



Annual Report and
Financial Statements 2018

Our vision is to sustain and improve upon our world-leading reputation for research, and embrace educational innovation that will nurture skilled, adaptable and resilient graduates.

Read this report online

www.bristol.ac.uk/directory/finance/about/financial-statements



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Financial highlights 2017/18

The University continued its sustained growth in student numbers, growing by 6% in the 2017/18 academic year.

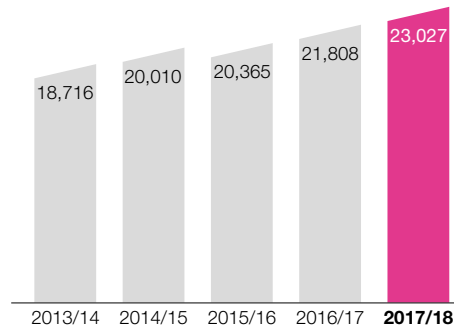
- The University Group delivered a surplus of £6.9m before other gains and losses.*
- The University's operating cashflow remains strong, as do our increased investments in projects that support the University Strategy.
- Over £100m of capital investment focusing on transforming the Clifton Campus, including new teaching facilities and a new Library, and developing the new Temple Quarter Enterprise Campus.
- Research income from competitively won grants was up by 5% as compared with last financial year, to £168.6 million.

* This surplus is lower than in recent years owing to an increase in investment in our staff and in the University Strategy, and to current losses relating to the delayed completion of the Fry Building following the fire (as we await settlement of matters connected with this).

Student FTEs

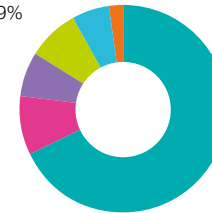
23,027

+6% (2016/17: 21,808)



Student FTE (%)

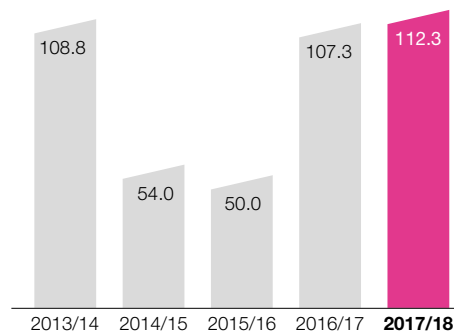
- Home undergraduate 68%
- Overseas undergraduate 9%
- Home postgraduate taught 7%
- Overseas postgraduate taught 8%
- Home postgraduate research 6%
- Overseas postgraduate research 2%



Capital investments (£m)

£112.3m

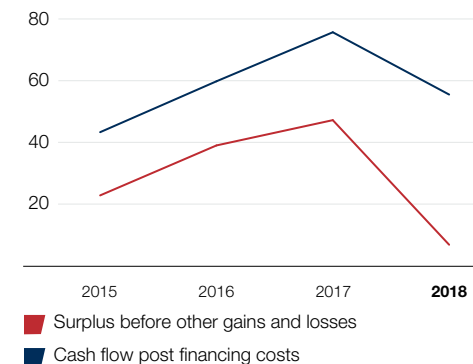
+5% (2016/17: £107.3m)



Surplus before other gains and losses and cash flow generation (£m)

£6.9m

-85% (2016/17: £47.2m)

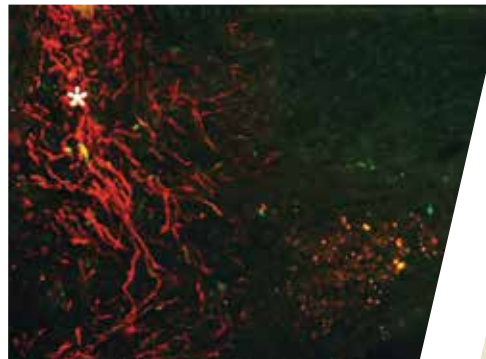


Highlights 2017/18

Research highlights

Researchers at Bristol are involved in a vast range of projects all over the world. Their work in 2017/18 led to high-impact discoveries and developments including:

- a new maritime security toolkit, praised by the UN, for making the world's oceans safe from piracy and smuggling;
- a set of cloud-based VR tools to help academics and industry develop new drugs and materials and new teaching methods;
- newly discovered structures in the human kidney that shed new light on kidney disease;
- a method for breaking down toxic dyes in waste water using polystyrene frozen in a chemical solution and coated with photocatalytic nanoparticles;
- a comprehensive review of the impact of melting land ice on sea levels;
- a new DNA-based testing method that could better predict whether clinical medical trials will be effective;
- a system that detects blockages in pitot tubes (which measure airspeed) and could prevent aircraft accidents;
- the prospect of a new discipline, 'interactive metamaterials', to enable development of shape-changing interactive devices;
- a new way of triggering nerve regeneration to help repair spinal cord injury by transplanting genetically modified cells.



▲ (top) A morass of icebergs that have calved off Jakobshaven, the largest glacier in Greenland.

(bottom) Spinal cord injury (asterisked) with transplanted, genetically modified cells (red and green) that secrete a treatment enzyme.

Tim Gregory (top), a PhD student in Cosmochemistry who reached the final of the BBC's Astronauts: Do You Have What It Takes? competition.

Eulinda Antonette Clarke-Akalanne (bottom), a grandmother of seven who overcame severe visual impairment to graduate with a BA in Anthropology (and has returned to study for an MA in Black Humanities).



Highlights from our community

Our students, staff and friends give the University its heart and its energy. In 2017/18, the many notable members of our community included:

Rebecca Scott, Suzanne Doyle, Samantha Budd and Noelle Rumball – **members of staff who each won a Wonderful Women Award**, launched by Bristol Women's Voice to celebrate local women from all walks of life who inspire and improve the lives of those in their communities.

An anonymous group of students who raised £1,500 to enable Herman Gordon, a member of the University's cleaning staff, to visit Jamaica with his wife.

Robert Camm, Cassandra Lek, James Throup, Henry Clay, John Gilbert, Hannah Haddad and Joshua Greenidge – **winners of the 2017 Alumni Association Student Awards** recognising their achievements either in overcoming personal adversity or in making an outstanding contribution to the University or the community.

Stacey Jordan, a Security Officer, who won **Security Officer of the Year** for an Outstanding Act of Courage from the Association of University Chief Security Officers (see page 18).

Facts and figures

Faculties

The University is organised into six academic faculties, each led by a Dean:

- Arts
- Biomedical Sciences*
- Engineering
- Health Sciences
- Science
- Social Sciences and Law

* This faculty closed – and the new Faculty of Life Sciences opened – on 1 August 2018, immediately following the period covered by this 2017/18 report.

Specialist Research Institutes

- Bristol BioDesign Institute
- Bristol Composites Institute (ACCIS)
- Bristol Heart Institute
- Bristol Institute for Migration and Mobility Studies
- Bristol Population Health Science Institute
- Bristol Poverty Institute
- Bristol Quantum Information Institute

University Research Institutes

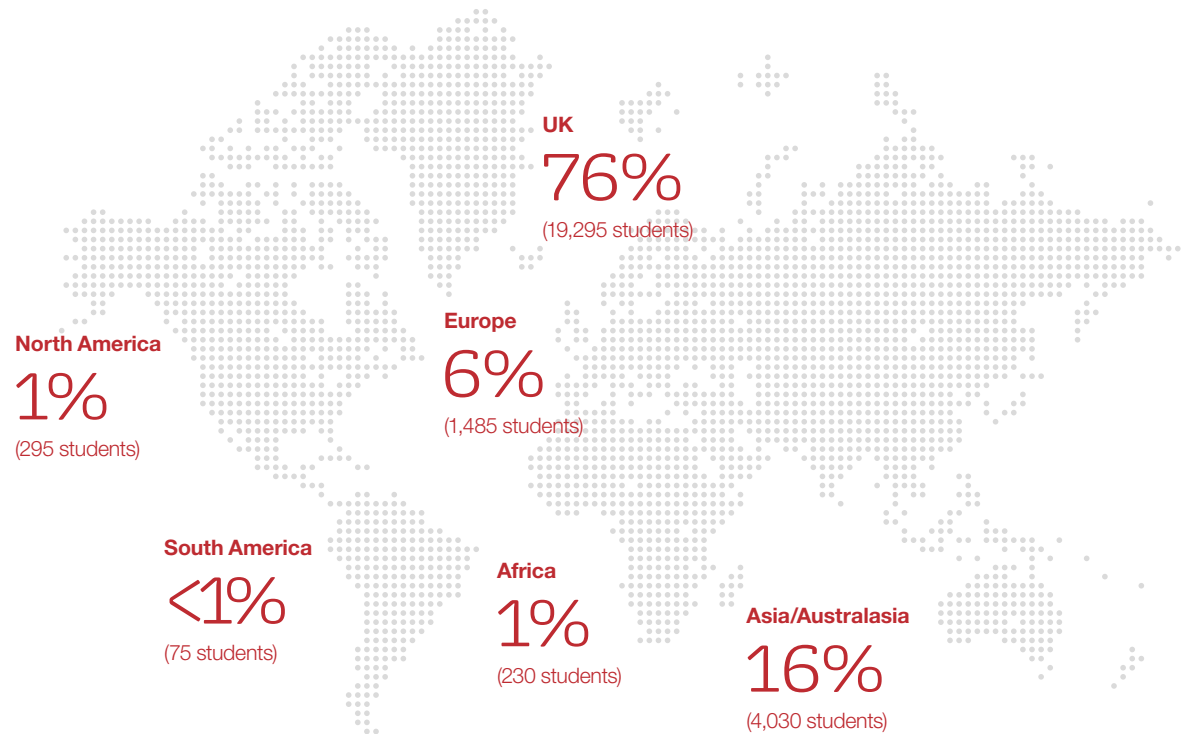
- Brigstow Institute
- Cabot Institute
- Elizabeth Blackwell Institute for Health Research
- Jean Golding Institute

Courses we offer

Across the six faculties, the University offers 294 undergraduate programmes and 364 postgraduate programmes of study across a broad range of subjects.

6,115

International students (headcount) studying from 140 different countries (excluding the UK)†



† This uses the UN standard geographical groupings for region (in the case of North/South America) and continent.

The Vice-Chancellor and the Chair of the Board of Trustees

2017/18 has proved to be another strong year for our University, with good progress in implementing our Strategy made on all fronts. We are making headway in this phase of major growth, with outline planning permission secured for our new Temple Quarter Enterprise Campus and anticipated for the public realm aspects of our Campus Heart project. We are establishing new partnerships and deepening our existing relationships, both in the city and across the world. At the same time, we are continuing to achieve striking successes in our high-quality research and in our world-class educational programmes, thanks to the outstanding talents and commitment of our students and staff.

A lot of our work this year has been to do with consolidation and infrastructure: improving and joining up our student support services; giving our staff the best digital tools for communicating, collaborating and managing information securely and effectively; and establishing the procedures and policies that will help us to complete the next stages of our Strategy.

We remarked, in our introduction to last year's Annual Report, that the environment we operate in looked set to become even more uncertain. This is just as true one year on. But we researched, prepared and launched our Strategy with this climate of uncertainty in mind, and we remain conscious and watchful of the risks and challenges posed by external forces.

We are fortunate in having several factors in our favour: the foresight and prudence of those who came before us and built such excellent foundations for our University; the amazing talent, imagination and drive of our students; the support and generosity of our alumni, friends and supporters across the world; and the energy and professionalism of our staff. We take none of these for granted.

The year brought several developments that confirmed how important it is for us to have a close-knit and supportive University community. Perhaps the most significant of these were the growing concern over the wellbeing of young people and the reaction to the Universities Superannuation Scheme (USS) pensions valuation.

Mental health is fast emerging as the single biggest public health issue affecting young people today, both here in the UK and globally. As you will read in what follows, we are taking a University-wide approach to mental health and wellbeing, for our students and our staff. The wellbeing of everyone in our community is a key priority at Bristol, and we are investing time and money to support and help our students and staff wherever we can. This includes a new approach to supporting students' wellbeing in residences (which importantly maintains the much-valued peer-to-peer live-in support), the launch of a Student Wellbeing Service to co-ordinate support in our academic schools, further investment in our central support services, and a range of measures to better signpost our students to the resources available to them.

The reaction to the USS pensions valuation sent ripples through the country's higher education sector, and the industrial action that we and other institutions experienced in the winter of 2017/18



Professor Hugh Brady
Vice-Chancellor and President
(right).

Denis Burn
Chair, University Board of
Trustees (left).

was both challenging and – in its own way – useful. It led to some very fruitful discussions between staff, students, the University and College Union (UCU) and our peers in the sector and resulted in the formation of a joint panel to reassess the original valuation (see pages 32-33). We want to express our gratitude to all at Bristol for the professionalism and passion they demonstrated throughout this time.

We feel immensely proud of the people who make up our University. It is thanks to their commitment and energy that we continue to excel in our teaching and research, and that we can undertake this ambitious programme of change and growth with such confidence in our success.

Professor Hugh Brady
Vice-Chancellor and President

Mr Denis Burn
Chair, University Board of Trustees

Our operating context

The plans and initiatives we set out in our Strategy are taking shape and we are making good progress. We continue to monitor the environment – local, national and international – in which we operate, so that we can make the best decisions and equip our University to thrive in the future.

The political climate

Managing the uncertainty following the Brexit decision remains high on our agenda. While we are encouraged by the early indications from the government that it is considering the right to remain for staff and students, future visa requirements remain unclear. The value of the pound is likely to affect costs for IT-related purchases and our capital programme, with respect to goods and materials and the supply of labour. We continue to work closely with Universities UK and the Russell Group to ensure that the government understands in detail the needs of our staff and students.

We have developed a 'Fit for the Future' plan, approved by the Board of Trustees, to help us manage the potential adverse financial impact of future national policy decisions (including any outcomes of the government's current review of post-18 education funding) and other key financial risks arising from issues such as pension costs and Brexit.

Tuition fees

We are developing strategies to mitigate the impact of frozen tuition fees for UK and EU students and are mindful of the lack of certainty around the level of future income from EU student fees. In the past year, we have seen positive performance in attracting fee-paying intercalation and visiting students, and projections for the 2018/19 student intake continue to look positive for both home and overseas.

Students

Competition to attract high-quality students is extremely high and likely to intensify in the coming year given the contraction of the domestic pool and increasing uncertainty in European recruitment markets. A wide range of initiatives are already in place to bolster the University's student recruitment, including growing our international student body, further articulation partnerships and a continued focus on fee-paying visiting students.

Research funding

The need to match future government funding grants is increasing and we are identifying future funding streams to allow us to continue to fund high-cost research. Additional research funds (including the Industrial Strategy Challenges Fund) have been announced in the government's 2017 Autumn Statement. We have aligned with seven priority areas of the Industrial Strategy to develop further opportunities for external funding.

Regulatory changes

The creation of the Office for Students (OfS) has led to changes in the regulatory environment and has introduced a welcome focus on the value for money that we provide for students and the taxpayer. We have completed benchmarking activity to understand how both our costs and the quality of our outcomes compare to others, and we have put in place a Value for Money Strategy (see page 10) to ensure that we continue to improve the value we provide.

Bristol and the South West

Bristol remains one of the most popular and thriving cities in the UK. In the past year, it has been awarded 'Urban Food Hub' status by Visit England and was the only UK destination to feature on National Geographic Traveller's Cool List 2018. Bristol has particularly strong credentials in sustainability: it was the first British city to be named European Green Capital and is home to national organisations such as Sustrans, the Soil Association and the Environment Agency. It also hosts the headquarters of the new Office for Students.

Meeting the future

Our strategic and integrated approach to growth aims to continue to improve our world-leading reputation for excellence while ensuring financial sustainability in the long term. Progress is monitored against strategic performance indicators at both school and institution level, which allows us to assess our plans alongside the ongoing changing environment.



▶ Students in a lab in the Faculty of Engineering.

Delivering value for money to students and taxpayers

Our value model

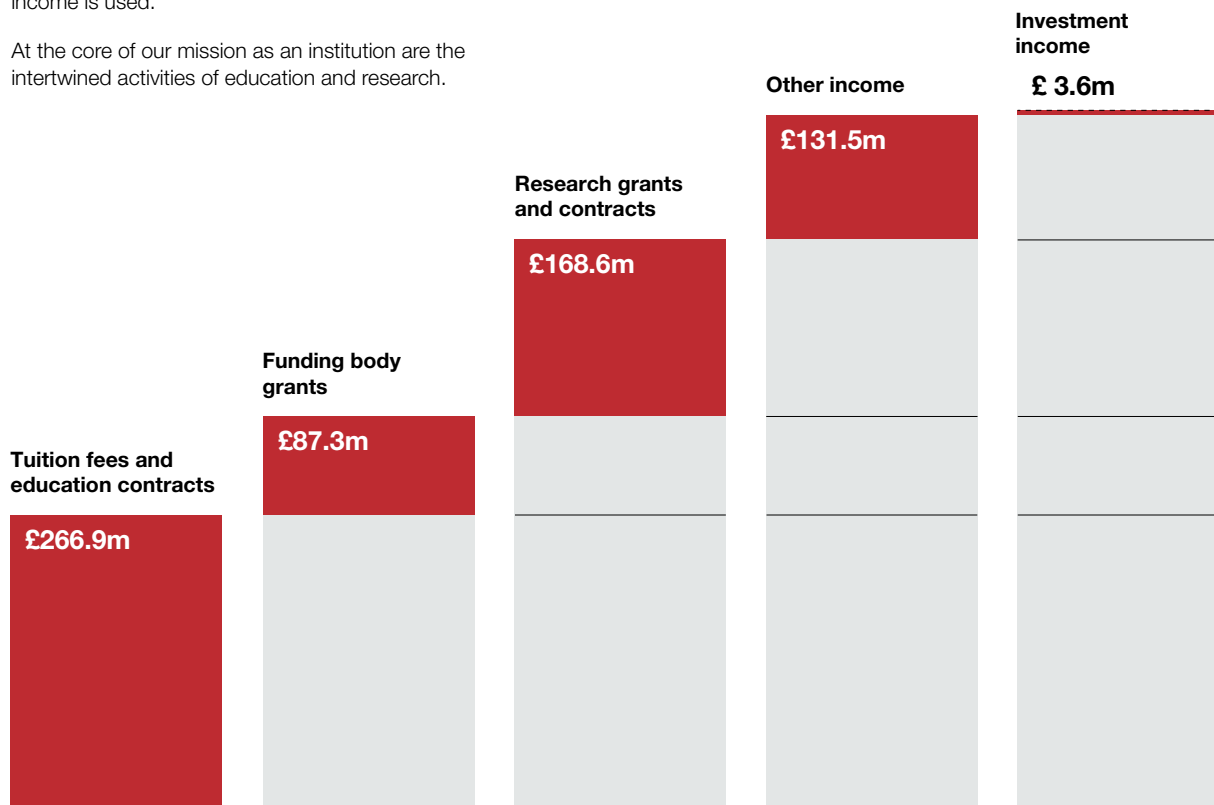
This section demonstrates our commitment to delivering – and constantly improving – value for money, both to students and to taxpayers.

Our overall strategic aim is to achieve a world-class standard of teaching and research by managing our resources effectively and efficiently. We aim to invest as much of our income as we can to ensure that we are delivering the highest-quality teaching possible and achieving the greatest impact possible through our research. Our Value for Money Strategy (see page 10), published in January 2018, integrates with our overall University Strategy, published in June 2016, and sets out a detailed and practical approach for achieving this.

The newly formed Office for Students has included value for money as a key regulatory objective. Further to this, the Higher Education and Research Act 2017 gives the OfS general powers to ensure that universities monitor how they provide value for money. Section 444 of the OfS Regulatory Framework requires that providers regularly publish ‘...clear information about [the provider’s] arrangements for securing value for money including, in a value for money statement, data about the sources of income and the way that its income is used.’

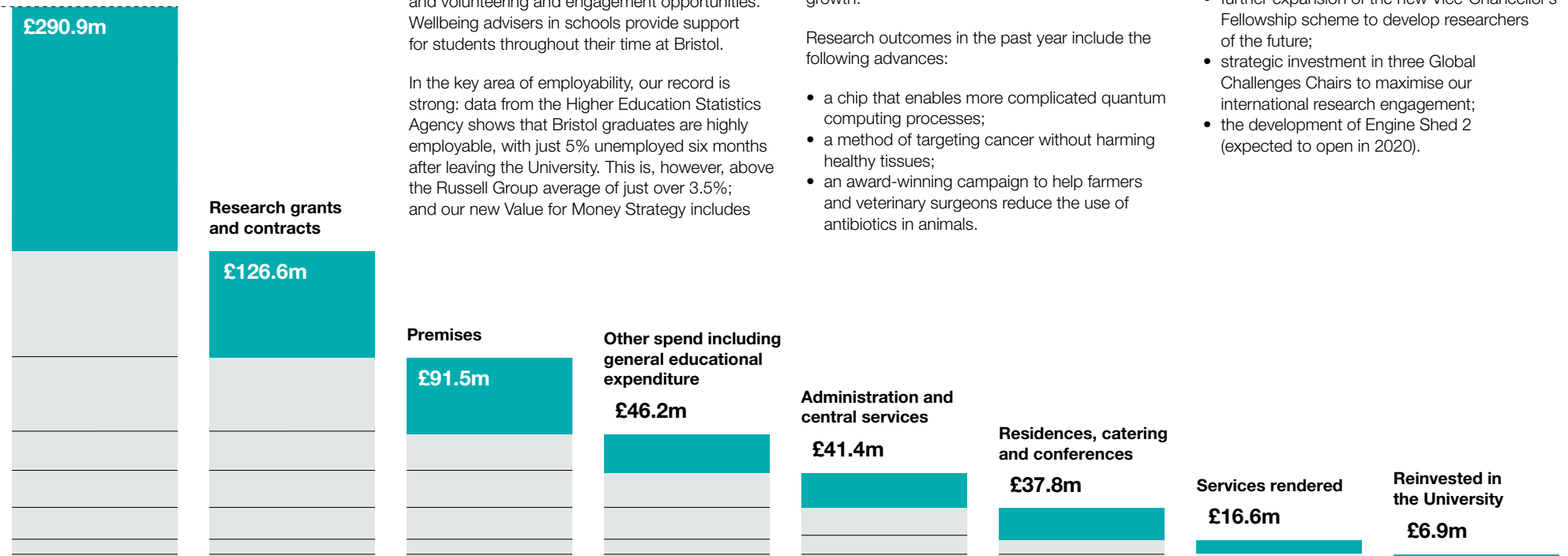
At the core of our mission as an institution are the intertwined activities of education and research.

**The money we receive:
£657.9m**



The money we spend: £651.0m

Academic and related expenditure



Education

The University was awarded a Silver rating in the last (2017) Teaching Excellence Framework (TEF) exercise, valid for four years. This means (in the words of the OfS definition of Silver) that Bristol delivers ‘high-quality teaching, learning and outcomes for its students’ and ‘consistently exceeds rigorous national quality requirements for UK higher education’.

We stretch students by providing an academically rigorous and research-rich environment for them to study in. We promote independent learning through Bristol Futures online courses, interdisciplinary personal development planning and volunteering and engagement opportunities. Wellbeing advisers in schools provide support for students throughout their time at Bristol.

In the key area of employability, our record is strong: data from the Higher Education Statistics Agency shows that Bristol graduates are highly employable, with just 5% unemployed six months after leaving the University. This is, however, above the Russell Group average of just over 3.5%; and our new Value for Money Strategy includes

initiatives designed to help our students improve their employability still further.

Research

The last Research Excellence Framework (REF) exercise (in 2014) classified over one-third of the University’s research output as 4*, or ‘world-leading’. This is the tenth-highest proportion of world-leading research in the Russell Group, which already comprises research-intensive institutions.

We share the results of our research nationally and internationally among the academic community, increasing knowledge and expertise, driving developments in technology and fuelling economic growth.

Research outcomes in the past year include the following advances:

- a chip that enables more complicated quantum computing processes;
- a method of targeting cancer without harming healthy tissues;
- an award-winning campaign to help farmers and veterinary surgeons reduce the use of antibiotics in animals.

Commercialisation and the creation of new companies is one of many routes we pursue to translate our research into economic and social impact. In 2017/18 our team (funded by Higher Education Innovation Funding (HEIF)) supported the creation of six new companies and the signing of 14 new licences; and they continue to work with 46 companies created over the past 10 years, during which time 164 licences were signed.

We are also investing in a number of areas to increase the impact and reach of our research. These include:

- membership of the Alan Turing Institute;
- further expansion of the new Vice-Chancellor’s Fellowship scheme to develop researchers of the future;
- strategic investment in three Global Challenges Chairs to maximise our international research engagement;
- the development of Engine Shed 2 (expected to open in 2020).

Our value model continued

The Board of Trustees approved a Value for Money Strategy in January 2018. As a result, a range of measures have been taken to improve value for money, both for students and for taxpayers, in the short-to-medium term. These include:

Value for students

1. Assessment and feedback

Establish a consistent approach to student assessment and feedback, so that students understand the cyclical relationship between learning, assessment and feedback and its role in their learning.

During 2017/18: students were able to discuss these ideas through the new All-Bristol Forum, and their comments informed a new set of initiatives around assessment literacy.

Planned for 2018/19: a new toolkit for programme teams that will incorporate types of assessment related to the objectives of each programme.

2. Employability

Broaden considerably the variety of opportunities we offer our students to acquire and develop skills that enhance their employability and competitiveness in the world of work.

During 2017/18: 320 careers events were scheduled (plus careers fairs) with spaces for over 11,700 students; 270 employers visited the University. Our New Enterprise Competition directly invested £14,500 into 32 student start-up ideas.

Planned for 2018/19: an increase in student engagement across all careers-related areas of activity.

3. Wellbeing support

Work closely with our Students' Union ('SU') to support our students' wellbeing and their wider University experience; and develop the quality and consistency of resources for wellbeing support and personal and professional development.

During 2017/18: we rolled out the Active Residences programme, supported the SU's Mind Your Head Week and developed a suicide prevention plan with Public Health England, Public Health Bristol and the University of the West of England.

Planned for 2018/19: the launch of our new Residential Life Service and Wellbeing Service; trialling activities and gathering feedback to prepare for launching a fully co-ordinated package of evidence-based activities in 2019/20.

4. Academic support

Improve academic support for our students, including transition to university study and progress through their academic programmes; review and enhance the academic support offered within schools by personal and senior tutors; further develop and co-ordinate our professional support services, with particular focus on the needs of specific groups.

During 2017/18: we developed resources for personal development planning including videos and workshops; and we co-developed study skills resources with our students including online resources, drop-in sessions and one-to-one tutorials.

Planned for 2018/19: making our tutoring practices more inclusive to better support the academic development of Black, Asian and minority ethnic (BAME) students and other under-represented groups.

5. Infrastructure

Provide the best available learning environment: teaching and learning spaces, laboratory and clinical spaces, and resources such as books and IT systems.

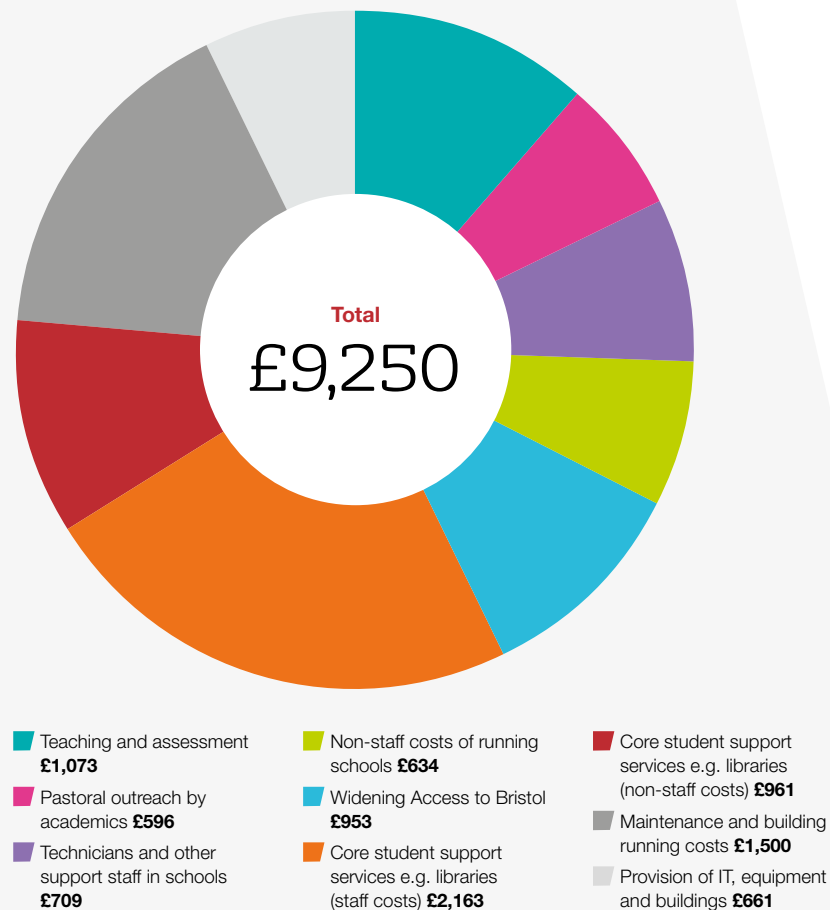
During 2017/18: we identified new opportunities for teaching spaces; and we made progress in the design phase for two lecture theatres and the planning phase for up to five new seminar spaces.

Planned for 2018/19: finishing conversion of part of Senate House into teaching spaces and building temporary teaching spaces in Royal Fort Gardens; seeking planning permission for the new lecture hall building and for rooms in Priory Road. We also anticipate that the Fry Building will open and that construction of the new Humanities Centre will be well advanced.

How the tuition fee is spent

The diagram below shows how the University uses a home undergraduate tuition fee of £9,250 (based on published 2016/17 Transparent Approach to Costing (TRAC) data but flexed for 2017/18 financial result).

The total student experience comprises the following:



Value for taxpayers

1. Purchasing

Decrease transactional costs of purchasing by increasing usage of eMarketplace (saving an estimated £20 per transaction).

During 2017/18: the total number of transactions on eMarketplace was 40,532 (2016/17: 38,708), with a total value of £9.3 million (2016/17: £6.3 million). We recently reduced costs by completing tenders for, among other things, merchant acquirer services, food supply and several complex pieces of laboratory equipment.

2. Integrating IT systems

Continue a large-scale IT project to replace the disparate Finance, Procurement, Payroll and HR systems with a fully integrated, Enterprise Resource Planning (ERP) platform.

During 2017/18: the Finance and HR components of ERP went live.

Planned for 2018/19: A Finance and HR Business Improvement programme to embed and further develop ERP.

3. Energy efficiency

Reducing energy usage and carbon emissions through a range of initiatives: efficient use of laboratories, LED lighting and intelligent controls, heating modifications and renewable technologies.

During 2017/18: we improved lighting Synthetic Chemistry; replaced immersion heaters with air source heat pumps at Stoke Bishop Hall of Residence, saving £60,000 per year; draughtproofed our heritage buildings; and enabled our diesel generators to run an extra 30 hours a year to avoid network peak prices, saving a net £80,000 per year.

Planned for 2018/19: upgrading lighting in the corridors of large science buildings on the Clifton and Langford campuses and surveying the Wills Memorial Building, Churchill Hall and Wills Hall to identify how heat transfer around these complex buildings could be achieved more effectively.

4. Efficient use of space

Introducing agile, flexible working practices to make our use of space more efficient and improve collaborative working.

During 2017/18: we introduced agile environments (including laptops, docking systems and a suite of collaborative IT tools) in Augustine's Courtyard and 31 Great George Street; and the University Management Team transferred from Senate House to Beacon House.

Planned for 2018/19: this roll-out will continue across a number of school and faculty offices, as well as Old Park Hill.

5. Maximising philanthropic income

Investing in our Development and Alumni Relations Office by increasing headcount by 8.9 FTE to increase the team's capability of bringing in significant philanthropic donations.

During 2017/18: we received the first £1 million instalment of our largest-ever pledge from an individual (£10 million); our largest-ever legacy pledge of £2.5 million; and legacy cash income of £1.1 million.

Planned for 2018/19: fundraising appeals for seven strategic cornerstone projects, including a £15 million fundraising target for the new library (over five years); a target increase of around 10% for new funds raised; an extension of our international presence, especially in South East Asia and the USA; and a new Leadership Giving programme (for the £1,000-10,000 gift level).

Harnessing ambition and imagination

Our Strategy

Our University Strategy captures the collective ambition and imagination of our staff, our students and the wider Bristol family. It provides a roadmap that sets out our plans up to 2023 and beyond.

Taking a strategic approach to growth allows us to build on our world-leading reputation and ensure the long-term financial sustainability of the University.

Since the introduction of our strategy, our performance in the three major national league tables (*Complete University Guide*, *Guardian Good University Guide* and *Times and Sunday Times Good University Guide*) has increased and we have maintained our relative position within the UK in global rankings.

We have successfully implemented an Integrated Planning Process to allow schools and faculties to drive their own five-year vision as part of the University's overall strategic framework. This includes the integration of Finance, HR, Estates, Research, Admissions, Education and Space Planning into an overall framework that allows us to monitor performance against strategic performance indicators, both at school and institution level.

1	2
Education and the student experience	Research
<p>What we have achieved in 2017/18</p> <p>Our registration with the government's new Office for Students was successful, with no conditions required. Our strong performance in international rankings included a confirmation of our strengths in teaching when we were ranked sixth in the <i>Times Higher Education</i> European Teaching Rankings – an accolade reinforced with the awarding of 70 new Higher Education Academy Fellowships to Bristol staff. We launched the All-Bristol Student Forum, which enables students to share ideas and make connections that help to shape the University's future. We also established a Vice-Chancellor's task force to lead on a University-wide approach to wellbeing and mental health, for students and staff alike.</p>	<p>We continued to develop our Specialist Research Institutes through key strategic appointments. Research funding we secured during the year includes £15 million from the West of England Partnership and £21 million from industrial partners to establish the world's first open-access Quantum Technologies Innovation Centre; and a £3 million European Research Council grant under its Horizon 2020 programme. To underpin our postgraduate research growth plan, we developed a range of international partnerships. We also welcomed the second cohort of Vice-Chancellor's Fellows.</p>
<p>What we plan to achieve in 2018/19</p> <p>We will expand the roster of activities for the Bristol Institute of Learning and Teaching, and will begin developing the next phase of Bristol Futures (focusing on assessment and pedagogy). We are also planning to introduce a new course on the science of happiness and to implement two University-wide mental health and wellbeing strategies, one for students and one for staff. A key appointment in the coming year will see the introduction of a new Pro-Vice Chancellor with a remit for the Student Experience.</p>	<p>We aim to diversify our funding streams by focusing on developing international partnerships, both within Europe and outside; and to develop opportunities to secure funding from the government's Industrial Strategy Challenge Fund, supported by the appointment of Martin Sadler OBE as Special Adviser on Industrial Strategy.</p>

3	4	5	6
People	International	Infrastructure	Sustainability
<p>We introduced a Career Framework for Technical Staff and began to introduce some of the changes recommended by a review of our academic staff progression and promotion processes. Three of our schools won Silver SWAN Awards for their commitment to gender equality. Our statutory Gender Pay Gap Report found that our median gender pay gap is smaller than the UK-wide gap reported by the Office of National Statistics.</p>	<p>In an increasingly competitive environment, we saw a 33% increase in our international student population and a 104% increase in study abroad fee-paying students. We signed 25 new fee and exchange agreements and received over €1 million in ERASMUS funding. We continued to build on our relationships with institutions across the globe in a range of ways, including undertaking a high-profile mission to China, welcoming the Indian High Commissioner and other high-profile dignitaries to our campuses and hosting the 2018 Chevening Conference.</p>	<p>Physical: we completed the expansion of the Queen's Engineering Building with the opening of a new wing, along with refurbishments of Beacon House, 5 Tyndall Avenue, 1-5 Whiteladies Road and the Sports Centre. We have also started construction of the Humanities Centre, due for completion in October 2019. We have secured outline planning permission for the Temple Quarter Enterprise Campus and formally appointed the design team and selected development partners; and we acquired space in One Cathedral Square. We have secured approval for our revised plans to remodel Senate House for students and for our planning application to extend the building to create a food hall and café.</p> <p>Digital: we implemented New Ways of Working, with all associated equipment, policies, systems and training, for 1,100 members of Professional Services staff. Enterprise Resource Planning is now fully deployed and operational. We finished the planning phase for student migration to Outlook and Microsoft 365. At the governance level, we completed our GDPR compliance work.</p>	<p>In a year when we launched our Sustainability Policy, we also reduced our carbon emissions by 20% and our clinical and hazardous waste by 15%. We diverted 90% of our waste from landfill and reused 22.25 tonnes of furniture. Our carbon and waste 'spend to save' initiatives led to bottom-line savings of £2 million per year. We achieved BREEAM Excellent standard for the new Queen's Engineering wing and retained our accreditation for environmental standard ISO14001 and carbon management standard ISO14064.</p>
<p>Our plans include moving to a new Human Resources model more appropriate to the University's current needs; and developing a new People Strategy and a Staff Engagement Strategy, supported by a staff-focused mental health and wellbeing strategy. We will introduce more training options for staff to support them in their roles and in their interactions with students.</p>	<p>We will continue to attract high-quality international students to Bristol and plan to increase the diversification of our international student community.</p>	<p>Physical: we intend to complete refurbishment of Senate House for use as a student hub. We aim to obtain planning consent for the Tyndall Avenue public realm project (Campus Heart), and we will submit our planning application for the new Library. While we seek full planning permission for Temple Quarter Enterprise Campus we will continue to build partnerships with communities and social and commercial enterprises.</p> <p>Digital: work on internal communications channels will intensify: with Microsoft 365 and its range of collaborative tools (such as OneDrive and SharePoint) now rolled out to staff, we will pilot Sharepoint sites to replace faculty intranets and continue development work on a staff intranet. We will also continue implementing the migration to our offsite data centre.</p>	<p>We will continue to develop our 'circular economy' campaign and, following a successful pilot of the Be the Change initiative, will launch this for staff. We hope to achieve BREEAM Excellent standard for the new Library and, over the next three years, we aim to reduce our carbon emissions to 50% of our baseline.</p>

1. Education and the student experience

Strategic Report

Our Strategy in action

In our Strategy, we pledge to provide an education that enables all our students to become the best that they can be, and to become leaders in their chosen fields. We have now laid the groundwork for fulfilling this, and we have also overhauled our support structures in line with the needs of our increasingly diverse student community.

Bristol Institute for Learning and Teaching

Following its launch in 2017, Bristol Institute for Learning and Teaching (BILT) has pursued the first of its themes – Assessment – by leading an initiative in partnership with Advance HE (formerly the Higher Education Academy). We held a series of workshops and seminars on programme-level assessments and related topics, and introduced Academic and Student Fellowships, along with funding opportunities for staff. Tansy Jessop, Professor of Research Informed Teaching at Southampton Solent University and Head of TESTA (Transforming the Experience of Students through Assessment), presented compelling evidence for the benefits of programme-level (as opposed to module-based) assessment practices, both for student motivation and for their learning outcomes. Professor Jessop continues to bring her expertise to bear on Bristol in her tenure as a BILT Visiting Professor for 2018/19.

We launched BILT's second theme, Rethinking Spaces, which explores the interplay between physical and digital infrastructure as fertile ground for developing new ways of teaching and learning. BILT continues to support pedagogic innovation and research into education at the University and will roll out a number of initiatives in 2018/19. These include a new BILT Associate Scheme which will appoint



▲ **Dr Chinyere Uche** (centre), Lecturer in Accounting, leads a tutorial with students in the School of Economics, Finance and Management.

nine Bristol academics to conduct their own studies of teaching and learning and undertake support activities at BILT; three peer learning communities (on engaged learning, teaching difficult topics and evaluating large-scale educational initiatives); and an expansion of our BILT Student Fellowship programme.

Bristol Futures

The Bristol Futures initiative provides our students with opportunities to develop their core academic and life skills. This year we launched a study skills service with resources co-created by students, academics and professional services staff; we held over 80 workshops, attended by more than 500 students; and we delivered two Open Online Courses (across three key themes: Global Citizenship, Innovation and Enterprise and Sustainable Futures) which attracted over 1,600 student enrolments.



David Jones

Music with Innovation student

Students at the Centre for Innovation and Entrepreneurship work across many different disciplines, so I've met people with all kinds of knowledge and experience. And I've got other skills besides music: I studied Physics A-level and can use knowledge of waves and acoustics in my work.

We curated an exhibition at M-Shed about music in Bristol, and our team included people from disciplines not traditionally considered creative – like a psychologist who pointed out what materials people were more likely to interact with. We pool ideas and knowledge, which is the most fun part of this course.

The biggest benefit of combining my main subject with Innovation is employability. It helps us learn 'soft skills' and makes it easy to build a network; open a conversation by saying you're studying innovation and people want to know more. I can also see the potential in opportunities beyond their face value; things that I would never have encountered as a standard music student. It's changed the way I look at the world.

Mental health, wellbeing and residential life

In October 2017, the Vice-Chancellor signed the Time to Change employer pledge to signify our ongoing commitment to looking after the mental health of our students and staff. To ensure that we deliver on this commitment, and to fulfil the ambitions that we set out in our Strategy, we have agreed an action plan that takes a University-wide approach to mental health and wellbeing, for our students and our staff.

The Vice-Chancellor's new Task Force on Mental Health and Wellbeing is working alongside a group consisting of regional and national experts in health and education to advise us on implementing our plans and monitoring our progress. We have established a new Student Wellbeing Service; and a team of Wellbeing Advisors, working jointly with academic colleagues, is now embedded in schools.

We conducted an extensive review and consultation around our students' residential experience, and after feedback we introduced a new Residential Life Model designed to provide more comprehensive support for our students ready for the 2018 intake. We have also strengthened the personal tutoring system by clarifying and formalising the role in a new personal tutoring policy, and we created the role of University Education Director for Personal Tutoring.

We are currently co-developing (with Bristol SU) a new Student Mental Health and Wellbeing Strategy, and we plan to implement a similar strategy for staff. Both strategies reference the eight strategic themes outlined by Universities UK in their best practice recommendations relating to mental health in higher education.

Celebrating excellence in teaching

Our annual Bristol Teaching Awards recognise members of staff who have made an outstanding contribution to teaching, to support for students and to education more generally. The awards are organised jointly by the University and Bristol SU, following nominations from staff and students.

From the 18 awards made, one winner is chosen to receive the overall Vice-Chancellor's Award for Education. At the 2018 ceremony, this was awarded to the MB21 team (Dr Sarah Allsop, Dr Joanna Howarth and Joe McAllister) for their development and delivery of a new first-year curriculum in Medicine.

The Centre for Innovation and Entrepreneurship

Our new Centre for Innovation and Entrepreneurship, based in the Richmond Building, supports students interested in developing their enterprise skills or starting their own business. The centre is a place to cultivate ideas right through to outcome, with a network of investors ready to support concepts that are ripe for investment.



▲ The award-winning MB21 team.

The centre is designed to encourage teamworking, project work and the sharing of ideas: along with teaching space it hosts many external partners and visitors who advise, and often become part of, the project teams. Services and activities (provided in collaboration with the Careers Service) include weekly workshops, one-to-one consultations and start-up support.

The centre's work was recently recognised at the National Enterprise Educators Awards (part of the International Entrepreneurship Educators Conference), where the team won the Higher Education Team Enterprise Award, given to 'teams delivering exceptional initiatives that support individuals in developing the mindset and capabilities for an entrepreneurial future'.

Our Strategy in action continued

Building capacity through strategic partnerships

We are continuing to develop new opportunities by building strategic partnerships – within the city, nationally and around the world. While competition for research funding remains fierce, our reputation as one of the world's leading research-intensive universities, combined with our open approach to collaboration and innovations in our way of working, is creating new and exciting opportunities for the future.

Developing our postgraduate research capability is a key strategic priority, and in the past year we have established new research-based international partnerships with leading global universities and government agencies including:

- China Scholarship Council – University of Bristol Joint PhD Scholarships programme: 40 scholarship students will register in October 2018 for 48-month research degrees across the University. The programme is expected to grow to 60 students in 2019;
- Bristol-Macquarie Cotutelle programme – 25 fully funded dual doctorates over the next five years;
- University of Cape Town Cotutelle PhD partnership to build health research capacity, with 10 students to be recruited in 2018/19.

These PhD partnerships have both short- and long-term benefits: they increase our PhD population in line with our strategic priorities; they help us to build a network of key global relationships that open up access to new funding sources; they reinforce the security and sustainability of our PhD recruitment; and they help to underpin our global reputation.

We have received £15 million from the West of England Local Enterprise Partnership and £21 million from industrial partners to establish the world's first open-access Quantum Technology Innovation Centre. The opportunities presented by quantum technology are virtually endless, with the potential to bring far-reaching benefits to society. The new Quantum Technology Innovation Centre will form a key part of the Temple Quarter Enterprise Campus, and we anticipate that in the next 10 years, it will lead to 9,000 new jobs and generate almost £300 million for the economy.

Diabetes: an entrepreneurial approach to medical innovation

The World Health Organization estimates that over 382 million people worldwide, including 4.05 million people in the UK, have diabetes. Everyone with Type 1 diabetes and some people with Type 2 diabetes need to take insulin, either by injection or using a pump, to control their blood glucose levels.

Researchers in the Davis Research Group in the School of Chemistry have been working on the problem for many years and in 2014 created a start-up company, Ziylo. Ziylo has developed an innovative technology platform which could be a key component in the next generation of insulin, since it can react and adapt to glucose levels in the blood, therefore eliminating the risk of hypoglycaemia (dangerously low blood sugar levels) and leading to better metabolic control for people living with the disease.

In August 2018, Ziylo was bought by global healthcare company Novo Nordisk in a deal which could be worth up to \$800 million. The deal could lead to the development of the world's first glucose-responsive insulin, transforming the treatment of diabetes and improving the lives of people around the world.



▲ **Dr Sara Correia Carreira**, one of the first cohort of Vice-Chancellor's Fellows, is leading a multidisciplinary project to develop bioengineered 'robotic skin'.



Professor Kate Robson Brown
Director, the Jean Golding
Institute (JGI)

My mission is to build communities of researchers working in data sciences. These groups are creating bridges between traditional faculty boundaries and taking that combined expertise and knowledge out to the wider world.

Looking out into the city, the JGI provides a shop window for research; we engage with public sector organisations and industry on a local, national and international stage.

It's been enormously enjoyable to build the team here and to help the University develop data science research at a time when it's never had a higher profile.

Our University Research Institutes have a multidisciplinary focus. That means we can be especially creative in the activities that we support and develop and the kinds of audiences we are able to reach.

The University's Smart Internet Lab is one of only three research groups chosen to work as a leading partner with the West of England Combined Authority and other businesses to deliver the world's first 5G urban trial.

Bristol has been awarded a share of a £16 million government initiative that aims to put Britain at the forefront of the next wave of mobile technology.

In March 2018, we built a 5G test-bed in Bristol's Millennium Square so that members of the public could experience the technology first-hand and understand how 5G can improve people's lives in the future. Working together with Watershed, the Layered Reality showcase gave more than 3,000 visitors the opportunity to encounter 5G in a spectacular and interactive way. The experiences included an augmented reality tour of a future Millennium Square, a virtual reality group dance, real-time avatar projects and an interactive light display using a water fountain.

▶ A member of the public uses a virtual reality headset at the 5G urban trial and Layered Reality showcase in Millennium Square.



Our Strategy in action continued

Our aim to have ‘a highly motivated and energised workforce’ is a prerequisite for achieving our ambitions. It also expresses our commitment to looking after the wellbeing of our staff and ensuring that they are recognised and rewarded for their work, and to providing clear and effective paths to progression and career development.

Staff wellbeing

With wellbeing and mental health becoming a major strand of our support for students, we have also increased our provision in this area for our staff. We are adopting a whole-institution approach to health and wellbeing in the workplace and are developing a Health and Wellbeing Strategy.

Having seen a rise in requests for staff counselling, we have increased our investment in our internal staff counselling team and now offer a range of tools for our staff to use in managing their own health. These include guidance on developing a Wellness Action Plan and access to an online resource, the Employee Assistance Programme, which offers online and telephone counselling as well as a range of resources to help our staff look after their wellbeing. We have also introduced training sessions for managers to better support staff; some of these are delivered by external mental health organisations such as MIND, with whom we have a growing relationship as we continue to develop our support for the wellbeing of everyone in our University community.

Career Framework for Technical Staff

The Career Framework for Technical Staff was introduced as part of a strategic approach to

current and future technical capacity and capability in support of teaching and research at Bristol. This was developed by a Working Group, which reviewed several areas of concern related to the employee lifecycle for technical staff, including succession/pipeline planning, single-point-of-failure issues, resilience planning and lack of clarity of potential career pathways. The framework gives greater definition to the different levels of technical work, helps staff manage their career and guides future workforce planning. It also introduces some consistent language when describing various technical roles.

Academic staff progression and promotion

A key component of our Strategy for staff was a review of the arrangements for academic promotion and progression. This review started in 2017, with leadership from Pro Vice-Chancellors Professor Nick Lieven and Professor Judith Squires. This yielded a series of recommendations, some of which were implemented in the 2017/18 promotion round; others will be introduced this academic year, with still others being considered for the 2019/20 cycle. The changes range from measures to improve the quality and consistency of applications and the effective operation of the process, to those seeking to align individual contribution and reward more closely to the University's strategic priorities and ensure that education and pedagogy are given suitable prominence.

Looking ahead

Work in the next year will include transitioning to a new Human Resources model to better meet the needs of the University in this phase of major growth; and developing a new People Strategy and a Staff Engagement Strategy.



Stacey Jordan

Security Officer

In 2018, I won ‘Security Officer of the Year for an Outstanding Act of Courage’ from the Association of University Chief Security Officers. I’d managed a serious student safety issue until the emergency services could arrive.

It’s all in a night’s work – you don’t ever expect that someone is going to mention it or nominate you. The job can be high-pressure but nothing really fazes or shocks me. I really want to do the best that I can and I care so much about helping our students.

Day-to-day we educate students to keep their possessions safe and lock their doors. We also take calls from the control room.

I’ve been at the University for six years and always wanted to work in security. As a child, my home life was quite chaotic and I always wanted to challenge those stereotypes, to show that you can’t judge people based on their background.

Diversity and inclusion

We have taken the opportunity presented by our University Strategy to enhance our approach to equality, diversity and inclusion (EDI). We are committed to recruiting, retaining and supporting a more diverse staff and student body year-on-year, and to building and deepening local relationships to help achieve lasting change.

Promoting gender equality

Our involvement with Advance HE's Athena SWAN Charter continues, with three of our schools achieving Silver Awards for their commitment to good practice in gender equality. The School of Mathematics and School of Biochemistry rose from Bronze to Silver; and the Bristol Medical School – created in August 2017 by merging the former Schools of Clinical Sciences and Social and Community Medicine and teaching staff from Medical Education – applied as a new department and was also awarded Silver.

Addressing race equality

Our Joint Task Force on Racism, formed in 2017 to tackle racism in all its forms and chaired by Pro Vice-Chancellor Professor Nishan Canagarajah, completed its work in 2018. Thanks to the contributions and advice of this task force – which included members of our BAME Staff Advisory Group, along with representatives from local groups SARI (Support Against Racist Incidents) and VOSCUR (which supports Bristol's voluntary and social enterprise sector) – a number of measures have been introduced, including cultural awareness training for staff, an online tool for students and staff to report incidents of harassment and discrimination, and the

appointment of a full-time EDI Officer with a specific brief for race equality.

Working with our LGBT+ communities

We continued and developed our support of the Bristol LGBT+ community this year by again supporting the Bristol Pride Festival. We also sponsored the Pride Dog Show for the first time, and joined with other local organisations, community groups and individuals to sign the Bristol Trans Support Pledge, to signify our commitment to trans equality.

Gender employment and pay

We published our statutory Gender Pay Gap Report in March 2018. The main findings were that our median gender pay gap (the gap between the middle-occurring male and female salaries) is 16.2% (favouring men), smaller than the Office of National Statistics UK-wide gap of 18.4%; and that women make up 55% of our workforce but comprise just 41% of the upper quartile of staff by salary.

Our employment structure is strongly segmented by occupation (in academic and professional services), career pathways, grade and working patterns. Our gender pay gap can be largely attributed to gendered distribution across our grading structure, in which a greater number of men occupy the higher-paid positions and a greater number of women occupy the lower-paid positions.

One of the key objectives we set in our Strategy was to eliminate the gender pay gap in the professoriate (+/-3%) by 2023. We established the Professorial Gender Pay Gap Working Group in May 2017 and commissioned Dr Alison Parken, a Senior Research Fellow at Cardiff University and a leading expert in this field, to undertake a gender employment and pay analysis. The report reveals no significant equal pay issues at Bristol; but

addressing this gender pay gap effectively will require us to tackle gender segmentation in our employment structure as a whole. We have already begun this with a range of changes in our recruitment, retention and progression activities and we will continue to focus on this area with colleagues.

Improving representation of Black, Asian and Minority Ethnic staff

The inaugural meeting of the BAME Staff Network took place in September 2017, with a principal focus on improving the way we develop and promote job opportunities to increase inclusivity and reach.

During the year, we supported a variety of events across the city to raise the visibility of the University as a local institution, particularly as an employer. These included Bristol's Islamic Cultural Fayre, the Iconic Black Bristolians art exhibition and St Pauls Carnival, of which we were a major sponsor.



Farhan Cheema

Equality, Diversity and Inclusion Officer (Race)

Diversity and inclusion is just the right thing to do. There's a lot of talent in this city and we need to be more reflective of that.

I share BAME recruitment data with divisional heads – how many applicants they have, how many are successful – to identify trends and then to develop action plans. We're building recruitment pipelines, so when opportunities come up we can invite people to apply, ask what support they need, and help them.

I'm confident that we can increase BAME recruitment. As well as attracting new and diverse talent, we have to adapt our culture, offer development and training and look after our people. I also offer consultancy on inclusive language and images, making sure we represent BAME staff.

Our students come from diverse backgrounds and our enterprise partners are from all around the world. New ideas from different people can only improve our workforce.

Our Strategy in action continued

The University's extensive international links continue to underpin the quality of our research programmes and the growth of global mobility opportunities for our students. These links are also emerging as a key enabler for our ambitions in international student recruitment. On the eve of Brexit, we are committed to building and expanding these relationships, both in Europe and further afield.

Building strategic connections around the world

The intensity of the University's international engagement continues apace: we are collaborating and partnering with leading institutions in a wider range of countries than ever before. Partnerships are critical in achieving our long-term ambitions, and the energy and enthusiasm for further developing our international profile is evident across all of our schools.

We have successfully intensified our focus on developing international short-term mobility opportunities for our students. In 2017/18, we introduced the following new programmes:

- GO China and Bristol Interns in China**
 GO China is a four-week study programme hosted by the Beijing Institute of Technology and offers a choice of Engineering or Culture and Language. It was attended by 41 undergraduate students. The programme includes daily Mandarin lessons and weekly visits to cultural sites such as the National Museum and the Great Wall. Bristol Interns in China enabled 12 students to complete an eight-week internship in Shenzhen; the

programme is targeted at students whose backgrounds would traditionally have prevented them from having access to international opportunities of this kind.

- International Leadership Programme**
 The University of Chicago hosted 48 Bristol undergraduates in an International Leadership Programme delivered by Common Purpose, an international development non-profit. The programme encouraged students to collaborate and explore a challenge: how smart cities can ensure they are inclusive. In addition to workshops, students met with leaders of local charities, international companies and social enterprises to get a range of perspectives on the challenge, before pitching their solution to a panel of local leaders.

These short-term international mobility programmes have been complemented by a new range of Global Opportunities Scholarships. We awarded a total of 80 scholarships of up to £500, including to students on international volunteering projects run by student-led groups such as AIESEC and BVDA.

International Forum

We hosted our first International Forum in May 2018 and were delighted to welcome the Indian High Commissioner, His Excellency Mr YK Sinha, who outlined a number of opportunities for developing stronger bilateral relations between India and the UK, particularly in the areas of higher education and research. To celebrate the event, staff and students were invited to try Indian food and drink at various venues across the campus.

Mr Sinha also joined a roundtable with Indian students from both our University and the University of the West England, to discuss the priorities of India's foreign policy under the Modi government.



▲ Bristol graduands celebrate at the 2018 China graduation event in Shanghai.

International spokes for the South West Nuclear Hub

In May the Bristol-based South West Nuclear Hub signed a strategic partnership agreement with the École Nationale Supérieure d'Arts et Métiers. This alliance allows for an international exchange of students and expertise to enhance the nuclear skills offering at both Bristol and Arts et Métiers, including our MSc programme in Nuclear Science and Engineering. Together with the recent framework agreement between our University and EDF Group and the partnership we formed with the Institut National de Physique de Grenoble in 2017, the new partnership agreement adds momentum to the South West Nuclear Hub's development as an internationally leading centre for teaching and research in nuclear science.



Olga Frolovs

International Market Development Manager

We promote the University of Bristol to students overseas and highlight the unique opportunities we can offer. We also support them throughout the application process.

I have two types of day: one in Bristol and one overseas. In the office, I meet with people across the University, making recruitment plans for faculties and schools and marketing plans for my regions.

Overseas, I visit international schools and give presentations about the University, the city and the UK. I visit agents, sponsors and potential partner universities to update them on any new programmes and facilities that we can offer their prospective students. I often attend education exhibitions where I meet students and parents. Those events involve a lot of talking, often for six hours a day...

Bristol is an international university: the number of international students coming to Bristol and our international partnerships are growing, which means that our international community and our profile overseas are constantly growing, too.

The University hosted over 150 exceptional scholars and future leaders from around the world at the fifth annual Chevening Conference in April.

The conference gave scholars from Bristol and other institutions across the UK the opportunity to demonstrate to their peers how their research inspires leadership and change in an increasingly connected world. The discussions and seminars covered topics including the gender pay gap in the Dominican Republic, cybersecurity in Kenya and how humour is driving social change in Nigeria.

“The quality and depth of ideas presented was truly inspiring; if these are the leaders of tomorrow, we can feel assured the future is in good hands.”

Professor Erik Lithander
Pro Vice-Chancellor (International)



▲ Attendees at the Chevening Conference.

Our Strategy in action continued

We are transforming our Clifton Campus through the Campus Heart programme and developing the new Temple Quarter Enterprise Campus.

Alongside these two major programmes (see pages 24 and 25) are several smaller but important projects. These include rolling out New Ways of Working to enable a more flexible approach to workspaces and working practices; staff have been provided with new laptops and the Microsoft Office 365 suite of tools to maximise flexibility. We have also acquired more space in the city through a lease on One Cathedral Square and the purchase of Augustine's Courtyard and 1-5 Whiteladies Road; and approximately 1,500 staff have moved to Augustine's Courtyard, 5 Tyndall Avenue, Great George Street, Beacon House and One Cathedral Square. The Executive Team has relocated to Beacon House to enable Senate House to be converted to a high-quality student hub, as outlined in our Campus Heart programme.

To support the growth of our faculties, we have:

- extended the Queen's Building by opening a new Engineering wing, with reception, study space and a café;
- finished refurbishing our new Whiteladies Road property to accommodate the growth of the School of Social and Community Medicine;
- started construction of the £13.2 million Humanities Centre on Woodland Road, due for completion in October 2019.

New systems, new tools

In April, we launched a new finance, payroll, procurement and people system, Enterprise Resource Planning (ERP), to provide a more centralised and efficient information system for these core activities across the University. The second phase of the deployment will continue in the coming year.

We have started the move to a unified suite of communication tools for students and staff, using a suite of Microsoft tools. We have brought all of this together in a new programme, Digital Bristol, which brings together interconnected digital projects and aims to provide staff and students with the tools to work, study and communicate efficiently and seamlessly wherever they choose. The programme includes: a University-wide upgrade from Windows 7 to Windows 10; the rollout of Microsoft Outlook, OneDrive, Office 365 and Skype for Business; the introduction of SharePoint organisational sites and groups; and development of a staff intranet.

Repair, resilience, residences

In January 2018, there was a fire during the construction of the Fry Building which damaged part of the wider estate. As a result, we have reset our delivery programme to carry out necessary reinstatement and remedial work to neighbouring assets, such as creating teaching spaces for the next two years.

Looking ahead, we are reviewing how we work and who we work with, to ensure we have the capacity and capability to deliver our plans. This includes looking at ways to attract the best staff with key technology skills which are in demand



▲ The new wing of the Queen's Building.

in Bristol's vibrant economy, as well as resilience planning for potential fluctuations in the labour market supply to the construction industry and increased costs of materials and equipment in the light of Brexit.

In 2018/19 we will continue to invest in the refurbishment of our student residences as part of our £60 million, 10-year capital programme, in addition to ongoing investment of £89 million over 10 years in the long-term maintenance of our facilities and infrastructure. The University has secured plots at the Bristol and Bath Science Park to enable further development, including the expansion of the National Composites Centre.

6. Sustainability

Sustainability is embedded in everything we do. As conscientious and proactive members of our community, and as a world-class institution with global reach, we recognise our impact on the environment and are committed to reducing it through a range of long-term measures.

Bristol and the circular economy

We aim to become a Circular Economy University by transforming how we think and act: considering waste as a resource and recognising its value, encouraging reuse of resources without recycling materials, promoting reduction of waste disposal and joining with procurement activities to ensure that assets are used to their fullest extent.

In 2017/18:

- We pledged to divest completely from all investments in fossil fuel companies within two years. Achieving this is likely to make Bristol the first Russell Group university to fully divest from investments in coal, oil and gas companies. This policy is part of our commitment to becoming carbon-neutral by 2030.
- We launched a Sustainability Policy that focuses on 14 key areas including buildings, travel, community engagement and ethical and sustainable food.
- We diverted over 90% of waste from landfill via recycling/composting and anaerobic digestion.
- We reused 22.25 tonnes of furniture, an increase of 83% which saved £200,000 in new furniture costs.
- A sustainability impact analysis, including whole-life costs, is now embedded into our tender processes to help manage our supply chain responsibly.

- All University IT equipment is now reused (safely, in line with data protection requirements) instead of being recycled.
- The Big Give campaign collected over 180 tonnes of reusable items from students across the city at the end of term – a huge increase from 2017 (78 tonnes). This will raise up to £350,000 for local and national charities, including the British Heart Foundation.

Towards smarter, greener laboratories

We are working closely with our lab technicians to minimise energy use and environmental impact. A key aim is to reduce clinical and hazardous waste through better procurement and laboratory management. We have upgraded labs to deal more effectively with hazardous waste – a process which has already resulted in a 15% decrease in tonnage compared to the previous year.

We are working closely with other Russell Group universities to launch a new Lab Assessment Framework. We are also cultivating links with the University of California, Irvine and the National Renewables Lab in Colorado to share knowledge about lab sustainability; and we have been collaborating with S-Lab (a government-funded initiative to improve lab design and management) to host their annual international conference.

Unibus up and running

We appointed First Bus to operate our Unibus service, starting with the U1 between the residences at Stoke Bishop and the city centre via our main campus. In 2017/18, the service made 690,000 passenger journeys and received a 92% overall customer satisfaction rating. 6,100 students downloaded the free Unibus U1 pass. The buses meet the most recent Euro VI emission standards.



Sam Bowen

Second-year student

I've always wanted to help people and the planet – this place is our home, and we need to look after it. Bristol Big Give is a great campaign that is beneficial for everyone involved and saves so much waste from landfill.

Sustainability is incredibly important to our University. Student life is very much on-the-go; we're constantly moving from one place to the next, and a lot of people don't notice the damage we can do. Disposable cups and food packaging all add up; encouraging students to recycle and think sustainably makes a big difference.

I'm currently on a year abroad in Sweden, a hugely environmentally conscious country, and am hoping to learn more about different methods of being sustainable to bring them back home and integrate them into the community around me.

A new heart for our Clifton campus

Strategic Report

Campus Heart

A cornerstone of our Strategy is a major project to transform the area around Tyndall Avenue and Woodland Road into an accessible, welcoming student-centred heart for our Clifton campus.

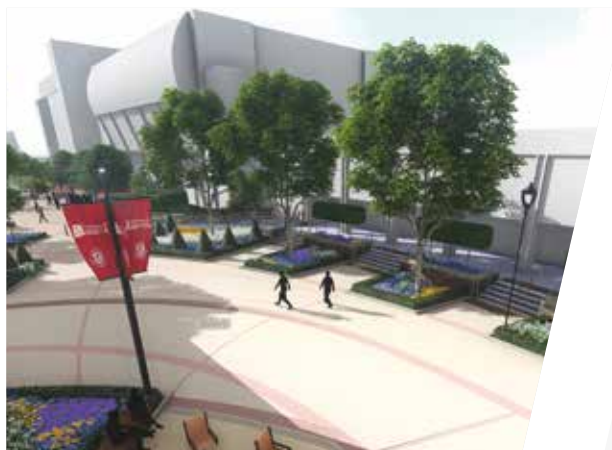
The remodelling programme is making good progress: in the past year we have completed the refurbishment of the Sports Centre floor by floor, ready for our students' return at the start of term. We have also increased the capacity of the gym by 30% to meet future demands.

In the coming year, initial works at Senate House will include building an extension (for which we have already secured planning permission) to create a food hall and café space for staff, students and the local community. During this time the study lounge dining room in Hawthorns will remain open to ensure continuity of services for students and staff. We have also improved disabled access to the refectory and created additional study spaces in response to student demand.

We anticipate receiving planning permission for the public realm aspects of the Campus Heart project, including the pedestrianisation of Tyndall Avenue, before the end of 2018. We have started work to prepare our collections for the new Library and we plan to progress to RIBA Stage 2 concept design consultations towards the end of 2018.

We have adapted our plans for the remodelling of Senate House to accommodate the need for additional teaching spaces, originally located in the Fry Building before it was damaged by fire. As a result, the Senate House refurbishment will now be carried out in two phases, with the second phase due by 2020/21. Some elements, including a hub for postgraduate research students, a single-stop information point and a Students' Union-owned 'living room' social space for students, will be completed earlier than originally planned.

All of this will bring us one step closer to our objective of creating an inclusive, accessible, vibrant and welcoming heart for our students.



▲ A visualisation of the pedestrianised Tyndall Avenue, part of the Campus Heart project.



Stanford

Union Affairs elected officer, Bristol SU

Campus Heart is going to change how it feels to be a Bristol student. We're creating a home, a place with study and teaching spaces but also somewhere to find information and advice, to exercise, eat and relax. Somewhere that students can hang out with friends.

My role at the SU is to effect change. Students have a lot of opinions; I use my networks to direct them into consultation and represent their interests.

Working on such an exciting project, picturing what Campus Heart will be like for students and being part of the process – that's a real privilege.

When I was a student, community meant societies; shared hobbies bringing people together. As an elected officer, community is still about that discovery of shared interest. My hope is that Campus Heart will allow more of that.

Temple Quarter Enterprise Campus

Our plans for a new, open and welcoming city-centre campus are taking shape, and we are working with local communities and business partners to ensure that this is a truly co-created programme that will build the industries of tomorrow and benefit the city and its residents.

We have moved to the next stage of development planning, following unanimous support in July 2018 from the City Council Planning Committee to grant outline planning permission for the Temple Quarter Enterprise Campus. Our design team is moving from concept to full design, and consultation on the next design stages is under way.

The new campus will make a major contribution to the intellectual and financial future of the University, building on our city's reputation as a leading digital tech cluster. We will work with industry, academia and governmental and third-sector groups to develop and explore societal and civic innovation, notably those involving digital technologies, processes and ideas. Our objective is to transform productivity and performance in the sector and to expand the skillsets of future graduates.

We have established three research themes as a key focus for the new campus: Digital Futures, Civic Futures and Quantum Technology. These will deliver cross-disciplinary programmes that address societal and industrial challenges.

We have secured funding for the world's first open-access Quantum Technologies Innovation Centre, and we have acquired space to house pilot phases of Temple Quarter Campus activity while the new site is being built. In the coming

year, we will begin to identify the primary academic units that will occupy Temple Quarter Enterprise Campus. This is likely to include a new School of Management, which will look at societal innovation, including the future of work.

Our plans for the new campus have been widely recognised as a catalyst for further investment and growth in the city. We are continuing to work closely with the Mayor of Bristol, the West of England Mayor, Homes England and Network Rail to identify how we can build further on the potential of Bristol's Temple Quarter Enterprise Zone, both for us as a University and for the city and region as a whole.

Working with local communities

As part of a wide range of initiatives to build partnerships in education, research and innovation, we are working in partnership with ACH (formerly Ashley Community Housing), Barton Hill Settlement, Engine Shed and the West of England Combined Authority to co-fund a pilot project supporting entrepreneurs and business owners, initially in the newly arrived communities in Bristol and the community around Barton Hill.

The pilot will appoint an Entrepreneurial Facilitator, employed by ACH and trained by ACH, Barton Hill Settlement, Engine Shed and SETsquared Bristol, with the aim of strengthening businesses in the region. The pilot will connect Engine Shed's expertise, reputation and business connections to the communities where ACH and Barton Hill Settlement have already developed strong and trusted relationships with residents to support a more inclusive business environment for local companies and entrepreneurs.

This is the first in a number of projects we are supporting as part of our ongoing commitment to engaging with local communities as we develop the new campus.

The site size is
7 acres

Teaching, research and innovation space for

800
staff, plus

3,000
students

Student accommodation on site for

1,200

▶ A visualisation of part of the Temple Quarter Enterprise Campus.



Living and working with our wider community

Strategic Report

Our community contribution

We are proud of our role as a civic university, and we continue to develop and enrich our relationship with the city-region through a growing network of partnerships and programmes involving our students, our staff and our local communities.

Long before the term ‘public engagement’ became current, we began our active commitment to connecting with local people, whether through adult education, raising and giving (RAG) activities, public lectures and other open events, or volunteering by students and staff. We encourage our students to explore a range of opportunities outside their studies, both to benefit people in their city and to add a new dimension to their own personal development.

These opportunities are growing, thanks to new relationships we have developed in the past year with local organisations including Destination Bristol, Bristol Junior Chambers and VOSCUR (an agency supporting Bristol’s voluntary, community and social enterprise sector). We have co-produced a range of projects with these groups to increase student engagement, and they will be piloted in the coming year.

Staff volunteering

The University has a Public Duties and Volunteering Policy which grants each member of staff one day’s paid leave per year to undertake volunteering. Opportunities include assisting with reading in schools, helping with local community projects such as community gardening and landscaping, and supporting the elderly and people with disabilities by dog-walking and other activities.

Local, natural and green

To help maintain the momentum created during Bristol’s tenure as European Green Capital in 2015, we funded a new role – Liaison Officer – seconded to the Bristol Green Capital Partnership. The Liaison Officer manages Skills Bridge, a collaborative project between the University of Bristol and UWE Bristol that connects community organisations with students to solve local and global challenges. More than 100 students so far have participated in projects related to environmental sustainability in the city.

We also helped take Bristol’s story to the EU Green Week conference in Brussels in May 2018, where speakers including Professor Rich Pancost, Director of the Cabot Institute, shared insights and experiences from the city-wide campaign to make Bristol a carbon-neutral city by 2050.

Celebrating a diverse city

Bristol has long been home to multiple ethnicities, and addressing the sometimes troubled history of its ethnic populations is a city-wide project that continues to grow. We joined the celebrations marking Black History Month in October 2017, including an event for local schools hosted by the University and co-ordinated by the BAME Staff Advisory Group. We also supported and hosted the Iconic Black Bristolians exhibition, in honour of the Bristol West Indian Parents and Friends Association at Beacon House in June 2018.

▶ A Chinese lion dance during the University-sponsored Lunar New Year celebrations at the Bristol Museum and Art Gallery in February 2018.



One of our Equality, Diversity and Inclusion Officers, Farhan Cheema, co-ordinated the University's involvement in the city's Islamic Cultural Fayre, including stands on working at Bristol and encouraging local small businesses to become suppliers to the University.

The University was one of the major sponsors of the 2018 St Pauls Carnival (marking its 50th anniversary), which celebrates the lives and the evolving stories of Bristol's African Caribbean communities. Our support included headline sponsorship of two stages and funding the stalls of five local groups and young enterprises. University staff also helped out at Tenaya's Cake Stall, supporting their ambition to be registered as a food trader for 2019.

Feed the Homeless

Among the many volunteer groups run by Bristol students is Feed the Homeless: University of Bristol, established to provide a further channel of support for the Feed the Homeless charity, which distributes food and supplies to the homeless and less fortunate. The students organise walks and kitchen sessions as well as carry out creative ways to raise awareness around some of the causes, issues and stigmas surrounding the problem of homelessness. In the past year, the group made a total of 150 hot meals and 600 sandwich packs and took part in over 300 walks with over 135 volunteers.

Investigating water pollution in the River Malago

Our huge output of research is as wide-ranging as it is high-quality, and many projects help to improve the quality of life – human, animal and environmental – in the local area. For example, a team of students from Geographical Sciences investigated variations in water quality along the River Malago in Bishopsworth to determine the biological impact of the river's dam on microplastics and pollution. The group collected GPS data to map the river course and used water quality samples from 40 sites along the river to record nutrient, chlorophyll and microplastic data. They found some microplastic build-up before dams and weirs along the river, and an increase in nitrate concentrations downstream through nitrification, which suggests there may be impacts on the ecology of the river. Overall, the river was found to be relatively healthy according to DEFRA and Environment Agency data, but the Bristol project made some recommendations to protect its health in the future. The Malago Valley Conservation Group will use the findings to plan conservation work with its volunteers.

“It's great to see the University of Bristol getting more involved in this event. Building visible relationships with the St Pauls Carnival like this is vital to encourage homegrown black young people to view the University of Bristol as a place to aspire to go.”

Marti Burgess
St Pauls Carnival CIC

▶ A carnival float among the crowds at St Pauls Carnival.



Public benefit statement

The overall aim of the University is the promotion of arts, sciences and learning.*

The University of Bristol is an exempt charity under the terms of the Charities Act 2011. The Trustees of the charity are the members of the Board of Trustees, the governing body of the University (see page 39). In setting and reviewing the University's objectives and activities, the Board of Trustees were mindful of the Charity Commission's guidance on public benefit, particularly its public benefit guidance on reporting and on the advancement of education.

Aims and objectives

The overall aim of the University is that set out in the 1909 Charter, namely 'the promotion of Arts, Sciences and Learning'. The University mission also expresses our commitment to public benefit, stating that we will 'pursue and share knowledge and understanding, both for their own sake and to help individuals and society fulfil their potential'. This is expanded further in our Strategy, which includes the following key areas of activity that lead to public benefit:

Education and the student experience

The University has many current initiatives – many of which we set out in our Strategy (pages 12-13) – designed to support and enhance the education and experience of our students. To give one example, our Bristol Scholars programme, launched at the beginning of the 2016/17 academic year, takes a radical new approach to widening access to universities.

Bristol Scholars aims to capture the talent that we know exists in our locality and demonstrates our commitment to Bristol's schools and colleges. The programme provides alternative entry routes into our programmes to those who would otherwise be excluded due to our very high entry requirements. We had very positive engagement with schools in the programme's first year, when we recruited a strong cohort of 42 Bristol Scholars from schools across the city; in its second, we are welcoming 33 more. We have also developed and introduced a new two-grade contextual offer for high-potential students from aspiring state schools.

Dan Clark, Progression Co-ordinator at City of Bristol College, said: 'Having been involved with the Bristol Scholars scheme for two years now, I have witnessed first-hand the life-changing impact it can have on students who have suffered setbacks in their education. These students, prior to nomination, had accepted that they would struggle to achieve their dream paths. Now they are studying Medicine and Dentistry at a top UK university. This would be an enormous challenge for them without the care, support and resources provided by the University of Bristol. I hope to continue to send more disadvantaged students to Bristol through this programme.'

Lucy Kirkbright, Assistant Principal and Director of Sixth Form at St Bede's Catholic College, said: 'I cannot speak highly enough of the Bristol Scholars programme and the positive impact it has had on our students. Many of our sixth-formers come from challenging home situations and have suffered some form of disadvantage during their education; the Bristol Scholars scheme recognises this and helps to provide equity for these students.'

With an achievable offer and a positive support system for the transition from post-16 study to university education, our students have flourished; their expectations of themselves have risen, as have their self-worth and self-belief. There is no doubt that our students have the intelligence and ability to succeed at a university such as Bristol, and the Bristol Scholars scheme ensures that they have the opportunity to do this.'

Research and enterprise

In 2017/18, we continued our world-leading research and, through our seven new Strategic Research Institutes and four University Research Institutes, pursued new approaches to a range of topics, many of which result, directly or indirectly, in public benefit. These institutes brought many projects to the public arena through showcases, talks, interactive sessions and other events.

For example, the Brigstow Institute brings researchers from different disciplines together with a range of partners across the city and beyond to experiment in new ways of living and being. The Brigstow funds a number of projects and experimental partnerships every year; in 2018 these included 'Co-creating a Citizens Advice Service within a District General Hospital', 'Bots and Interactive AI: Modern Inclusive Classrooms of Tomorrow', 'The Power of Waste: Application of Microbial Fuel Cell Technology in Livestock Agriculture' and Men in Pubs: Pubs as Social Spaces in the Life-stories of Older Men'.

Along with the institutes, many Bristol academics visit local schools to give talks on their research; and the Bristol Doctoral College showcases the work of some 100 postgraduate researchers at its annual Research without Borders festival, which this year was held in Colston Hall.

* Royal Charter of Incorporation 1909

Our staff and students

Bristol Students' Union (SU) aims to ensure that all students can make the most of their time at Bristol. Led by students, it is central to the University experience and works to support all aspects of student life.

- The SU represents students' views to the University through a network of student representatives, campaigning on behalf of students on a range of issues at both a local and national level.
- It supports and advises individual students experiencing academic challenges and encourages students' personal and community development by supporting over 300 sports clubs and societies (covering everything from international relations to Pokémon).
- It also provides volunteering, fundraising, health, fitness and sustainability activity programmes.
- The SU is a welcoming social hub for students with a diverse events programme including theatre, live music, lectures, and food and drink.
- The SU provides quality services that make a real difference to the lives of students, such as a 'fees-free' lettings agency, an advice service and a low-cost bicycle hire scheme.

Bristol SU is currently working towards its ambitious strategic vision 2015–2020 of 'Developing pride in the Union'. Some of its key achievements in the year to July 2018 include:

- Chief Executive Sam Budd winning the Simpson King Staff Achievement Award at the NUS Awards;
- receiving Quality SU accreditation and being shortlisted in the Excellence in the Third Sector 2-499 category at the Investors in People Awards 2018;
- achieving a 40% turnout of students voting in an SU election, one of the highest in the country;

- rising 27 places on this year's Times Higher Education Student Satisfaction survey, making Bristol SU the second fastest improving students' union in the country;
- the launch of 13 new representative student networks;
- over 12,000 students attending the 2017/18 Welcome Fair.

The engaged University

We are committed to sharing our research, encouraging collaboration and ensuring that the work we do is informed by the values and aspirations of society. The following is just one example among many.

The University's Elizabeth Blackwell Institute (EBI) is one of five UK bodies to host an Ambassador for Fun Palaces, a growing movement that places community at the heart of culture. The Bristol Ambassador, EBI Public Engagement Officer Ellie Shipman, connects and supports University researchers, local residents and community partners, who develop and host their own health-inspired arts and science events during the annual Fun Palaces weekend in October. The 2017 events, held across the city from Knowle West to Avonmouth, included taking over train carriages with portraits for mental wellbeing, playing games to discover health facts and hearing from Bristol researchers and many craft, making and cooking activities. Fun Palaces 2017 received outstanding feedback from participants.

Pages 26 and 27 outline our interactions with the wider community and page 23 describes our commitment to environmental sustainability.

▶ Visitors at the Bristol Doctoral College's Research without Borders festival at Colston Hall.



Our balanced approach to risk management

Principal risks and uncertainties

Risk	H Political change with funding and policy	H Pension liabilities and servicing costs at levels where they have material impact on the University's financial performance and prospects	M Failure to deliver a high-quality student experience that ensures our graduates are well-equipped for employment or further study	M Failure to have/deliver fit-for-purpose systems and processes	M Inability to recruit and/or engage key staff
Current positions	<ul style="list-style-type: none"> Tuition fee freeze at £9,250 announced in October 2017 pending a full government review of the student fee and funding system. 'Fit for the Future' plan agreed to mitigate the expected impact. Uncertainties over implications of Brexit include potential risk to research funding, staff and student recruitment and retention and increased costs in relation to the capital programme. Research England has increased investment in Higher Education Institutions in England by £70 million to deliver on the Government's industrial strategy. 	<ul style="list-style-type: none"> USS began consultation in September 2018 with employers and members in relation to contribution rises for both from April 2019. Proposed employer increases are from 18% to 19.5% in April 2019 then to 22% in October 2019 and 24.9% from April 2020. The rises up to April 2020 are in line with what we have budgeted. Joint Expert Panel (JEP) reported its views of the 2017 USS valuation in September 2018. Further negotiations between UUK (for employers) and UCU (for staff members) are expected and it is possible that an alternative view will be taken on the future cost of USS that keeps contributions at lower levels than USS currently propose. Risk of further industrial action if UUK and UCU are unable to reach agreement as to the future contribution rates and benefit structure for USS following the JEP report. Continued negative interest rates, in real terms, are having material impact on liability exposure and implications for future service cost. Our own UBPAS final salary pension scheme will close to future accrual from December 2019. 	<ul style="list-style-type: none"> We implemented new student support services in residences and schools (Residential Life and Wellbeing Service). The Vice-Chancellor established a Mental Health and Wellbeing Task Force to oversee the development of a whole-institution approach to mental health and wellbeing for staff and students. We successfully developed Bristol Futures activities; in the next phase we will focus on assessment and pedagogy. Our new Centre for Innovation and Entrepreneurship won the Higher Education Team Enterprise Award at the National Enterprise Educators Awards. 	<ul style="list-style-type: none"> The Enterprise Research Planning (ERP) system is live. A business case has been produced for further development. A 2017 Deloitte review highlighted a number of development areas for the Student Lifecycle Support Programme (SLSP). Accordingly, SLSP has been restructured. Deloitte's follow-up report is positive about these changes. Transition to Digital Bristol programme fully under way to provide staff and students with the tools to work, study and communicate efficiently and seamlessly wherever they choose. 	<ul style="list-style-type: none"> Current industrial relations climate relating to pension may impact on ability to retain and engage key staff. Development of Staff Engagement Strategy under way, incorporating results of the staff survey. Brexit may make the UK a less attractive place to research, work and study. New Integrated Planning Process encourages longer-term and more strategic workforce planning.
Governance and oversight	<ul style="list-style-type: none"> University Management Team (UMT) Regular updates to Finance Committee and Board of Trustees 	<ul style="list-style-type: none"> Regular briefings and updates to Finance and Audit Committees and Board of Trustees Pensions sub-Committee of the Board 	<ul style="list-style-type: none"> Education Committee Academic Portfolio Board Vice-Chancellor's Mental Health and Wellbeing Task force Student Wellbeing Service and Residential Life Model Project Board Student Experience Committee 	<ul style="list-style-type: none"> Regular updates to Finance, Audit IT and Board of Trustees Programme Steering Boards reporting to Ways of Working Portfolio Board, which in turn reports to UMT 	<ul style="list-style-type: none"> Reports to HR Committee and Remuneration Committee UMT Joint Consultation and Negotiation Committee (JCNC)
Link to strategy	1 2 4 5	1 2 3	1	5	3

Strategy key

1 Education

2 Research

3 People

4 International

5 Infrastructure

6 Sustainability

<p>M Failure to meet student fee income targets</p>	<p>M Failure to secure and manage major research and innovation initiatives/ partnerships</p>	<p>M Failure to manage/ deliver long term financial sustainability</p>	<p>M Failure to manage, prioritise and deliver the Capital Programme effectively</p>	<p>M Inability to maintain business continuity in the event of serious incidents or disasters</p>	<p>M Failure to maintain research excellence and volume</p>
<ul style="list-style-type: none"> At the end of the Confirmation and Clearing process in August 2018 the University looked likely to meet its home undergraduate student targets at the University level. Projections for the 2018/19 postgraduate taught intake continue to look positive for both home and overseas. A wide range of initiatives are in place to bolster the University's student recruitment, including increasing our international student body. 	<ul style="list-style-type: none"> Brexit may alter partnership environment, notably around access to the EU's Horizon 2020 programme. Feedback in the Department for Business, Energy and Industrial Strategy's regional Science and Innovation Audit positive to University's interests. Quantum Technologies Innovation Centre proposal funded by West of England local enterprise partnership (£15 million plus £21 million match). 	<ul style="list-style-type: none"> Potentially adverse changes to the financial profile through the outcome of the government's fees and funding review expected by the end of 2018 and uncertainty over the future costs of the USS pension scheme. Board has approved a Financial Framework setting out financial planning parameters to ensure future sustainability. New Integrated Planning Process to integrate budget-setting process with related planning processes that will incorporate the budgeted plans for financial improvements. Fit for the Future programme of organisational improvements to maintain our financial headroom against the risk of fee reductions and rising costs. 	<ul style="list-style-type: none"> Experienced and well resourced Estates division supported by external consultants. Fry Building fire is diverting Estates resources away from other projects. Alternative space has been sourced. Brexit may impact on cost of future capital works (soft construction market, exchange rate-led inflation of some costs). Space Strategy developed to encompass all types of space, which will improve optimisation of current space. 	<ul style="list-style-type: none"> Off-site data centre operational. External consultant appointed to develop new framework, templates and communications plans and make recommendations regarding resourcing of incident and crisis management. Prioritisation of projects alongside strategic performance indicators have been identified to mitigate risks around the delivery of significant change programmes in process. 	<ul style="list-style-type: none"> Brexit: current grant levels from European Commission 11.3% at risk in the medium term after an EU exit (although government will underwrite existing grants in the event of a 'no deal' Brexit). Total research income from EU sources in 2017/18 was £19 million. Research income grew by 5% in the past year. Additional research monies announced in the government's Autumn Statement provide opportunity for leveraging external funding. UKRI has launched new strategic research opportunities.
<ul style="list-style-type: none"> A new Integrated Planning Process for each faculty and for relevant divisions is in place Student Recruitment Committee Regular updates to Finance Committee and Board of Trustees 	<ul style="list-style-type: none"> Strategic Alliance Review Board (SARB) Research Committee UMT Finance Committee Board of Trustees 	<ul style="list-style-type: none"> Regular reports to Finance and Audit Committees and Board of Trustees University Planning Group (reporting to UMT as Strategy delivery oversight body) Ways of Working Portfolio Board 	<ul style="list-style-type: none"> Capital Portfolio Board, Campus Heart Programme Board, Temple Quarter Programme Board Estates and Finance Committees with regular updates to Board of Trustees UMT 	<ul style="list-style-type: none"> Reports to IT Committee Briefings to Board of Trustees and Audit Committee Regular reports to UMT 	<ul style="list-style-type: none"> Research Committee Finance Committee – order book/financial impacts UMT
<p>1 4</p>	<p>2</p>	<p>1 2 3 5 6</p>	<p>5</p>	<p>3 5</p>	<p>2</p>

Financial review

The University's financial position continues to be an area of strength: in 2017/18 we delivered another positive financial performance.

The surplus for the year before other gains and losses was £6.9 million (2017: £47.2 million). The surplus in 2017/18 is lower than in recent years owing to an increase in investment in our staff and in the University Strategy, and to current losses relating to the delayed completion of the Fry Building following the fire. The 2016/17 result was enhanced by the closure of the UBPAS pension scheme to future accrual beyond December 2019. Included in this year's surplus is £22.4 million of income relating to capital grants; these are cash-neutral and used to fund specific expenditure or fixed asset purchases.

Total income for the year was £657.9 million (2017: £608.0 million), with research income growing by 5.4% to £168.6 million. Total expenditure for the year was £651.0 million with staff costs representing 51% of the total expenditure.

We continue to benefit from a planned growth in student numbers. Income from student fees is 10% higher compared to last year, driven by increases in both undergraduate and postgraduate taught (PGT) students. Overall student numbers have grown by 6%, which includes a 27% increase in international PGT students. Recruitment of international students is very competitive and remains a key part of our growth strategy.

Our two major subsidiary companies – NCC Operations Limited (NCCOL) and Langford Veterinary Services Limited – enjoyed profitable years and contributed to the University's overall performance. Capital grants were higher than anticipated, largely due to the expansion of activity at the National Composites Centre.

Overall salary costs have increased by 12%. We have made a significant investment in professional services so that we can provide additional resources in areas including student support and international recruitment. We have also invested to support growth in academic activity, most notably in the Faculties of Engineering and Arts and the School of Economics, Finance and Management.

We have maintained financial stability by carefully managing our assets, with £292.2 million (excluding endowment investments) held as cash investment and net assets valued at £951.3 million. We also have access to a £75 million revolving credit facility should the need arise.

Capital

Capital investment in the year was £112.3 million (2017: £107.3 million). We have a large capital programme which includes the development and refurbishment of our estates portfolio, for example:

- Campus Heart;
- the new Library;
- refurbishment of the Fry Building, the new home of the School of Mathematics;
- Temple Quarter Enterprise Campus;
- a new Humanities Centre for the Faculty of Arts and Humanities;
- acquisition of property (1-5 Whiteladies Road) for the use of the School of Social and Community Medicine;
- continued investment in refurbishing the student residences;
- long-term maintenance of our facilities and infrastructure.

We have made some adjustments to accommodate additional refurbishment costs and remedial work anticipated owing to the fire at the Fry Building. Based on current best estimates, we have written down the value of this asset by £9.4 million (net of fire insurance payments expected (see notes 4 and 11 to the Financial Statements)).

Management of the capital programme and investments is a key part of our strategy and we currently hold a robust position with our strong balance sheet and reserves. Our intention is to double the size of our tangible assets in the next 10 years through £900 million of investments in the estate, IT infrastructure and research facilities.

Pensions

The University continues to operate a number of pension schemes:

- National Health Service Pension Scheme (NHSPS);
- University of Bristol Group Pension Plan (UBGPP);
- University of Bristol Pension and Assurance Scheme (UBPAS);
- Universities Superannuation Scheme (USS).

We have reviewed and adjusted the default lifestyle investment strategy for our defined contribution scheme (UBGPP) following member consultation so that the default better meets the current needs and preferred retirement options of members.

Following the 2015 UBPAS actuarial valuation, the University consulted with affected staff and agreed that UBPAS will remain open to future defined benefit accrual until the end of December 2019. From 1 January 2020, future benefits for relevant staff will be provided on a defined contribution basis through UBGPP; from now until the end of December 2019, a revised set of employee contribution/benefit accrual rates will apply. From January 2020 onwards, the then current active members of UBPAS will receive future benefits via UBGPP, albeit with enhanced contributions compared with the standard UBGPP contribution.

The USS annual valuation from 2017 has not been accepted by the higher education sector; consequently a Joint Expert Panel (JEP) was appointed to review the valuation's methodology and assumptions in order to agree a future joint approach through further consultation.

The JEP reported in September 2018 and its recommendations, if fully implemented, could mean total required contributions of 29.2% to fund current benefits compared to the current rate of 26% and the rate of 36.6% proposed by USS from April 2020, based on the current 2017 valuation. In the meantime, the Trustee must demonstrate to the Pensions Regulator that USS has sufficient funds to pay the pensions promised, that it has a deficit recovery plan to achieve this and that it is continuing to make progress towards completing the revaluation. It must also take action to address the scheme's funding position, which will include the operation of the cost-sharing rules, to satisfy its regulatory and legal obligations. Under these rules, the increase in cost will be shared through a 35% contribution from employees and a 65% contribution from the University. From April 2019, the USS cost for the University will rise by £2.9 million.

Future financial strategy

To support our future financial strategy, we have introduced a 'Fit for the Future' programme which aims to safeguard our current position and ensure that investment is focused on high-value outputs to increase efficiency. Key focus areas are:

- consolidation and improved use of space;
- supporting our research endeavour to achieve high-quality outputs;
- increasing the relative size of high-margin faculties, such as Social Sciences and Law;
- increasing student intake levels in areas where there is demonstrable demand;
- developing process reviews and operating models to enhance efficiency in our support services.

Surplus before other gains and losses

£6.9m

(2017: £47.2m)


Total income

£657.9m

(2017: £608.0m)

Income growth

8%

 An undergraduate student in the Bristol Medical School.



Governance

The Executive Team

The Executive Team is responsible for the overall management of the University and day-to-day decision making. They are supported by the Deans who lead each faculty and its integration within the overall University plan.



Find out more about our Executive Team visit www.bristol.ac.uk/university/governance



1 Professor Hugh Brady
Vice-Chancellor and President

Hugh Brady was Professor of Medicine and Healthcare Strategy and President Emeritus at University College Dublin. He took up the post of Vice-Chancellor and President of the University of Bristol on 1 September 2015. Professor Brady trained in general medicine and was awarded PhD and MD degrees for research in renal physiology and molecular medicine. His academic career has included positions at Harvard and the University of Toronto, and he is an international authority on the pathogenesis of diabetic kidney disease. He is a Non-Executive Director of the Kerry Group plc and ICON plc. He was awarded an Honorary Doctorate of Science from Queen's University Belfast, an Honorary Fellowship from the Royal College of Anaesthetists in Ireland and the Robert Menzies Medal from the University of Melbourne.

Special responsibilities

- Academic leader and Chief Executive of the University
- Chair of Senate
- The University's principal representative in all its external relations

2 Professor Guy Orpen
Deputy Vice-Chancellor and Provost

Guy Orpen was born in the West Indies, educated in England and obtained his BSc and PhD at the universities of Cape Town and Cambridge. He joined the University in 1979 and became Professor of Structural Chemistry in 1994. He serves on, and is a past chair of, the Board of the GW4 research alliance with Bath, Exeter and Cardiff universities. He is a member of the National Environment Research Council and is a Non-Executive Director of the University Hospitals Bristol NHS Foundation Trust. He has chaired the UK National Composites Centre and the Board of Trustees of the Cambridge Crystallographic Data Centre.

Special responsibilities

- Chief academic officer of the University, responsible for leading academic strategy and realising the academic ambition of the University

3 Ms Robin Geller

Registrar and Chief Operating Officer*

Robin Geller joined the University of Bristol as Registrar and Chief Operating Officer in June 2012 with responsibility for all professional, administrative and support services other than Finance. Her previous employment in higher education was at the University of Roehampton, and at McGill University in Canada. She holds a BSc in Civil Engineering from Queen's University, Canada and an LLB in Common Law from the University of Ottawa. Prior to her roles in higher education, Ms Geller worked as a lawyer in a number of capacities, including as an advisor on gender equality in the legal profession.

* Ms Geller stepped down from her roles in September 2018.

Special responsibilities

- Head of the University's Professional Services, other than Finance Services, with responsibility for the overall direction and co-ordination of Professional Services activities
- As a member of the University's Executive Team, participates in the formulation of the University's key strategies, and overall aims and objectives
- Leads on some of the University's strategic projects and activities

4 Ms Lynn Robinson

Deputy Registrar (Academic Services)

Lynn Robinson was educated at the universities of Sheffield and Warwick obtaining, respectively, a Psychology degree in 1990 and a masters in Industrial Relations in 1991. She was based in the Midlands for 12 years while working at Warwick and Birmingham, and moved to Bristol in 2002. She has been Deputy Registrar since February 2010, with responsibility for student-facing and education-related services. She was previously Academic Registrar at the University for seven years, leading the teams responsible for all aspects of student recruitment, student administration and Senate and its Committees.

Special responsibilities

- Academic Registry
- Library Services
- Residential and Hospitality Services
- Sport, Exercise and Health
- Student Services and Employability

5 Mr Robert Kerse

Chief Financial Officer[†]

Robert Kerse joined the University as Chief Financial Officer from the social housing sector where he has held executive-level roles in both Bristol and London over the last 13 years. He started his career training as a chartered accountant at PricewaterhouseCoopers in Bristol, after being educated at the University of Cambridge. His previous role was as Executive Director (Resources) at Circle Housing, one of England's largest housing groups with over 300,000 customers, 70,000 properties and a combined market value in excess of £11 billion. He is a member of the Board of the young person's homeless charity, Centrepoint.

[†] Mr Kerse also became Chief Operating Officer from 1 August 2018.

Special responsibilities

- Overall responsibility for the management and reporting of the University's finances

6 Professor Judith Squires

Pro Vice-Chancellor (Education)

Judith Squires obtained her first degree in Politics from the University of Edinburgh and then completed an Economic and Social Research Council (ESRC) funded PhD from the University of London in Political Theory. She took up the post of Pro Vice-Chancellor for Education and Students in August 2013. She is currently a Council member of the ESRC and Chair of the ESRC Capability Committee. She is also Chair of the Bristol Cultural Development Partnership Board and a member of Bristol's Festival of Ideas Advisory Board. She is a founding member of the Bristol Learning City Partnership Board and a member of Bristol Green Capital Partnership. She is a Fellow of the Academy of Social Sciences and the RSA.

Special responsibilities

- Education and the student experience
- Faculty of Engineering
- Faculty of Arts

7 Professor Nishan Canagarajah

Pro Vice-Chancellor (Research and Enterprise)

Nishan Canagarajah was born and educated in Sri Lanka and then received his BA (Hons) and PhD degrees from the University of Cambridge, in 1989 and 1993 respectively. He joined the University of Bristol in 1993 and became a Professor of Multimedia Signal Processing in 2004. He took up the post of Pro Vice-Chancellor for Research and Enterprise in August 2014 where he has overall responsibility for all research and enterprise activities. His research contributions in image segmentation and texture classification are internationally recognised and his research on audio signal processing led to an interactive exhibit, Virtual Drum, at the London Science Museum.

Special responsibilities

- Research and Enterprise
- Faculty of Social Sciences and Law
- Faculty of Health Sciences

8 Professor John Iredale

Pro Vice-Chancellor (Health)

John Iredale graduated from the University of Southampton with honours and Clinical Distinction in 1985 and was awarded a DM in 1995. He was made a Fellow of the Royal College of Physicians of London in 1999 and the Royal College of Physicians of Edinburgh in 2007. He was made a Fellow of the Academy of Medical Sciences in 2003 and Fellow of the Royal Society of Edinburgh in 2011. His areas of leadership and responsibility are for the research, teaching and management strategy for the Schools of Medicine, Veterinary Medicine, Dentistry and Biomedical Sciences across the relevant faculties at the University. He holds Honorary Consultant contracts with the North Bristol NHS Trust and the University Hospitals Bristol NHS Foundation Trust.

Special responsibilities

- Health
- Faculty of Biomedical Sciences
- Faculty of Health Sciences

9 Dr Erik Lithander

Pro Vice-Chancellor (International and Student Recruitment)

Originally from Sweden, Erik Lithander holds a Candidature in Political Science from Université Libre de Bruxelles in Belgium, a BSc (Econ) from the London School of Economics and an MPhil and PhD from the University of Cambridge, where his research focus was on contemporary Latin American literature. He is an alumnus of the executive education programme at the Wharton School of the University of Pennsylvania and of the LH Martin Institute's 'Leading Universities' programme, based at the University of Melbourne. He joined the University of Bristol in the role of Pro Vice-Chancellor (International and Student Recruitment) in February 2016.

Special responsibilities

- International and Student Recruitment
- Development and Alumni Relations

Corporate Governance

The University of Bristol is an independent corporation whose legal status derives from its Royal Charter, granted in 1909. It is an educational charity, with exempt status, regulated by the Office for Students in its capacity as Principal Regulator. The University has charitable purposes and applies them for the public benefit. The University's objectives, powers and governance framework are set out in its Charter and supporting Statutes and Regulations.

The University of Bristol has a public interest duty to conduct its affairs in a transparent and responsible way, in accordance with the 'Nolan principles', to meet the regulatory requirements of relevant statutory bodies. It formally aligns itself with the Higher Education Code of Governance published by the Committee of University Chairs (CUC). The University's governing body, the Board of Trustees, has reviewed its operation against the Code, and a subsequent effectiveness review has confirmed that formal alignment save for two exceptions.¹

¹ Lay members' appointments to the University Board of Trustees are managed by a Nominations Committee of Court and approved by Court rather than by the Board of Trustees, which differs from the guidance of the 2014 Code, 7.3. Likewise, Court, rather than the Board of Trustees, has the power to remove members of the Board of Trustees (other than ex officio members and members of academic staff), which differs from the guidance of the 2014 Code, 7.2. Changes to these positions will require the consent of Court, which has been sought but not yet given.

In 2017, the University's internal auditors concluded that the University complied with all of the CUC Code's 'must' statements save the two exceptions outlined in footnote 1 on this page and returned a judgement of 'substantial' assurance regarding both the adequacy and the application of controls.

Leadership

The Vice-Chancellor and President is the University's chief executive officer and the academic leader of the University. The Vice-Chancellor and President is also the Accountable Officer for purposes of the Higher Education and Research Act 2017. The Vice-Chancellor and President is a member of the Board of Trustees and Chair of the University Senate. The Vice-Chancellor and President is required to advise the Board of Trustees on the discharge of its responsibilities under the Higher Education and Research Act 2017 and, jointly with the Board of Trustees, must ensure that all of the Board's responsibilities are discharged effectively and appropriately. The Vice-Chancellor and President has the general responsibility for ensuring that all public funds are properly used and that, in its activities, the University achieves value for money. The Vice-Chancellor and President is supported by the Executive Team and by a clear management structure that allows for the effective delivery of the University's strategy and its mission for education and research.

Under powers delegated by the Board of Trustees, the Vice-Chancellor and President exercises a key role in terms of the development of institutional strategy, the identification and planning of new developments and the shaping of institutional ethos. Ultimate responsibility for the management of the University and the conduct of its business rests with the Board of Trustees.

Governance

The Charter and Statutes require the University to have four separate bodies: Court, the Board of Trustees, Senate and the Alumni Association, each with clearly defined functions and responsibilities, to oversee and manage the University's activities.

Court

Court receives annual reports from the Board of Trustees and an annual audited statement of accounts. Court may comment on the affairs of the University, advise the Board of Trustees on any matter and invite the Board of Trustees to review a decision.

The Board of Trustees reports to Court and is required to take into consideration any views expressed by Court. The constitution of Court is defined by statute. Court appoints the Chancellor and the Pro Chancellors on the nomination of the Board of Trustees and elects up to 15 lay members of the Board of Trustees. The Chancellor presides.

Board of Trustees

The University's Board of Trustees is the governing body of the University, responsible for the strategic development and overall achievement of the University's mission and purposes. Subject to the delegated powers of the Senate, it has ultimate responsibility for all areas of operation. The Board's membership comprises around 24 people, with a lay majority. Other members include:

- the Vice-Chancellor and President;
- the Deputy Vice-Chancellor;
- the Treasurer;
- up to 15 lay members elected by Court (after nomination by Court's Nominations Committee);
- a member from the Alumni Association;
- three members of the academic staff;
- two members of non-academic staff;
- two students.

Members of the governing body provide a register of interests and a declaration that they are fit and proper individuals.

The appointment of the University Secretary with appropriate separation in the lines of accountability is through the provisions of Statute 9. The University Secretary is appointed by the Board and is responsible for the operation and conduct of the University's overall governance structures, ensuring effective processes are in place to provide assurance and to ensure legal and regulatory compliance. The University Secretary is the Secretary to the Board of Trustees and Senate and reports directly to the Vice-Chancellor and President.

The powers and functions of the Board of Trustees are set out in Statute 17. The matters specially reserved to the Board for decision are set out in the Statutes of the University. The Board of Trustees is responsible for financial affairs, borrowings, investments, buying, selling, leasing and mortgaging property, contracts, and the general business of the University. In consultation with Senate and on the recommendation of the Vice-Chancellor and President, the Board of Trustees sets the strategic direction of the institution. The Board of Trustees appoints the Vice-Chancellor and President, the Deputy Vice-Chancellor and Pro Vice-Chancellors, after consultation with Senate. The Board of Trustees may make, amend or repeal statutes subject to the approval of the Privy Council. The Board delegates its powers to other bodies and individuals as appropriate and in accordance with the University Scheme of Delegation, which is reviewed annually.

Much of the work of the Board is carried out through the following principal committees, all of which have terms of reference approved by the Board and which report formally to the Board:

- **The Audit Committee** is constituted in line with guidance issued by the Committee of University Chairs and comprises both lay members of the University Board and external co-optees with special expertise. While senior executives attend meetings of the Audit Committee, they are not members of it. Both the external and internal auditors have independent access to the Committee, and vice versa. The Audit Committee is responsible for making recommendations to the governing body on the Annual Report and Financial Statements of the University and the appointment of both the internal and external auditors to the University. The Committee meets with the external auditors to discuss their audit

findings, and to review and approve the audit aspects of the annual Financial Statements, and provides the governing body with its own opinions. It also approves and influences the annual audit plan prepared by the University's internal auditors and considers completed audit reports dealing with recommendations for the improvement of the University's systems of internal control. The Committee also reviews management responses to audit reports and monitors implementation of recommendations. The Committee receives and considers reports from external funding and regulatory bodies as they affect the University's business and monitors adherence to the regulatory requirements.

- **The Finance Committee** is the body responsible to the Board for ensuring there are adequate and effective arrangements in place to manage the financial position of the University and for the delivery of major capital projects. The Committee recommends to the Board the annual revenue and capital budgets, monitors performance in relation to the approved budgets and monitors the execution of financial policies adopted by the Board. The Committee reviews and appraises capital schemes to ensure effective and efficient procurement and scrutinises strategic development of the estate in terms of acquisitions and disposals. The Committee also considers the implications of changing legislation and planning and governance requirements, and monitors relevant statistics.
- **The Human Resources Committee** is responsible for making recommendations to the Board for new or revised human resources policies to support overall strategic human resources objectives. The Human Resources Committee advises the Board of Trustees on matters relating to staff employment, personnel-
- **The Remuneration Committee** is responsible for overseeing the remuneration of the Vice-Chancellor and other Senior Managers within the University, balancing the needs of the University in a competitive environment with the appropriate use of funds. This Committee would also determine the severance arrangements for members of the Senior Management team. The Committee operates in accordance with the CUC Higher Education Code of Governance and its operation has recently been reviewed to ensure compliance with the CUC's Remuneration Code.

For more details of the Board of Trustees, see page 39.

Corporate Governance continued

Senate

Senate is the academic authority of the University whose role is to oversee the teaching and research of the University, and to be responsible for academic quality and standards and for the admission and regulation of students on behalf of the Board of Trustees. Chaired by the Vice-Chancellor and President, its membership is drawn mainly from the academic staff of the University and also includes student representatives. Senate provides written reports to the Board and is required to provide assurance that academic governance is effective. Senate may declare an opinion on any matter relating to the University and the Board of Trustees must take Senate's views into consideration.

The Alumni Association

The Alumni Association membership is broad, consisting of: the Chancellor; Pro Chancellors; the Vice-Chancellor and President; the Deputy Vice-Chancellor; Pro Vice-Chancellors; honorary fellows; members of Senate; academic staff; University officers; graduates; honorary graduates; and such other former students as Convocation determines. The Alumni Association may give an opinion on any matter relating to the University and may communicate directly with Court, the Board of Trustees or Senate.

Full statement of internal control

1. As the governing body of the University of Bristol, the Board of Trustees has responsibility for maintaining a sound system of internal control that supports the fulfilment of the University's policies, aims and objectives, while safeguarding public funds and other funds and assets for which it is responsible, in accordance with the responsibilities assigned to the governing body in the Charter and Statutes

and the public interest governance principles set out in the regulatory framework for higher education in England.

2. The system of internal control is designed to manage rather than eliminate the risk of failure to fulfil policies, aims and objectives, and it can therefore provide only a reasonable and not an absolute assurance of effectiveness.
3. The system of internal control is based on an ongoing process designed to identify the principal risks to the achievement of the University's policies, aims and objectives, to evaluate the nature and extent of those risks and to manage them efficiently, effectively and economically. This process is regularly reviewed by the Board of Trustees, was in place for the year ended 31 July 2018 and up to the date of approval of the Financial Statements, and is in accordance with the relevant Financial Reporting Council guidance.
4. The University has formally aligned itself with the Committee of University Chairs Higher Education Code of Governance which is principally committed to identifying the key values and practices on which the effective governance of UK higher education providers is based.

The Board of Trustees has adopted a risk management policy in line with advice from the internal auditors. The University manages risks through a Key Risks Register which is reviewed regularly throughout the year and is considered by the Board of Trustees and Audit Committee. There are also Faculty and Professional Services Risk Registers. The University's risk management policy is reviewed annually by the University Executive Team and by the Board of Trustees.

The risk process feeds into the University's longer-term planning and strategy and is the basis of the work of internal audit. The University's internal auditors submit regular reports which include their independent opinion on the adequacy and effectiveness of the system of internal control, together with recommendations for improvement. The Board of Trustees, including by reference to these reports, concluded that, overall, the University has adequate and effective arrangements for risk management, control and governance.

Register of Interests

The University maintains a register of interests of members of the Board of Trustees, members of the Committees of the Board of Trustees and senior officers of the University. The register is available for inspection under the Freedom of Information Act 2000.

During the year, a total of £15,000 (2017: £8,000) was reimbursed to, or paid on behalf of, lay members of the Board of Trustees in respect of travel and other expenses. Staff and student members are not remunerated for their Board of Trustees services.

Further information

Any enquiries about the constitution and governance of the University or any request to inspect the register of interests should be addressed to the University Secretary, who is Clerk to Court, the Board of Trustees and the Alumni Association.

Board of Trustees

Responsibilities of Trustees

In accordance with the Royal Charter of Incorporation 1909, the Board of Trustees of the University of Bristol is responsible for the administration and management of the affairs of the University of Bristol and is required to present audited Financial Statements for each financial year.

The University is an exempt charity under the terms of the Charities Act 2011.

The Board of Trustees is responsible for ensuring that proper accounting records are kept which disclose with reasonable accuracy at any time the financial position of the University of Bristol to enable it to ensure that the Annual Report and the Financial Statements are prepared in accordance with the University of Bristol Acts 1909, 1960 and 1974, the Statement of Recommended Practice – Accounting for Further and Higher Education 2015, and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

The Board of Trustees has taken reasonable steps to ensure that:

- suitable accounting policies have been selected and applied consistently;
- judgements and estimates are reasonable and prudent;
- applicable UK accounting standards have been followed, subject to any material departures disclosed and explained in the Financial Statements;
- Financial Statements are prepared on the going concern basis unless it is inappropriate to presume that the University of Bristol will continue in operation.

In addition, within the terms and conditions of the Memorandum of Assurance and Accountability which sets out the conditions of funding from the Office for Students (OfS), the Board of Trustees, through its designated officer, is required to prepare Financial Statements for each financial year which give a true and fair view of the state of affairs of the University of Bristol and of the surplus or deficit and cash flows for that year.

The Board of Trustees has taken reasonable steps to:

- ensure that funds from OfS and Research England are used only for the purposes for which they have been given and in accordance with HEFCE's Memorandum of Assurance and Accountability and the OfS' Terms and Conditions of Funding for Higher Education Institutions;
- ensure that there are appropriate financial and management controls in place to safeguard public funds and funds from other sources;
- safeguard the assets of the University of Bristol and prevent and detect fraud;
- secure the economic, efficient and effective management of the University of Bristol's resources and expenditure.

The Board of Trustees recognises its responsibility for the maintenance and integrity of the University's website when publishing the Financial Statements through this medium and notes that legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Members of the Board of Trustees for the year to 31 July 2018

Class I	Lay members
Chair	Mr Denis Burn, appointed by Court
Treasurer	Mr Andrew Poolman (Chair of Audit Committee)
Appointed by Convocation	Mrs Julie Goldstein
Appointed by Court	Dr Moira Hamlin (Vice-Chair)
	Mr Roy Cowap
	Sir Ronald Kerr
	Dr John Manley
	Mr Mohammed Saddiq
	Ms Victoria Stace
	Ms Anne Stephenson (to 31 December 2017)
	Mr James Wetz (to 31 December 2017)
	Dr Andreas Raffel (from 1 January 2018)
	Ms Nicky McCabe (from 1 January 2018)

Class II	University staff
Ex Officio	Professor Hugh Brady Professor Guy Orpen
Elected members of the academic staff	Professor Bridget Lumb Professor Geraldine Macdonald Professor Keri Facer
Elected members of the professional staff	Mrs Tilly Beech Mr Robert Massie
Class III	Students
	Mr Lucky Dube (to 30 June 2018)
	Ms Ishita Handa (to 30 June 2018)
	Miss Jolene Cook (from 1 July 2018)
	Ms Sally Patterson (from 1 July 2018)

A structured approach: our faculties and Deans

Governance

Operating structure

Responsibility for overall day-to-day management of the University is through the Vice-Chancellor and President (in the role of Accountable Officer), supported by a senior team which for 2017/18 included the Deputy Vice-Chancellor, five Pro Vice-Chancellors, the Registrar and Chief Operating Officer, the Chief Financial Officer and the Deputy Registrar.

1. Arts



1. Dean: Professor Michael Basker

The Faculty of Arts is home to inspiring, world-renowned academic staff who deliver exceptional research-led teaching in a wide range of subjects across the arts, humanities and modern languages. Our creative, rigorous programmes provide a stimulating, fulfilling student experience and an outstanding foundation for professional life after graduation.

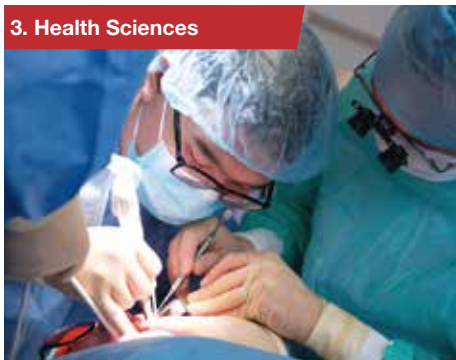
2. Engineering



2. Dean: Professor Andrew Nix

Engineering at the University of Bristol is committed to producing leaders and entrepreneurs of the future and to advancing the knowledge and technological innovations required to address global challenges. Our world-leading research has global impact. We are in the UK top ten (REF 2014). We are investing in new spaces to train innovators and engineers through creative, varied, research-led teaching in world-class facilities.

3. Health Sciences



3. Dean: Professor Jonathan Sandy

We provide high-quality, innovative teaching through undergraduate and postgraduate courses supported by clinical placements in NHS academies and veterinary practices. World-leading research covers the whole translational spectrum from cellular mechanisms to service provision. Specialist Research Institutes in cardiovascular sciences and population health sciences contributed to 4* ratings for Impact in REF 2014 and have successfully secured significant programme funding from the National Institute for Health Research, the Medical Research Council, Wellcome and the British Heart Foundation.

4. Dean: Professor George Banting

Few universities contain a focused structure for research and education in both human and animal biomedical and clinical sciences, giving the Faculty of Biomedical Sciences a unique environment in which our academic and student communities thrive. Not only is the faculty recognised as a Centre for Excellence in Teaching and Learning, but several breakthroughs in research from our academics have led to commercial ventures in translational science that could pave the way for revolutionary treatments for disease.

** This faculty closed – and the new Faculty of Life Sciences opened – on 1 August 2018, immediately following the period covered by this 2017/18 report.*

5. Dean: Professor Tim Gallagher

We seek to challenge and excite students, and to innovate and broaden the courses we offer. In research, the faculty offers a potent combination of world-class people and outstanding facilities, while our renowned strength in core subject areas – evidenced most recently by the REF 2014 – fosters a strong interdisciplinary approach.

6. Dean: Professor Paddy Ireland

The Faculty of Social Sciences and Law embodies a vibrant global community of world-class research and teaching expertise in economics, education, finance, human geography, international studies, law, management, politics, social policy, social work and sociology, attracting talented staff and students from around the world and forging strong links with international organisations and research councils.

4. Biomedical Sciences*



5. Science



6. Social Sciences and Law



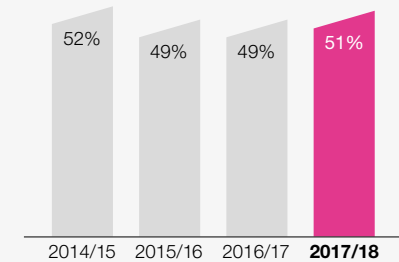
Professional Services

Our Professional Services divisions cover a wide range of vital professional, administrative and other functions that support the University, from finance and accommodation to grounds maintenance, IT and security.

As part of the implementation of our new strategy, our staff are adapting to significant change throughout the organisation. This includes a more flexible approach to both workspaces and working practices which allow our professional services staff to work and communicate efficiently and seamlessly wherever they choose. In addition, over 4,000 staff shared their experience of working at the University in the 2018 staff survey, the results of which are due to be presented during the autumn of 2018.

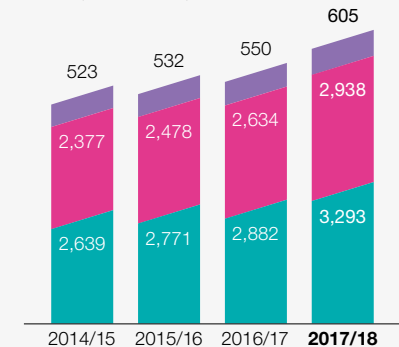
Staff costs as a percentage of income

51%
(2017: 49%)



Staff FTEs

6,836
+13% (2017: 6,066)



- Academic staff
- Administrative staff
- Technical staff

Remuneration report

The University's Remuneration Committee comprises members from a range of backgrounds who are able to provide an independent view on remuneration matters.

Category of membership	Name
Lay member of the Board of Trustees (Chair)	Sir Ron Kerr
Lay member of the Board of Trustees	Mr Denis Burn
Chair of the HR Committee	Ms Nicky McCabe
Treasurer and Chair of the Audit Committee	Mr Andrew Poolman
Co-opted member	Dr Roger Holmes

Only members of the Committee have the right to attend Committee meetings. However, individuals such as the Vice-Chancellor, the Deputy Vice-Chancellor, the Registrar, the Chief Operating Officer and/or the HR Director may be invited by the Chair to attend for all or any part of any meeting, as and when appropriate and necessary, unless their own remuneration and/or severance is being considered.

The Remuneration Committee is responsible for determining the remuneration of the Vice-Chancellor and other members of the University's Executive Team; reviewing equality and diversity issues in relation to remuneration of senior staff on or above a certain pay grade; and monitoring activity around succession planning and talent management in relation to the wider management team. A review of the Remuneration Committee is currently under way to ensure that the terms of reference are sufficient in the future to cover all aspects of the CUC Remuneration Code as issued in June 2018. The review will report during November 2018.

The Remuneration Committee met twice during the year and considered the following specific areas:

- Salary recommendations for senior academic and professional services staff;
- Equality and diversity monitoring of senior staff;
- Senior staff succession planning;
- Membership and terms of reference for the Committee.

The terms of reference for the Remuneration Committee include setting and annually reviewing the remuneration of the Vice-Chancellor, Professor Hugh Brady.

The University of Bristol is a major driver of prosperity in the region and, in accordance with its charitable mission, delivers a public benefit to its students and to the nation, as illustrated within this Annual Report. In a very competitive market for the best talent, it is essential that the University offers a competitive remuneration package allowing it to attract an outstanding Vice-Chancellor to lead this diverse and complex organisation of 23,000 students, over 6,800 staff and an income of over £650 million.

The Vice-Chancellor is not a member of the Remuneration Committee and is not present when his remuneration, including salary and other benefits, is being considered or decided upon. In reviewing the Vice-Chancellor's salary, the Remuneration Committee considers a number of factors including performance, general pay movement for all University staff, retention and any relevant market considerations. The latter is informed by salary survey information provided by the Committee of University Chairs.

With effect from 1 August 2017, the Remuneration Committee awarded the Vice-Chancellor a 1.7% pay increase in line with the cost of living settlement for the majority of University staff; he currently receives an annual salary of £282,472. There are no additional bonus arrangements. The Vice-Chancellor is entitled to membership of the Universities Superannuation Scheme (USS) but has elected to receive payment in lieu of pension contributions towards future retirement benefits, currently £42,937 per annum – a sum derived from the employer's contribution rate in USS and provided on a basis that is cost-neutral to the University. The Vice-Chancellor has elected to take enhanced Opt Out with the USS pension scheme to maintain death-in-service and ill health benefits. The employers' costs are £6,833, being 2.1% of pensionable salary.

For 2018/19, the Vice-Chancellor will receive the current offered cost of living pay award which has been set at 2% for the majority of staff. Any agreed further increases will be paid out at a future date.

Professor Brady is required as part of his contract to live in the Vice-Chancellor's official residence which is extensively used for hosting an annual programme of University engagement and fundraising events with our alumni, supporters, partners and philanthropic benefactors. He is also required to travel extensively in the UK and internationally to raise the University's profile in a competitive higher education marketplace, broker partnerships with leading institutions, contribute to international student recruitment activities and maintain and extend the University's worldwide network of alumni and major donors.

Further details concerning the remuneration of the Vice-Chancellor, the Executive Team and those earning more than £100,000 per annum can be found in note 7 to the Financial Statements.

Our fundraising

In 2017/18, the University received philanthropic income of £8,985,986, helping us to deliver high-impact research, provide students with life-changing opportunities and to take the next important steps in realising our Strategy.

Thanks to the generosity of 5,669 donors, this year we were able to offer 159 scholarships and bursaries, support 37 PhD students and provide over £2 million towards campus developments.

As well as supporting us financially, many of our alumni continue their lifelong relationship with the University by giving their time and expertise to help students and fellow alumni. This year, over 1,000 volunteers have acted as ambassadors for Bristol, mentored current students or shared their valuable experience at careers events. We keep our active network of alumni and supporters fully engaged with the University through a programme of communications and tailored events.

We are dedicated to treating our supporters with the highest level of care and respect – an approach reflected in our Donor Charter. Philanthropic gifts help to support the University's mission to advance higher education and research and sustain academic freedom. The generosity shown by our supporters enables intellectual curiosity to thrive, pushing the boundaries of knowledge and leading to breakthroughs that can benefit us all, ensuring that Bristol continues to flourish as a world-leading, research-intensive university.

All fundraising activity is conducted within the regulations and framework set out by the Office for Students, and we are committed to upholding the standards set out by the Fundraising Regulator and the Institute of Fundraising. We monitor and adhere to recommendations made by these bodies, particularly those relating to vulnerable supporters. We operate within clear systems and conduct robust due diligence checks to protect the University's reputation and assets.

Responsibility for fundraising activity at the University primarily sits with the Development and Alumni Relations Office (DARO). Fundraising is conducted through direct mail and online appeals, as well as via face-to-face meetings with individual donors. The University received, assessed and resolved nine complaints in relation to fundraising practices last year; none of these complaints were considered a breach of the fundraising standards set out above.

All fundraisers, whether permanent staff or students, are employed and trained directly by the University. We do not employ commercial fundraisers or external call centres. We train all fundraisers to view our relationship with our supporters as their highest priority. Fundraising activity is supervised and managed within DARO, with the support of trained supervisors during our student telephone campaign. Regular monitoring and feedback takes place through one-to-one meetings, team meetings and regular senior management team meetings, as well as through informal support when required.

Donors
5,669
Scholarships
159
PhD students
37

▶ Recipients of Sanctuary Scholarships, awarded to students from the UK's asylum-seeking and refugee communities.



Independent auditors' report to the Board of Trustees of the University of Bristol (the "institution")

Report on the audit of the Financial Statements Opinion

In our opinion, the University of Bristol's Group Financial Statements and parent institution financial statements (the "Financial Statements"):

- give a true and fair view of the state of the Group's and of the parent institution's affairs as at 31 July 2018 and of the Group's and of the parent institution's income and expenditure, gains and losses, changes in reserves and cash flows for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and applicable law); and
- have been properly prepared in accordance with the requirements of the Statement of Recommended Practice – Accounting for Further and Higher Education and the requirements of the Office for Students' ("OfS's") Accounts direction (OfS 2018.26).

We have audited the Financial Statements, included within the Annual Report and Financial Statements 2018 (the "Annual Report"), which comprise the Consolidated and University Balance Sheets as at 31 July 2018; the Consolidated and University Statements of Comprehensive Income and Expenditure, the Consolidated and University Statements of Changes in Reserves, and the Consolidated Statement of Cash Flows for the year then ended; and the Principal Accounting Policies; and the notes to the Financial Statements, which include other explanatory information.

Basis for opinion

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

Independence

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

Conclusions relating to going concern

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

- the Board of Trustees' use of the going concern basis of accounting in the preparation of the Financial Statements is not appropriate; or
- the Board of Trustees has not disclosed in the Financial Statements any identified material uncertainties that may cast significant doubt about the Group and parent institution's ability to continue to adopt the going concern basis of accounting for a period of at least 12 months from the date when the Financial Statements are authorised for issue.

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

Reporting on other information

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

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

Responsibilities for the Financial Statements and the audit Responsibilities of the Board of Trustees for the Financial Statements

As explained more fully in the statement Responsibilities of Trustees set out on page 39, the Board of Trustees is responsible for the preparation of the Financial Statements in accordance with the applicable framework and for being satisfied that they give a true and fair view. The Board of Trustees is also responsible for such internal control as they determine is necessary to enable the preparation of Financial Statements that are free from material misstatement, whether due to fraud or error.

In preparing the Financial Statements, the Board of Trustees is responsible for assessing the Group and parent institution's ability to continue as a going concern, disclosing as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Trustees either intends to liquidate the Group and parent institution or to cease operations, or has no realistic alternative but to do so.

Auditors' responsibilities for the audit of the Financial Statements

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

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

Use of this report

This report, including the opinions, has been prepared for and only for the Board of Trustees as a body in accordance with Statute 12, paragraph 2 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

Other required reporting

Opinions on other matters prescribed in the OfS and Research England Audit Code of Practice issued under the Further and Higher Education Act 1992 (as amended)

In our opinion, in all material respects:

- funds from whatever source administered by the institution for specific purposes have been properly applied to those purposes and, if relevant, managed in accordance with relevant legislation;
- income has been applied in accordance with the institution's statutes; and
- funds provided by the Higher Education Funding Council for England, the OfS and Research England have been applied in accordance with the relevant terms and conditions, and any other terms and conditions attached to them.

PricewaterhouseCoopers LLP Chartered Accountants and Statutory Auditors

Bristol

12 November 2018

Consolidated and University Statements of Comprehensive Income and Expenditure Year ended 31 July 2018

	Note	Year ended 31 July 2018		Year ended 31 July 2017	
		Consolidated £m	University £m	Consolidated £m	University £m
Income					
Tuition fees and education contracts	1	266.9	266.9	243.6	243.6
Funding body grants	2	87.3	87.3	88.9	88.9
Research grants and contracts	3	168.6	164.0	159.9	155.4
Other income	4	131.5	121.0	111.7	104.0
Investment income	5	3.5	3.4	3.9	26.0
Endowment donations	6	0.1	0.1	–	–
Total income		657.9	642.7	608.0	617.9
Expenditure					
Staff costs	7	334.7	314.1	298.2	281.9
Other operating expenses	9	246.7	255.4	196.8	217.5
Depreciation	11	46.2	44.9	46.1	45.5
Interest and other finance costs	8	23.4	23.4	19.7	19.7
Total expenditure	9	651.0	637.8	560.8	564.6
Surplus before other gains and losses					
		6.9	4.9	47.2	53.3
Gain on disposal of fixed assets		0.4	0.5	11.8	11.8
Gain on investments		1.7	1.8	5.2	5.3
Surplus for the year					
		9.0	7.2	64.2	70.4
Unrealised surplus on revaluation of land and buildings	11, 19	20.5	20.5	34.3	32.6
Actuarial gain/(loss) in respect of pension schemes	17, 22	27.0	27.0	(5.3)	(5.3)
Total comprehensive income for the year		56.5	54.7	93.2	97.7
Represented by:					
– Endowment comprehensive income for the year		1.4	1.4	5.7	5.7
– Unrestricted comprehensive income for the year		55.1	53.3	87.5	92.0
Total comprehensive income for the year		56.5	54.7	93.2	97.7

All items of income and expenditure relate to continuing activities.

Consolidated and University Statements of Changes in Reserves Year ended 31 July 2018


Consolidated	Income and expenditure account			Revaluation reserve £m	Total reserves £m
	Endowment £m	Restricted £m	Unrestricted £m		
Balance at 1 August 2016	62.6	–	299.8	439.2	801.6
Surplus from the income and expenditure statement	5.7	–	58.2	0.3	64.2
Other comprehensive (expense)/income	–	–	(5.3)	34.3	29.0
Transfers between revaluation and income and expenditure reserves in respect of:					
– Depreciation on revalued assets	–	–	2.0	(2.0)	–
– Disposals of revalued assets	–	–	1.3	(1.3)	–
Transfer between endowment reserve and income and expenditure reserve	2.5	–	(2.5)	–	–
Total comprehensive income for the year	8.2	–	53.7	31.3	93.2
Balance at 31 July 2017	70.8	–	353.5	470.5	894.8
Surplus from the income and expenditure statement	1.4	–	7.6	–	9.0
Other comprehensive income	–	–	27.0	20.5	47.5
Transfers between revaluation and income and expenditure reserve in respect of:					
– Depreciation on revalued assets	–	–	1.8	(1.8)	–
Transfer between unrestricted and restricted	–	3.1	(3.1)	–	–
Total comprehensive income for the year	1.4	3.1	33.3	18.7	56.5
Balance at 31 July 2018	72.2	3.1	386.8	489.2	951.3

University	Income and expenditure account			Revaluation reserve £m	Total reserves £m
	Endowment £m	Restricted £m	Unrestricted £m		
Balance at 1 August 2016	62.6	–	296.2	434.3	793.1
Surplus from the income and expenditure statement	5.7	–	64.4	0.3	70.4
Other comprehensive (expense)/income	–	–	(5.3)	32.6	27.3
Transfers between revaluation and income and expenditure reserves in respect of:					
– Depreciation on revalued assets	–	–	1.9	(1.9)	–
– Disposals of revalued assets	–	–	1.3	(1.3)	–
Transfer between endowment reserve and income and expenditure reserve	2.5	–	(2.5)	–	–
Total comprehensive income for the year	8.2	–	59.8	29.7	97.7
Balance at 31 July 2017	70.8	–	356.0	464.0	890.8
Surplus from the income and expenditure statement	1.4	–	5.8	–	7.2
Other comprehensive income	–	–	27.0	20.5	47.5
Transfers between revaluation and income and expenditure reserve in respect of:					
– Depreciation on revalued assets	–	–	1.7	(1.7)	–
Transfer between unrestricted and restricted	–	3.1	(3.1)	–	–
Total comprehensive income for the year	1.4	3.1	31.4	18.8	54.7
Balance at 31 July 2018	72.2	3.1	387.4	482.8	945.5

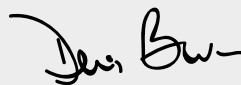
Consolidated and University Balance Sheets as at 31 July 2018

	Note	As at 31 July 2018		As at 31 July 2017	
		Consolidated £m	University £m	Consolidated £m	University £m
Non-current assets					
Intangible assets	10	8.3	7.4	4.3	4.3
Tangible assets	11	1,170.0	1,167.2	1,102.0	1,099.1
Investments	12	0.8	1.9	0.9	9.6
Investment in joint venture		0.4	0.4	0.4	0.4
		1,179.5	1,176.9	1,107.6	1,113.4
Current assets					
Stock		2.0	1.5	1.9	1.4
Trade and other receivables	13	101.3	99.1	75.2	77.9
Investments	14	158.8	158.8	166.8	166.8
Cash and cash equivalents		205.6	202.2	221.3	214.0
		467.7	461.6	465.2	460.1
Creditors – amounts falling due within one year	15	(187.7)	(185.1)	(149.8)	(154.8)
Net current assets		280.0	276.5	315.4	305.3
Total assets less current liabilities					
		1,459.5	1,453.4	1,423.0	1,418.7
Creditors – amounts falling due after more than one year	16	(397.2)	(397.2)	(394.9)	(394.9)
Provisions					
Pension provisions	17	(111.0)	(110.7)	(133.3)	(133.0)
Total net assets		951.3	945.5	894.8	890.8
Restricted reserves					
Income and expenditure reserve – endowment reserve	18	72.2	72.2	70.8	70.8
Income and expenditure reserve – restricted reserve		3.1	3.1	–	–
Unrestricted reserves					
Income and expenditure reserve – unrestricted		386.8	387.4	353.5	356.0
Revaluation reserve	19	489.2	482.8	470.5	464.0
Total reserves		951.3	945.5	894.8	890.8

The financial statements on pages 46 to 82 were approved by the Board of Trustees on 9 November 2018 and signed on its behalf on that date by:



Professor Hugh Brady
Vice-Chancellor and President



Mr Denis Burn
Chair, University Board of Trustees

Consolidated Statement of Cash Flows

Year ended 31 July 2018

	Note	Year ended 31 July 2018 £m	Year ended 31 July 2017 £m
Cash flow from operating activities			
Surplus for the year		9.0	64.2
Adjustment for non-cash items			
Depreciation	11	46.2	46.1
Impairment loss on fixed assets		15.1	–
Amortisation of intangibles	10	0.5	0.2
Gain on investments		(1.7)	(5.2)
Pension contributions to UBPAS less than/(greater than) accounting charge		2.7	(13.2)
Increase in stock		(0.1)	(0.3)
(Increase)/decrease in debtors	13	(26.1)	3.4
Increase in creditors		31.9	12.8
Increase in USS pension provision	17	2.0	1.0
Adjustment for investing or financing activities			
Investment income	5	(3.5)	(3.9)
Interest payable	8	19.5	15.4
Profit on the sale of fixed assets		(0.4)	(11.8)
Capital grant income		(22.4)	(21.8)
Net cash inflow from operating activities			
		72.7	86.9
Cash flows from investing activities			
Proceeds from sales of fixed assets		0.4	7.7
Capital grant income		22.4	21.8
Withdrawal/(placement) of deposits		9.8	(26.2)
Net endowment income and transfers in		–	(3.2)
Investment income		3.5	3.9
Payments made to acquire fixed assets		(103.0)	(97.4)
Payments made to acquire intangible assets		(4.5)	(4.3)
New current asset investments		–	(0.6)
Cash on acquisition		0.2	–
Net cash outflow from investing activities			
		(71.2)	(98.3)
Cash flows from financing activities			
Loan interest paid		(17.2)	(13.2)
New unsecured loans		–	200.0
Interest prepayment		–	(55.8)
Net cash (outflow)/inflow from financing activities			
		(17.2)	131.0
(Decrease)/increase in cash and cash equivalents in the year			
		(15.7)	119.6
Cash and cash equivalents at beginning of the year		221.3	101.7
Cash and cash equivalents at end of the year		205.6	221.3

Principal accounting policies

Accounting convention

The Financial Statements have been prepared under the historical cost convention, as modified by the revaluation of endowment asset investments and land and buildings, and in accordance with both the Statement of Recommended Practice – Accounting for Further and Higher Education 2015 and the applicable Financial Reporting Standard in the United Kingdom – FRS 102. The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the Financial Statements across the Group.

Basis of consolidation

The consolidated Financial Statements include the results of the University and all subsidiary undertakings and a Joint Venture for the financial year to 31 July, all prepared on a going concern basis.

The consolidated Financial Statements do not include those of the University of Bristol Students' Union, as the University does not have the power to govern the Union's policy decisions.

Recognition of income

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

Grant funding, including funding council block grant, research grants from Government sources and grants (including research grants) from non-Government sources are recognised as income when the University is entitled to the

income and performance-related conditions have been met. Income received in advance of performance-related conditions being met is recognised as deferred income within creditors on the Balance Sheet and released to income as the conditions are met.

Research grants and contracts income is to be included to the extent of expenditure incurred, together with any related contributions towards indirect costs.

Services rendered income is included to the extent of the completion of the contract or service concerned. Stage of completion is determined by the reference to the cost incurred to date as a proxy to the progress of the project.

Non-exchange transactions without performance-related conditions are donations and endowments. Donations and endowments with donor-imposed restrictions are recognised in income when the University is entitled to the funds. Income is retained within the restricted reserve until such time that it is utilised in line with such restrictions, at which point the income is released to general reserves through a reserve transfer.

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

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

There are three 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.

The gain or loss on the value of any investments held by the endowment fund is recorded within the Statement of Comprehensive Income and Expenditure under the gain or loss on investments in the year in which it arises based on at least annual valuations.

Investment income received from the endowment fund's investments is recorded within investment income and held within restricted reserves to the extent that it has not been spent in line with the restrictions of the donation.

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.

Capital grants and donations

Grants and donations are received for the purpose of funding the acquisition and construction of tangible fixed assets. Grant funding is recognised as income when the University is entitled to the income and performance-related conditions have been met. In the case of depreciable assets, the following treatment applies:

- Income on HEFCE/OfS grants is credited to funding body grants income upon being awarded and then held in unrestricted reserve.

- Income on other capital grants is recognised within research or other income.

Operating leases

The University of Bristol leases properties and equipment, which includes mostly office and catering equipment. Most properties are leased from third parties and are for student residences, study and research. Some are rented from subsidiaries.

Lease duration for properties varies from two to 30 years, while for equipment it is on average three years. None of the leases transfer ownership of an asset between the lessor and lessee. Thus all the University's leases are recognised as operating leases with rental costs being charged to expenditure in equal amounts over the duration of the lease.

The University also acts as a lessor by letting some properties to some of its subsidiaries. These properties are used for the public benefit. As there is no transfer of ownership, leased properties are accounted for as the University's tangible fixed assets and rental income is recognised evenly over the life of leases.

Freehold land and buildings

Land and buildings are stated at fair value or cost less accumulated depreciation and accumulated impairment losses. Annually the University, assisted by external professional advisors, carries out a review of the underlying value of its portfolio of properties and performs revaluation when and where appropriate. The basis of valuation is fair value using depreciated replacement cost or existing use and open market value depending on the nature of the property. Where the depreciated replacement cost basis is used, an element of irrecoverable VAT has been added to the valuation to reflect the full cost to the University.

Annually, a minimum of 25% of the properties are subject to a full valuation. In addition, a minimum of 50% of the properties are subject to a desktop valuation review. Valuations were carried out by external professional chartered surveyors, with specific regard to the requirements of the Royal Institution of Chartered Surveyors Valuation Standards.

No depreciation is provided on freehold land or assets in construction. Buildings are depreciated over their average expected useful life of between 20 and 100 years.

The cost of buildings includes the original purchase price of the asset, the costs attributed to bringing the asset to its working condition for its intended use and the cost of interest capitalised during the course of construction.

Additions are initially recognised at cost if individually or collectively they exceed £50,000 threshold and are depreciated over their average expected useful economic life of between 20 and 100 years.

Leasehold and laboratory refurbishments

Leasehold and laboratory refurbishments are identified and capitalised separately from the main land and building costs. They are depreciated over the shorter of the lease periods or their expected useful life of 10 years.

Maintenance of premises

The University has a long-term maintenance plan which is reviewed on an annual basis. The cost of routine corrective maintenance is charged to the income and expenditure account as incurred. The University also plans in its Capital Programme to meet the cost of major upgrade expenditure which occurs on an irregular basis; such expenditure is treated either as additions to land and buildings or

laboratory refurbishments and depreciated over its expected useful life.

Equipment and IT infrastructure

Additions to equipment and IT infrastructure are initially recognised at cost if individually or collectively they exceed the thresholds:

Equipment acquired with the aid of specific grants	£25,000
All other equipment	£10,000

Capitalised equipment and IT infrastructure costs are stated at cost and depreciated over an expected useful life of five or three years depending on the asset. Cost includes the original purchase price of the asset and the costs attributed to bringing the asset to its working condition for its intended use.

Heritage assets

The University holds and conserves a number of collections, exhibits, artefacts and other assets of historical, artistic or scientific importance. Such heritage assets acquired before 1 August 2010 have not been capitalised, since reliable estimates of cost or value are not available on a cost-benefit basis. Acquisitions since 1 August 2010 will be capitalised at cost or, in the case of donated assets, if practical and on a cost-benefit basis, at expert valuation on receipt. The threshold for capitalising heritage assets is £25,000. Heritage assets are not depreciated as their long economic life and high residual value mean that any depreciation would not be material.

Intangible assets

The value of internally generated patents, licences and other similar rights over assets is recognised on the Balance Sheet by capitalising the costs of registering such rights and amortising over a period of three years.

Principal accounting policies continued

Goodwill on acquisitions of subsidiaries represents the excess of the consideration transferred and the acquisition date fair value of net assets acquired. Goodwill is amortised over ten years.

Software development costs are stated at cost and depreciated over their expected useful economic life of five years.

Fixed asset investments

Fixed asset investments are included in the Balance Sheet at market value.

Investments in subsidiary undertakings and a Joint Venture are stated at cost, but are written down to their realisable value if it is considered that there has been a permanent diminution in their value.

Current asset investments

Current asset investments comprise mostly bank credit deposits with maturity of more than three months and are included in the Balance Sheet at amortised value.

Stocks

Stocks are stated at the lower of cost and net realisable value on a first in, first out basis.

Cash and cash equivalents

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

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

Assets that form endowment funds are included within cash at bank or investments as appropriate.

Provisions

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

Trade and other receivables

Basic financial assets, including trade and other receivables, are initially recognised at transaction price, unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest.

Such assets are subsequently carried at amortised cost using the effective interest method.

At the end of each reporting period, financial assets measured at amortised cost are assessed for objective evidence of impairment. If an asset is impaired, the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in profit or loss.

If there is a decrease in the impairment loss arising from an event occurring after the impairment was recognised, the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been had the impairment not previously been recognised. The impairment reversal is recognised in profit or loss.

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 asset 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 that has the practical ability to unilaterally sell the asset to an unrelated third party without imposing additional restrictions.

Bad debt provision

Bad debt provisions are only recognised when there is objective evidence of impairment based on historical experience. Debtors are analysed by groups with similar risk characteristics to establish general provisions.

Trade and other payables

Basic financial liabilities, including trade and other payables, are initially recognised at transaction price, unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future receipts discounted at a market rate of interest.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

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. Trade payables are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down.

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

when there has been a substantial modification to the terms of the loan. The Trustees consider that a substantial modification could arise when there is, for example, a change in lender, a change in maturity, a change from fixed to floating interest rates or a significant change to the terms of the covenants.

Financial instruments

The University uses fixed rate loans to fund its ongoing capital investment programme. Interest expense is accounted for on an accrual basis evenly over the year. Loans are included in the Balance Sheet at amortised value.

Foreign currencies

Transactions denominated in foreign currencies are recorded at the spot rate of exchange at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated into Sterling either at year end rates or, where there are related forward exchange contracts, at contract rates. Any resulting differences are accounted for in the income and expenditure for the year.

Employment benefits

Short-term employment benefits such as salaries and holiday pay 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.

Pension schemes

The University participates in the University of Bristol Pension and Assurance Scheme (UBPAS), the University of Bristol Group Personal Pension Plan (UBGPP), the Universities Superannuation Scheme (USS) and the National Health Service Pension Scheme (NHSPS).

UBPAS, USS and NHSPS are defined benefit schemes. USS and UBPAS have assets held in separate trustee administered funds, while NHSPS is a non-funded occupational scheme backed by the Government. The costs are financed by contributions from the University and its staff.

The costs of pension increases paid to some former employees under the Federated Superannuation System for Universities (FSSU) and the University of Bristol Superannuation Scheme for non-academic staff are also met by the University and charged to the Statement of Comprehensive Income and Expenditure as pension costs.

Universities Superannuation Scheme

The institution participates in the Universities Superannuation Scheme. The scheme is a hybrid pension scheme, providing defined benefits (for all members), as well as defined contribution benefits. The assets of the scheme are held in a separate trustee-administered fund. Because of the mutual nature of the scheme, the assets are not attributed to individual institutions and a scheme-wide contribution rate is set. The institution is therefore exposed to actuarial risks associated with other institutions' employees and is unable to identify its share of the underlying assets and liabilities of the scheme on a consistent and reasonable basis. As required by Section 28 of FRS 102 "Employee benefits", the institution therefore accounts for the scheme as if it were a wholly defined contribution scheme. As a result, the amount charged to the profit and loss account represents the contributions payable to the scheme. Since the institution has entered into an agreement (the Recovery Plan) that determines how each employer within the scheme will fund the overall deficit, the institution recognises a liability for the contributions payable that arise from the agreement (to the extent that they relate to the deficit) and therefore an expense is recognised.

University of Bristol Group Personal Pension

UBGPP is a defined contribution scheme established by the University during 2010.

University of Bristol Pension and Assurance Scheme

For UBPAS, the assets of the Scheme are measured at fair value, and the liabilities are measured on an actuarial basis using the projected unit credit method and discounted at an appropriate rate of return. The surplus or deficit of the Scheme is recognised as an asset or liability on the Balance Sheet. The current service cost, being the actuarially determined present value of the pension benefits earned by employees in the current period, and the past service cost are included within staff costs.

The interest element is calculated based on the year end deficit (net liability) multiplied by the discount rate. All changes in the pension surplus or deficit due to changes in actuarial assumptions or differences between actuarial forecasts and the actual out-turn are reported in the Statement of Comprehensive Income and Expenditure.

National Health Service Pension Scheme

NHSPS is an unfunded occupational scheme backed by the Exchequer. The University accounts as if the scheme were a defined contribution scheme.

Taxation status

The University is an exempt charity within the meaning of the Charities Act 2011 and as such is a charity within the meaning of Section 506(1) of the Taxes Act 1988. Accordingly, the University is potentially exempt from taxation in respect of income or capital gains within categories covered by Section 505 of the Taxes Act 1988 or Section 256 of the Taxation of Chargeable Gains Act 1992 to the extent that such income or gains are applied exclusively to charitable purposes.

Principal accounting policies continued

Taxation status continued

The University receives no similar exemption in respect of Value Added Tax (VAT).

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 University must hold in perpetuity.

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

Critical accounting judgements

(i) USS pension

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 accounting for a multi-employer scheme, where the employer has entered into an agreement with the scheme that determines how the employer will fund a deficit, results in the recognition of a liability for the contributions payable that arise from the agreement (to the extent that they relate to the deficit) and the resulting expense in profit or loss in accordance with section 28 of FRS 102. The Trustees 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 funding plan in existence at the date of approving the financial statements.

Assumptions used in the calculation of the USS pension deficit provision represent a source of material uncertainty. Future membership changes have been incorporated into the calculation using budget and forecast data for the next 10 years. Future salary changes have been based on publicly available CPI inflation data. The carrying value of the USS deficit provision as at 31 July 2018 is £54.7m (31 July 2017: £52.7m).

The key assumptions in the calculation of the USS deficit provision are included within note 22 to the Financial Statements. A small difference in the assumption can have a significant impact on the liability.

A 1% change in staff increases or discount rate would change the provision by approximately £3.5m.

(ii) UBPAS pension

UBPAS is a defined benefit pension scheme that the University operates in-house and until 30 September 2010 was offered to all staff who were not eligible to join USS or NHSPS. The assumptions used are those deemed to be the most appropriate for the Scheme and are based on advice from the Scheme actuary.

The key assumptions in the calculation of the UBPAS deficit provision are included within note 22 to the Financial Statements. A small difference in the assumption can have a significant impact on the liability.

A 0.1% change in the discount rate would change the pension provision by approximately £8m. A 0.1% change in the salary increase would change the pension provision by approximately £0.2m.

(iii) Valuations of land and buildings

Land and buildings are held at fair value. Annually, a valuation exercise of a proportion of the portfolio is undertaken by a qualified chartered surveyor to ensure the carrying value of the assets are not materially different to their fair value.

(iv) Revenue

Under FRS 102, performance-related conditions are the conditions that require a performance of a particular level of service of units or output to be delivered. Restrictions exist where the funding is allocated for specific purpose and cannot be used for other aims.

Research revenue grants are based on budget, which specifies performance levels. These grants therefore have performance-related conditions attached. Revenue is recognised on percentage completion basis of costs as these are considered a close proxy to the progress of the project.

Capital grants are funds used for acquisition or building of items that are capital in nature. Restrictions on the grants have been identified as funds are allocated for specific capital items. Income is recognised on entitlement upon award of grant.

Notes to the Financial Statements for the year ended 31 July 2018

1. Tuition fees and education contracts

	Year ended 31 July 2018		Year ended 31 July 2017	
	Consolidated £m	University £m	Consolidated £m	University £m
Full time home and EU students	150.8	150.8	138.7	138.7
Full time international students	79.2	79.2	69.9	69.9
Part time students	5.3	5.3	5.0	5.0
Research Training Support Grant	25.9	25.9	24.6	24.6
Short course fees	5.7	5.7	5.4	5.4
	266.9	266.9	243.6	243.6

2. Funding body grants

	Year ended 31 July 2018		Year ended 31 July 2017	
	Consolidated £m	University £m	Consolidated £m	University £m
Recurrent grant				
Higher Education Funding Council	74.0	74.0	75.8	75.8
Capital grants	7.7	7.7	8.6	8.6
Specific grants				
Higher Education Innovation Fund	4.6	4.6	3.3	3.3
Other	1.0	1.0	1.2	1.2
	87.3	87.3	88.9	88.9

3. Research grants and contracts

	Year ended 31 July 2018		Year ended 31 July 2017	
	Consolidated £m	University £m	Consolidated £m	University £m
Research councils	61.5	61.5	65.0	65.0
UK-based charities	19.6	19.6	21.6	21.6
European Commission and other Euro-denominated contracts	19.0	19.0	17.2	17.2
Other grants and contracts	68.2	63.9	55.7	51.6
Research and Development Expenditure Credit	0.3	–	0.4	–
	168.6	164.0	159.9	155.4

Notes to the Financial Statements for the year ended 31 July 2018 continued

4. Other income

	Year ended 31 July 2018		Year ended 31 July 2017	
	Consolidated £m	University £m	Consolidated £m	University £m
Residences, catering and conferences	42.9	42.9	43.3	43.3
Other capital grants	14.7	14.7	11.5	11.5
Other services rendered	20.2	7.4	16.9	9.9
Contracts with health and hospital authorities	4.7	4.7	5.0	5.0
Funded teaching and general research	14.7	14.7	10.7	10.7
Departmental and other income	23.8	26.1	19.9	19.2
Donations	4.8	4.8	4.4	4.4
Insurance claim	5.7	5.7	–	–
	131.5	121.0	111.7	104.0

5. Investment income

	Note	Year ended 31 July 2018		Year ended 31 July 2017	
		Consolidated £m	University £m	Consolidated £m	University £m
Investment income on endowments	18	1.8	1.8	2.2	2.2
Dividend in specie		–	–	–	22.1
Other investment income		1.7	1.6	1.7	1.7
		3.5	3.4	3.9	26.0

The dividend in specie related to the gift at market value of a fixed asset from Park Row Limited.

6. Endowment donations

	Note	Year ended 31 July 2018		Year ended 31 July 2017	
		Consolidated £m	University £m	Consolidated £m	University £m
New endowments	18	0.1	0.1	–	–
		0.1	0.1	–	–

7. Staff costs

	Note	Year ended 31 July 2018		Year ended 31 July 2017	
		Consolidated £m	University £m	Consolidated £m	University £m
Staff costs:					
Salaries		269.4	251.4	244.9	230.1
Social security costs		26.2	24.6	24.1	23.2
Other pension costs	22	39.1	38.1	29.2	28.6
Total		334.7	314.1	298.2	281.9

	Year ended 31 July 2018 £000s	Year ended 31 July 2017 £000s
Emoluments of the Vice-Chancellor:		
Salary	282	271
Taxable benefits (accommodation-related)	7	6
Non-taxable benefits (accommodation-related)	34	33
Payment in lieu of pension contributions	43	41
Pension payment	7	15
	373	366

	Year ended 31 July 2018	Year ended 31 July 2017
Vice-Chancellor's emoluments as a multiple of median pay – basic salary	8	8

	Year ended 31 July 2018	Year ended 31 July 2017
Vice-Chancellor's emoluments as a multiple of median pay – total remuneration	9	9

During the year, compensation for loss of office payments were made of £1.2 million to 181 individuals (2017: £1.6 million to 152 individuals).

As allowed by the OfS Accounts Direction, we have not included atypical and agency workers in the calculation of the median pay. Agency and other atypical workers have been excluded from the calculation of median pay due to the wide range of data sources that contain the relevant information. We are developing the necessary systems to provide full disclosure in future years.

Notes to the Financial Statements continued

7. Staff costs continued

Remuneration of other higher paid staff, excluding employer's pension contributions and any compensation for loss of office (payments in respect of distinction awards and other payments under separate NHS contracts of employment are excluded from the University's income and expenditure account):

	Year ended 31 July 2018 No.	Year ended 31 July 2017 No.
£100,000 to £104,999	33.5	34.4
£105,000 to £109,999	9.0	4.6
£110,000 to £114,999	8.2	11.7
£115,000 to £119,999	8.6	1.2
£120,000 to £124,999	3.2	4.2
£125,000 to £129,999	–	2.0
£130,000 to £134,999	2.0	3.0
£135,000 to £139,999	1.0	1.0
£140,000 to £144,999	1.0	1.0
£145,000 to £149,999	–	1.0
£150,000 to £154,999	3.0	1.5
£165,000 to £169,999	1.0	–
£175,000 to £179,999	1.0	1.0
£180,000 to £184,999	2.0	2.0
	73.5	68.6
	No.	No.
Average staff numbers by major category:		
Academic/clinical	3,293	2,882
Administrative and operational support	2,938	2,634
Technical	605	550
	6,836	6,066

7. Staff costs continued

Key management personnel

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

The University's 'key management personnel' consist of the following people:

Vice-Chancellor and President
 Deputy Vice-Chancellor and Provost
 Pro Vice-Chancellor (Education)
 Pro Vice-Chancellor (Research and Enterprise)
 Pro Vice-Chancellor (Health)
 Pro Vice-Chancellor (International)
 Registrar and Chief Operating Officer
 Deputy Registrar (Academic Services)
 Deputy Chief Operating Officer and Chief Information Officer
 Chief Financial Officer

	Year ended 31 July 2018 £000s	Year ended 31 July 2017 £000s
Key management personnel remuneration	1,905	1,810

8. Interest and other finance costs

	Note	Year ended 31 July 2018		Year ended 31 July 2017	
		Consolidated £m	University £m	Consolidated £m	University £m
Loan interest		19.5	19.5	15.4	15.4
Other bank charges		0.8	0.8	0.9	0.9
Net charge on pension scheme	22	3.1	3.1	3.4	3.4
		23.4	23.4	19.7	19.7

Interest payable includes the amortisation of fees and non-utilisation fees associated with long-term financing arrangements.

Notes to the Financial Statements

for the year ended 31 July 2018 continued

9. Analysis of expenditure by activity

	Staff costs £m	Other operating expenses £m	Depreciation £m	Financing costs £m	Year ended 31 July 2018 Total £m	Year ended 31 July 2017 Total £m
Consolidated						
Academic and related expenditure	185.2	74.7	8.5	22.5	290.9	250.8
Administration and central services	23.4	17.9	0.1	–	41.4	43.5
Premises	16.5	44.3	30.7	–	91.5	65.0
Residences, catering and conferences	6.5	25.7	4.7	0.9	37.8	32.5
Research grants and contracts	78.0	47.0	1.6	–	126.6	119.4
Services rendered	9.5	6.5	0.6	–	16.6	15.9
Other, including general endowment expenditure	15.6	30.6	–	–	46.2	33.7
	334.7	246.7	46.2	23.4	651.0	560.8

	Staff costs £m	Other operating expenses £m	Depreciation £m	Financing costs £m	Year ended 31 July 2018 Total £m	Year ended 31 July 2017 Total £m
University						
Academic and related expenditure	185.2	74.7	8.5	22.5	290.9	250.5
Administration and central services	19.7	25.0	0.1	–	44.8	53.5
Premises	16.5	44.3	29.7	–	90.5	65.5
Residences, catering and conferences	6.5	25.7	4.7	0.9	37.8	32.5
Research grants and contracts	68.5	56.3	1.6	–	126.4	122.8
Services rendered	2.2	2.4	0.2	–	4.8	7.1
Other, including general endowment expenditure	15.5	27.0	0.1	–	42.6	32.7
	314.1	255.4	44.9	23.4	637.8	564.6

	Year ended 31 July 2018 £000s	Year ended 31 July 2017 £000s
Other operating expenses included:		
Audit fees payable to the University's external auditors for University main audit	95	48
Audit fees payable to the University's external auditors for audit of subsidiaries	42	19
Other fees payable to the University's external auditors	466	92
Audit fees payable to other auditors for audit of individual grants	97	42

	Year ended 31 July 2018 £m	Year ended 31 July 2017 £m
Operating lease rentals		
Land and buildings	11.9	12.6

10. Intangible assets

Consolidated	Goodwill £m	Software development £m	Other £m	Total 2018 £m	Total 2017 £m
Cost					
At 1 August	–	4.0	0.5	4.5	0.4
Additions	1.1	3.1	0.3	4.5	4.3
Disposals	–	–	(0.2)	(0.2)	(0.2)
At 31 July	1.1	7.1	0.6	8.8	4.5
Accumulated amortisation					
At 1 August	–	–	(0.2)	(0.2)	(0.2)
Amortisation	(0.2)	–	(0.3)	(0.5)	(0.2)
Disposals	–	–	0.2	0.2	0.2
At 31 July	(0.2)	–	(0.3)	(0.5)	(0.2)
Net book amount at 31 July 2018	0.9	7.1	0.3	8.3	4.3
Net book amount					
At 31 July 2017	–	4.0	0.3	4.3	0.2
Movement during the year	0.9	3.1	–	4.0	4.1
At 31 July 2018	0.9	7.1	0.3	8.3	4.3

Notes to the Financial Statements for the year ended 31 July 2018 continued

10. Intangible assets continued

University	Software development £m	Other £m	Total 2018 £m	Total 2017 £m
Cost				
At 1 August	4.0	0.5	4.5	0.4
Additions	3.1	0.3	3.4	4.3
Disposals	–	(0.2)	(0.2)	(0.2)
At 31 July	7.1	0.6	7.7	4.5
Accumulated amortisation				
At 1 August	–	(0.2)	(0.2)	(0.2)
Amortisation	–	(0.3)	(0.3)	(0.2)
Disposals	–	0.2	0.2	0.2
At 31 July	–	(0.3)	(0.3)	(0.2)
Net book amount at 31 July 2018	7.1	0.3	7.4	4.3
Net book amount				
At 31 July 2017	4.0	0.3	4.3	0.2
Movement during the year	3.1	–	3.1	4.1
At 31 July 2018	7.1	0.3	7.4	4.3

The additions during the year relate to goodwill on the acquisition of The Stables by the subsidiary Langford Veterinary Services Ltd and expenditure on software intangible assets.

The amortisation periods are 10 years and five years respectively.

11. Tangible fixed assets

Consolidated	Freehold land & buildings £m	Assets in construction £m	Leasehold & laboratory refurbishment £m	IT infrastructure £m	Equipment £m	Total 2018 £m	Total 2017 £m
Cost or valuation							
At 1 August	1,040.7	0.3	70.2	3.6	82.6	1,197.4	1,121.7
Additions at cost	53.0	21.4	4.7	4.8	25.3	109.2	103.3
Re-categorisation	(4.0)	4.0	–	–	–	–	–
Disposals	(0.4)	–	–	–	(0.1)	(0.5)	(1.5)
Impairment	(15.1)	–	–	–	–	(15.1)	–
Eliminations of fully depreciated items	(0.6)	–	(11.7)	–	(31.1)	(43.4)	(48.5)
Revaluations in year	10.2	–	–	–	–	10.2	22.4
At 31 July	1,083.8	25.7	63.2	8.4	76.7	1,257.8	1,197.4
Accumulated depreciation							
At 1 August	9.3	–	41.1	–	45.0	95.4	109.8
Charge for year	12.6	–	7.6	0.8	25.2	46.2	46.1
Disposals	–	–	–	–	(0.1)	(0.1)	(0.1)
Elimination of fully depreciated items	(0.6)	–	(11.7)	–	(31.1)	(43.4)	(48.5)
Written back on revaluation	(10.3)	–	–	–	–	(10.3)	(11.9)
At 31 July	11.0	–	37.0	0.8	39.0	87.8	95.4
Net book value							
At 31 July	1,072.8	25.7	26.2	7.6	37.7	1,170.0	1,102.0
At 1 August	1,031.4	0.3	29.1	3.6	37.6	1,102.0	1,011.9

Notes to the Financial Statements

for the year ended 31 July 2018 continued

11. Tangible fixed assets continued

University	Freehold land & buildings £m	Assets in construction £m	Leasehold & laboratory refurbishment £m	IT infrastructure £m	Equipment £m	Total 2018 £m	Total 2017 £m
Cost or valuation							
At 1 August	1,040.6	–	70.2	3.6	77.0	1,191.4	1,095.6
Additions at cost	52.6	21.4	4.7	4.8	24.5	108.0	124.6
Re-categorisation	(4.3)	4.3	–	–	–	–	–
Disposals	(0.4)	–	–	–	–	(0.4)	(1.7)
Impairment	(15.1)	–	–	–	–	(15.1)	–
Eliminations of fully depreciated items	(0.6)	–	(11.7)	–	(28.3)	(40.6)	(48.5)
Revaluations in year	10.2	–	–	–	–	10.2	21.4
At 31 July	1,083.0	25.7	63.2	8.4	73.2	1,253.5	1,191.4
Accumulated depreciation							
At 1 August	9.3	–	41.1	–	41.9	92.3	106.8
Charge for year	12.6	–	7.6	0.8	23.9	44.9	45.5
Disposals	–	–	–	–	–	–	(0.3)
Elimination of fully depreciated items	(0.6)	–	(11.7)	–	(28.3)	(40.6)	(48.5)
Written back on revaluation	(10.3)	–	–	–	–	(10.3)	(11.2)
At 31 July	11.0	–	37.0	0.8	37.5	86.3	92.3
Net book value							
At 31 July	1,072.0	25.7	26.2	7.6	35.7	1,167.2	1,099.1
At 1 August	1,031.3	–	29.1	3.6	35.1	1,099.1	988.8

11. Tangible fixed assets continued

Annually, the University undertakes a review of the underlying value of its portfolio of freehold land and buildings and carries out revaluation when and where appropriate. As at 31 July 2018, in excess of 75% (2017: 75%) of the estate was revalued, either by a full valuation or desktop review, by an external professional firm of chartered surveyors, on the basis of either market value or existing use value using the depreciated replacement cost methodology. All properties are subject to a full valuation at least once every four years. Freehold land and buildings at 31 July 2018 consisted of:

	As at 31 July 2018		As at 31 July 2017	
	Consolidated £m	University £m	Consolidated £m	University £m
At valuation	1,072.1	1,071.8	1,019.5	1,019.4
At cost	11.7	11.2	21.2	21.2
	1,083.8	1,083.0	1,040.7	1,040.6

Freehold land and buildings include land totalling £247.8 million (2017: £227.2 million) which is not depreciated.

No interest cost has been capitalised in construction costs in the year (2017: £nil).

Leasehold and laboratory refurbishments include £11.8 million cost and £3.8 million accumulated depreciation (2017: £10.5 million and £2.7 million) of leasehold land and buildings.

Contracted capital commitments as at 31 July 2018 were £14.7 million (2017: £3.9 million).

The impairment relates to an academic building within the Clifton Campus which is undergoing a complex refurbishment project and was also damaged by fire in January 2018. This project is subject to an ongoing insurance claim (see note 4). The impairment has been classified as a premises cost in note 9.

Heritage assets: The University holds and conserves certain collections, artefacts and other assets of historical, artistic or scientific importance. Most of these are housed in the University's nationally accredited museums and collections and in its libraries, providing a valuable research and educational resource locally, nationally and internationally. Other collections are held in academic departments or are on display as public art. Major collections include those held by the University Library, the Botanic Garden and Theatre Collection.

In respect of its major collections, the University's practice, in accordance with the national accreditation standards, is; to preserve, conserve and manage the objects in its care; to augment the collections where appropriate and within the resources available; to enable and encourage access to and use of the collections for teaching and research; and to enable wide access to, and engagement with, the collections by members of the public.

As noted in the statement of principal accounting policies, heritage assets costing more than £25,000 acquired since 1 August 2010 would be capitalised where practicable and on a cost-benefit basis. The majority of heritage assets held in the University's collections were acquired before 1 August 2010 and they are not recognised in the balance sheet.

There were no material heritage assets acquired during the year (2017: none).

Notes to the Financial Statements for the year ended 31 July 2018 continued

12. Non-current investments

Consolidated	Shares in University's subsidiary companies £m	Shares in listed and unlisted companies £m	Total £m
At 1 August 2017	–	0.9	0.9
Additions	–	–	–
Impairments	–	(0.1)	(0.1)
At 31 July 2018	–	0.8	0.8

University	£m	£m	£m
At 1 August 2017	8.8	0.8	9.6
Additions	–	–	–
Impairment	(7.7)	–	(7.7)
At 31 July 2018	1.1	0.8	1.9

The Board of Trustees believes that the carrying value of the investments is supported by their underlying net assets.

Shares in listed and unlisted companies excluding subsidiaries consist of:

	Consolidated £m	University £m
27.3% in Sulis Seedcorn Fund	0.4	0.4
Itaconix plc	–	–
University of Bristol Enterprise Fund	0.4	0.4
	0.8	0.8

13. Trade and other receivables

	As at 31 July 2018		As at 31 July 2017	
	Consolidated £m	University £m	Consolidated £m	University £m
Amounts falling due within one year				
Research grants receivable	38.8	38.8	28.2	28.2
Other debtors	54.5	48.6	41.0	37.4
Prepayments and accrued income	8.0	8.0	6.0	6.0
Amounts due from subsidiary undertakings	–	3.7	–	6.3
	101.3	99.1	75.2	77.9

14. Current investments

	As at 31 July 2018		As at 31 July 2017	
	Consolidated £m	University £m	Consolidated £m	University £m
Short-term investment in shares	0.1	0.1	0.1	0.1
Short-term deposits	90.0	90.0	99.8	99.8
Short-term investments – endowments	68.7	68.7	66.9	66.9
	158.8	158.8	166.8	166.8

Deposits are held with banks and building societies operating in the London market and licensed by the Financial Services Authority with more than three months maturity at the balance sheet date. The interest rates for these deposits are fixed for the duration of the deposit at time of placement.

At 31 July 2018, the weighted average interest rate of these fixed rate deposits was 0.61% per annum and the remaining weighted average period for which the interest rate is fixed on these deposits is 204 days. The fair value of these deposits was not materially different from the book value.

Short-term endowment investments are held within a multi-asset pooled fund. Amounts are repayable on demand.

Notes to the Financial Statements for the year ended 31 July 2018 continued

15. Creditors – amounts falling due within one year

	As at 31 July 2018		As at 31 July 2017	
	Consolidated £m	University £m	Consolidated £m	University £m
Trade creditors	2.2	2.2	1.0	1.0
Other creditors	63.2	63.2	50.2	50.2
Social security and other taxation payable	0.8	0.8	1.2	1.2
Accruals and deferred income	66.1	62.0	40.7	36.5
Research grants received in advance	55.4	55.4	56.7	56.7
Amounts owed to subsidiary undertakings	–	1.5	–	9.2
	187.7	185.1	149.8	154.8

Deferred income

Included within accruals and deferred income are the following items of income which have been deferred until specific performance conditions have been met:

	As at 31 July 2018		As at 31 July 2017	
	Consolidated £m	University £m	Consolidated £m	University £m
Research grants received on account	55.4	55.4	56.7	56.7

16. Creditors – amounts falling due after more than one year

	As at 31 July 2018		As at 31 July 2017	
	Consolidated £m	University £m	Consolidated £m	University £m
Unsecured loans due in five years or more	450.0	450.0	450.0	450.0
Interest prepayment	(52.8)	(52.8)	(55.1)	(55.1)
	397.2	397.2	394.9	394.9
Unsecured loans repayable by 2038	100.0	100.0	100.0	100.0
Unsecured loans repayable by 2047	150.0	150.0	150.0	150.0
Series A repayable 5 April 2047	50.0	50.0	50.0	50.0
Series B repayable 5 April 2052	50.0	50.0	50.0	50.0
Series C repayable 5 April 2057	100.0	100.0	100.0	100.0
	450.0	450.0	450.0	450.0

Included in loans are the following:

Lender	Amount £m	Maturity date	Nominal interest rate %	Borrower
Barclays Bank PLC	100.0	2038	5.02	University of Bristol
Barclays Bank PLC	150.0	2047	4.57	University of Bristol
Pricoa Capital Group	50.0	2047	2.58	University of Bristol
Pricoa Capital Group	50.0	2052	2.60	University of Bristol
Pricoa Capital Group	100.0	2057	2.60	University of Bristol
Total	450.0			

Notes to the Financial Statements for the year ended 31 July 2018 continued

17. Pension provisions

Consolidated	Obligation to fund deficit on USS pension £m	Obligation to fund deficit on UBPAS pension £m	Total pensions provisions £m
At 31 July 2017	52.7	80.6	133.3
Utilised in year	–	2.7	2.7
Additions/(reduction) in 2017/18	2.0	(27.0)	(25.0)
At 31 July 2018	54.7	56.3	111.0
University	£m	£m	£m
At 31 July 2017	52.7	80.3	133.0
Utilised in year	–	2.7	2.7
Additions in 2017/18	2.0	(27.0)	(25.0)
At 31 July 2018	54.7	56.0	110.7

USS deficit

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

18. Endowment reserves

Restricted net assets relating to endowments are as follows:

	Consolidated and University			2018 Total £m	2017 Total £m
	Restricted permanent endowments £m	Unrestricted permanent endowments £m	Expendable endowments £m		
Balances at 31 July 2017:					
Capital	48.1	2.9	12.5	63.5	54.8
Accumulated income	6.0	0.3	1.0	7.3	7.8
	54.1	3.2	13.5	70.8	62.6
New endowments	0.1	–	–	0.1	–
Investment income	1.4	0.1	0.3	1.8	2.2
Expenditure	(1.4)	–	(0.9)	(2.3)	(1.6)
	–	0.1	(0.6)	(0.5)	0.6
Increase in market value of investments	1.3	0.1	0.4	1.8	5.1
Transfer	0.5	(0.5)	–	–	2.5
At 31 July 2018	56.0	2.9	13.3	72.2	70.8
Represented by:					
Capital	49.7	2.5	12.7	64.9	66.9
Accumulated income	6.3	0.4	0.6	7.3	3.9
	56.0	2.9	13.3	72.2	70.8

Notes to the Financial Statements

for the year ended 31 July 2018 continued

18. Endowment reserves continued

Restricted net assets relating to endowments are as follows:

	Consolidated and University			2018 Total £m	2017 Total £m
	Restricted permanent endowments £m	Unrestricted permanent endowments £m	Expendable endowments £m		
Analysis by type of purpose:					
Dame Emily Smyth endowment trust – support of agricultural research	15.1	–	–	15.1	14.5
William P Coldrick – Chair in Genomics	–	–	4.0	4.0	4.0
Professorships, readerships and lectureships	5.3	–	3.5	8.8	8.6
Scholarships and bursaries	18.0	–	3.2	21.2	21.0
Research support	6.2	–	0.4	6.6	6.8
Prize funds	0.8	–	–	0.8	0.7
General	5.2	2.9	–	8.1	8.2
Other	5.4	–	2.2	7.6	7.0
	56.0	2.9	13.3	72.2	70.8
Analysis by asset					
Current and non-current asset investments				68.7	66.9
Cash and cash equivalents				3.5	3.9
				72.2	70.8

Deficit balances

There are no endowment balances in deficit.

19. Revaluation reserve

	2018		2017	
	Consolidated £m	University £m	Consolidated £m	University £m
At 1 August	470.5	464.0	439.2	434.3
Revaluation of properties	10.2	10.2	22.4	21.4
Cumulative depreciation of properties written back on revaluation	10.3	10.3	11.9	11.2
Revaluation of investments	-	-	0.3	0.3
Transfer to income and expenditure reserve in respect of:				
Depreciation on revalued assets	(1.8)	(1.7)	(2.0)	(1.9)
Fixed asset sales	-	-	(1.3)	(1.3)
At 31 July	489.2	482.8	470.5	464.0

20. Financial instruments

The University has the following financial instruments:

	Consolidated As at 31 July 2018 £m	University As at 31 July 2018 £m	Consolidated As at 31 July 2017 £m	University As at 31 July 2017 £m
Financial instruments at fair value through profit or loss	-	-	0.1	-
Financial instruments that are debt instruments measured at amortised cost:				
trade receivables	38.8	38.8	28.2	28.2
other receivables	54.5	48.6	41.1	37.3
investments in listed companies	0.1	0.1	0.1	0.1
investments in short term deposits	158.7	158.7	166.7	166.7
	252.1	246.2	236.1	232.3
Financial assets that are equity instruments measured at cost less impairment	0.8	0.8	0.9	0.8
Financial liabilities measured at amortised cost:				
unsecured loans	397.2	397.2	394.9	394.9
trade creditors	2.2	2.2	1.0	1.0
accruals	66.1	62.0	40.7	36.5
deferred income	55.4	55.4	56.7	56.7
other creditors	64.0	64.0	51.4	51.4
	584.9	580.8	544.7	540.5

Notes to the Financial Statements for the year ended 31 July 2018 continued

21. Analysis of changes in net debt (excluding endowments)

	Consolidated		
	At 1 August 2017 £m	Cash flow in year £m	At 31 July 2018 £m
Cash and cash equivalents	217.4	(15.3)	202.1
Liquid resources – including certificates of deposit and corporate bonds	99.9	(9.8)	90.1
	317.3	(25.1)	292.2
Debts due after one year	(450.0)	–	(450.0)
Total net debt	(132.7)	(25.1)	(157.8)

	University		
	At 1 August 2017 £m	Cash flow in year £m	At 31 July 2018 £m
Cash and cash equivalents	210.1	(11.4)	198.7
Liquid resources – including certificates of deposit and corporate bonds	99.9	(9.8)	90.1
	310.0	(21.2)	288.8
Debts due after one year	(450.0)	–	(450.0)
Total net debt	(140.0)	(21.2)	(161.2)

22. Pension schemes

The three principal pension schemes for the University's staff are the Universities Superannuation Scheme (USS), the University of Bristol Pension and Assurance Scheme (UBPAS) and the University of Bristol Group Personal Pension Plan (UBGPP). In addition, for some clinical staff, contributions are paid to the National Health Service Pension Scheme (NHSPS).

The total pension costs for the University and its subsidiaries recognised within the Statement of Comprehensive Income and Expenditure account were:

	Note	Consolidated Year ended 31 July 2018 £m	University Year ended 31 July 2018 £m	Consolidated Year ended 31 July 2017 £m	University Year ended 31 July 2017 £m
Employer's cost for USS		31.1	31.0	27.5	27.8
Employer's cost for UBPAS		3.5	3.5	(2.0)	(2.4)
Employer's cost for UBGPP		1.9	1.9	1.6	1.6
Employer's cost for NHSPS		1.7	1.7	1.6	1.6
Other		0.9	–	0.5	–
Total pension costs in staff costs	7	39.1	38.1	29.2	28.6
Net financing charge in respect of deficit in UBPAS and USS	8	3.1	3.1	3.4	3.4
Total pension costs		42.2	41.2	32.6	32.0

Employer's costs shown above include amounts payable under salary sacrifice arrangements. All pension contributions were fully paid at the year end.

Notes to the Financial Statements for the year ended 31 July 2018 continued

22. Pension schemes continued

(i) Universities Superannuation Scheme (USS)

The total cost charged to the profit and loss account is £32.1 million (2017: £29.2 million) as shown in notes 7 and 8.

The latest available complete actuarial valuation of the Retirement Income Builder section of the Scheme is at 31 March 2014 (the valuation date), which was carried out using the projected unit method. The valuation as at 31 March 2017 is underway but not yet completed.

Since the institution cannot identify its share of Retirement Income Builder section of the Scheme assets and liabilities, the following disclosures reflect those relevant for the section as a whole.

The 2014 valuation was the third valuation for USS under the scheme-specific funding regime introduced by the Pensions Act 2004, which requires schemes to adopt a statutory funding objective, which is to have sufficient and appropriate assets to cover their technical provisions. At the valuation date, the value of the assets of the Scheme was £41.6 billion and the value of the Scheme's technical provisions was £46.9 billion indicating a shortfall of £5.3 billion. These figures will be revised once the 2017 Scheme Valuation is complete.

Defined benefit liability numbers for the Scheme for accounting purposes have been produced using the following assumptions as at 31 March 2017 and 2018.

	2018	2017
Discount rate	2.64%	2.57%
Pensionable salary growth	n/a	n/a
Pensions increases (CPI)	2.02%	2.41%

The main demographic assumption used relates to the mortality assumptions. These assumptions have been updated for the 31 March 2018 accounting position, based on updated analysis of the Scheme's experience carried out as part of the 2017 actuarial valuation. The mortality assumptions used in these figures are as follows:

	2018	2017
Mortality base table	Pre-retirement: 71% of AMC00 (duration 0) for males and 112% of AFC00 (duration 0) for females	98% of SAPS S1NA "light" YOB unadjusted for males
	Post retirement: 96.5% of SAPS S1NMA "light" for males and 101.3% of RFV00 for females	99% of SAPS S1NA "light" YOB with a -1 year adjustment for females.
Future improvements to mortality	CMI_2016 with a smoothing parameter of 8.5 and a long term improvement rate of 1.8% pa for males and 1.6% pa for females	CMI_2014 with a long-term rate of 1.5% p.a.

The current life expectancies on retirement at age 65 are:

	2018	2017
Males currently aged 65 (years)	24.5	24.4
Females currently aged 65 (years)	26.0	26.6
Males currently aged 45 (years)	26.5	26.5
Females currently aged 45 (years)	27.8	29.0

22. Pension schemes continued

	2018	2017
Scheme assets	£63.6bn	£60.0bn
Total Scheme liabilities	£72.0bn	£77.5bn
FRS 102 total Scheme deficit	£8.4bn	£17.5bn
FRS 102 total funding level	88%	77%

(ii) University of Bristol Pension Scheme (UBPAS)

UBPAS is a defined benefit pension scheme that the University operates in-house and until 30 September 2010 was offered to all staff who were not eligible to join USS or NHSPS. UBPAS was contracted out of the State Second Pension until April 2016; it is now closed to new members. The assets of the Scheme are held in a separate fund administered by a board of seven Trustees. UBPAS currently has around 800 active members.

The Trustees, acting separately from the University, hold and manage UBPAS assets for the members of the Scheme. Of the seven Trustees, three are members of the Scheme, nominated by all members of the Scheme for a six-year term, and three are appointed by the Board of Trustees of the University to represent the University. The Chairman is an independent person recommended by the University for appointment by the other Trustees. Under the Scheme trust deed and rules, the employer contribution rate is determined by agreement between the Trustees and the University, acting on actuarial advice.

The financial assumptions used to calculate scheme liabilities under FRS 102 are:

	31 July 2018 %	31 July 2017 %
Price inflation (RPI)	3.2	3.2
Price inflation (CPI)	2.1	2.1
Rate of increase in salaries	3.9	3.9
Increases to non-GMP pension in deferment (RPI capped at 5% p.a.)	2.2	3.2
Increases to non-GMP pension in payment (CPI)	3.2	2.2
Increases to post-88 GMP in payment (CPI capped at 3% p.a.)	1.9	1.9
Discount rate	2.8	2.6

Mortality rates have been assumed to be consistent with those proposed for the 2015 actuarial valuation – in particular, using the amounts-based SAPs Series 1 ‘Pensioner’ tables for all retirements, with multipliers of 119.5% (males) and 105.5% (females), and an allowance for improvements in mortality using the CMI 2014 core projections with a 1.5% long-term rate.

Notes to the Financial Statements for the year ended 31 July 2018 continued

22. Pension schemes continued

The assets in the scheme were:

	Fair value as at 31 July		
	2018 £m	2017 £m	2016 £m
Equities/diversified growth funds	150.2	153.8	131.1
Liability-driven investments	101.7	87.7	92.8
Absolute return bond fund	55.3	50.8	41.8
Property	24.8	23.1	20.3
Other net (liabilities)/assets (including cash)	(3.1)	0.4	0.3
Total	328.9	315.8	286.3

Reconciliation of scheme assets and liabilities:

	Assets £m	Liabilities £m	Total £m
At 1 August 2017	315.8	(396.4)	(80.6)
Benefits paid	(13.5)	13.5	–
Employer contributions	5.5	(0.1)	5.4
Current service cost	–	(5.9)	(5.9)
Interest income/(expense)	8.1	(10.3)	(2.2)
Re-measurement gains:			
Actuarial gains	–	14.0	14.0
Return on plan assets	13.0	–	13.0
At 31 July 2018	328.9	(385.2)	(56.3)

Total cost recognised as an expense:

	2018 £m	2017 £m
Current service cost	5.9	9.0
Past service cost	–	(8.6)
Paid under salary sacrifice scheme	(2.4)	(2.4)
Interest cost	2.2	2.0
Total	5.7	–

22. Pension schemes continued

Actuarial valuation

The last actuarial valuation of the Scheme was as at 31 July 2015. Based on the Pensions Act 2004, the valuation is performed under the scheme-specific funding regime, adopting a statutory funding objective, which is to have sufficient and appropriate assets to cover the Scheme's technical provisions.

The valuation was carried out using the projected unit method. The key assumptions and other data relevant to the determination of the contribution levels of the scheme were as follows:

Discount rate	
Pre-retirement	5.1%
Post-retirement	3.1%
Rate of increase to RPI	3.5%
Rate of increase to CPI	2.5%
Rate of increase to salaries	4.2%

Standard mortality tables were used for both pre and post retirement as follows:

- Base table 119.5% / 105.5% male/female SAPs Pensioner tables for all retirements.
- Future improvements: CMI 2014 core projections from 2015 with a 1.5% long-term rate. Use of these mortality tables reasonably reflects the actual UBPAS experience but also provides an element of conservatism to allow for further improvements in mortality rates.

At the valuation date, the value of the assets of the scheme was £252.30 million and the value of the Scheme's technical provisions was £318.7 million, resulting in a deficit of £66.4 million. The assets therefore were sufficient to cover 79% of the benefits which had accrued to members after allowing for expected future increases in earnings.

A new deficit recovery plan was agreed which requires the University to pay £7.16 million per annum until 2039 from April 2019.

During the year, the University paid deficit contributions of £nil (2017: £10.15 million) and as at 31 July 2018 had prepaid a total of £10.15 million (2017: £10.15 million).

As required by law, the actuary also made an estimate of the amount the University would have to pay to secure all members' benefits with an insurance company in the event that the Trustees were to decide that the scheme should be wound up. (This measure is sometimes referred to as 'full solvency'.)

The shortfall in funding under this 'full solvency' measure was approximately £237.2 million.

The University undertook a formal consultation with active members of UBPAS about fundamental changes to the contribution and benefit structure of the Scheme. Following the consultation, from 1 November 2013, active members have had three contribution/benefit options to choose from for future service after that date. These changes are designed to reduce the future risk and cost of the scheme to the University.

Notes to the Financial Statements for the year ended 31 July 2018 continued

22. Pension schemes continued

(iii) UBGPP

Following the closure of UBPAS to new members on 1 October 2010, the University, working with trade unions representatives, launched a new retirement savings plan for all new members of University staff Grade A to I and staff who have previously opted not to join UBPAS.

In addition to matching contributions by the University to members' pension savings, the University has also paid for other benefits. These included a Lump Sum Death In Service Benefit of 6 x basic salary and an income protection benefit of 50% of basic salary plus a further 10% of salary in respect of University pension contributions to UBGPP payable normally from after 26 weeks' absence and could be payable to age 65.

UBGPP is managed by Legal & General Pension Management Limited. On 31 July 2018, there are a total of 2,184 members (2017: 1,616).

(iv) NHSPS

NHSPS is a non-funded occupational scheme backed by the Government, which is restricted to some clinical staff. Under the definitions set out in FRS 102, NHSPS is a multi employer defined benefit pension scheme. The University is unable to identify its share of the underlying assets and liabilities of the Scheme.

Accordingly, the University has applied the exemption in FRS 102 and has accounted for its contributions as if it were a defined contribution scheme.

23. Leases obligations

Total rentals payable under operating leases:

	Land and Buildings £m	Total 31 July 2018 £m	Total 31 July 2017 £m
Future minimum lease payments due:			
Not later than one year	21.3	21.3	15.2
Later than one year and not later than five years	–	–	–
Later than five years	–	–	–
Total lease payments due	21.3	21.3	15.2

24. Events after the reporting period

A recent high court ruling in respect of Lloyds Bank plc has clarified that the Lloyds Bank pension scheme was obligated to equalise the GMP pension benefits between employees of different sexes, giving rise to additional scheme liabilities.

This ruling may have implications for the University regarding the UBPAS scheme. We consider that the Court judgement represents a plan amendment for pension benefits in respect of past service. These are accounted for when they happen and as such represent a non-adjusting post balance sheet event as the ruling occurred following the University's year end.

The impact of the ruling on the University has yet to be determined but may increase the gross liabilities on the UBPAS scheme and lead to an incremental past service charge to the income statement in 2018/19.

25. Subsidiary undertakings and Joint Ventures

The University holds ordinary shares in the following companies, all of which have been incorporated in England. The 100% owned subsidiaries are consolidated into the University's Financial Statements.

Company	Nature of business	% holding
Bristol Innovations Ltd	Development and commercial exploitation of intellectual property	100% owned
Langford Veterinary Services Ltd	Provision of clinical veterinary services	100% owned
NCC Operations Ltd	Operations relating to the national research centre for composites materials	100% owned
Park Row Ltd	Property and project management	100% owned
The Science Research Foundation	Promotion of new research companies	Limited by guarantee
University of Bristol Services Ltd	Property management services	100% owned
BristollsOpen Ltd	High speed communication networks	50% owned

26. Related party transactions

University of Bristol Students' Union

During the year, the University of Bristol made a block grant payment of £1.68m (2017: £1.59m) to Bristol SU (the Students' Union of the University). On 31 July 2018, the current account due to the Bristol SU was £Nil (2017: £Nil). In addition to the provision of services (portering, housekeeping, etc.), the University provides the building in which Bristol SU operates, and meets all utility costs.

The Board of Trustees members

The University's Board of Trustees members are the Trustees for charitable law purposes. Due to the nature of the University's operations and the composition of the Board of Trustees, being drawn from local public and private sector organisations, it is inevitable that transactions will take place with organisations in which a member of the Board of Trustees may have an interest. All transactions involving organisations in which a member of the Board of Trustees may have an interest are conducted at arm's length and in accordance with the University's Financial Regulations and usual procurement procedures. The University maintains a Register of Interests of members of The Board of Trustees. The register is available for inspection under the Freedom of Information Act 2000.

The following transactions took place during the year which we consider need reporting under the accounting standard requirements:

Year ended 31 July 2018:

Organisation	Individual trustee or key management	Income £000	Expenditure £000	Debtor £000	Creditor £000
The Russell Group of Universities	Hugh Brady	–	80	–	–
The Worldwide Universities Network	Hugh Brady	15	–	–	–
University Hospitals Bristol NHS Foundation Trust	Guy Orpen	2,256	–	1,761	–
National Environmental Research Council	Guy Orpen	119	1	–	–
Young Bristol	Robin Gellar	11	–	–	–
North Bristol NHS Trust	John Iredale	902	242	306	–
BristollsOpen Ltd	Nishan Canagarajah	–	50	–	–
Bristol Green Capital Partnership CIC	Judith Squires Mohammed Saddiq	–	4	–	–

Notes to the Financial Statements for the year ended 31 July 2018 continued

26. Related party transactions continued

Year ended 31 July 2017:

Organisation	Individual trustee or key management	Income £000	Expenditure £000	Debtor £000	Creditor £000
The Russell Group of Universities	Hugh Brady	4	69	4	–
University Hospitals Bristol NHS Foundation Trust	Guy Orpen	9,646	1,683	442	6
Bristol and Bath Regional Capital	Robert Kerse	–	6	–	–
Bristol Cultural Development Partnership	Judith Squires	–	35	–	–
Bristol Green Capital Partnership CIC	Judith Squires Mohammed Saddiq	–	13	–	–

No lay member of the Board of Trustees has received any remuneration/waived payments from the Group during the year (2017: none).

The total expenses paid to or on behalf of seven Board of Trustees members was £15,000 (2017: £8,000 to 10 Board of Trustees members). This represents travel and subsistence expenses incurred in attending Board of Trustees meetings, Committee meetings and charity events in their official capacity.

UBPAS

UBPAS is a final salary defined benefit pension scheme for University of Bristol employees only. The assets of the Scheme are held in a separate fund administered by a board of seven Trustees. Of the seven Trustees, three are members of the Scheme, nominated by all members of the Scheme for a six-year term, and three are appointed by the Board of Trustees of the University to represent the University. The Chairman is recommended by the University for appointment by the other Trustees.

As the University exercises a significant power to appoint four out of seven Trustees, UBPAS is considered to be a related party to the University.

For details of transactions between the University and UBPAS please refer to note 22.

Picture credits

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