledge exchange activity is helping to tackle some of the biggest issues facing our world – from healthy ageing to protecting our environment, supporting marginalised communities, and responding to crisis.

In partnership with University Hospitals Dorset (UHD) we are supporting the health and wellbeing of our regional community and helping people live better, for longer. Our collaborative research includes optimising nutritional care for inpatients, testing a new device that can evaluate loss of sensation in hands and feet, and creating a medical simulation game to help prepare junior doctors for the pressures of life on the ward.

We are investing in new areas of research which build on our existing strengths and address key societal challenges. We have supported the development of new research clusters – each working on 'game-changing' research concepts that have the potential to make a real difference to the world around us.

The ADDISONIC cluster is finding new ways of fatigue-testing materials to more accurately predict and extend their lifespan, while the Fish-E cluster is helping to combat the decline in global fish populations. The MINE cluster is combining psychological approaches with virtual and augmented reality technology to better understand human behaviour, with potential applications across healthcare, and the creative and cultural industries.

Through our policy and public affairs activity, we are ensuring that our expert knowledge and research findings are reaching those who can put it into practice.

BU research has been cited in Parliamentary reports on topics ranging from food security to the mental health of NHS staff, while BU's Responsible Gambling Research Group hosted a Parliamentary event to share their insights into how technology can help enable safer gambling.

Our work as part of the Assistive and Accessible Technology Policy Lab is helping to design public policy so that technology works for everyone, including raising awareness of assistive technology and the transformational role it can play for disabled people.

BU2025 also outlines our ambition to grow our research portfolio and increase income from research and knowledge exchange activity. Large research grants received this financial year include leading a £1.6m National Institute of Health and Care Research (NIHR) project to reduce infant drowning deaths in Bangladesh, and a prestigious European Research Council (ERC) grant worth £1.6m awarded to Professor Melanie Klinkner to develop a comprehensive human rights framework around mass graves.

Community Engagement

The University is committed to community engagement. Our sporting facilities and activities are available to students, staff and the local community. By promoting innovation, creativity and an exchange of expertise, we continue to increase collaboration and facilitate wider networks. For example, our Festival of Design showcases the designs, models and prototypes created by our design and engineering students as their final

year project. The festival is open to the public and is visited by industry, schools and colleges.

The University is progressing a £2.7m project to further enhance facilities of our Chapel Gate sports facility. The project, supported by a £1.7m award from the Premier League, the Football Association and the Government's Football Foundation, will allow the University to develop a large, bespoke multi-sports 3G pitch and to renovate the site's changing facilities.

BU positively impacts many lives in Dorset and across south and south-west England. We support social development locally by collaborating with charities and third-sector organisations. Our partners include public authorities, businesses, schools, cultural institutions, civil societies, charities, local student-letting agencies, and other influential bodies. Together, we aim to respond to societal challenges at a regional, national, and international level, working to create positive change. BU hosts regular meetings on campus with local organisations; provide a networking space in which attendees are invited to share their expertise and resources to positively impact their community with BU's support. We are expanding our community network to invite more local groups into the conversation. Through this collaborative approach, we are proud to provide opportunities in which students can make a real difference.

Disclosure of information to auditors

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



David Furniss
Chair of the Board



Corporate governance

The University is committed to exhibiting best practice in all aspects of corporate governance. This summary describes the manner in which the University has applied the principles set out in the Committee of University Chairs (CUC) Higher Education Code of Governance (Revised September 2020).

The University is registered with the Office for Students (OfS) and is responsible for ensuring that it satisfies all ongoing general conditions of registration. The Audit, Risk & Governance Committee monitors compliance with the ongoing conditions of registration and considers reports on compliance prior to their presentation to the Board.

The University maps its current practice against all its obligations under the CUC Code and the OfS conditions of registration. The Audit, Risk and Governance Committee annually reviews that compliance report.

The CUC Code operates on an 'apply or explain' basis and the University applies all aspects with the exception of element 5.3, where the University has agreed a recommendation from its 2020/21 independent governance review not to appoint a Senior Independent Governor role as recommended by the Code. Instead, this role is incorporated into that of the Deputy Chair.

The University also has due regard to, and is compliant with, the CUC's Higher Education Senior Staff Remuneration Code. Disclosures regarding senior remuneration have been provided in the notes to this year's accounts.

The members, who served on the Board during the year and up to the date of signature of this report, are listed on page 2. The Board's Nominations Committee is responsible for monitoring skills gaps and making recommendations to the Board in respect of the recruitment and appointment of new Members.

There have been a number of changes to the University Board membership during 2022/23, including the appointment of Karima Fahmy as the new Deputy Chair of the Board. Karima became Deputy Chair having served on BU's Board since 2019 and previously acting as Deputy Chair of the Audit, Risk and Governance

Committee (of which she is now Chair) and the Student Experience, Quality and Standards Committee.

The Board was pleased to welcome four new independent members this year who bring a wealth of experience and expertise including finance, human resources and further and higher education. Further succession plans are in place to address vacancies on the membership to ensure the Board continues to have the specialist skills and experience it needs.

Board Members are charitable trustees. As such, they ensure that the University carries out its activities for the public benefit; complies with its governing documents and the law; manages its resources responsibly and is accountable. As trustees, the Board Members must always act with reasonable care and skill, and in the best interests of the University as a charity. The University must comply with the reporting and other requirements of the Office for Students (OfS) as principal regulator under the Charities Act 2011.

In November 2022, the Board approved further governance enhancements through the implementation of a Board Members' Code of Conduct. This consolidated existing policies and terms and conditions of appointment in one document making the responsibilities and expectations of Board Members clear in one place.

It is the Board's responsibility to bring independent judgement to bear on issues of strategy, performance, resources and standards of conduct. The Board is provided with regular and timely information on the overall financial performance of the University together with other information such as performance against key performance indicators, academic governance, risk management and strategic planning.

All University Board Members are able to take independent professional advice in furtherance of their duties at the University's expense and have access to the Clerk to the Board, who is responsible to the Board for ensuring that all applicable procedures and regulations are complied with. The appointment and removal of the Clerk are matters for the Board as a whole. Formal agendas, papers and reports are supplied to Board Members in a timely manner, prior to Board meetings. Briefings on topics of interest are also routinely provided and Continuing Professional Development opportunities, such as events run by Advance HE, are available to Board Members at the University's expense.

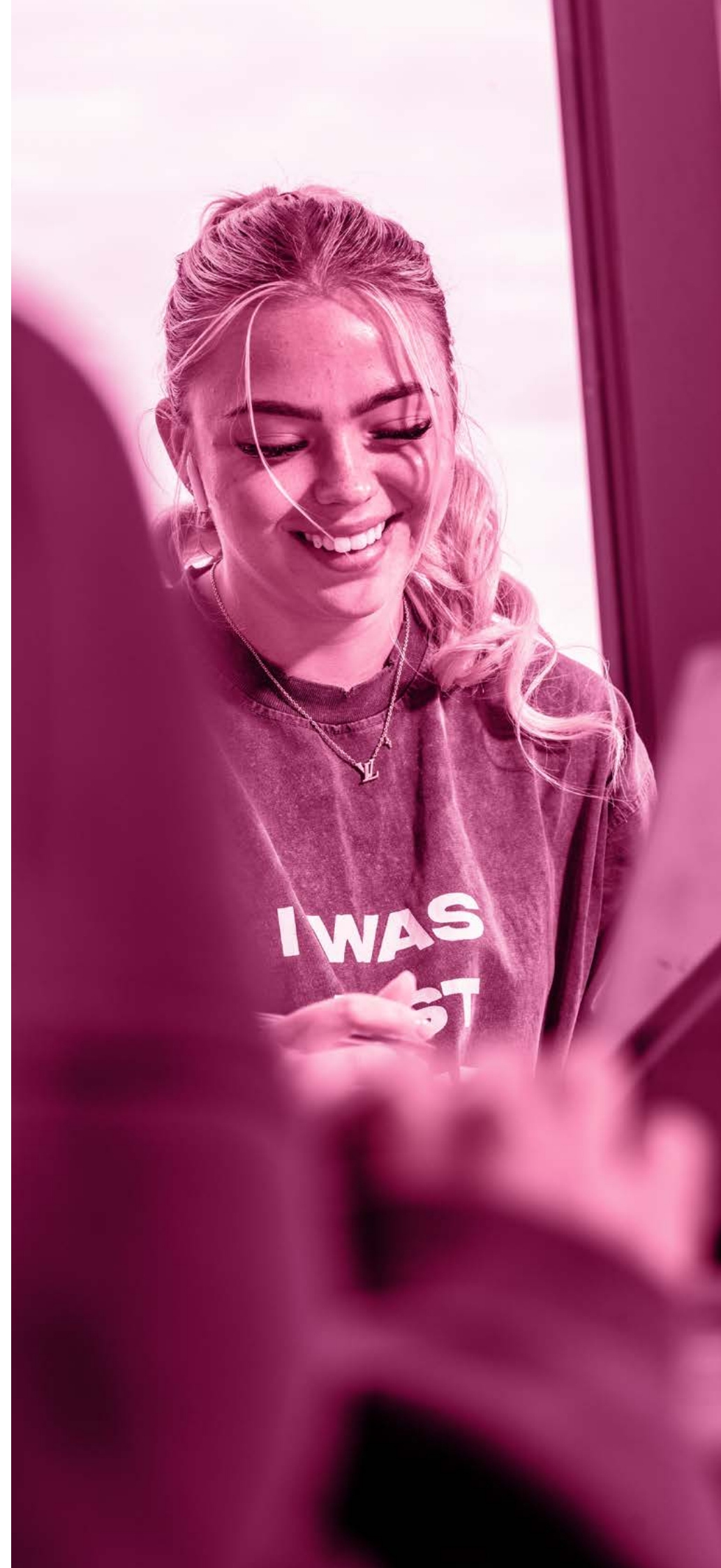
The Board has a strong and independent non-executive element and no individual or group dominates its decision-making process. The Board considers that each of its non-executive members is independent of management and free from any business or other relationship which could materially interfere with the exercise of their independent judgement. Board Members are required to declare interests and to comply with the University's Conflicts of Interest Policy and Procedures. The Board's Register of Interests is published annually on the University's website, together with details of any Board Members' other trusteeships. There is a clear division of responsibility in that the roles of the Chair and Vice-Chancellor are separate.

Independent members of the Board are appointed for an initial three year term of office. Re-appointment is not automatic and is subject to the approval of the Board on the recommendation of its Nominations Committee. Independent members do not normally serve more than two consecutive terms and may not serve more than 9 years in total. Following a restructuring of the University Executive Team, 3 members of the University Executive are appointed to the Board

in an ex-officio capacity – the Vice-Chancellor, Chief Operating Officer and Finance Director. Other members of the Executive Team are in attendance at Board meetings as appropriate. Other staff board members serve three year terms subject to remaining in an appropriate post at the University and may be appointed for a maximum of two terms. The elected President of the Students' Union is an ex officio member of the Board and may serve a maximum of two, one-year terms. The additional student member role is also appointed for a maximum term of 2 years (or less if they cease to be a student at the University).

Further to the above, the following statements are provided to enable readers of the annual financial statements to obtain a better understanding of the University's specific governance and legal structure:

1. The institution endeavours to conduct its business in accordance with the seven principles identified by the Committee on Standards in Public Life (selflessness, integrity, objectivity, accountability, openness, honesty and leadership), and in compliance with the CUC Higher Education Code of Governance and all of the Public Interest Governance Principles as required by the Office for Students.
2. The institution is an independent corporation, established as a Higher Education Corporation under the terms of the Education Reform Act 1988 and the Further and Higher Education Act 1992 as amended by the Higher Education and Research Act 2017. Its objects and powers and framework of governance are set out in section 123A of the Education Reform Act 1988 as amended by the Higher Education and Research Act 2017 and the Instrument and Articles of Government. These constitutional documents, together with the University Board's full Statement of Primary Responsibilities are published at www.bournemouth.ac.uk/about/financial-information/our-charitable-status Key institutional policies and procedures, including the Scheme of Delegation and the Financial Regulations, remain subject to regular review by the Board.



3. The Articles of Government at the University require the institution to have a Board of Governors (the University Board) and a Senate, each with clearly defined functions and responsibilities, to oversee and manage its activities.

a. The University Board is the governing body responsible for matters including the finance, property and staffing of the institution. It is specifically required to determine the educational character and mission of the institution and to set its general strategic direction. The Instrument of Government requires that at least half of all the members of the Board are independent members. The University Board has determined that a majority of its members shall be independent members. The Chair of the Board is an independent Board member. There is also provision for the appointment of co-opted members, and members of the academic and professional service staff, and the student body.

b. Subject to the overall responsibility of the governing body and to responsibilities of the Vice-Chancellor, Senate has oversight of the academic activities of the institution and draws its membership from the staff and the students of the institution. It is particularly concerned with general issues relating to research, education and professional practice as well as student experience.

4. The Vice-Chancellor is the Accountable Officer and is the head of the institution with a general responsibility to the University Board for the organisation, direction and management of the institution. Under the Office for Students' regulatory

framework, the Vice-Chancellor is the accountable officer and in that capacity can be summoned to appear before the Public Accounts Committee of the House of Commons.

5. Although the University Board normally meets at least five times each academic year, much of its detailed work is initially handled by sub-committees. The activities of these committees are formally reported to the governing body.

a. Audit, Risk and Governance Committee is responsible for overseeing the University's management of risk; monitoring the effectiveness of the University's governance arrangements (including matters of academic governance and quality); value for money; internal control and advising the Board on the University's audit strategy and the appointment of internal and external auditors. Membership is comprised exclusively of Independent Members. The Committee meets at least four times a year and internal and external audit representatives are in attendance at each meeting. At every meeting, Committee Members have the opportunity to meet with audit representatives without members of the Executive present and do so at least once every year. External auditors undertake the audit of the financial statements of the University and its subsidiaries and give an independent opinion of the financial statements and the use of public funds; and the internal auditors provide independent assurance on systems of internal control, risk management, data assurance, governance and arrangements to promote value for money. They provide

detailed internal audit reports and recommendations for the improvement of the University's system of internal control and follow-up on the implementation of those recommendations. The Committee also receives and considers reports from the OfS and other external bodies as they affect the University's business and monitors adherence with regulatory requirements. It also has oversight of Health & Safety on behalf of the University Board. Audit, Risk and Governance Committee considers in detail the University's financial statements and makes appropriate recommendations to the Board. The Committee also gains assurance over the quality of data submitted within institutional returns via the established data optimisation review process. University senior executives attend meetings of Audit, Risk and Governance Committee, but are not members of the Committee.

b. Finance and Resources Committee considers, on behalf of the University Board, matters concerning the effective and efficient use of physical and human resources and provides assurance, advice, and makes recommendations to the Board as appropriate. It advises the Board on the University's overall financial strategy, financial sustainability and financial forecasting. The Committee has delegated authority to approve commitment to some financial transactions and other matters on behalf of the Board. The Committee reviews the University's management accounts and cash-flow forecasts at each meeting, oversees all major investments and advises the Board on the University's

annual budget. It oversees the treasury activities of the University, including reserves and borrowings. On human resources, the Committee sets the framework for the pay and conditions of employment of staff; considers the University's equality and diversity activities and monitors progress against the people elements of the University's BU2025 strategy (including leadership, recruitment and performance management). The Internal and External audit representatives attend the second autumn meeting of the Committee for the consideration of the annual Financial Statements. Members of the Audit, Risk & Governance Committee are also invited to observe that meeting.

c. The Student Experience, Quality and Standards Committee is responsible, on behalf of the Board, for maintaining oversight of student experience and the quality of that experience and to provide assurance, advice and make recommendations to the Board as appropriate. The Committee was established to strengthen the Board's oversight of academic matters in recognition of its ultimate responsibility for academic governance, quality and standards.

d. Remuneration Committee determines the pay and conditions of service of the holders of senior posts. The holders of senior posts are members of the University Executive Team and the Clerk to the Board. Pay and conditions of service of all other staff are determined by the Vice-Chancellor within a framework approved by the Finance and Resources Committee. The Remuneration Committee has regard to, and is compliant

with, the CUC Higher Education Senior Staff Remuneration Code (November 2021) and Guidance on decisions taken about severance payments in HEIs. It reports annually to the Audit, Risk & Governance Committee on the processes it follows in reaching its decisions. It also commissions independent reviews of its own benchmarking processes every 3 years to gain assurances on its decision making processes. The most recent independent review took place in 2023. An annual report to the Board from the Remuneration Committee is published separately alongside these Financial Statements.

e. The Nominations Committee is responsible to the University Board for agreeing, and subsequently overseeing, the process for the appointment of all Board members, the Chancellor, the Pro-Chancellors, the Vice-Chancellor and other holders of senior posts. It is responsible for ensuring that the Board has the necessary skills available to it and for deploying those effectively. In August 2023, Professor John Vinney indicated his intention to step down as Vice-Chancellor at the end of the next academic year, in August 2024. The Nominations Committee will be responsible for ensuring an appropriate recruitment plan is in place and implemented to ensure continuity of leadership. The final appointment decision rests with the full University Board.

f. The Honorary Awards Committee is a joint Senate and University Board Committee which makes annual recommendations to the Board on the Honorary Awards to be conferred at the University's awards ceremonies.

g. Members of the University Board are also entitled to attend, as observers, meetings of Senate and its standing committees.

6. The membership of Board committees consists of a majority of independent members of the University Board. In the case of Audit, Risk and Governance Committee and Remuneration Committee, only independent members may be appointed. The Board is entitled to co-opt members to Committees who are not Board members, and has done so where particular skills and experience are required. In 2023, The Board co-opted a new member to Audit, Risk and Governance Committee who is not a Board member to strengthen the financial and accounting skills and experience on the Committee.

7. The institution maintains a register of interests of members of the University Board and University Leadership Team which is published on the University's website annually. A hospitality register is also maintained in accordance with anti-bribery legislation.

8. In accordance with the Articles of Government, the Board has appointed a Clerk to the University Board. The Clerk provides independent advice on matters of governance to all members of the University Board.

9. No independent member of the University Board receives payment for being on the Board or for the work they do as trustees, but reasonable expenses incurred as part of their duties are reimbursed. £6,357 was claimed in 2022/23 by 13 members. A record of expenses paid to members of the University Executive is also published on the University's website quarterly and monitored by the Remuneration Committee.



Statement of Internal Control

1. The University Board is responsible for the establishment and monitoring of systems of internal control. These control systems are embedded in the process of identifying and managing risks, and risk management is a key element of the operational, financial and project management systems within the University. These systems are subject to review by Internal Audit which is carried out by the Internal Auditors on a risk basis.
2. The University Executive Team has delegated responsibility for performance monitoring and management across the University, including the management of risk, and regularly reviews the University Risk Register. The Risk Register covers business, operational and compliance risk as well as financial risk. The review of the Risk Register is an ongoing process and risks are rated and prioritised according to probability and possible impact alongside the prescribed control measures to address the risk.
3. The University Risk Register (as discussed and agreed with the University Executive Team) is presented for discussion and review to the Audit, Risk and Governance Committee at each of its meetings with new or changing risks highlighted. The risk register is a key element in informing the Internal Auditor's work programme. The Risk Register is submitted to the Board along with the minutes of the Audit, Risk and Governance Committee

meeting. In addition, the Audit, Risk and Governance Committee annually review the risk management process to ensure its ongoing effectiveness. The Board, on the recommendation of the Committee, has approved a set of Risk Appetite Statements for the University's key business areas, to help inform the assessment of tolerable risk levels.

4. The Audit, Risk and Governance Committee is also responsible for providing assurance to the Board and the Vice-Chancellor on the effectiveness of the University's wider systems of governance which it does through its consideration of the University's accounts, risk management framework, data quality, internal and external audit reports, emergency planning and other internal control processes.
5. The Board reviews and approves the University's Financial Regulations annually. The Board and the Audit, Risk and Governance Committee also regularly review the University's policies and procedures in respect of internal control measures including Conflicts of Interest, Anti-Fraud, Anti-Bribery, Freedom of Speech, Prevent, Modern Slavery, Safeguarding and Public Interest Disclosure. The Audit, Risk and Governance Committee has a standing agenda item under which it receives reports of any incidents arising under these, or any other, policies relating to serious incidents and all reports made to the Office for Students under the reportable events regime.

6. The Board periodically contracts with appropriate consultants to conduct a review of its own effectiveness and governance arrangements in addition to internal reviews of effectiveness. An independent external review of governance effectiveness was undertaken in 2020 and reported to the Board in February 2021. A report of the outcomes of that review is published on the University website at www.bournemouth.ac.uk/about/governance/transparency. In summary, the review concluded that "the University's governance arrangements are adequate (designed appropriately) and effective (operating as intended) and that many examples of good practice are evident. The University is open to being challenged and is keen to ensure continuous improvement in best practice governance". Furthermore, the review did not identify any practices or behaviours that raised concerns or suggested that there may be governance failures. It found that the University was compliant with the CUC HE Governance Code (with the exception of element 5.3 where an 'explain' approach is adopted, as described above). The report confirmed that there was no evidence of non-compliance with the OfS conditions of registration E1 and E2, including the requirements to uphold the public interest principles in practice. Some recommendations were made in the interests of seeking continuous improvement and the University had developed an action plan to consider these and implement them

as appropriate. The next independent review is due to be undertaken later in 2023/early 2024.

7. In addition to the independent reviews, the Board's committees periodically review their own effectiveness and Board Members, including the Chair, are subject to an ongoing cycle of individual annual reviews.
8. The statement of internal control covers the financial year to 31 July 2023 and the period after the year end and up to the date the financial statements are signed. The internal control framework arrangements of the University are deemed adequate and effective.

David Furniss
Chair of the Board

Professor John Vinney
Vice-Chancellor and Chief Executive

Responsibilities of the University Board

The University Board are required to present audited financial statements for each financial year.

In preparing the financial statements, the University Board, ensure that:

- a. suitable accounting policies are selected and applied consistently;
- b. judgements and estimates are made that are reasonable and prudent;
- c. applicable Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- d. the going concern basis is used unless it is inappropriate to presume that the University will continue in operation for the foreseeable future.

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

The University Board is responsible for ensuring that funds from the OfS are used only for the purposes for which they have been given and in accordance with the OfS Terms and Conditions of Funding for Higher Education (and any other conditions which the OfS may from time to time prescribe). The University Board must ensure that there are appropriate financial and management controls in place in order to safeguard public and other funds and to ensure they are used properly. In addition, The University Board is responsible for securing economical, efficient and effective management of the University's resources and expenditure, so that the benefits that should be derived from the application of public funds are not put at risk.

The University has a number of mechanisms in place that it uses to ensure compliance with its obligations when utilising public funds, specifically around regularity and propriety. It has in place a set of financial regulations that all staff must comply with, that includes provisions covering procurement; use of funds for the means they have been provided for; value for money considerations and financial controls. The latter includes schemes of delegation and financial authority levels. The University has detailed processes around contracting to ensure that proper due process has been followed and authorisation limits complied with. It also has a number of policies such as fraud prevention that support these measures. In total these give a control environment that means public funds are utilised correctly, for the purpose they were intended and in an efficient and effective manner, so satisfying compliance with regularity and propriety requirements.

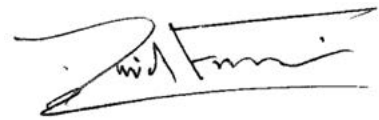
The operation of these controls and the overall control framework is reviewed and checked in a number of ways especially by internal and external audit work. Internal audit carry out checks on the financial systems and controls on a cyclical basis each year. External audit also check that funds have been applied for the purposes they were intended and in accordance with the conditions of funding, with specific reference made to that in their report.

Further to this, the University Board has adopted this Statement as a summary of its responsibilities. The Statement conforms to the model Statement of Responsibilities published by the Committee of University Chairs.

1. To approve the mission and strategic vision and values of the institution, long-term academic and business plans and key performance indicators, and to ensure that these meet the interests of stakeholders.
2. To ensure that processes are in place to monitor and evaluate the performance and effectiveness of the institution against the strategy and plans and approved key performance indicators, which should be, where possible and appropriate, benchmarked against other comparable institutions.
3. To delegate authority to the head of the institution (known as the Vice-Chancellor), as chief executive, for the academic, corporate, financial, estate and human resource management of the institution. And to establish and keep under regular review the policies, procedures and limits within such management functions as shall be undertaken by and under the authority of the Vice Chancellor.
4. To promote equality and diversity throughout the institution, including in relation to its own operation, and to promote a culture that reflects the University's vision and values.
5. In accordance with the Office for Students' (OfS) Condition E3, the University Board must:
 - (i) accept responsibility for the interactions between the University and the OfS and its designated bodies;
 - (ii) ensure the University's compliance with all of its conditions of registration and with the OfS's accounts direction; and
 - (iii) nominate to the OfS a senior officer as the 'accountable officer' who has the responsibilities set out by the OfS for an accountable officer from time to time.
6. To ensure the establishment and monitoring of systems of control and accountability, including financial and operational controls and risk assessment, value for money arrangements and procedures for handling internal grievances and for managing conflicts of interest.
7. To establish processes to monitor and evaluate the performance and effectiveness of the University Board itself. To receive assurance that appropriate processes are in place to monitor and evaluate the performance and effectiveness of Senate.
8. To conduct its business in accordance with best practice in higher education corporate governance and with the principles of public life drawn up by the Committee on Standards in Public Life.
9. To safeguard the good name and values of the institution.
10. To appoint the Vice-Chancellor as chief executive, and to put in place suitable arrangements for monitoring his/her performance.
11. To appoint a Clerk to the University Board and to ensure that, if the person appointed has managerial responsibilities in the institution, there is an appropriate separation in the lines of accountability.

12. To be the employing authority for all staff in the institution and to be responsible for establishing a human resources strategy.
13. To be the principal financial and business authority of the institution, to ensure that proper books of account are kept, to approve the annual budget and financial statements, and to have overall responsibility for the institution's assets, property and estate.
14. To be the institution's legal authority and, as such, to ensure that systems are in place for meeting all the institution's legal obligations, including those arising from contracts and other legal commitments made in the institution's name. This includes responsibilities for health, safety, security as well as equality, diversity and inclusion.
15. To receive assurance that adequate provision has been made for the general welfare of students.
16. To act as trustee for any property, legacy, endowment, bequest or gift in support of the work and welfare of the institution.
17. To ensure that the institution's constitution is followed at all times and that appropriate advice is available to enable this to happen.
18. To maintain and protect the principle of academic freedom as enshrined in freedom of speech legislation.

19. To ensure that all students have opportunities to engage with the governance of the University, and that this allows for a range of perspectives to have influence.



David Furniss
Chair of the Board

Independent auditors’ report to the Board of Governors of Bournemouth University

Opinion on the financial statements

In our opinion, the financial statements:

- give a true and fair view of the state of the Group's and of the University's affairs as at 31 July 2023 and of the Group's and the University's income and expenditure, gains and losses, changes in reserves and of the Group's and the University's cash flows for the year then ended; and
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice.

We have audited the financial statements of Bournemouth University ("the University") and its subsidiaries ("the Group") for the year ended 31 July 2023 which comprise the Consolidated and University Statement of Comprehensive Income and Expenditure, the Consolidated and University Statement of Changes in Reserves, the Consolidated and University Balance Sheet, the Consolidated Statement of Cash Flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We believe that the audit

evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

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

Conclusions relating to going concern

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

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

Our responsibilities and the responsibilities of the University's Board of Governors with respect to going concern are described in the relevant sections of this report.

Other information

The University's Board of Governors is responsible for the other information. The other information comprises the information included in the Report and Financial Statements, other than the financial statements and our auditor's report thereon. Our opinion on the

financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

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 required by the Office for Students ("OfS"), Education and Skills Funding Agency ("ESFA"), the Department for Education and UK Research and Innovation (including Research England)

In our opinion, in all material respects:

- Funds from whatever source administered by the University for specific purposes have been properly applied to those purposes and managed in accordance with relevant legislation.
- Funds provided by the OfS, UK Research and Innovation (including Research England), the Education and Skills Funding Agency and the Department for Education have been applied in accordance with the relevant terms and conditions.
- The requirements of the OfS's Accounts Direction (OfS 2019.41) have been met.

We have nothing to report in respect of the following matters in relation to which the OfS requires us to report to you if, in our opinion:

- The University's grant and fee income, as disclosed in note 4 to the accounts, has been materially misstated.
- The University's expenditure on access and participation activities for the financial year, as has been disclosed in note 11 to the accounts, has been materially misstated.

Responsibilities of the University's Board of Governors

As explained more fully in the Responsibilities of the University Board, the members of the governing body are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the University's Board of Governors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's

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

Extent to which the audit was capable of detecting irregularities, including fraud

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

Non-compliance with laws and regulations
Based on:

- Our understanding of the Group and University and the sector in which it operates;
- Discussion with management and those charged with governance and the Audit, Risk and Governance Committee;
- Obtaining and understanding of the Group's and University's policies and procedures regarding compliance with laws and regulations;
- Direct representation from the Accountable Officer.

we considered the significant laws and regulations to be the Companies Act 2006, Financial Reporting Standard 102, the Statement of Recommended Practice: Accounting for Further Education and Higher Education (FEHE SORP 2019), the OfS' Accounts Direction (OfS 2019.41) and UK tax legislation.

The Group and University is also subject to laws and regulations where the consequence of non-compliance could have a material effect on the amount or disclosures in the financial statements, for example through the imposition of fines or litigations. We identified such laws and regulations to be registration with the Office for Students and their ongoing conditions of registration.

Our procedures in respect of the above included:

- Review of minutes of meeting of those charged with governance for any instances of non-compliance with laws and regulations;
- Review of financial statement disclosures and agreeing to supporting documentation;
- Review of legal expenditure accounts to understand the nature of expenditure incurred.

Fraud

We assessed the susceptibility of the financial statements to material misstatement, including fraud. Our risk assessment procedures included:

- Enquiry with management and those charged with governance and the Audit, Risk and Governance Committee, regarding any known or suspected instances of fraud;
- Obtaining an understanding of the Group's and the University's policies and procedures relating to:
 - o Detecting and responding to the risks of fraud; and
 - o Internal controls established to mitigate risks related to fraud.
- Review of minutes of meeting of those charged with governance for any known or suspected instances of fraud;
- Discussion amongst the engagement team as to how and where fraud might occur in the financial statements;

- Performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud.

Based on our risk assessment, we considered the areas most susceptible to fraud to be posting inappropriate journals to manipulate financial results and management bias in accounting estimates.

Our procedures in respect of the above included:

- Testing a sample of journal entries throughout the year, which met a defined risk criteria, by agreeing to supporting documentation with a particular focus on manual journals to other income;
- Assessing significant estimates made by management for bias and risk of fraud, including the application of cut-off and revenue recognition around revenue relating to courses in progress over the year end, and the assumptions in estimating the liability arising from the University's participation in the Local Government Pension Scheme.

We also communicated relevant identified laws and regulations and potential fraud risks to all engagement team members and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

Our audit procedures were designed to respond to risks of material misstatement in the financial statements, recognising that the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery, misrepresentations or through collusion. There are inherent limitations in the audit procedures performed and the further removed non-compliance with laws and regulations is from the events

and transactions reflected in the financial statements, the less likely we are to become aware of it.

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

DocuSigned by:
David I'Anson
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David I'Anson (Senior Statutory Auditor)
For and on behalf of BDO LLP,
Statutory Auditor
Southampton, UK

Date: 5 December 2023

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



Statement of principal accounting policies

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

1. Legal status

Bournemouth University was created as a higher education corporation by an order of the Privy Council dated 26 April 1993 and derives its powers from section 123A and 123B of the Education Reform Act 1988 as amended by the Higher Education and Research Act 2017. The University is an exempt charity established in England and Wales for the purposes of the Charity Act 2011.

2. Basis of preparation

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

Going concern

The financial statements have been prepared under the going concern concept that the Board considers to be appropriate. As part of the Board's consideration of the appropriateness of adopting the going concern basis in preparing the financial statements, a range of scenarios and sensitivities were applied to the approved Budget for 2023/24 and the indicative budget for 2024-25. These scenarios included a reduction in student numbers impacting tuition fee, accommodation and other income and, where applicable, associated savings in overseas scholarships and agents' commissions, with possible operating cost reduction mitigation, coupled with further reductions in

research income (associated with delays in project delivery costs) and the impact of increases in both pay, pensions and non-pay inflation. The scenarios modelled effectively stress-tested each sensitivity, assessing likely worst and best case for each together with a combination of all scenarios to assess the aggregate impact of all the risks considered. Under the plausible scenarios, the University would still be able to meet its obligations, can comply with its financial covenants and continue to operate for the foreseeable future and at least until July 2025. In order to give further assurance that the University would remain as a going concern should the impact of any of the sensitivities modelled be understated, it has access to revolving credit facilities of £20m together with an overdraft facility of £5m. All of the going concern scenarios indicate that these will not be utilised at any time in the foreseeable future and at least until July 2025.

3. Basis of consolidation

The consolidated financial statements show the position of the University and all its wholly owned subsidiary undertakings for the financial year ended 31 July 2023. Intra-group sales and profits are eliminated on consolidation. The consolidated financial statements do not include those of the Bournemouth University Students' Union as it is separately constituted, and the University does not exercise control or significant influence over the Union.

4. Revenue Recognition

Fee income is stated gross of any expenditure which is not a discount or fee waiver and credited to the Consolidated Statement of Comprehensive Income and Expenditure. Bursaries and scholarships are accounted for gross as expenditure and not deducted from income.

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

Investment income is credited to the Consolidated Statement of Comprehensive 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.

5. Grant funding

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

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

6. Capital grants

Capital grants are recognised as income when the University is entitled to the funds subject to any performance related conditions being met.

7. Donations and endowments

Donations and endowments are non-exchange transactions with no performance-related conditions. All donation and endowment income (restricted or otherwise) is recognised in the Statement of Comprehensive Income (and Expenditure) when the University is entitled to the funds. All donation and endowment income, where the donor states that the fund is to be used for a specific activity or purpose, is identified, and retained in separate Restricted reserves until such time that they are utilised (expended), at which point the restricted income reserve is released (transferred) to the unrestricted (general) reserve.

Investment income and movements in fair value of endowments are recorded as income in the year in which they arise, according to the terms and nature of the endowment.

There are three 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. 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.
- 3. 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.

8. Research & Development

Research & development expenditure is written off in the year incurred.

9 Maintenance of premises

The University charges maintenance costs to the Consolidated Statement of Comprehensive Income and Expenditure as they are incurred.

10. Borrowing costs

Borrowing costs are recognised in the Consolidated Statement of Comprehensive Income and Expenditure in the period in which they are incurred.

11. Foreign currencies

Foreign currency transactions are translated into sterling at the rates ruling when they occurred. Foreign currency monetary assets and liabilities are translated at the rates ruling at the balance sheet dates. Any differences are taken to the Consolidated Statement of Comprehensive Income and Expenditure.

12. Hedge accounting

The University has entered into variable to fixed rate interest swap to manage its exposure to interest rate cash flow risk on its variable rate debt. The derivative is measured at fair value at each reporting date. To the extent the hedge is effective; movement in its fair value is recognised in other comprehensive income. Any ineffective portions of those movements are recognised in the Consolidated Statement of Comprehensive Income and Expenditure for the period.

13. Tangible assets

As a consequence of the Education Reform Act 1988, the freehold interest in the land and buildings occupied by the University was transferred from Dorset County Council with effect from 1 April 1989. On 1 April 1989, the inherited property was valued at £17.2m by a firm of chartered surveyors using the depreciated replacement cost basis. The land was valued at transferred debt. The property is recorded in the financial statements at these values, as adjusted for subsequent disposals.

The de minimis threshold for the capitalisation of tangible assets is £5,000.

The initial cost recognition of a tangible asset is its purchase cost plus any directly attributable costs to bring the asset to its intended operating location and condition.

Assets under construction are accounted for at cost, based on the value of direct costs incurred to 31 July. As these assets become complete and operational, they are transferred to the appropriate asset category. They are not depreciated until the accounting period in

which they are brought into use. Depreciation is not provided on freehold land. On other assets depreciation is provided on cost or revalued amounts in equal annual instalments over the estimated useful life of the assets. The rates of depreciation are as follows:

Freehold buildings	Between 15 and 50 years
Leasehold improvements	25 years (or period of lease if shorter)
Computers	5 years
Other equipment	Between 5 and 15 years (the majority of other equipment is depreciated over 5 years unless the economic life if substantially different).

Where tangible assets are acquired with the aid of government specific grants they are capitalised and depreciated as above.

14. Finance leases and operating leases

Tangible assets held under finance leases and the related lease obligations are recorded in the balance sheet at the fair value of the leased assets at the 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. Rental costs under operating leases are charged to the Consolidated Statement of Comprehensive Income and Expenditure in equal annual amounts over the periods of the leases.

15. Investments

Listed investments are stated at market value or cost where no market value is available. Investments in subsidiaries are carried at cost less impairment in the University accounts.

16. Cash and cash equivalents

Cash is represented by cash and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

17. Stocks

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

18. 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. Redundancy costs paid to employees predominately represent cash redundancy payments, pension contributions and payments in lieu of notice which are charged to the Consolidated Statement of Comprehensive Income and Expenditure when the redundancy is confirmed with the employee.

19. Pension schemes

Retirement schemes for employees of the University are provided by the Teachers' Pension Scheme (TPS), the Universities Superannuation Scheme (USS) and the Local Government Pension Scheme (LGPS) Dorset Council Pension Fund. These are defined benefit schemes which are externally funded. Each fund is valued every three years by professionally qualified actuaries.

In addition, the National Health Service (NHS) Pension Scheme is in operation for certain staff. The NHS scheme is an unfunded defined benefit scheme, with pension benefits being paid out of contributions received in the year and contribution rates determined by HM Treasury.

Universities Superannuation Fund

The University 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 universities and a scheme-wide contribution rate is set. The University 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.

The University accounts for the scheme as if it were a defined contribution scheme. As a result, the amount charged to the Consolidated Statement of Comprehensive Income and Expenditure represents the contributions payable to the scheme.

Since the University has entered into an agreement (the Recovery Plan) that determines how each employer within the scheme will fund the overall deficit, the University 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 Consolidated Statement of Comprehensive Income and Expenditure.

Defined Contribution Plan

A defined contribution plan is a post-employment benefit plan under which the organisation 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 income statement in the periods during which services are rendered by employees.

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 University 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.

20. Provisions

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

The University has recognised its future estimated obligation to return leasehold properties to the required state on the termination of the lease arrangement.

21. 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 is considered to pass the tests set out in Paragraph 1 Schedule 6 Finance Act 2010 and, therefore, it meets the definition of a charitable company for UK corporation tax purposes. Accordingly, the institution is potentially exempt from taxation in respect of income or capital gains received within categories covered by section 287 CTA2009 and sections 471, and 478-488 CTA 2010 (formerly s505 of ICTA 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. Irrecoverable VAT on inputs is included in the costs of such inputs. Any irrecoverable VAT allocated to tangible assets is included in their cost.

Deferred tax is provided in full on timing differences that exist at the reporting date and that result in an obligation to pay more tax, or a right to pay less tax in the future. The deferred tax is measured at the rate expected to apply in periods which the timing differences are expected to reverse, based on the tax rates and laws that are enacted or substantively enacted at the reporting date. Unrelieved tax losses and other deferred tax assets shall be recognised only to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. Deferred tax assets and liabilities are not discounted.

22. Reserves

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

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

23. Financial instruments

(i) Financial assets

Basic financial assets, including trade and other receivables and cash and bank balances are initially recognised at transaction price.

Other financial assets, including investments in equity instruments which are not subsidiaries, are initially measured at fair value which is normally the transaction price. Such assets are subsequently carried at fair value and the changes in fair value are recognised in the surplus or deficit.

Financial assets are derecognised when (a) the contractual rights to the cash flows from the asset expire or are settled, or (b) substantially all the risks and rewards of the ownership of the assets are transferred to another party or (c) despite having retained some significant risks and rewards of ownership, control of the asset has been transferred to another party who has the practical ability to unilaterally sell the asset to an unrelated third party without imposing additional restrictions.

(ii) Financial liabilities

Basic financial liabilities, including trade and other payables and bank loans are initially recognised at transaction price.

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities.

Financial liabilities are derecognised when the liability is extinguished, that is when the contractual obligation is discharged, cancelled, or expires.

24. Judgements in applying accounting policies and key sources of estimation uncertainty

In preparing these financial statements, the University has made the following:

a. Judgement

The LGPS net defined benefit obligation (liability) and pension cost is assessed in accordance with the advice of independent actuaries based upon latest actuarial valuations and assumptions determined by the actuaries. These assumptions are documented in Note 26. Variations of these assumptions have the ability to significantly influence the value of the liability (or asset) recorded.

b. USS - Estimate

As the Institution is contractually bound to make deficit recovery payments to USS, this is recognised as a liability in the balance sheet. The provision is currently based on USS deficit recovery plan agreed after the 2020 actuarial valuation, which defines the deficit payment required as a percentage of future salaries until 2038. These contributions are reassessed within each triennial valuation of the scheme. The provision is based on management's estimate of future salaries inflations, changes in staff numbers and the prevailing rate of discount. Further details are set out in Note 26.

USS - Judgement

The Board is satisfied that Scheme meets the definition of a multi-employer scheme and has therefore recognised the discounted fair value of the contractual contributions under the recovery plan in existence at the date of approving these financial statements.

c. Judgement

Tangible assets are depreciated over their useful economic lives considering residual values, where appropriate. The actual lives of the assets and residual values are assessed annually and may vary depending on a number of factors. In re-assessing asset lives, factors such as technological innovation and maintenance programmes are considered. Residual value assessments consider issues such as future market conditions, the remaining life of the asset and projected disposal values.

d. Estimate

Employee leave entitlement accrual. An estimate is recognised to the extent unused holiday pay entitlement which is accrued at the balance sheet date and carried forward to future periods. This is measured as the undiscounted salary cost of the future holiday entitlement as accrued at the balance sheet date.

e. Estimate

Leasehold property dilapidations are recognised based on future estimated obligation to return properties to their required state on the termination of the lease arrangement, based on the market works cost estimate.

Consolidated statement of comprehensive income and expenditure

	Note	2023 Consolidated £'000	2023 University £'000	2022 Consolidated £'000	2022 University £'000
Income					
Funding body grants	1	15,156	15,156	13,412	13,412
Tuition fees and education contracts	2	147,523	147,523	137,609	137,609
Research grants and contracts	3	5,487	5,487	5,144	5,144
Other operating income	5	14,779	14,756	13,340	13,302
Donations and endowments	6	445	445	90	90
Investment income	7	1,211	1,211	79	79
Total income		184,601	184,578	169,674	169,636
Expenditure					
Staff costs	8	98,173	98,173	100,883	100,883
Other operating expenses	9	65,765	65,743	57,160	57,159
Interest payable and other finance costs	10	3,449	3,449	4,615	4,615
Depreciation	12	13,032	13,032	13,846	13,846
Total expenditure		180,419	180,397	176,504	176,503
Operating surplus / (deficit) before other gains and losses		4,182	4,181	(6,830)	(6,867)
(Loss)/Gain on disposal of tangible assets	12	(16)	(16)	876	876
Loss on valuation of non-current investments	13	(2)	(2)	-	-
Surplus / (Deficit) for the year		4,164	4,163	(5,954)	(5,991)
Fair value gain in respect of interest hedge	20	1,481	1,481	1,542	1,542
Actuarial gain/(loss) in respect of pension scheme	26	38,960	38,960	125,462	125,462
Total comprehensive surplus for the year		44,605	44,604	121,050	121,013
Represented by:					
Endowment comprehensive income for the year		54	54	-	-
Restricted comprehensive expenditure in the year		(1,741)	(1,741)	-	-
Unrestricted comprehensive income in the year		46,292	46,291	121,050	121,013
		44,605	44,604	121,050	121,013

All items of income and expenditure relate to continuing activities.
The notes on pages 35 to 56 form part of these financial statements.

Consolidated and University changes in reserves for the year ended 31 July 2023

Consolidated	Income and expenditure account			
	Endowment £'000	Restricted £'000	Unrestricted £'000	Total £'000
Balance at 1 August 2021	–	1,850	(29,611)	(27,761)
Deficit from income and expenditure statement	–	–	(5,954)	(5,954)
Other comprehensive income	–	–	127,004	127,004
Total comprehensive surplus for the year	–	–	121,050	121,050
Balance at 31 July 2022	–	1,850	91,439	93,289
Surplus from income and expenditure statement	54	(1,741)	5,851	4,164
Other comprehensive income	–	–	40,441	40,441
Total comprehensive surplus for the year	54	(1,741)	46,292	44,605
Balance as at 31 July 2023	54	109	137,731	137,894

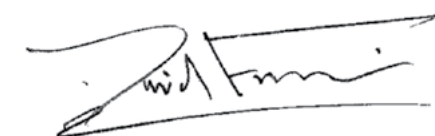
University	Income and expenditure account			
	Endowment £'000	Restricted £'000	Unrestricted £'000	Total £'000
Balance at 1 August 2021	–	1,850	(29,665)	(27,815)
Deficit from income and expenditure statement	–	–	(5,991)	(5,991)
Other comprehensive income	–	–	127,004	127,004
Total comprehensive surplus for the year	–	–	121,013	121,013
Balance at 31 July 2022	–	1,850	91,348	93,198
Surplus from income and expenditure statement	54	(1,741)	5,850	4,163
Other comprehensive income	–	–	40,441	40,441
Total comprehensive surplus for the year	54	(1,741)	46,291	44,604
Balance as at 31 July 2023	54	109	137,639	137,802

The notes on pages 35 to 56 form part of these financial statements.

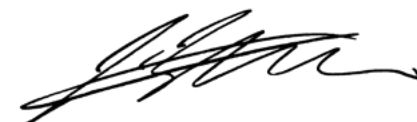
Consolidated and University Statement of Financial Position as at 31 July 2023

	Note	2023 £'000		2022 £'000	
		Consolidated	University	Consolidated	University
Non-current assets					
Tangible assets	12	171,093	171,093	175,736	175,736
Investments	13	49	49	28	28
		171,142	171,142	175,764	175,764
Current assets					
Stocks	14	3	3	3	3
Investments	15	20	20	43	43
Trade and other receivables	16	12,584	12,668	10,327	10,314
Cash and cash equivalents	17	64,663	64,479	45,087	44,936
		77,270	77,170	55,460	55,296
Creditors: Amounts falling due within one year	18	(42,018)	(42,010)	(36,098)	(36,025)
Net current assets		35,252	35,160	19,362	19,271
Total assets less current liabilities		206,394	206,302	195,126	195,035
Creditors: Amounts falling due after more than one year	19	(47,213)	(47,213)	(49,872)	(49,872)
Pension provision	22/26	(16,369)	(16,369)	(50,339)	(50,339)
Other provisions	23	(4,918)	(4,918)	(1,626)	(1,626)
Total net assets/(liabilities)		137,894	137,802	93,289	93,198
Restricted Reserves					
Income and expenditure - endowment reserves	25	54	54	–	–
Income and expenditure – restricted reserve	24	109	109	1,850	1,850
Unrestricted Reserve		137,731	137,639	91,439	91,348
Total reserves		137,894	137,802	93,289	93,198

The financial statements were approved by the Board on 24 November 2023 and signed on its behalf by:



David Furniss
Chair of the Board



Professor John Vinney
Vice-Chancellor and Chief Executive

The notes on pages 35 to 56 form part of these financial statements.

Consolidated statement of cash flows for the year ended 31 July 2023

	Note	2023 £'000	2022 £'000
Cash flow from operating activities			
Surplus/(deficit) for the year		4,164	(5,954)
Adjustment for non-cash items			
Depreciation	12	13,032	13,846
Impairment of tangible/non-current assets	12	-	1,005
Difference between net pension expense and cash contribution	26	4,990	15,156
Decrease in stock	14	-	2
Increase in debtors	16	(776)	(12)
Increase in creditors	18,19	4,684	689
Increase in other provisions	23	3,292	576
Adjustment for investing or financing activities			
Capital grant income	1,5	(557)	(2,262)
Investment income	7	(1,211)	(169)
Interest payable	10	1,806	1,868
Loss/(Gain) on the disposal of tangible assets	12	16	(876)
Loss on non-current and current investments	13,15	2	-
Net cash inflow from operating activities		29,442	23,869
Cash flows from investing activities			
Proceeds from sale of tangible assets		-	2,475
Capital grant receipts		557	2,262
Investment income		1,211	169
Payments made to acquire intangible assets		-	(86)
Payments made to acquire tangible assets		(7,194)	(7,356)
Net cash outflow from investing activities		(5,426)	(2,536)
Cashflows from financing activities			
Interest paid		(1,806)	(1,868)
Repayments of amounts borrowed	19	(2,634)	(2,609)
Net cash outflow from financing activities		(4,440)	(4,477)
Increase in cash and cash equivalent in the year		19,576	16,856
Cash and cash equivalents at beginning of the year	17	45,087	28,231
Cash and cash equivalents at the end of the year	17	64,663	45,087

The notes on pages 35 to 56 form part of these financial statements.

Notes to the accounts

	2023 Consolidated £'000	2023 University £'000	2022 Consolidated £'000	2022 University £'000
1. Funding body grants				
Office for Students recurrent grant	6,517	6,517	6,473	6,473
Research England recurrent grant	7,348	7,348	3,810	3,810
Non-recurrent specific grant	839	839	867	867
Capital grants	452	452	2,262	2,262
	15,156	15,156	13,412	13,412
2. Tuition fees and education contracts				
Full time home and EU students	105,322	105,322	108,523	108,523
Full time international students	36,231	36,231	23,042	23,042
Part-time students	2,393	2,393	2,104	2,104
Other teaching contract course fees	2,526	2,526	2,899	2,899
Research training support grants	248	248	-	-
Short course fees	803	803	1,041	1,041
	147,523	147,523	137,609	137,609
3. Research grants and contracts				
Research Council	804	804	924	924
UK based charities	378	378	611	611
European commission	1,692	1,692	1,558	1,558
Other grants and contracts	2,613	2,613	2,051	2,051
	5,487	5,487	5,144	5,144
4. Grant and fee income				
Grant income from the OFS	6,617	6,617	8,503	8,503
Grant income from other bodies	14,234	14,234	10,211	10,211
Fee income for taught awards	143,223	143,223	134,680	134,680
Fee income from research awards (exclusive of VAT)	2,909	2,909	1,371	1,371
Fee income from non-qualifying courses (exclusive of VAT)	1,390	1,390	1,558	1,558
	168,373	168,373	156,323	156,323
5. Other operating income				
Residences	7,302	7,302	7,033	7,033
Other services rendered	263	263	21	21
Other income	7,109	7,086	6,286	6,248
Other capital grants	105	105	-	-
	14,779	14,756	13,340	13,302

	2023 Consolidated £'000	2023 University £'000	2022 Consolidated £'000	2022 University £'000
6. Donations and endowments				
Endowments	71	71	-	-
Donations with restrictions	336	336	-	-
Unrestricted donations	38	38	90	90
	445	445	90	90
7. Investment income				
Income from investments	1,204	1,204	79	79
Income from endowment investments	7	7	-	-
	1,211	1,211	79	79
8. Staff costs				
Salaries and wages	72,262	72,262	67,830	67,830
Social security costs	7,824	7,824	7,357	7,357
Other pension costs	14,282	14,282	13,053	13,053
The financial effects of LGPS and USS pension scheme provision	3,432	3,432	12,503	12,503
Redundancy costs	373	373	140	140
	98,173	98,173	100,883	100,883

Compensation for the loss of office:
Compensation paid for the loss of office in the financial year was £373k (2022: £140k) relating to 27 (2022: 17) members of staff.

	2023	2022
Group and University average staff numbers by major category (full-time equivalent)		
Academic (excluding part-time lecturers)	697	697
Administrative, professional, technical and clerical staff	858	851
Manual and maintenance staff	27	27
Total average number of staff	1,582	1,575

Key management personnel compensation
The University considers that key management personnel are the 6 individuals (Full Time Equivalent 4.7) (2022: 5 individuals, Full Time Equivalent of 4.0) who serve as members of the University Executive Team having authority and responsibility for planning, directing, and controlling the activities of the Institution. Total compensation includes basic salary, all taxable benefits, employer's national insurance contributions and employer's pension costs. No performance bonuses were paid in the financial year.

	2023 £'000	2022 £'000
Key management personnel compensation	1,193	1,087
Emoluments of the Vice Chancellor		
Basic salary	293	285
Benefits-in-kind	4	3
	297	288
Pension contributions	-	45
Payments in lieu of pension contributions	57	19
	354	352

The remuneration of the Vice-Chancellor is set by the Remuneration Committee, which comprises independent lay members of Council who possess relevant knowledge and expertise. The Vice-Chancellor is not in attendance for, and does not play any part in, the discussions and decisions of his own remuneration.

The benefit in kind for the Vice-Chancellor relates to membership of a corporate healthcare scheme. The University's pension contributions on behalf of the Vice-Chancellor are paid at the same rate as for other academic staff. Staff exceeding their lifetime allowance who opt out of the pension scheme are entitled to receive a payment in lieu of pension contributions. During 2021-22 the Remuneration Committee approved the application of this policy to the Vice-Chancellor.

The Vice Chancellor's basic salary is 7.2 times (2022: 7.6 times) the median pay of staff, where the median pay is calculated on a full-time equivalent basis for the salaries and wages paid by the University.

The Vice Chancellor's total remuneration is 7.5 times (2022: 7.8 times) the median total remuneration of staff, where the median total remuneration is calculated on a full-time equivalent basis for the total paid by the University.

Justification for the total remuneration package for the Vice-Chancellor

Context in which the University operates

The University operates in a highly competitive national and international market and retention of effective and successful leadership is key to the University's continued success. Our vision is that by 2025 BU will be recognised worldwide as a leading university for inspiring learning, advancing knowledge and enriching society through the fusion of education, research and practice.

Value and performance delivered by the Vice-Chancellor

The University has benefited from the Vice-Chancellor's work on the continued delivery of the BU2025 Strategy as a leading university for inspiring learning, advancing knowledge, and enriching society. Particular themes and progress during 2022-23 have included the delivery of organisational design to align to BU2025, including changes to departmental leadership and alignment, combined with embedding of the new UET structure. This is supported by the development of a coherent and robust process of leadership development, talent management and succession planning to deliver the high-quality student and staff experience in our progress towards BU2025.

The leadership focus on student experience (including NSS scores) continues to form a key theme throughout the university with the design of actions, processes, and structures to address this crucial area of the University's mission. Overall NSS sector scores have gone up in 2023, and it is encouraging to note that BU's scores have gone up more than the sector overall, with BU now on or close to benchmark and sector in two of the categories, assessment and feedback and academic support.

The Vice-Chancellor has overseen progress in a number of areas. BU achieved a Teaching Excellence Framework (TEF) overall OfS award of Silver in 2023 and, in recognition of efforts to support and promote race equality, was successful in achieving a Race Equality Charter (REC) bronze award in 2023.

This year, BU has also achieved three notable successes in public rankings, rising to 41st in the Times Higher Young University Rankings 2023, 55th in the Complete University Guide 2024, and 29th worldwide in THE Impact Rankings 2023 (as measured against the UN Sustainable Development Goals).

Under the Vice-Chancellor's leadership in 2022-23, overall student recruitment targets and budget were exceeded in a challenging and competitive recruitment market. Financial stewardship continues to be a key priority, including delivery of the University's target Financial Performance Indicators including the Operating Surplus budgeted for 2022-23, that has enabled BU to progress the rebuilding of its financial strength and having in place funding to deliver long term sustainability for the benefit of students.

The Vice-Chancellor has overseen the review of strategic research performance and also raised the profile of the University working with key stakeholders, an example being the Vice-Chancellor's Associate NED role at the University Hospitals Dorset.

There have been challenges that have needed direct intervention by the Vice-Chancellor, for example, resolving legacy issues regarding apprenticeship provision to ensure BU is well positioned to take full advantage of the strategic opportunities that apprenticeships offer.

Process for judging performance of the Vice-Chancellor

Objectives are developed for the Vice-Chancellor by the Chair of the University Board based on the agreed strategic plan. The objectives are based on delivering the strategy (and the relevant KPIs) and contain both short (one year) and long term (multiple year) objectives. Performance is assessed annually against delivery of these objectives using performance definitions for the Vice-Chancellor approved by the Remuneration Committee. A summary performance report, together with the detailed appraisal report, is presented to Remuneration Committee by the Chair of the Board.

8. Staff (continued)

Processes and oversight arrangements involved in making remuneration decisions

Remuneration Committee has delegated authority on behalf of the Board to approve the total remuneration package for the Vice-Chancellor. The Remuneration Committee operates within the Board approved Terms of Reference and an Operating Framework which sets out the comparative data that must be considered and the key comparator institutions as well as the principles underlying remuneration decisions. The Remuneration Committee also has due regard to the Higher Education Senior Staff Remuneration Code published by the Committee of University Chairs (CUC) and applies it in full.

Further details about Remuneration Committee decisions and processes are published in the Annual Remuneration Reports for 2017/18 onwards which are available on the University website here: www.bournemouth.ac.uk/about/governance/transparency.

Justification of level of remuneration and total remuneration package

The Vice-Chancellor's remuneration package is bench-marked against the UCEA all institutions remuneration data and the CUC survey of Vice-Chancellor's remuneration, including the more detailed analysis of the comparator set of institutions. The Remuneration Committee also considers the wider context of pay ratio data and the cost of living awards to other staff. In 2023 the Committee commissioned via Price Waterhouse Cooper (PWC), its second three-yearly external review of the bench-marking of the Vice-Chancellor's remuneration which concluded that: 'Overall, the current pay benchmarking approach of BU is considered to be well thought through and reasonable for the roles under review'.

The Vice-Chancellor's salary is in line with the comparator set and in the range agreed by the Committee as applicable based on the UCEA all institutions data. In accordance with the Principles, the range is reviewed annually by the Remuneration Committee. The Committee has decided to maintain this market-positioning as a reflection of the importance of the Vice-Chancellor's leadership to the delivery of BU2025. This is in addition to his long and extensive leadership experience and high performance. Consequently, the Vice-Chancellor's remuneration is within the upper quartile of current pay levels.

With effect from 1st August 2022 the Committee awarded a salary of £293,002 which is the salary disclosed in these financial statements. Further details of the Committee's decisions taken in 2023 are set out in its Annual Remuneration Report published here: www.bournemouth.ac.uk/about/governance/transparency

The Vice-Chancellor is entitled to health insurance (or the equivalent value) and is entitled to participate in the Teachers' Pension Scheme as for all other academic staff. Staff exceeding their lifetime allowance who opt out of the pension scheme are entitled to receive a payment in lieu of pension contributions. The Remuneration Committee approved the application of this policy to the Vice-Chancellor. The government has subsequently announced that it will abolish the lifetime allowance and, as a result, from 6 April 2023 the lifetime allowance (LTA) charge has been removed. The lifetime allowance will be fully abolished from the 2024 to 2025 tax year, through a future Finance Bill. Given this, the arrangements for payment in lieu of pension will be subject to review.

b) Remuneration of other higher paid staff	2023 FTE	2022 FTE
£100,000 to £104,999	6	2
£105,000 to £109,999	4	1
£110,000 to £114,999	1	2
£120,000 to £124,999	1	1
£150,000 to £154,999	1	-
£170,000 to £174,999	2	2
£285,000 to £289,999	-	1
£290,000 to £294,999	1	-
	16	9

Remuneration of higher paid staff represents basic salary and excludes employer's pension costs. Remuneration is calculated for the period from 1 August 2022 to 31 July 2023.

Remuneration of other higher paid staff includes the emoluments of the Vice-Chancellor.

No independent governors received remuneration apart from reimbursement of expenses incurred in the course of their duties.

9. Analysis of other operating expenses by activity

	2023 Consolidated £'000	2023 University £'000	2022 Consolidated £'000	2022 University £'000
Staff development	654	654	421	421
Contingent workers and staff secondments	4,071	4,071	3,935	3,935
Other staff costs	278	278	277	277
Travel costs	1,024	1,024	809	809
Consumables and laboratory costs	459	459	477	477
Office expenses	145	145	149	149
Books, periodicals and information services	2,107	2,107	2,132	2,132
Non capitalised equipment and software	6,975	6,975	6,565	6,565
Rent and rates	8,251	8,251	8,057	8,057
Heat, light, water and electricity	3,853	3,853	2,238	2,238
Repairs, refurbishments and maintenance	5,478	5,478	2,393	2,393
Student union grant	1,190	1,190	1,190	1,190
Student welfare	3,104	3,104	2,569	2,569
Bursaries and scholarships	7,679	7,679	6,645	6,645
Franchise costs (paid to partner colleges)	651	651	682	682
Promotion costs	2,550	2,550	1,866	1,866
Legal and professional	5,604	5,604	4,167	4,167
Audit of University's annual financial statements	68	68	54	54
Audit of Subsidiary companies annual financial statements	8	8	6	6
Non-audit services	10	10	7	7
Tax advisory services	12	12	9	9
Internal auditors' remuneration	169	169	119	119
Insurance	541	541	517	517
Research and development	2,657	2,657	2,703	2,703
Other expenses	8,227	8,205	9,173	9,172
	65,765	65,743	57,160	57,159

Other operating expenses include:

Operating Leases	47	47	26	26
Governing Board's independent members' expenses	6	6	2	2

	2023 Consolidated £'000	2023 University £'000	2022 Consolidated £'000	2022 University £'000
10. Interest payable and other finance costs				
Bank loans interest	1,806	1,806	1,868	1,868
Net charge on pension schemes (Note 22)	1,643	1,643	2,747	2,747
	3,449	3,449	4,615	4,615

	2023 £'000	2022 £'000
11. Access and participation expenditure		
Access investment	714	696
Financial support provided to students	2,554	3,041
Support for disabled students	1,170	985
Research and evaluation expenditure	374	294
	4,812	5,016

BU's Access and participation plan for the period 2020-21 to 2024-25 is available on the following link:
[Bournemouth University Access and Participation Plan 2020-21 to 2024-25](#)
Access and participation expenditure includes £1.5m staff costs included under note 8.

12. Tangible assets

Consolidated and University	Freehold and leasehold land and buildings £'000	Leasehold improvements £'000	Equipment £'000	Assets in course of construction £'000	2023 Total £'000
Cost or valuation					
At 1 August 2022	229,838	1,891	81,134	3,546	316,409
Additions	566	–	3,085	4,754	8,405
Transfers	986	–	106	(1,092)	–
Disposals (i)	(83)	–	(37,813)	–	(37,896)
At 31 July 2023	231,307	1,891	46,512	7,208	286,918
Accumulated depreciation					
At 1 August 2022	75,701	1,464	63,508	–	140,673
Charge for the year	7,229	177	5,626	–	13,032
Disposals	(67)	-	(37,813)		(37,880)
At 31 July 2023	82,863	1,641	31,321	–	115,825
Net book value					
At 31 July 2022	154,137	427	17,626	3,546	175,736
At 31 July 2023	148,444	250	15,191	7,208	171,093

As at 31 July 2023, freehold and leasehold land and buildings included £6.9m (2022 £6.9m) in respect of freehold land that is not depreciated.

(i) As a result of the Education Reform Act 1988, the interests in freehold properties occupied by the University, previously held by Dorset Council (DC), were formally transferred, under the direction of the Education Assets Board (EAB), to the University itself with effect from 1 April 1989. Similarly, the University also acquired unrestricted title to those moveable assets acquired from funds previously paid by the DCC.

Assets inherited upon incorporation:	£'000's
Land valued at transferred debt	122
Property valued at depreciated replacement cost	17,170
	17,292
Assets valued on an open market basis in 1990	150
	17,442

13. Non-Current Investments Consolidated and University	Investment in CVCP Properties Limited £'000	Endowment Investment £'000	Total £'000
As 1 August 2022	28	–	28
Transfer	–	23	23
Loss on valuation	–	(2)	(2)
At 31 July 2023	28	21	49

CVCP Properties plc
The University is a shareholder in CVCP Properties plc together with other University members of Universities UK, CVCP Properties plc's principal asset is Universities UK's headquarters, Woburn House.

Endowment Investment
The University holds Treasury 4.125% Index Linked Gilts, redeemable on 22 July 2030, acquired from Bournemouth University Foundation in July 2013 in relation to the Hilary Williams Memorial Travel Award permanent restricted endowment with an original transferred value of £19,498.

Subsidiary companies
The University is the beneficial owner of the entire issued share capital of the subsidiary companies, BU Innovations Limited and BU Community Business Limited, which are registered in England. The subsidiary companies undertake activities which, for legal and commercial reasons, are more appropriately channelled through limited companies.

BU Innovations Limited (BUI) is a UK incorporated company, a wholly owned subsidiary of the University. The results of BUI have been consolidated into the Financial Statements of the University. The company holds and exploits the University's Intellectual Property Rights. The investment in BUI is £2. The University owns 100% of the ordinary shares of BUI. In the financial year to 31 July 2023, BUI made a profit of £11.4k.

BU Community Business Limited (BUCBL) is a UK incorporated company, a wholly owned subsidiary of the University. The results of BUCBL have been consolidated into the Financial Statements of the University. The company provides sport facilities to the University and general public. The investment in BUCBL is £1. The University owns 100% of the ordinary shares of BUCBL. In the financial year to 31 July 2023, BUCBL made a loss of £10.3k.

Subsequent to the financial year end, in August 2023, BU Innovations sold its 9.97% equity investment in Fluvial Innovations Limited. The total initial consideration was £1.37m.

	2023 Consolidated £'000	2023 University £'000	2022 Consolidated £'000	2022 University £'000
14. Stocks				
Stock	3	3	3	3

	Treasury Gilts £'000	Total £'000
15. Current investments		
As 1 August 2022	43	43
Transfer	(23)	(23)
At 31 July 2023	20	20

The University holds unrestricted Treasury 2.5% Index Linked Gilts, redeemable on 14 July 2024.

	2023 Consolidated £'000	2023 University £'000	2022 Consolidated £'000	2022 University £'000
16. Trade and other receivables due within one year				
Trade receivables before impairment	3,846	3,830	3,680	3,667
Impairment	(890)	(890)	(971)	(971)
	2,956	2,940	2,709	2,696
Amounts owed by Group companies	–	105	–	70
Other receivables	55	55	42	42
Prepayments	4,380	4,380	4,258	4,258
Accrued income	2,587	2,582	2,193	2,123
Interest rate cash flow hedge	2,606	2,606	1,125	1,125
	12,584	12,668	10,327	10,314

	2023 Consolidated £'000	2023 University £'000	2022 Consolidated £'000	2022 University £'000
17. Cash and cash equivalents				
Cash	18,625	18,441	24,234	24,083
Cash equivalents				
Short-term deposits	7,000	7,000	–	–
Money market funds	39,038	39,038	20,853	20,853
	64,663	64,479	45,087	44,936

	2023 Consolidated £'000	2023 University £'000	2022 Consolidated £'000	2022 University £'000
18. Creditors: amounts falling due within one year				
Trade payables	3,818	3,818	3,944	3,944
Social security and other taxation payable	2,357	2,356	2,189	2,189
Other creditors (i)	2,746	2,746	2,765	2,765
Employee leave entitlement accrual	2,380	2,380	2,117	2,117
Accruals	6,033	6,033	5,453	5,386
Deferred income (ii)	22,025	22,018	16,996	16,990
Unsecured bank loans	2,659	2,659	2,634	2,634
	42,018	42,010	36,098	36,025

(i) The Turing Scheme is a UK government programme to provide funding for international opportunities in education and training across the world. In the financial year 2022-23 the University received £100k grant funding and expended £211k with nil reported under creditors (2022: £9k). Other creditors also includes £492k (2022: Nil) due to NHS England on the cessation of the General Practitioner Training contract.

(ii) **Deferred Income**
Included in deferred income are the following items of income which have been deferred until specific performance related conditions have been met.

	2023 Consolidated £'000	2023 University £'000	2022 Consolidated £'000	2022 University £'000
Tuition fees	15,533	15,533	9,129	9,129
Other income	6,492	6,485	7,867	7,861
	22,025	22,018	16,996	16,990

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

	2023 £'000	2022 £'000
Group and University		
Unsecured bank loans	47,013	49,672
Other creditor	200	200
	47,213	49,872
Repayable with one year	2,659	2,634
Repayable within 2-5 years	10,928	10,855
Repayable after 5 years	36,085	38,817
	47,013	49,672
	49,672	52,306

All bank loans are unsecured and include the following:

Lender	Type	Repayable by	Interest rate%	Borrower	Loan £'000	2023 £'000	2022 £'000
Lloyds	Fixed	2037	2.9	University	25,000	18,125	19,375
Lloyds (i)	Fixed	2039	Base Rate + 1.52	University	15,000	12,000	12,750
Lloyds	Fixed	2043	3.5	University	5,600	4,335	4,485
Lloyds	Fixed	2043	3.6	University	6,400	4,921	5,091
Lloyds	Fixed	2043	4.2	University	3,000	2,346	2,423
Lloyds	Fixed	2043	4.9	University	5,000	4,003	4,125
Lloyds	Fixed	2043	5.3	University	5,000	3,942	4,057
					49,672	52,306	

(i) In respect of the £15.0m loan with an interest rate of base +1.52%, the Group has entered into floating to fixed interest rate swaps with a fixed leg of 1.042% and a variable rate leg GBP 3 Month SONIA.

As at 31 July 2023, the University is not exposed to material risks arising from interest rate benchmark reform as SONIA is replaced with alternative benchmark interest rates. The quantitative exposure is disclosed above.

20. Analysis of net debt

	2023 Consolidated £'000	2023 University £'000	2022 Consolidated £'000	2022 University £'000
Cash and cash equivalents	64,663	64,479	45,087	44,936
Loans: amounts falling due within one year	(2,659)	(2,659)	(2,634)	(2,634)
Loans: amounts falling due after more than one year	(47,013)	(47,013)	(49,672)	(49,672)
Interest rate swap	2,606	2,606	1,125	1,125
Net debt	17,597	17,413	(6,094)	(6,245)

Group and University Reconciliation of Net Debt

	Consolidated £'000	University £'000
Net debt at 1 August 2022	(6,094)	(6,245)
Movement in cash and cash equivalents	19,576	19,543
Repayment of unsecured loans	2,634	2,634
Other non-cash changes (Interest rate swap)	1,481	1,481
Net Debt at 31 July 2023	17,597	17,413

21. Financial Instruments

	2023 Consolidated £'000	2023 University £'000	2022 Consolidated £'000	2022 University £'000
Financial assets that are investments measured at fair value – Treasury Gilt	41	41	44	44
Derivative financial instruments designated as hedges of variable interest rate risk	2,606	2,606	1,125	1,125

22. Pensions provision

Group and University	Obligation to fund deficit on USS Pension £'000	LGPS fund obligations (Note 26) £'000	Obligation to fund pension enhancements £'000	2023 Total Pension Provision £'000	2022 Total Pension Provision £'000
As 1 August	1,311	48,373	655	50,339	160,644
Utilised in year	(84)	(5,748)	(85)	(5,917)	(5,191)
Reductions	(162)	(29,534)	–	(29,696)	(107,861)
Discount rate changes	44	1,599	–	1,643	2,747
At 31 July	1,109	14,690	570	16,369	50,339

23. Other provision

Group and University	2023 Leasehold Property Dilapidations £'000	2022 Leasehold Property Dilapidations £'000
As 1 August	1,626	1,050
Charge in the year	3,292	576
At 31 July	4,918	1,626

24. Restricted reserve

Group and University	Unspent capital grants £'000	Donations / other restricted funds £'000	2023 Total Restricted reserves £'000	2022 Total Restricted reserves £'000
As 1 August	1,850	–	1,850	1,850
New donations / other restricted fund	–	484	484	–
Capital grants utilised	(1,850)	–	(1,850)	–
Expenditure		(375)	(375)	–
Total restricted (expenditure)/income in year	(1,850)	109	(1,741)	–
At 31 July	–	109	109	1,850

Analysis of donations/other restricted funds by purpose

	2023	2022
Research activities	99	–
Student financial support	10	–
At 31 July	109	–

25. Endowment reserve

Group and University	Restricted Permanent £'000	Restricted Permanent £'000	2023 Total Endowment Reserves £'000	2022 Total Endowment Reserves £'000
As 1 August – Capital	–	–	–	–
Accumulative income	–	–	–	–
New endowments	60	11	71	–
Investment Income	2	5	7	–
Expenditure	(14)	(8)	(22)	–
Total income/ (expenditure in year)	48	8	56	–
Capital valuation loss	(2)	–	(2)	–
As 31 July – Capital	42	–	42	–
Accumulative income	4	8	12	–
Total endowment reserve	46	8	54	
Analysis of endowments by asset type			2023	2022
Investments - Treasury gilts			21	–
Cash and cash equivalents			33	–
At 31 July	–		54	–
Analysis of endowments by purpose			2023	2022
Prizes			54	–
At 31 July	–		54	–

26. Pensions

The University’s employees belong to three principal pension schemes, the Teachers’ Pensions Scheme (TPS), the Universities Superannuation Scheme (USS), and the Dorset County Superannuation Scheme (Local Government Pension Scheme - (LGPS)). The University also has a small number of staff in the National Health Service Pension Scheme (NHSPS).

Pension costs	Year to 31 July 2023 £'000	Year to 31 July 2022 £'000
(i) TPS	8,192	7,632
(ii) USS	292	284
USS – Deficit Recovery Movement	(245)	583
(iii) LGPS	9,426	16,988
NHSPS	49	69
At 31 July 2023	17,714	25,556

Risks associated with pension schemes.

In general, participating in a defined benefit pension scheme means that the Employer is exposed to a number of risks:

Investment risk. The Fund holds investment in asset classes, such as equities, which have volatile market values and while these assets are expected to provide real returns over the long-term, the short-term volatility can cause additional funding to be required if a deficit emerges;

Interest rate risk. The Fund’s liabilities are assessed using market yields on high quality corporate bonds to discount future liability cashflows. As the Fund holds assets such as equities the value of the assets and liabilities may not move in the same way;

Inflation risk. All of the benefits under the Fund are linked to inflation and so deficits may emerge to the extent that the assets are not linked to inflation; and

Longevity risk. In the event that the members live longer than assumed a deficit will emerge in the Fund. There are also other demographic risks.

In addition, as many unrelated employers participate in the LGPS, there is an orphan liability risk where employers leave the Fund but with insufficient assets to cover their pension obligations so that the difference may fall on the remaining employers.

All of the risks above may also benefit the Employer e.g. higher than expected investment returns or employers leaving the Fund with excess assets which eventually get inherited by the remaining employer.

(i) Teachers’ Pension Scheme (TPS)

Bournemouth University is a member of the Teachers’ Pension Scheme England and Wales (TPS) for academic and related staff. The Teachers’ Pension Scheme (TPS) is a statutory, contributory, defined benefit scheme, governed by the Teachers’ Pension Scheme Regulations 2014.

The TPS is an unfunded scheme to which both the member and employer makes contributions, as a percentage of salary - these contributions are credited to the Exchequer. Retirement and other pension benefits are paid by public funds provided by Parliament.

Valuation of the Teachers’ Pension Scheme

The Government Actuary, using normal actuarial principles, conducts a formal actuarial review of the TPS in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014 published by HM Treasury every four years. The aim of the review is to specify the level of future contributions. Actuarial scheme valuations are dependent on assumptions about the value of future costs, design of benefits and many other factors. The latest actuarial valuation of the TPS was carried out as at 31 March 2020. The valuation report was published by the Department for Education on 26 October 2023. The key elements of the valuation and subsequent consultation are:

- employer contribution rates set at 28.6% of pensionable pay (including a 0.08% administration levy)
- total scheme liabilities (pensions currently in payment and the estimated cost of future benefits) for service to the effective date of £262,000 million and notional assets (estimated future contributions together with the notional investments held at the valuation date) of £222,200 million, giving a notional past service deficit of £39,800 million.

The next valuation result is due to be implemented from 1 April 2024.

The employer’s pension costs paid to TPS in the year to 31 July 2023 amounted to £8.1m (2021/22: £7.6m). A copy of the valuation report and supporting documentation is on the Teachers’ Pensions website. Under the definitions set out in FRS 102, the TPS is an unfunded multi-employer pension scheme. The HEI has accounted for its contributions to the scheme as if it were a defined contribution scheme. The HEI has set out above the information available on the scheme.

Employer’s contributions amounting to £0.7m were payable to the scheme at 31 July 2023 (31 July 2022: £0.66m) and are included within creditors.

(ii) Universities Superannuation Scheme

The University participates in Universities’ Superannuation Scheme (USS). 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 University is therefore exposed to actuarial risks associated with other universities’ 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 FRS 102 “Employee benefits”, the University 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 University 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 Statement of Comprehensive Income and Expenditure in accordance with section 28 FRS102.

FRS 102 makes the distinction between a group plan and a multi-employer scheme. A group plan consists of a collection of entities under common control typically with a sponsoring employer. A multi-employer scheme is a scheme for entities not under common control and represents (typically) an industry-wide scheme such as Universities Superannuation Scheme. The directors are satisfied that Universities Superannuation Scheme meets the definition of a multi-employer scheme and has therefore recognised the discounted fair value of the contractual contributions under the recovery plan in existence at the date of approving these financial statements.

26. Pensions (continued)

The total cost charged to the statement of comprehensive income is £90k (2021-22 £873k).

Deficit recovery contributions due within one for the institution are £87,328 (2021-22 £80,530)

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

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

The key financial assumptions used in the 2020 valuation are described below. More detail is set out in the Statement of Funding Principles (uss.co.uk/about-us/valuation-and-funding/statement-of-fundingprinciples)

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

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

Mortality base table	101% of S2PMA “light” for males and 95% of S3PFA for females
Future improvements to mortality	CMI 2109 with a smoothing parameter of 7.5, an initial addition of 0.5% p.a. and a long-term improvement rate of 1.8% p.a. for males and 1.6% p.a. for females

The current life expectancies on retirement at age 65 (years) are:	2023	2022
Males currently aged 65 (years)	24.0	23.9
Females currently aged 65 (years)	25.6	25.5
Males currently aged 45 (years)	26.0	25.9
Females currently aged 45 (years)	27.4	27.3

A current deficit recovery plan was put in place as part of the 2020 valuation and requires payment of 6.2% of salaries over the period 1 April 2022 until 31 March 2024, at which point the rate will increase to 6.3%. The 2023 deficit recovery liability reflects this plan. The liability figures have been produced using the following assumptions:

	2023	2022
Discount rate	5.52%	3.31%
Salary growth to year ending 31 July 2024	9.00%	3.00%
Salary growth to year ending 31 July 2025	5.50%	3.00%
Salary growth to year ending 31 July 2028	4.50%	3.00%
Salary growth thereafter	3.00%	3.00%
The employers’ contribution rates are as follows:		
1 April 2022 to 31 March 2024	21.6%	
1 April 2024 to 31 March 2038	21.4%	

(iii) Local Government Pension Scheme

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. Full details of the benefits being valued are as set out in the Regulations as amended and summarised on the LGPS website and the Fund's membership booklet.

The administering authority for the Fund is Dorset Council. The Pension Fund Committee oversees the management of the Fund whilst the day-to-day fund administration is undertaken by a team within the administering authority. Where appropriate some functions are delegated to the Fund's professional advisers.

Dorset Council, after consultation with the Fund Actuary and other relevant parties, is responsible for the preparation and maintenance of the Funding Strategy Statement and the Investment Strategy Statement. These should be amended when appropriate based on the Fund's performance and funding.

Contributions are set every three years as a result of the actuarial valuation of the Fund required by the Regulations. The actuarial valuation of the Fund was carried out as at 31 March 2022 and set contributions for the period from 1 April 2023 to 31 March 2026. There are no minimum funding requirements in the LGPS, but the contributions are generally set to target a funding level of 100% using the actuarial valuation assumptions.

On the Employer's withdrawal from the Fund, a cessation valuation will be carried out in accordance with Regulation 64 of the LGPS Regulations 2013 which will determine the termination contribution due by the Employer, on a set of assumptions deemed appropriate by the Fund Actuary.

Assumptions as at:	31 July 2023	31 July 2022
Salary growth to year ending 31 July 2024	9.00%	3.00%
Salary growth to year ending 31 July 2025	5.50%	3.00%
Salary growth to year ending 31 July 2028	4.50%	3.00%
Salary increases thereafter	3.00%	3.00%
Pension increases	2.70%	2.65%
Discount rate	5.10%	3.50%

Life expectancies from age of 65 (years):	2023	2022
Retiring today:		
Males	21.5	22.1
Females	23.6	24.2
Retiring in 20 years:		
Males	22.8	23.4
Females	25.0	25.6

The estimated asset allocation for Bournemouth University as at 31 July is as follows.

Asset class	Asset allocation 31 July 2023 £'000	%	Asset allocation 31 July 2022 £'000	%
Equities	100,599	62%	83,090	54%
Other Bonds	10,531	6%	7,536	5%
Diversified Growth Fund	10,911	7%	10,318	7%
Property	13,983	9%	15,718	10%
Cash	2,352	1%	2,011	1%
Liability Driven Investment	1	0%	17,065	11%
Infrastructure	12,399	8%	11,299	7%
Multi Asset Credit	11,167	7%	6,875	5%
Total	161,943	100%	153,912	100%

26. Pensions (continued)

Expected return on assets and estimated asset allocation

The return on the Fund (on a bid to bid value basis) for the year to 31 July 2023 is estimated to be 1.86% (2020-21: -1.17%). The Employer’s share of the assets of the Fund is approximately 4.48%.

	Year to 31 July 2023 £'000	Year to 31 July 2022 £'000
Reconciliation of pension liability recognised in balance sheet		
Fair value of scheme assets	161,943	153,912
Present value of funded obligation	(176,537)	(202,186)
Present value of unfunded obligation	(96)	(99)
Pension liability in balance sheet	(14,690)	(48,373)
The amounts recognised in the operating surplus/deficit before other gains and losses	Year to 31 July 2023 £'000	Year to 31 July 2022 £'000
Service Cost	9,325	16,879
Net interest on defined liability	1,599	2,741
Administration expenses	101	109
Total cost	11,025	19,729

Asset and benefit obligation Reconciliations for the year to 31 July 2023

	Year to 31 July 2023 £'000	Year to 31 July 2022 £'000
Reconciliation of opening and closing balances of the fair value of scheme assets		
Opening fair value of scheme assets	153,912	152,415
Interest on assets	5,443	2,697
Return on assets less interest	(2,554)	(4,497)
Other actuarial gains	2,018	-
Contributions by employer including unfunded	5,748	5,068
Contribution by scheme participants	2,256	2,102
Estimated benefits paid including unfunded net of transfers in	(4,779)	(3,764)
Administration expenses	(101)	(109)
Closing fair value of scheme assets	161,943	153,912

	Year to 31 July 2023 £'000	Year to 31 July 2022 £'000
Reconciliation of opening and closing balances of the present value of the defined benefit obligation		
Opening defined benefit obligation	202,285	311,589
Service cost	9,116	16,879
Interest cost	7,042	5,438
Change in financial assumption	(66,171)	(121,186)
Change in demographic assumptions	(5,131)	(9,768)
Contribution by scheme participants	2,256	2,102
Estimated benefits paid including unfunded net of transfers in	(4,768)	(3,753)
Past service costs, including curtailments	209	-
Unfunded pension payments	(11)	(11)
Experience loss/gain on defined benefit obligation	31,806	995
Closing defined benefit obligation	176,633	202,285
Composition of defined benefit obligation		
Funded obligations	176,537	202,186
Unfunded	96	99
	176,633	202,285

	Year to 31 July 2023 £'000	Year to 31 July 2022 £'000
Reconciliation of opening and closing balances of the net pension deficit		
Deficit at the beginning of the year	(48,373)	(159,174)
Service cost	(9,325)	(16,879)
Employer’s contributions	5,737	5,057
Unfunded pension payments	11	11
Net interest cost	(1,599)	(2,741)
Administration expenses	(101)	(109)
Actuarial valuation (loss)/gain	38,960	125,462
Deficit at the end of the year	(14,690)	(48,373)

	Year to 31 July 2023 £'000	Year to 31 July 2022 £'000
Analysis of actuarial gain in other comprehensive income		
Return on scheme assets in excess of interest	(2,554)	(4,497)
Other actuarial gains on assets	2,018	-
Change in financial assumptions	66,171	121,186
Change in demographic assumption	5,131	9,768
Actuarial valuation loss	(31,806)	(995)
	38,960	125,462

26. Pensions (continued)

Sensitivity analysis

The following table sets out the impact of a small change in the discount rates on the defined benefit obligation and projected service cost along with a +/- 1 year age rating adjustment to the life expectancy assumption.

	£'000	£'000	£'000
Adjustment to discount rate	+0.1%	Base	-0.1%
Present value of total obligation	173,212	176,633	180,154
Projected service cost	4,790	4,977	5,171
Adjustment to long term salary increase	+0.1%	Base	-0.1%
Present value of total obligation	176,913	176,633	176,355
Projected service cost	4,981	4,977	4,974
Adjustment to pension revaluation	+0.1%	Base	-0.1%
Present value of total obligation	179,953	176,633	173,407
Projected service cost	5,174	4,977	4,786
Adjustment to life expectancy	+1 year	Base	-1 year
Present value of total obligation	181,482	176,633	171,920
Projected service cost	5,149	4,977	4,810

Projected pension expense for the year to 31 July 2024

	£'000
Service cost	4,977
Net interest on defined liability/(asset)	599
Administration expenses	105
Total cost	5,681
Employer Contribution	5,951

27. Operating lease obligations

As at 31 July 2023, the University was committed to making the following payments during the forthcoming years in respect of operating leases:

Future minimum lease payments due:	Land and buildings	Other	Total 2023	Land and buildings	Other	Total 2022
	£'000	£'000	£'000	£'000	£'000	£'000
Within one year	6,044	34	6,078	6,065	31	6,096
Between one and five years	13,596	9	13,605	17,540	19	17,559
More than five years	181	-	181	4,731	-	4,731
Total lease payments due	19,821	43	19,864	28,336	50	28,386

28. Capital Commitments

Group and University

Provision has not been made for the following capital commitments at 31 July 2023

Capital commitments	2022 £'000	2023 £'000
Commitments contracted for	4,868	2,537

29. Related Party Transactions

The University has taken advantage of the exemption within FRS102 Section 33 (Related Party disclosures) and has not disclosed transactions with wholly owned subsidiary companies.

The University has a close working relationship with Bournemouth University Students Union which remains a separate entity. The Bournemouth University Students Union president is a member of the University's Board of Governors. During the year ended 31 July 2023 the University gave Bournemouth University Students Union a block grant and payments for services totalling £1.19m (2021-22: £1.19m).

All transactions involving organisations in which a member of the Board may have an interest are conducted in accordance with the University's financial regulations and normal procurement procedures.

The University maintains a Register of Interests of members of the Board and senior officers. The list below represents the trading transactions and year-end close balances with organisations of which the relevant Board member or senior officer holds a position of influence in both the related party and the Institution.

Related Parties Disclosure		Income £'000's	Expenditure £'000's	Debtor £'000's	Creditor £'000's
Bournemouth University Community Business Limited	Mr J Andrews Mr S Jones	332	-	105	-
Bournemouth University Students' Union	Mr C Dike	-	1,067	-	-
Dorset Local Enterprise Partnership	Mr J Andrews	739	-	62	-
University Hospital Dorset NHS Foundation Trust	Prof J Vinney	414	110	-	-

30. Federal Loans program

The University has an obligation as part of our participation in the US Federal Loans program to include Supplemental Information which complies with Federal Register/Vol. 84, No. 184 / Monday, September 23, 2019 / Rules and Regulations. This data has been prepared using UK GAAP and does not include any adjustments required to comply with US GAAP.

Reference	Expendable Net Assets	2023 £'000		2022 £'000		Note
Statement of Financial Position - Net assets without donor restrictions	Net assets without donor restrictions		137,731		91,439	
Statement of Financial Position - Net assets with donor restrictions	Net assets with donor restrictions		163		1,850	
Statement of Financial Position - Related party receivable and Related party note disclosure	Secured and unsecured related party receivable	-		-		
Statement of Financial Position - Related party receivable and Related party note disclosure	Unsecured related party receivable		-		-	
Statement of Financial Position - Property, Plant and equipment, net	Property, plant and equipment, net (includes Construction in progress)	171,093		175,736		12
Note of the Financial Statements - Statement of Financial Position - Property, plant and equipment - pre- implementation	Property, plant and equipment - pre-implementation		130,070		136,721	12
Note of the Financial Statements - Statement of Financial Position - Property, plant and equipment - post- implementation with outstanding debt for original purchase	Property, plant and equipment - post-implementation with outstanding debt for original purchase		-		-	
Note of the Financial Statements - Statement of Financial Position - Property, plant and equipment - post-implementation without outstanding debt for original purchase	Property, plant and equipment - post- implementation without outstanding debt for original purchase		33,815		35,469	12
Note of the Financial Statements - Statement of Financial Position - Construction in progress	Construction in progress		7,208		3,546	12
Statement of Financial Position - Lease right-of-use assets, net	Lease right-of-use asset, net	-		-		
Note of the Financial Statements - Statement of Financial Position - Lease right-of-use asset pre-implementation	Lease right-of- use asset pre- implementation		-		-	
Note of the Financial Statements - Statement of Financial Position - Lease right-of-use asset post- implementation	Lease right-of- use asset post- implementation		-		-	
Statement of Financial Position - Goodwill	Intangible assets		-		-	
Statement of Financial Position - Post-employment and pension liabilities	Post-employment and pension liabilities		16,369		50,339	26

Reference	Expendable Net Assets	2023 £'000		2022 £'000		Note
Statement of Financial Position - Note Payable and Line of Credit for long-term purposes (both current and long term) and Line of Credit for Construction in process	Long-term debt - for long term purposes	49,672		52,306		19
Statement of Financial Position - Note Payable and Line of Credit for long-term purposes (both current and long term) and Line of Credit for Construction in process	Long-term debt - for long term purposes pre- implementation		49,672		52,306	19
Statement of Financial Position - Note Payable and Line of Credit for long-term purposes (both current and long term) and Line of Credit for Construction in process	Long-term debt - for long term purposes post-implementation		-		-	
Statement of Financial Position - Note Payable and Line of Credit for long-term purposes (both current and long term) and Line of Credit for Construction in process	Line of Credit for Construction in process		-		-	
Statement of Financial Position - Lease right-of-use asset liability	Lease right-of-use asset liability	-		-		
Statement of Financial Position - Lease right-of-use asset liability pre- implementation	Pre-implementation right-of-use leases		-		-	
Statement of Financial Position - Lease right-of-use asset liability post- implementation	Post-implementation right-of-use leases		-		-	
Statement of Financial Position - Annuities	Annuities with donor restrictions		-		-	
Statement of Financial Position - Term endowments	Term endowments with donor restrictions		-		-	
Statement of Financial Position - Life Income Funds	Life income funds with donor restrictions		-		-	
Statement of Financial Position - Perpetual Funds	Net assets with donor restrictions: restricted in perpetuity		163		1,850	24

30. Federal Loans program (continued)

Reference	Total expenses and losses	2023 £'000		2022 £'000		Note
Statement of Activities - Total Operating Expenses (Total from Statement of Activities prior to adjustments)	Total expenses without donor restrictions - taken directly from Statement of Activities		180,435		176,504	
Statement of Activities - Non-Operating (Investment return appropriated for spending), Investments, net of annual spending gain (loss), Other components of net periodic pension costs, Pension-related changes other than net periodic pension, changes other than net periodic pension, Change in value of split- interest agreements and Other gains (loss) - (Total from Statement of Activities prior to adjustments)	Non-Operating and Net Investment (loss)		-41,650		-127,083	
Statement of Activities - (Investment return appropriated for spending) and Investments, net of annual spending, gain (loss)	Net investment losses		-1209		-79	7
Statement of Activities - Pension related changes other than periodic pension	Pension-related changes other than net periodic costs		-		-	

Reference	Modified Net Assets	2023 £'000		2022 £'000		Note
Statement of Financial Position - Net assets without donor restrictions	Net assets without donor restrictions		137,731		91,439	
Statement of Financial Position - total Net assets with donor restrictions	Net assets with donor restrictions		163		1,850	24
Statement of Financial Position - Goodwill	Intangible assets		-		-	
Statement of Financial Position - Related party receivable and Related party note disclosure	Secured and Unsecured related party receivable	-		-		
Statement of Financial Position - Related party receivable and Related party note disclosure	Unsecured related party receivable		-		-	

Reference	Modified Assets	2023 £'000		2022 £'000		Note
Statement of Financial Position - Total Assets	Total Assets		248,412		231,224	
Note of the Financial Statements - Statement of Financial Position - Lease right-of-use asset pre-implementation	Lease right-of-use asset pre-implementation		-		-	
Statement of Financial Position - Lease right-of-use asset liability pre- implementation	Pre-implementation right-of-use leases		-		-	
Statement of Financial Position - Goodwill	Intangible assets		-		-	
Statement of Financial Position - Related party receivable and Related party note disclosure	Secured and unsecured related party receivable		-		-	
Statement of Financial Position - Related party receivable and Related party note disclosure	Unsecured related party receivable		-		-	

Reference	Net Income Ratio	2023 £'000		2022 £'000		Note
Unsecured related party receivable	Change in Net Assets Without Donor Restrictions		46,292		121,050	
Statement of Activities – (Net assets released from restriction), Total Operating Revenue and Other Additions and Sale of Fixed Assets, gains (losses)	Total Revenue and Gains		183,890		170,471	





