

Financial Statements 2022/23



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Introduction:

Highlights of the year from the Vice-Chancellor



Over the past year, we have continued to build back following the impact of the pandemic on student experience, especially for those graduating in Summer 2023. The University's Transitions Team, the Centre for Academic Development, Library and Learning Resources, and programme teams all worked hard to deliver enhanced support to students. The year also saw the first graduates of our new Academic Framework which offers all students sustained engagement with core employability skills.

In December 2022, in response to the rise of Generative Artificial Intelligence, we provided initial guidance and training for students and staff, and a university-wide group was set up to develop an AI strategy.

The teaching strikes and marking and assessment boycott in Semester 2 of the academic year had a selective impact across programmes. The University took a carefully planned approach and no students were prevented from progressing or graduating.

It is encouraging that the successes of the University have been recognised in this year's awards and rankings. In January, the University made its submission to the Teaching Excellence Framework 2023 and in September we were delighted to retain our Silver Overall award. In the 2024 Complete University Guide, published in June 2023, we continue to be ranked in the UK's top 50 universities. We were also rated 'amongst the world's top universities' in 19 subject areas in the 2024 QS World University Rankings by Subject.

Our Strategy continues to be central to our work, with the guiding principle of inclusivity restating our commitment to equality of opportunity for all. Reaching out to students from under-represented groups is key to recruitment activities. In addition to the Brookes Engage programme, we are the lead institution for Study Higher, funded by the Office for Students. Since 2017 we have worked in collaborative programmes with almost 30,000 students across Oxfordshire and other counties.

The year saw the inauguration of the University's new Chancellor, the actor Paterson Joseph at a ceremony in May. Paterson's passion for education and his desire to make a positive difference speak to the guiding principles of Oxford Brookes, making him a powerful ambassador for the University. Having already taken part

in graduation ceremonies in May and September, we look forward to working further with Paterson over the coming years.

The University had another excellent year for research funding. Our newly created Directorate for Research Innovation and Enterprise (RIE) processed almost £59m of research bids, a 64% increase on the previous year (£36m). The total grant capture in 2022/23 was £6.18m. In addition, we earned £1.9m from consultancy CPD and curriculum development, and £5.53m from intellectual property income which places Oxford Brookes in the UK's top 10 universities for IP income.

In 2022/23, we received a 15% increase in funding from the Higher Education Innovation Fund (from £1.35m in 2021/22 to £1.7m). Some of the funding was invested in developing research projects with potential for commercialisation, including knee surgery modelling and a handheld health app to support people with lung cancer and chronic obstructive pulmonary disease.

We continue to focus on making significant improvements to our campuses. On the Headington Hill site, two state-of-the-art, sustainable buildings are being constructed which will transform the studying of STEM subjects and the creative industries. We expect the teaching and workshop buildings to open in time for the 2024/25 academic year. The buildings will be home to Faculty of Technology, Design and Environment activity currently based at Wheatley Campus.

We have made significant progress too on environmental sustainability, delivering on our Net Zero carbon reduction strategy with a 55% reduction in carbon emissions from the 2010 baseline. And in 2022, Oxford Brookes became the first university to have an operational geothermal heating system, which is designed to contribute 1.2 gigawatt hours of low carbon heat per year, reducing our natural gas consumption on Headington Campus.

Our local partnerships have continued to flourish. In early 2023, I was delighted to take up the position of Chair of the Board of OxLEP (Oxfordshire Local Enterprise Partnership). This year, we have also worked alongside local authorities, businesses and the University of Oxford on the NightSafe Oxford project, which supports the safety of women and girls.

We continue to foster a strong bond with our local community. July saw schoolchildren and other local people join University students and staff in creating an outdoor willow sculpture on Headington Campus.

Over the following pages you can read more about how our staff, students and partners are working together on great initiatives across areas like student experience (page 8), research and knowledge exchange (page 9), and community partnerships (page 11). I look forward to further examples over the coming year and continue to take pride in being one of the UK's top modern universities with a local, national and international reputation for teaching and research excellence.

PROFESSOR ALISTAIR FITT
VICE-CHANCELLOR

Financial highlights

During the year to 31 July 2023 (2022 figures in brackets) the University group*:

- Achieved all financial targets and key performance indicators
- Generated a surplus of £4.7m (£15.8m deficit)
- Excluding actuarial pension adjustments, an increase in the holiday pay accrual and deferred capital grant write-offs relating to the sale of Wheatley Campus generated a surplus of £2.2m (£6.3m surplus)
- Generated income of £238.0m (£216.6m).

Financial strength

At the balance sheet date the University Group had:

- Generated a net inflow of cash from operating activities of £24.3m (£30.5m)
- Cash and short-term deposits of £97.7m (£126.7m)
- Net current assets of £85.8m (£90.4m)
- Total net assets of £302.2m (£291.2m)
- Pension scheme deficits of £4.0m (£6.1m).

Investments and borrowings

During the year the University Group:

- Invested in fixed assets, including intangibles £65.6m (£29.8m).

*These financial statements represent the University Group, which consists of Oxford Brookes University and Oxford Brookes Enterprises Limited.



Committee members

Board of Governors (Trustees)

The membership of the Board of Governors, who are also Trustees, up to the date of signing the financial statements, were as follows:

Independent Members

Peter Vicary-Smith (Chair)	Chair of BMJ Publishing Group, Independent Non-Executive Director, Northumbrian Water Ltd Non-Executive Director, BMA
Paul Feldman	Independent Member of Governing Body of Pearson College, Independent Board Member of HEANet (Republic of Ireland), Board Member of GEANT (Netherlands), Independent Member of Audit Committee of Science Museum Group
Julia Harrington	CEO and Director of BrainCanDo, registered charity number: 1170784, Member of Council Chartered College of Teaching
Karen Hayzen-Smith	Chief Financial Officer, James Fisher & Sons plc
Simon Jones	Member of Audit Committee, Jisc, Director, Dreaming Spires Technology Ltd Co-opted Governor, St Michael's Primary School, Oxford
Simon Mumford	Trustee, HAE UK
Anup Mysoor	Board Member of Oxfam's Enterprise Development Programme, Governor at Rye St Antony School, Founder of Pink Rainbow Scholarships, Chair of the Board of Trustees, Shakespeare Birthplace Trust
Ankush Nandra	Vice-President Finance & CFO International, AstraZeneca, Non-Executive Director & Chair of Audit Committee of FTSE 250 listed investment trust
Marek Pruszewicz	Director of Communications, IPPF, Director, Ian Fleming Publications Ltd
Osama Rahman	Director of the Data Science Campus, Office for National Statistics, Advisory Board Member, CEPEO (UCL) & MiSOC, University of Essex
Sarah Stevens	Director of Policy at the Russell Group
Lyn Williams	Trustee of Uniac Pension Fund (for Unilever), various other trustee positions
John Zealley	Waterside Associates: Marketing & Strategy Advisory & Investment, Trustee, Chartered Management Institute, Other various Chair positions
Katherine Ryan	Deputy Chair of the Board / Co-opted Governor (until 31.12.23)

Student and Staff Governors

Saskia Clubb (from 11.06.22)	President of the Students' Union, Oxford Brookes University
Jacob Callicott (from 11.06.23)	President of the Students' Union, Oxford Brookes University
Professor Roger Dalrymple	Programme Lead in the Faculty of Humanities & Social Sciences, Oxford Brookes University (Teaching Staff Governor) Associate Dean Student Outcomes from December 2019 (until 13.01.23)
Adrian Thomas	Director Global Student Recruitment, Oxford Brookes University, (Non-teaching Staff Governor) (until 06.01.23)
Maritza Miranda-Pachon (from 13.12.22)	Deputy Director of ASA – Strategic Change and Planning (Non-Teaching Staff Governor)
Mariama Sheriff (from 13.12.22)	Lecturer (Teaching Staff Governor), Online Teaching MTS Global

Co-opted Committee Members

Mike McEnaney	Co-optee of the Audit Committee (from 30.09.22)
William Donger	Co-optee of the Finance & Resources Committee, CEO, Thomas White, Oxford
Andrew Garwood-Watkins	Co-optee of the Finance and Resources Committee, RFMC Ltd, Officestrong Group Ltd Director/Trustee/Governor for a range of charitable Trusts and Schools

Ex-Officio Member

Professor Alistair Fitt	Vice-Chancellor, Oxford Brookes University
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Finance and Resources Committee

John Zealley (Chair)	Independent Governor
Julia Harrington	Independent Governor
Simon Mumford	Independent Governor
Anup Mysoor	Independent Governor
Ankush Nandra	Independent Governor
Marek Prusewicz	Independent Governor (until 31.07.23)
Peter Vicary-Smith	Ex-Officio

Audit Committee

Lyn Williams (Chair until 21.06.23)	Independent Governor
Karen Hayzen-Smith (Chair from 04.07.23)	Independent Governor
Simon Jones	Independent Governor
Paul Feldman	Independent Governor
Mike McEnaney (from 30.09.22)	Co-opted member

People Committee (established on 17 February 2021)

The Remuneration Committee was subsumed within the People Committee. It has a specialist function (part of its ToR) and holds a Remuneration Meeting once per year

Julia Harrington	(Chair) Independent Governor
John Zealley	Independent Governor (until 15.06.23)
Anup Mysoor	Independent Governor
Simon Jones	Independent Governor
Osama Rahman	Independent Governor
Sarah Stevens	Independent Governor
Peter Vicary-Smith	Ex-Officio
Sarah Thonemann	Ex-Officio

Nominations Committee

Peter Vicary-Smith (Chair)	Independent Governor
Simon Mumford	Independent Governor
Ankush Nandra	Independent Governor
Katherine Ryan	Co-opted Governor (Board)
Sarah Stevens	Independent Governor
Professor Roger Dalrymple (until 13.01.23)	Teaching Staff Governor

President of the Students' Union when considering the appointment of a Chancellor

Vice-Chancellor's Group

Professor Alistair Fitt	Vice-Chancellor
Cathy Burleigh	Chief Financial Officer
Brendan Casey	Registrar and Chief Operating Officer
John Kirk (from 23.02.23)	Academic Registrar and Director of ASA,
Sarah Thonemann	Chief People Officer
Professor Linda King	Pro Vice-Chancellor, Research and Global Partnerships
Professor Anne-Marie Kilday (until 31.07.22)	Pro Vice-Chancellor, Student Experience and University Communities
Professor Roger Dalrymple (from 01.08.22 until 13.01.23)	Interim Pro Vice-Chancellor, Education
Gina Dalton (from 01.01.23)	Interim Pro Vice-Chancellor, Education
Professor Astrid Schloerscheidt	Pro Vice-Chancellor and Dean of Faculty of Health and Life Sciences
Professor Joe Tah	Pro Vice-Chancellor and Dean of Faculty of Technology, Design and Environment
Professor Lucy Mazdon	Pro Vice-Chancellor and Dean of Faculty of Humanities and Social Sciences
Professor Tim Vorley	Pro Vice-Chancellor and Dean of Oxford Brookes Business School

Advisors

<i>Bankers</i>	<i>External Auditors</i>	<i>Internal Auditors</i>
Barclays Bank plc	Mazars	PricewaterhouseCoopers LLP
Public Sector Team	90 Victoria Street	Cornwall Court
Level 27	Bristol	19 Cornwall Street Snow Hill
1 Churchill Place	BS1 6DP	Birmingham
London, E14 5HP		B3 2DT

Legal Structure

Oxford Brookes University is a higher education corporation established under the Education Reform Act 1988 ("ERA"). The University's powers are defined in section 124 of the ERA, as amended by the Further and Higher Education Act 1992 and subject to any relevant regulations, orders or directions made by the Secretary of State or Privy Council, and are principally to provide further and higher education, carry out research and to publish the results connected with that research.

The corporation has exempt charitable status as defined in the Charities Act 2011. The charitable purpose of the University

is the advancement of education for the public benefit. As an exempt charity the University is regulated by the Office for Students. The Board of Governors, both collectively and individually as trustees, have complied with the duty to have due regard to the guidance on public benefit published by the Charity Commission and in particular its supplementary public benefit guidance on the advancement of education. Further information on the delivery of the University's charitable objectives for the public benefit can be found in the Operating and Financial Review.

Strategic report: Strategy 2035

The Board of Governors of Oxford Brookes University presents its results, including those of its subsidiaries, for the year ended 31 July 2023. The University is operating within a Strategy developed during the academic session 2020/21. We have worked closely with our students, staff, local community and other stakeholders to create this strategy which sets out our focus and priorities until 2035.

Oxford Brookes University's charitable purpose is the advancement of education. The key beneficiaries are our students. Through our students, as well as through knowledge exchange and other community engagement, wider society also benefits. We deliver this charitable purpose for the public benefit by delivering the University's Strategy 2035, set out below, and through specific public benefit initiatives set out later in this document.

Vision

Oxford Brookes University is distinctive in nature. It is a modern, forward-thinking institution rooted in and connected to a city with a rich history of culture and learning. Through our excellence in teaching, research and knowledge exchange we make the world a better and fairer place.

Mission

We are internationally respected for our bold leadership and innovation in education; for helping organisations to develop sustainably; and for impactful research that is changing the world.

We equip people with the skills, knowledge, mind-set, and attributes required to face new challenges and thrive in a complex, uncertain world. We inspire and drive collective progress through individual endeavour. Our inclusive and friendly community is our greatest asset. We embrace supportive challenge as a catalyst for change. Through the open exchange of knowledge and ideas, by prioritising the progression of equality, diversity and inclusion and seeking out the new, we shape tomorrow.

Values

In the development and nurturing of intellectual and enterprising creativity we make our highest contribution to society. Social responsibility demands that all aspects of our activity should be sustainable. Equality, inclusivity and the celebration of diversity must be the foundation for all we do. We will never be content with anything other than a wholehearted commitment to the quality of the student experience. We will continue to enhance the value – and the perception of value – of our social as well as educational mission.

Strategic goals

The core fundamentals of the University are Education and Enterprise, Research and Innovation, Partnerships and Place and People and Culture. These four fundamental areas are the pillars of the Strategy. For each pillar we have an overarching vision statement, a five-year strategic plan, and a set of two-year immediate priorities in light of the coronavirus pandemic and the University's plan for recovery and innovation in the face of this.

Education and Enterprise

Oxford Brookes is a student-centred University. Our overarching aim is to deliver an outstanding educational experience which enables each of our graduates to be skilled, confident and successful. This will be achieved within a collaborative and inclusive community of scholars and practitioners, working together to make an impact on society.

Research and Innovation

Our portfolio of research excellence builds on our distinctive disciplinary base, fosters interdisciplinary and collaborative working, and delivers transformational social, cultural and economic benefit for our communities both locally and globally. We will strengthen our inclusive and connected research community, increase our collaborations with regional and global partners and enhance our capacity to drive forward sustainable innovation, knowledge exchange and enterprise. We will advance opportunities to lead and contribute to local, national and international initiatives using our expertise and facilities.

People and Culture

Our ambition is to create a vibrant, inclusive and supportive community distinguished by strong collaboration and communication between academic and professional practitioners, between academics from different disciplines and between academics and students. This in turn will foster a place where students, educators, researchers, innovators and entrepreneurs can flourish and excel. We are committed to continuously developing and supporting diversity, inclusivity and openness to foster a trust-based culture.

Partnerships and Place

In 2035, our place within the vibrant and globally-recognised innovation ecosystem that is Oxford, will be a source of distinction, attracting an inclusive and diverse community of students and staff from across the UK and the world. Our location and the opportunities it offers will underpin our position as one of the country's leading modern, forward-thinking and supportive universities.

Our Guiding Principles

Inclusivity

We take positive steps to create an environment in which we celebrate, value, and provide equal opportunity to all. This new Guiding Principle sits alongside our established Guiding Principles and was launched as part of our new Strategy 2035.

Generosity of spirit

We believe people flourish in a culture of respect and support, where we celebrate difference and thrive on each other's success. Our students manifest a generosity of spirit as they progress in the world.

Confidence

We have confidence in our staff and students, and we know that we prepare our graduates well for a fulfilling and valuable life. Through their success, we continue to earn our outstanding reputation.

Enterprising creativity

We're adaptable and flexible, and consider a fresh approach in everything we do – because we know our sustainability depends on a pioneering spirit.

Connectedness

Our academic excellence is underpinned by a history of learning by doing. Our connections and our Oxford roots are fundamental to our students' experiences and our successful future.

Achieving our strategic commitments: Education and student experience

During the academic year 2022/23, Oxford Brookes continued to build back following the impact of the pandemic on student experience, especially for students graduating in the summer of 2023. This took the form of enhanced support by the University's Transitions Team, the Centre for Academic Development (CAD), Library and Learning Resources, as well as programme teams respectively.

In December 2022, the University dealt with the advent of Generative Artificial Intelligence (GenAI) by forming a university-wide group and implementing initial advice and training for staff and students. A declaration process was also put in place for students to use when submitting their assessment. By the summer, the University had a formal strategy for GenAI and had further developed support for all staff and programme teams in making their assessment more resilient whilst accepting and adapting to GenAI across different disciplines and university contexts. Students have embraced the updated Academic Integrity training with over 500 students completing the Moodle course by the beginning of the new academic year.

The teaching strikes and marking and assessment boycott in Semester 2 of the academic year had a selective impact across the University with students on several programmes heavily impacted by missed taught sessions and then through assessment not being marked. The University took a planned approach and no students were prevented from progressing or graduating. This was achieved by adjusting assessment tasks to ensure students were not assessed on anything they had not been taught and by ensuring learning outcomes were covered at programme level.

Where staff were taking part in the marking and assessment boycott, the University's approach was to, firstly, try and ensure other suitable qualified academic staff covered that marking. Where that was not possible, derived marks based on assessment already marked on a module, and/or ungraded passes were used. Students could appeal this approach and wait for their work to be marked whilst still progressing or graduating.

The year 2022/23 also saw the first graduates of the new Academic Framework, which was introduced in 2020/21. The Academic Framework is central to our strategic commitment to further develop a core undergraduate proposition which offers all students on all programmes sustained engagement with core graduate attributes and employability skills and aptitudes, as specified in the Education and Enterprise pillar of Strategy 2035. A full review of AF2020 is underway.

Student feedback

Students insights on their learning experience were gathered by means of a new format for the National Student Survey (published in August 2023) and our own internal Brookes Student Survey (which involves the same changed question set as the NSS with some additional bespoke questions reflecting our institutional priorities).

Response rates returned to near pre-pandemic level for the NSS. However, the new format has not retained the key Overall Satisfaction question and other question changes mean that direct comparisons with last year's results, and with other institutions, is difficult. However, comparison with the sector/benchmark is possible and across 21 of the 27 NSS questions, the University

scored above the benchmark. The above benchmark performance is a significant improvement and in particular, the Assessment and Feedback questions were materially above benchmark, reflecting the improvements that have been implemented through the assessment and feedback policy.

The University made its submission to the Teaching Excellence Framework 2023 and, for the first time, an accompanying submission on behalf of students was made by the Student Union.

The TEF's emphasis on good continuation and progression indicators mirrors our own institutional emphasis on these dimensions of the student learning journey in our Education and Enterprise strategy. In September 2023, Oxford Brookes was delighted to retain its Silver Overall award and will continue to work towards gold for the next TEF. Key to this will be the development of a monitoring and evaluation culture which will ensure that the impact of student experience and enhancement work is measured.

Inclusive practice and culture development

Finally, our institutional focus on inclusivity and accessibility has continued to inform educational and student experience work. The implementation of the Oxford Brookes Inclusive IDEAS model is now in its second year. The acronym standing for Inclusive learning and teaching; Digital inclusivity; Employability learning; Assessment for learning; and Sustainability mindset. The inclusive curriculum model, key to both our Education and Enterprise strategy and our strategic objectives in respect of access and participation, enables the systematic development of inclusive learning and teaching practices and cultures across the University's full portfolio of programmes. This, together with other work on Academic Advising, and on attendance and engagement as part of the 'Turnaround' work, will bring further gains in building learning community and student engagement and wellbeing moving forward.



Achieving our strategic commitments: Research and knowledge exchange

In August 2022, a new Directorate for Research, Innovation and Enterprise (RIE) was established to strengthen support for these activities and build on the University's considerable achievements in relation to high-quality, impactful research, innovation and knowledge exchange.

In 2022/23, RIE processed almost £59m of research bids, which represents a 64% increase from the previous year (£36m). The results of this significant increase in bidding activities will be seen in 2023-24. The total grant capture in 2022-23 was £6.18m, including a small amount of grant capture from directorates. In addition, we earned £1.9m from consultancy in continuing professional development (CPD) and curriculum development, and £5.53m from intellectual property (IP).

At faculty level, combined income for research, consultancy, CPD and IP amounted to:

£2m for Oxford Brookes Business School, £1.9m for the Faculty of Humanities and Social Sciences (HSS), £8m for the Faculty of Health and Life Sciences (HLS) and £1.8m for the Faculty of Technology, Design and Environment (TDE). HLS contributed entirely to the IP income.

The total income received for quality-related research was £6.39m, including £150k to enhance development of research culture.

We received a 15% increase in the Higher Education Innovation Fund and were awarded £1.7m compared to £1.35m in 2021/22. This reflects the improved performance in our annual HE-Business Community Interaction return to the Higher Education Statistics Agency. Around £100k from the Higher Education Innovation Fund was invested in developing a pipeline of several research projects with potential for commercialisation:

- Knee surgery modelling (HLS)

- Non-metallic conductor for MRI (magnetic resonance imaging) (TDE)
- Hand held health app for lung cancer and the rehabilitation of patients with COPD (chronic obstructive pulmonary disease) (HLS)

We also invested in a new patent that was granted in 2022/23 relating to Memristor electronics. Two successful applications were made to the ICURe programme run by InnovateUK to accelerate commercialisation of our technologies. Furthermore, in 2022-23 two new spinout companies were created: MetaGuideX (cancer diagnostics) and Oxford Target Therapeutics. These two companies collectively attracted £510k of funding from InnovateUK.

The University's Enterprise Centre, established in collaboration with OxLEP which provided part-funding (c.£850k), was formally launched in September 2022. We met and, in some instances exceeded the 2022/23 OxLEP key performance indicators:

- Start-ups created: projected 5, delivered 5
- Jobs at startup: projected 5, delivered 5.75
- Jobs created (growth of companies): projected 13, delivered 14.4

The Enterprise Centre offers office and lab space (known as the Bioinnovation Hub) for digital and life sciences-focused startups, spinouts and shared/co-working spaces. It currently hosts 8 companies: Coding Bio, Sun Bear Bioworks, Sensible Bio, Femtech and Oxford Brookes spinouts Oxford Expression Technologies, Oxford Target Therapeutics and MetaGuideX. The Enterprise Centre and Bioinnovation Hub generated an income of £200,753 which includes rental of office and lab space and occasional rental of communal spaces to external organisations on an hourly/daily basis.



Achieving our strategic commitments: Infrastructure and services

The estate and halls of residence

Following the granting of planning permissions in 2021 and 2022 respectively, significant construction work has taken place this year for the redevelopment of Clive Booth Student Village and two new buildings on our Headington Hill site.

To demonstrate the speed of work on the Clive Booth site, the University held a topping out ceremony in summer 2023, just over a year after the first phase of construction began, to celebrate the completion of the highest point of the four initial buildings. The first of these new buildings is expected to be handed over to the University during the 2023/24 academic year. The new accommodation will provide fantastic living and social spaces close to Headington Campus. They will also help to reduce the number of students living in the private rental sector, reducing local housing demand.

For the Headington Hill site, rapid progress has also been made in constructing two state-of-the-art, sustainable buildings which will transform STEM and creative industries activity. We expect the teaching and workshop buildings to open in time for the 2024/25 academic year and they will be the home to Faculty of Technology, Design and Environment activity currently based at Wheatley Campus.

Wheatley Campus was sold to a housing developer in 2023 and the University has committed to removing its remaining activity from the site by the end of October 2024. This forms a key part of the developing Oxford Campus Vision which was formally announced in October 2022. The University confirmed the University's commitment to moving all of its Oxford-based activity onto Headington Campus over the coming years.

More detailed work on the timings and logistics of this continue to take place, and particularly in relation to movement of activity from Harcourt Hill Campus, with further announcements to be made once further decisions have been taken.

As part of its Oxford Campus Vision, Oxford Brookes is committed to building an environment which supports our students, staff and partners to excel. Importantly, our campus spaces need to respond to the evolving needs of the University's community and the rapidly changing world of education. We believe our future Oxford environment will inspire a vibrant, connected and diverse student community to achieve their potential.

IT infrastructure and services

The new Digital Strategy was approved in July 2023 and sets out how the University can make a step change in the way we use digital to deliver the 2035 University Strategy. The priorities for the next 18 months are: getting the basics right and keeping it fresh; how best to equip our students and staff with the digital skills they need to be successful; and transforming the way the systems are integrated.

Continuous service and infrastructure improvements is a key principle in the digital strategy and the past 12 months has seen:

- the creation of new digitally enabled learning spaces e.g. social media laboratory, collaboration spaces, and a Bloomberg Trading Suite
- many changes and improvements to the core digital infrastructure so it can support a new campus network and wifi service in 2024
- installation of a new core infrastructure in preparation for the connection of the new Headington Hill buildings and Clive Booth Student Village to the internet
- reviews and improvements to many processes from across the University by digitising them on the ServiceNow platform

- implementation of a 24/7 cyber security threat, detection and response service.

Environmental sustainability

Oxford Brookes takes a holistic approach to environmental sustainability. We recognise the complexity of our organisation, the social, economic, and environmental impact of our operations, as well as our key role in research and as educators. We therefore continually strive to improve our performance, using an accredited environmental management system (EMS) and relevant policies and strategies covering all aspects of sustainability.

The University's environmental sustainability objectives are guided by the framework of our externally certified ISO14001 internationally recognised EMS. The EMS enforces an environmental policy that sets out our principles and goals and is supported by a series of strategies outlining our key vision, drivers and objectives for each key aspect of environmental sustainability. Aspect-specific action plans to measure, report, and communicate our performance via assigned, time-bound and SMART targets. These policies, strategies, and action plans are reviewed at least annually by the Vice-Chancellor's Group and are externally available on our dedicated website. Our latest Sustainability Report can be found on our website.

Highlights for the last academic year include:

- the continual delivery of our 'Net Zero carbon reduction strategy' with a sustained reduction in Scope 1 & 2 carbon emissions at a 55% reduction level (2010 baseline), ahead of our targets
- the completion of a fully costed 'Heat Decarbonisation Plan', covering both the academic and residential estate, with financials integrated into our estates prioritisation model
- progression of our Scope 3 baseline, summary report defining our operational boundaries, key planning cycles for active progression and inclusion in the new Net Zero Strategy and Roadmap (due Dec 2023)
- optimisation of our new innovative Geo-exchange heating system, which has now received national recognition and awards across Industry
- delivery of a new Biodiversity Strategy, delivering 'Biodiversity Net Gain' across our new developments, protecting and enhancing biodiversity across our existing estate and delivering a new 'living lab' approach.

We continue to deliver forward-thinking sustainable building design criterion, ethical finance policy and sustainability engagement strategy, running parallel with our continual improvement programmes for waste, transport, water, procurement, sustainable catering, research, education and communication strategies. A new Education for Sustainable Development Plan and Sustainable Travel Strategy are due to be published this academic year.

We have completed our annual ISO14001 surveillance audit, and this was passed in October 2022. The University's EMS context was found to be clearly defined, leadership has been effectively demonstrated and commitment levels and processes for delivery were clearly evident. The intended outcomes of an EMS include protecting and enhancing our environmental performance, demonstrating continual improvement, fulfilling compliance obligations, achieving financial/operational benefits, and communicating performance to build long-term success. All appropriate Permits, Licences, and Consents are in place and up to date and we have demonstrated full compliance with environmental legislation along with a depth of knowledge and planning for future legislative changes. We received no areas of non-conformance (for the fourth year in a row) and four areas of best practice.

Achieving our strategic commitments: External

Oxford Brookes is committed to leading the intellectual, social and economic development of the communities it serves through teaching, research and creativity, achieving the highest standards in Oxfordshire and across all our communities.

Sharing knowledge

As an institution dedicated to learning, sharing our knowledge is core to our mission. We continue to engage and share knowledge through:

- the Public Engagement Network (PEN), established to share our research with our communities
- events and campaigns including the Curiosity Carnival, Black History Month, our Science Bazaar, LGBTQ+ History Month and the Oxford Human Rights Festival.

Inspiring young and old, Oxford Brookes aims to support individuals in achieving their aspirations. Activities this year have included sustained programmes such as Brookes Engage and the HE programme Study Higher, which encourage young people from disadvantaged areas to consider higher education and make a successful transition to university (see Public Benefit, page 19).

External partnerships

At Oxford Brookes, we value our strong partnerships with local agencies. In March 2023, the Vice-Chancellor, Professor Alistair Fitt, became Chair of the Board of OxLEP (Oxfordshire Local Enterprise Partnership).

This year, we have strengthened our partnership with local authorities, businesses and the University of Oxford on the Safer Streets initiative, NightSafe Oxford, a network that supports the safety of women and girls at night.

We work in collaboration with Headington Action to support local projects that benefit the local area, such as their Connected Communities project which aims to help people feel less isolated.

Brookes in the community

At the University, we strive to enhance relationships with our neighbours and are proud of the contribution that we make to the local community.

We support local events such as the Headington Festival and campaigns, including the Oxford Pride festival, celebrating the LGBT+ community, and the British Heart Foundation Pack for Good, encouraging students to donate their unwanted items to campus collection banks.

We also take part in local initiatives such as OxClean and Friends of South Park through activities such as litter picking during the Oxford Spring Clean campaign.

We also joined partners across the city once again for Oxford Green Week, a city-wide initiative celebrating sustainability.

In July 2022, Oxford Brookes completed the operational installation of a brand new, state-of-the-art Geo-Exchange Heating System, which is predicted to reduce carbon emissions on campus by 20%.

Also in July, schoolchildren and others from the local community joined University students and staff in building an outdoor sculpture made entirely from willow. The space, on Headington Campus, was designed by a Fine Art Master's student specialising in environmental art. It now provides a safe and sheltered space for anyone to enjoy, as well as encouraging collective creativity and environmental learning.

Sharing our facilities and activities

We provide an open campus and welcome public use of our facilities, including the Brookes Centre for Sport, dental practice, library, Co-op store, exhibition space, venue hire and eateries. We also continue with activities such as our yearly series of free, open lectures and our annual Science Bazaar for families, along with six Science Saturdays, taking place on campus throughout the year.

These are just a few examples of how the University has continued to contribute to society – across all our communities.



Our staff

The overall staff full-time equivalent (FTE) increased from 1,937 to 2,006 (excluding hourly paid staff) in the last year, with academic and senior staff making up 45% of the workforce.

Supporting Equality, Diversity and Inclusion (EDI)

The diversity of the staff body continued to increase steadily, although there are still gaps to be addressed, notably in the representation of Black, Asian and minority ethnic (BAME) staff at senior levels: 7% of senior managers and 4.3% of professors identified as BAME. The University achieved 50% representation of women in the professoriate for the first time (far ahead of the national average of 28.5%). The University provides a full analysis of its diversity data and monitors progress in its annual Equality Report (www.brookes.ac.uk/staff/working-at-brookes/equality-diversity-and-inclusion/reports/annual-reports).

Reflecting the strong institutional commitment to inclusivity expressed in our guiding principles, the Equality Diversity and Inclusion Advisory Group (EDIAG) is chaired by the Vice-Chancellor and continues to operate as the central forum for coordination and oversight of the University's responsibilities and activities in this area. The Access and Participation Group (APG) reports directly to the Vice-Chancellor's Group on our Access and Participation Plan, with representation on the EDIAG to ensure cohesion and linkage of relevant work supporting students and staff. An internal audit report in June 2022 recommended a review of the University's EDI governance arrangements to determine how the governance structure can best support the University's equality objectives. The review will be conducted in 2023/24, following publication of a new EDI Strategy, which is under development.

We continued to engage with external charter marks, which provide a framework for analysis and action planning. The University was successful in renewing our Athena Swan institutional Bronze award, which recognises our commitment to gender equality, and our Disability Confident Employer accreditation. The University was proud to enter the top-100 of the Stonewall Workplace Equality Index, which recognises work to promote LGBTQ+ equality, for the first time, achieving a ranking of 84th. The Race Equality Steering Group began preparatory work towards an application to the Advance HE Race Equality Charter.

Staff resourcing in support of EDI was expanded in early 2023. New roles of Director and Deputy Director of Equality, Diversity and Inclusion and a specialist EDI Data Analyst were created and joined the existing roles of EDI Adviser and Race Equity and Equality Charter Consultant. The new EDI Team is located in the People Directorate but has a cross-University remit and provides greater capacity to support and implement EDI initiatives. Our EDI work across the board was actively supported and enhanced by the work of our Staff Diversity Networks.

Trade Union Facility Time Report

The Trade Union (Facility Time Publication Requirements) Regulations came into force on 1 April 2017. These regulations require relevant public sector employers to collate and publish, on an annual basis, a range of data on the amount and cost of facility time within their organisation.

Table 1 – Relevant Union Officials

What was the total number of your employees who were relevant union officials during the relevant period?

Number of employees who were relevant union officials during the relevant period	Full-time equivalent employee number
24	20.9

Table 2 – Percentage of time spent on facility time

How many of your employees who were relevant trade union officials employed during the relevant time spent a) 0%, b) 1%-50%, c) 51%-99% or d) 100% of their working hours on facility time?

Percentage time	Number of employees
0%	2
1-50%	22
51-99%	0
100%	0

Table 3 – Percentage of pay bill spent on facility time

	cost
Total cost of facility time	£102,387
Total pay bill	£120,370,160
Percentage of the total pay bill spent on facility time	0.09%

Table 4 – Paid trade union activities

As a percentage of total paid facility time hours, how many hours were spent by employees who were relevant union officials during the relevant period on paid trade union activities?

Time spent on paid trade union activities as a percentage of the total paid facility time hours	47.6%
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Our students

The most recent HESA data for Oxford Brookes shows that total student numbers (headcount) for 2022/23 have increased, by nearly 8%, to 18,875 (compared to 17,441 in 2021/22). This is largely due to the inclusion of Global Banking School (GBS) students as part of a new partnership.

Fig 1 illustrates the recent trends in total student numbers and the breakdown by mode of study. The chart shows that there were increased numbers of full-time students (+8%) in 2022/23 again due to the inclusion of GBS students. Part-time numbers also increased (+6%).

When looking at the data by level of study (Fig 2), it is clear that both undergraduate (UG) and postgraduate (PG) numbers have risen. The effect of the large number of UG GBS students masks an underlying drop of -7%, if these students are excluded. PG numbers continued to grow (+8%) largely due to

strong International recruitment in 2022/23.

Fig 3 charts the full-time equivalent (FTE) of UK, International and EU domiciled students over time. This shows that the overall student FTE numbers dropped by -4% in 2022/23. Despite increased numbers, this drop is due to GBS students enrolling part-way through the academic year, and an underlying drop in full-time students. The FTE data shows a drop in UK students (-7%) and in EU numbers (-19%), while international student numbers grew by 22%.

The data provided have been directly sourced from the University's Higher Education Statistics Agency (HESA) returns. The latest academic year, 2022-23, has been subject to changes in process and definitions due to the implementation of Data Futures. Figures for 2022/23 are based on provisional data at 31 October 2023.

Figure 1*
Total student numbers (headcount)

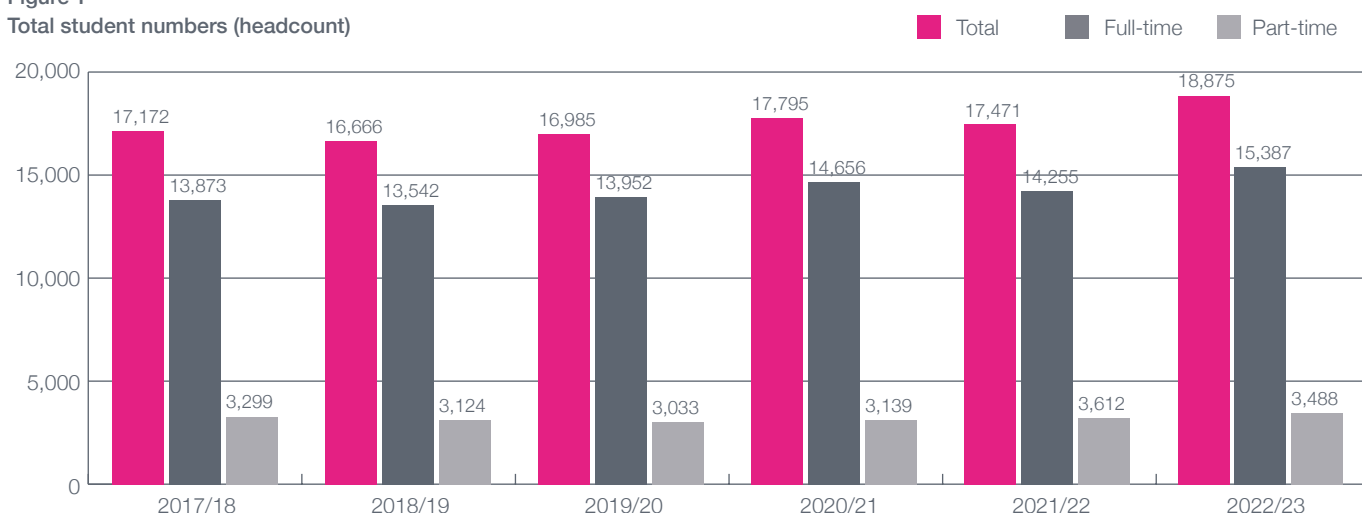


Figure 2*
Undergraduate and postgraduate students (headcount)

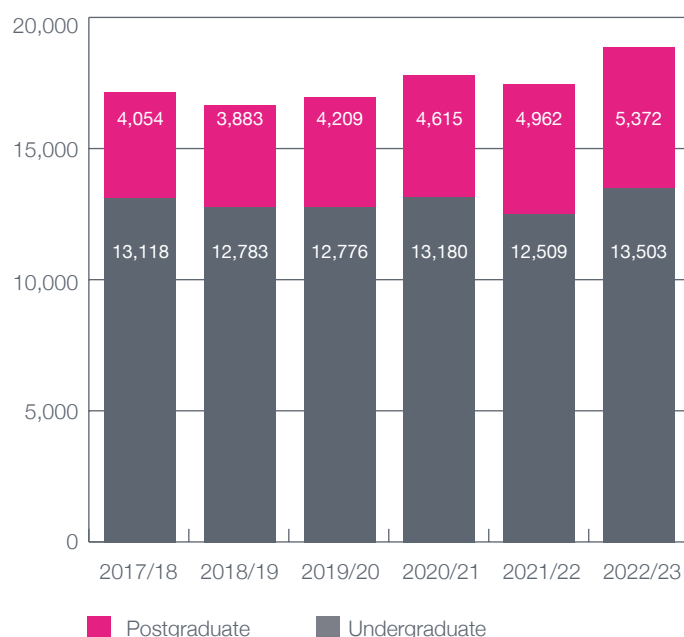
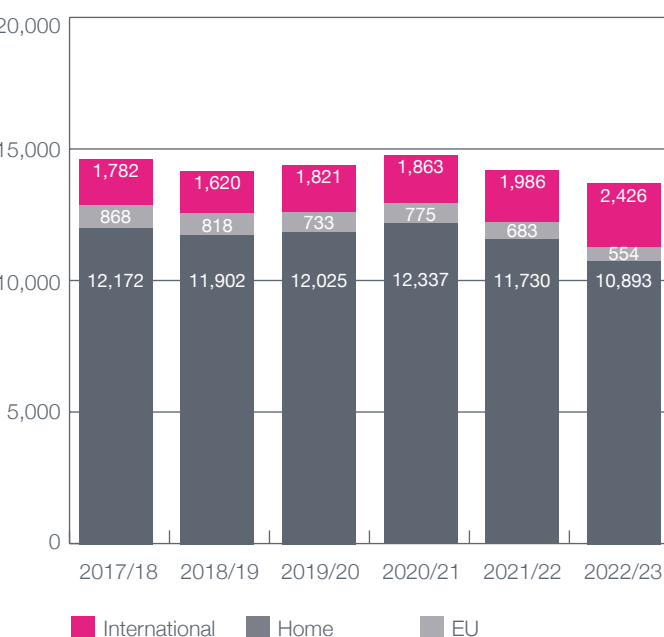


Figure 3**
Home, EU and international students (FTE)



*Figures 1 and 2 source: HESA data. **Figure 3 source: provisional data

Financial results

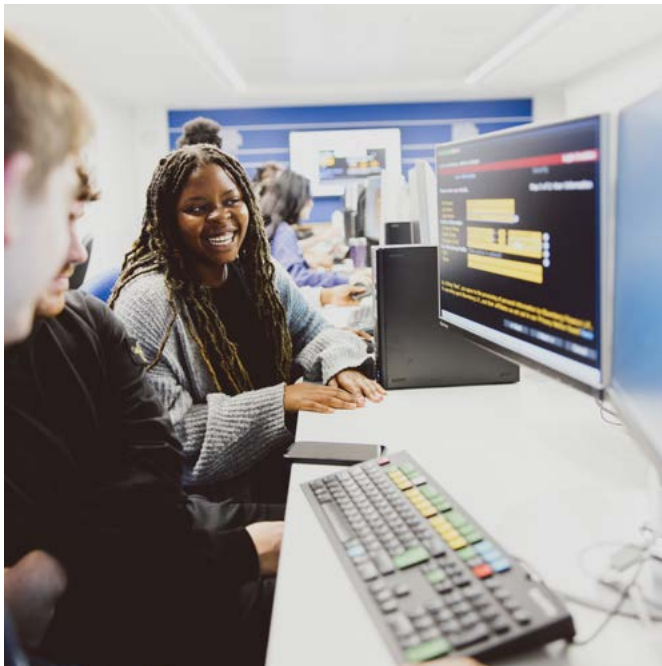
The Financial KPI targets in relation to financial sustainability are:

- to achieve a level of operating surplus that generates sufficient cash to resource agreed strategic investment (i.e. achieve surpluses approved in the financial plans) – Achieved
- to contain staff costs to below 55% of turnover and aim for 50% – Achieved 50.16% (excluding holiday pay and actuarial movement)
- to maintain net current assets, ratio of 1:1, and aim for a ratio of current liabilities to current assets of 1:1.25 – Achieved 1:2.06
- to achieve all loan covenant ratios – Achieved.

These demonstrate that all financial targets and bank covenants have been met.

The surplus for the year was £4.7m, which includes LGPS and USS pension actuarial costs of £4.0m, pension interest costs of £0.2m, and the staff holiday accrual of £3.0m.

Risk management at both strategic and operational level is fully embedded, and Governors actively participate in the process. The University constantly strives to improve its environmental sustainability in the areas of travel, building energy use, ethical procurement, conservation and carbon reduction.



STRATEGIC REPORT FOR THE YEAR ENDED 31 JULY 2023

The University five-year financial forecasts show continued sustainable surpluses that reflect the latest student number forecasts, the Estates Investment Plan and IT Capital plan, and agreed efficiency targets across Faculties and Directorates. Key performance indicators between 2022 and 2023 are shown in the table below:

Key Performance Indicator	2023	2022
Surplus / (Deficit)	£4.7m	-£15.8m
Surplus / (Deficit) excluding one off items	-£1.9m	-£15.6m
Surplus / (Deficit) excluding one off items and pension actuarial adjustments	£2.2m	£6.3m
Total Income	£238.0	£216.6m
EBITDA	£24.1m	£10.1m
EBITDA%	10.1%	4.6%
Total comprehensive income / (deficit) for the year	£11.0	£138.4m
Surplus / (Deficit) as a % of income	2.0%	-7.3%
Unrestricted income and expenditure reserve excluding pension reserve as a % of income	97.6%	90.7%
External borrowings as % of income	81.4%	90.2%
Gearing: borrowing as % of reserves	64.1%	67.1%
Operating cash generation as a % of borrowing	12.6%	15.6%
Net cash flow from operating activities as a % of income	10.2%	14.1%
Staff number average headcount*	3,593	3,684
Staff numbers average FTE**	1,969	1,937
Staff costs as a % of income	53.1%	60.2%
Staff costs as a % of income excluding holiday pay increase and actuarial movement	50.2%	51.2%

*Undergraduate student satisfaction***:*

With teaching	N/A	75.8%
With course overall	N/A	73.5%
NSS number of questions above or in line with benchmark	89%	N/A
NSS teaching positivity measure	84%	N/A

Postgraduate student satisfaction with course overall	83%	82%
Research projects awarded in year	£8.0m	£8.7m

* Staff number headcount includes Associate Lecturers

** Staff number FTE excludes Associate Lecturers

*** The format of the National Student Survey changed for 2022/23, as a result there is no direct comparison with 2021/22

Financial outlook

2022-23 Performance

The University was pleased to deliver a surplus of £2.2m (excluding actuarial pension adjustments, an increase in the holiday pay accrual and deferred capital grant write-offs relating to the sale of Wheatley Campus). This was despite the following challenges:

- High inflation with CPI over 12 months reaching a high of 11.1% in October 2022 and staying above 10% until March 2023 before slowly falling back to 6.7% by September 2023.
- A national trend in HE of lower retention rates for continuing students post Covid, against the backdrop of inflationary pressures and an inadequate increase to the maintenance loan which has amplified the cost of living challenge.
- Pay pressures resulting in an additional unplanned rise of 2% from 1 February 2023.

The 2022/23 outturn was £4.1m below the 2021/22 financial year, which produced a surplus of £6.3m before end of year adjustments (pension adjustments, movement in holiday pay accrual and deferred capital grant write-offs) and an operating deficit of £15.8m including end of year adjustments.

Income increased by circa £21m compared to 2021/22, mainly driven by tuition fees growth of £6.8m, increased funding body grants of £5.5m and other income growth of £7m.

International student fee income exceeded previous year by £10.4m (32%) partly offset by the shortfalls in Home UG fee income (£1.2m) and Home PG fee Income (2.6m). The lower UG fee income was driven by the lower retention rates for continuing students and the lower PG fee income was due to a declining market and fewer students were successfully recruited.

Student fee income also benefited from a large new UK partnership.

Other Income increased by £7m of which £5m came from residences, catering and conferences income, as this continued to recover from the low levels seen during the pandemic. Summer school and conferencing activity was also back to full capacity. The remaining £2m came from the University's partnership with Chengdu, which continued to grow with a full 4 year cohort for the first time in 2022/23.

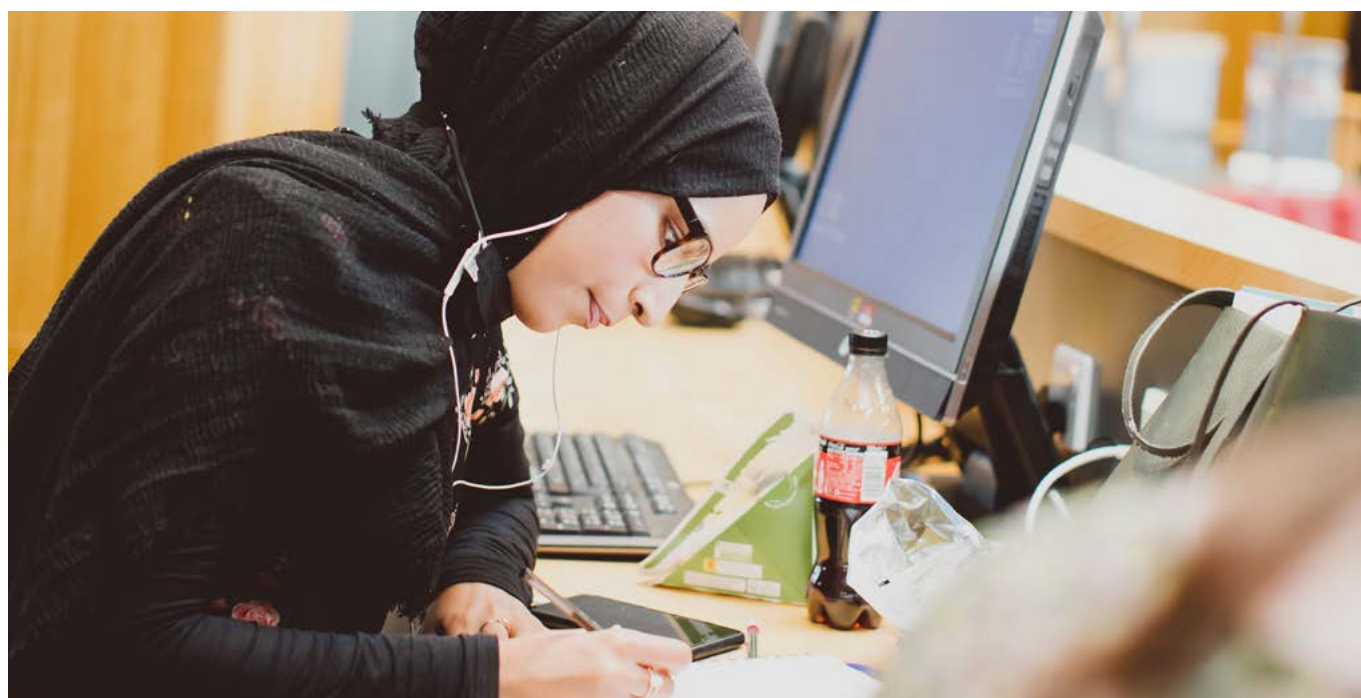
Investment and endowment income received by the University increased by £2.9m, of which investment income increased by £1.6m driven by the high cash balances held in-year combined with increases over the year in the Bank of England base rate. In addition, endowment income increased by £1.2m.

Expenditure pressures contained in the year came from the 2% backdated pay award increase from February 2023, full year award was 5% from August 2023, and the impact of inflation on utilities and some large contracts, including a controlled rent arrangement at a halls of residence which is under a long term contract with a partner. Other areas of increased expenditure mainly resulted from increases in partner payments matching increased income and international recruitment costs in line with the increase in international fee income.

The closing cash position including accrued income was £98m which was £29m lower than in the previous year. This was due to the large infrastructure payments on the New Headington Hill Academic Building and the Clive Booth Student Village.

2023-24 outlook

The future surpluses planned for the period from 2023/24 to 2026/27 rise steadily from £2.8m to £18m based on student number growth over the 5 year period of 28% over 5 years, and an average of 5.6% per annum. These student numbers will be reviewed and updated in the 2024/2025 student number planning round in light of the numbers achieved this year. PG



Home is subject to a deep dive analysis in 2023/24 to inform the strategic direction of our recruitment activities.

The total student enrolment for Semester 1, as of early November across all faculties, was higher than at the equivalent point in 2022/23 and comes on the back of a very successful confirmation and clearing period, when more offers were made and accepted than ever before. The recruitment to Undergraduate Home and Undergraduate International has been very positive. Based on the early indicators the University will exceed prior year student numbers by c 200, demonstrating a growth trajectory. However, it will fall short on recruitment targets as per the 5-Year Financial Plan. In particular the target growth for Postgraduate students will need revisiting for both the home market and the international markets during the current planning round.

The year on year position, however, is very encouraging and we gained market share in the Home UG market. Once the continuing student numbers and the January intake have been ratified we will be able to measure more accurately the impact on the surplus.

Student residences and student let houses have achieved occupancy levels close to 100% with some limited capacity remaining for the January intake. There will be an additional 98 beds from January in the newly developed Clive Booth Student Village and a further 253 will be added in September 2023; 12 months earlier than the previous plans. The favourable financial impact of the additional rooms is already built into the 2023/24 plan.

A large new UK partnership is expected to bring a net contribution of £38m over the 5 years of the Financial Plan.

The University has met the increased costs of the pay award at 5% and the implementation of the increase in the Teachers Pension Scheme of 5% from April 2024, adding £0.7m to the costs in 2023/24 and £2.1m from 2024/25.

Those areas with higher inflation are built into the budget and work to review contract renewal dates will help address

unanticipated increases, although it is likely that there will be some adverse impact in the short to medium term, despite the good news that inflation has fallen to 4.6% in November 2023.

Overall, the University considers that the early estimate of the in-year shortfall in Postgraduate student fees can be addressed into future years and tolerated in-year. The shortfall will be more accurately quantified following the December 1st census, and following review of the period 4 management accounts at the end of November. There will also be a clearer indication of the likely January intake.

The Vice-Chancellor has delivered an all-staff communication on the early financial forecast for 2023/24 and has provided information on the actions and progress made to achieve efficiency targets. The first quarterly management accounts will report on the latest projections and include any further management actions to be taken.

Investment

The University's Turnaround Programme set the priorities for the 2023/24 planning round, and these served as the framework against which all objectives and investment proposals put forward by faculties and directorates were considered:

- Attracting and converting applicants
- Clarification of our offer
- Modernising and aligning the portfolio to our strategic direction
- Infrastructure and resources
- Education and Experience

Investments of £1.7m were approved in the 2023/24 planning round, of which £1.1m is recurring. These covered a wide range of areas, including: posts to support placement and internship provision in non-health programmes; apprenticeship skills coaching and a professional studies adviser for the School of Architecture; additional maintenance investment to address high priority areas and halls refurbishment, and a range of



People Directorate projects, including those to support global mobility and the cost of living via a staff assistance fund and financial advice. Another £3.9m was invested in staff during 2022/23 which mainly covered: academic posts £1.3m in the Oxford Brookes Business School to meet the demands of the increase in International students; £0.6m to support the global recruitment strategy and £0.9m to provide the necessary internal support structure for the large new UK partnership. Investment in the global recruitment strategy is expected to grow over the period of the 5-Year Plan to £1.2m reflecting the future projection in student number growth.

Income growth opportunities

The University continues to focus on its successful Diversification of Income Strategy. Income is expected to grow over the next 5 years as the new University Strategy 2035 is implemented and succeeds.

The Financial Plan includes income growth of circa £126m and 54% over 5 years and averages at 10.8% pa. The growth arises largely from the large new UK partnership fee income of c £70m and confidence in an improved recruitment position, combined with inflation on International and PG Home fees and inflation on accommodation fees. There is also residential income growth of c £11m, of which c £5m is generated from the Clive Booth Student Village development.

The income growth opportunities cover: International partnership growth and progression agreements; UK partnership growth; increased CPD, consultancy and Knowledge Exchange; regional regeneration funds; lifelong learning networks; Intellectual Property income growth in 2023/24 and 2024/25 driven by continued growth in sales; Objective Structured Clinical Examinations contract growth; capital grants; increasing rooms in the Clive Booth Student Village, and commercial opportunities.

Capital Investment

The University continues to ensure that its annual plans generate sufficient cash to fulfil our Estates and IT ambitions. These ambitions will be achieved through the Estates Investment Plan (EIP) and the Halls Investment Plan (HIP), together with the IT Strategy and Strategic Change Programme of business change projects including IT Architecture.

There are two key projects progressing; phase 1 intensification of the Clive Booth Student Village (£75m) and the New Headington Hill Building and Purpose Built Workshop (£92m). These academic buildings enable the departure from, and enabled the sale of, the Wheatley site. It is planned to exit Wheatley by October 2024 and the new academic buildings will be occupied from the same point in time.

The 5-Year Financial Plan includes a total investment in IT Capital of £20m. This is made up of £2m per annum for business transformation projects, £2m over the period 2023/24 to 2024/25 for the IT Architecture Plan, then £2.6m p.a. over the period 2025/26 to 2027/28 for the Digital Strategy. Of the £2m annual business transformation budget for the period 2023/24-2024/25, £2.4m of projects have been approved. Other Capital expenditure across Faculties and Directorates, including equipment requirements, is c £10.5m, over the 5-year plan.

The University has invested £1.6m in two large teaching spaces by converting offices on the ground floor in the John Henry Brookes Building and using capacity in the basement. This will meet the space requirements linked to the student number growth projections.

Cost control and VFM

The University has planned carefully to ensure its costs are fully reflected in its plans. There is some good news on inflation, which has fallen to 4.6% in November 2023 from 6.7% in the previous month, but this is unlikely to have any material effect on contract prices in the short term. The Vice-Chancellors Group has agreed on a number of targeted efficiency savings over a range of areas which are being sponsored by Deans and Directors, actions and progress are monitored and reported to VCG monthly. These are built into the 2023/24 financial plan.

Strong financial management and cost control throughout the forecast period is as important as ever; prioritising our resources to ensure that efficiencies can be achieved whilst continuing to prioritise activity to successfully deliver the University Strategy and key priorities in the years ahead. Procurement continues to work closely with Finance and the budget holders providing advice and support on tenders, contractual negotiation and management of contracts.

A new contract system is now in place using ServiceNow which will prepare the University for the introduction of the new Procurement Act 2023, intended to go live in October 2024, and maximise efficient renewal of contracts. Training is currently underway.

Cost of living

The University recognises the cost of living pressures on staff and students. It is already providing a range of price points across student accommodation to offer affordable options for students. The Financial Plan includes:

- Continuous Improvement in the volume and quality of student accommodation available. Parade Green (885 new rooms) opened in September 2019 and Paul Kent refurbishment was completed in April 2021. Clive Booth blocks C, L and M were lightly refurbished and made 138 affordable rooms available to students starting in September 2023. The Clive Booth Student Village project is underway and the first 98 rooms will be available for January 2024.
- Continued wide range of options and price points across a portfolio of owned, partnership and nominated halls of residence, alongside a growing number of houses available on our head lease scheme. Rents remain marginally below the sector average (when averaged across the portfolio).

The Financial Plan assumes that the new bursary scheme will reduce the call on hardship funding. All UG Students will have accessed the new scheme by 2023 entry (following its introduction in 2021) and therefore hardship funding has been decreased to £0.5m in all years of the plan. (Prior years benefited from additional pandemic-related government hardship funding). Additional hardship funding of £0.2m, that is not Access & Participation countable, is given to PG Home students and International students.

A new Staff Assistance Fund has been established and the provision of financial advice for staff made available by the University.

Risk management

The University assesses its financial risks and presents this alongside the five-year financial plans in order to stress test and demonstrate the deliverability of the plans. This is an integral part of the approval process. It also identifies and implements risk

action plans to manage strategic and operational risks which are monitored and reported in the year. In 2023/24 further progress has been made on implementing Internal Audit recommendations on risk management and a Gap Analysis carried out by the University to meet the ISO standard 3100:2018. As a result, a new Risk Management Policy, Risk Management Guide and a Corporate Risk Register has been implemented which encompasses the Strategic Risks alongside the University operational risks recorded and monitored in the faculties and directorates. The scoring methodology has been updated. The new documentation, risk policy and risk appetite statement are subject to final approval by the Audit Committee in November 2023 and the Board of Governors in December 2023.

The strategic risks for 2023/24 were discussed and updated by two separate groups, of Directors, PVC Deans, members of VCG and a Governor on the 12th and 13th of September 2023 and these were considered by the Risk Management Group (RMWG) at its November meeting, for onward approval by VCG, and submission to the November Audit and Risk Committee.

The 2023/24 final strategic risks included 6 red and 12 amber risks.

Those identified as red are:

- Failure to achieve student recruitment targets
- Inadequate data security systems and processes on an individual and organisational basis, such that a successful cyber attack could occur and/or a serious breach of data takes place
- Failure of IT infrastructure due to end of life condition such that service delivery is majorly disrupted
- Completion, retention & progression of students
- Financial sustainability – fees remaining at £9250 and not reflecting inflation, strike action, pay awards and pensions
- Failure to prevent and address harassment and sexual misconduct as determined by the University's Zero Tolerance statement.

Mitigation plans have been drawn up by the risk owners who will then reassess their scores after allowing for existing controls and mitigations.

The risk register is monitored by the VCG and reported to the Audit and Risk Committee and the Board of Governors at regular intervals during the year.

In May, the annual financial risk and contingency planning workshop was held to identify the key risks to the University's finances in 2023/24 to 2027/28. It was attended by senior and operational managers and a member of the governing body. The risks focused on:

- Future pay award;
- Teachers' pension increase (now included in the 2023/34 budget from April 2024);
- Home, and International recruitment;
- Student residences' void rates; continuation rates for students;

- The opportunity to increase CPD income by Health and Life Sciences (HLS) in health;
- Failure to achieve the vacancy factor;
- The rate of inflation on non-pay costs and energy;
- Deliverability of the large new UK partnership target.

The workshop output identified a total financial exposure of £11m in 2023/24 which when assessed for likelihood reduced to £1.8m. This has been updated to reflect the deduction of the Teachers Pension Scheme risk, assessed as £1.1m in 2023/24, which has now been announced by the government and included in the 5-Year Financial Plans as £0.7m part year from April 2024. The restated total financial exposure in 2023/24 is £10m which when assessed for likelihood reduced to £0.7m. A plan of the key corrective actions that could be taken if they occur is proposed in the Evaluation of Contingency Options section of the Financial Risk Assessment & Evaluation of Contingency Options report.

The 2022/23 outturn of £2.2m against a plan of £4.1m is £1.9m below plan. This compares with the prior year financial risk assessment of £5.8m.

Treasury management

The University policy is to provide adequate liquidity and security in order to meet cash flow requirements and then seek the best available low-risk returns on its remaining cash. Average cash and investment balances held in the year 2022/23 were £95m and the return on investments for the period was £3.6m compared with £0.5m in 2021/22, with an average interest rate of 3.62% compared to 0.40% in the previous year. The average remaining private placement (PP) funds were £57m with £2m of interest attributable to these funds. The rate achieved was significantly higher than the prior year due to changes to the Bank of England (BoE) base rate and careful management of the cash in order to maximise returns at the new higher rates. An additional £135k interest was received relating to current and foreign currency accounts.

The Treasury Management Policy was updated in September 2023 and approved by the Board of Governors in October 2023. It stipulates that the University aims to maintain a minimum cash balance of £15m for working capital, ensuring sufficient liquidity to support day-to-day operations and financial stability. However, recognising the uneven nature of cash inflows from the Student Loans Company, there may be short periods when the cash balance falls below this threshold. During such periods, the University may utilise temporary borrowing arrangements, overdraft or standby facilities to address temporary shortfalls. This temporary borrowing will not exceed the permitted financial indebtedness outlined in any of the current lender agreements, will be for no more than 90 days and will not cause the University to breach any of its banking covenants at year end.

This approach allows the University to effectively manage cash flow fluctuations without the need to hold excessive cash balances for extended periods. An overdraft facility is planned to be in place from the end of November 2023. A monthly treasury management meeting is held to review investments and cash flow, for which the results are included in the quarterly Management Accounts reported to the Finance and Resources Committee and onwards to the Board of Governors.

Internal control environment

The University operates a strong internal control environment. The internal audit contract was tendered in June 2022 and awarded to PwC for a period of 3 years up to June 2025. The Board of Governors approved the appointment of the external auditors Mazars at their meeting of 11 May 2021, from June 2021 for 4 years. The annual audit programme is agreed through discussion with governors and senior staff. This annual plan which includes the draft forward plan for 2022/23 is agreed with and reported to the Audit and Risk Committee. The Audit and Risk Committee meets four times a year, and receives the latest audit reports as well as follow up reporting on previous report recommendations. PwC findings in 2022/23 included 3 high, 17 low, 15 medium and 7 advisory rated recommendations. The University ensures that the actions arising from these reports are implemented and reports on progress to the Audit and Risk Committee.

The Audit and Risk Committee Annual Report is produced and scrutinised alongside the Internal Audit Annual Report and the External Auditor Annual Results report to ensure that the members are fully informed of the status of key controls, internal procedures and governance arrangements. The results have been positive this year; the University was rated by Internal Audit as 'Reasonable/Moderate Assurance' which is the expected rating for the majority of universities.

Going concern

The 5-Year Financial Plan for 2023/24 to 2027/28 was approved at the Board of Governors on 10 October 2023, this included a financial risk assessment and evaluation of contingency options.

The Plan demonstrate the surplus levels, cash generation and assessment of covenant compliance:

- The Surplus grows from £2.8m to £18.0m (1% to 5%) driven by Tuition Fee income growth
- Operating cash generation is healthy at between £25.2m and £48.8m (9% – 14% of income) throughout the planning period
- Loan covenants were renegotiated at the end of 2022. The financial covenants are now identical across all lenders and have much more headroom such that the risk of a breach is now low. This was one of the primary risks in the 5-Year Financial Plan last year; a risk that has now been mitigated. The full covenant forecasts included in the plans demonstrate compliance
- Recognising the uneven nature of cash inflows from the Student Loans Company, there may be short periods when the cash balance falls below the Treasury Management Policy threshold. During such periods, the University may utilise temporary borrowing arrangements, overdraft or standby facilities to address temporary shortfalls. This temporary borrowing will not exceed the permitted financial indebtedness outlined in any of the current lender agreements, will be for no more than 90 days and will not cause the University to breach any of its banking covenants at year end
- A £20m overdraft facility is planned to be in place from the end of November.

The key assumptions underpinning the 5-Year Financial Plan were approved by the VCG on 23 January 2023 and presented to the Finance and Resources Committee on 26 January 2023. These are included in the 5-Year Financial Plan.

At year end 31 July 2023 the closing cash balance was £95m which was £7m higher than the £88m in the 5 Year Financial Plan for 2023/24 opening balance. The increase in closing cash is due to improved operational performance of £4.5m, delayed capital expenditure £1.7m and increased interest income £0.8m.

There has been appropriate scrutiny of financial forecasts and the going concern assessment (and any related disclosures) by the VCG, by the Finance and Resources Committee, by the Audit and Risk Committee and by the Board of Governors.

The financial position in 2023/24 will be assessed in detail for the Period 4 Forecast at the end of November 2023, with a high-level Period 3 Forecast provided for the Finance & Resources Committee at their November meeting. Based on the early indicators the University will exceed prior year student numbers by c 200, demonstrating a growth trajectory. However, it will fall short on recruitment targets as per the 5-Year Financial Plan. In particular the target growth for Postgraduate students will need revisiting for both the home market and the international markets during the current planning round.

Other items of note that support recruitment are:

- The continued success of the International Student Early Acceptance Scholarship which helped to drive conversion for international students in 2021, 2022 and 2023.
- Investment into widening access and student success including a significant expansion of our school outreach work across new geographic areas, a targeted and enhanced financial support scheme (bursary up to £3,000), a contextual admissions policy, the design of a school governor initiative, work on delivering the employability framework and investing additional resources to support students.
- Continuous Improvement in the volume and quality of student accommodation available. Paul Kent refurbishment was completed in April 2021. Clive Booth blocks C, L and M were lightly refurbished and made 138 affordable rooms available to students starting in September 2023. The Clive Booth Student Village project is underway and the first 98 rooms will be available for January 2024.
- Continued wide range of options and price points across a portfolio of owned, partnership and nominated halls of residence, alongside a growing number of houses available on our head lease scheme. Rents remain marginally below the sector average (when averaged across the portfolio).
- The demographic 'dip' in the number of 18 year olds has now turned and there will be an increasing supply from 18-year-old entrants. This was anticipated to convert into increased demand for university places, although the cost of living crisis appears to be offsetting this and dampening demand.

The major projects in the capital programme remain under close scrutiny, proactive management and regular reporting to the Board of Governors. There are other areas of the capital programme which can be slowed down if cashflow necessitates.

The planned surplus in 2023/24 is £2.8m; there is an expectation that there will be a small adverse variance based on early monitoring and reporting, robust cost control and the evidence of the 2022/23 outcome. Further actions will be taken if the early assessment of the student recruitment shortfall is realised such that it significantly, adversely impacts the surplus.

In making these statements, the Board of Governors has considered the Going Concern Report from the Chief Financial Officer and they consider that the University is a 'going concern' from the date of approval of the Financial Statements on the 12th December 2023 for the following 12 months.

Conclusion

The University will be robust and proactive in ensuring that it delivers a positive surplus in 2023/24 as is evidenced in the 2022/23 outturn.

The Vice-Chancellor has already communicated to all staff the early position regarding student recruitment and the actions and progress on achieving the efficiency targets in the 2023/24 plan.

The surpluses over the 5-Year Financial Plan rise from £2.8m to £18m.

Open days at the University are attracting record numbers of students. The continued investment in the campus and the opening of the New Headington Hill Building and the Clive Booth Student Village will have a significant impact on attracting students to live and study at the University.

The University is focused on improving the experience, attraction and retention of all students through its Turnaround programme and Steering Board for International students.

The University maintains a wide focus on the opportunities offered by growing Research, global and UK partnerships, its global strategy and other diverse options for the delivery of education. The growth and success of the University is grounded on its financial sustainability.

Public benefit

In making decisions on the University's activities, the Governors have given due regard to, and taken into account, the Charity Commission guidance on public benefit in exercising their powers and duties. As an exempt charity, providing higher education and research, Oxford Brookes University's charitable purpose is the advancement of education. The key beneficiaries are our students. Through our students, as well as through knowledge exchange and other community engagement, wider society also benefits.

A large number of the ways in which Oxford Brookes meets its charitable purpose and objective are set out in this report's previous sections, relating to the delivery of the Strategy 2035. For examples of research across all areas of the University which demonstrate public benefit, see Research and Knowledge Exchange on page 9, and for examples of community engagement and wider partnerships, see External on page 11.

Encouraging progression to university for under-represented groups

Oxford Brookes continues to deliver a comprehensive programme of activity to raise awareness of higher education and to support students from under-represented groups who have the academic ability and potential to succeed and progress to university. We work with students from as young as age 10, through key transition points in their educational journey. Alongside our work with schools and colleges, we continue to provide free, open access online resources to support students who are considering higher education, which we launched during the Covid pandemic.

Our flagship programme is Brookes Engage, an 18-month programme of monthly activities designed to help students in Years 12 and 13 make a successful transition to university. The programme is open to students across the UK who are interested in progressing to university.

We are the lead institution for the collaborative partnership Study Higher, one of the 29 consortia funded by the Office for Students as part of the Uni Connect programme.

Study Higher aims to increase the number of young people from disadvantaged backgrounds in higher education. Since the partnership started in its current form in 2017, we have worked with just under 30,000 students across Berkshire, Buckinghamshire, Oxfordshire and Swindon through a range of collaborative projects.

Providing alternative ways to access Higher Education

Oxford Brookes works with other organisations to deliver our degrees within local communities across the UK. Our partners include further education colleges through our Associate College Partnerships (ACPs) and large national providers. These partnerships enable the University to provide an alternative route into higher education and offer opportunities to attain qualifications closer to home in an environment that students from under-represented groups often find more accessible.

We also offer a range of higher and degree apprenticeships, both through our partners and our main on-campus provision. Apprenticeships enable individuals to work alongside gaining a higher level qualification, and in this way provide a route into degree level study for those who would not otherwise be able to access it.

Financial support

Oxford Brookes University provides financial support to students, in line with its Access & Participation Plan which is approved by the Office for Students.

During the 2022/23 financial year, support from Oxford Brookes included:

- Oxford Brookes bursaries and scholarships – £3.88m to 2,674 students
- Additional financial aid:
 - Home student hardship fund (undergraduate) – £732k
 - International student fund – £93k
 - Home student hardship fund (postgraduate) – £20k
 - Disability financial aid – £39k
 - Springhill – £42k

Corporate Governance and Internal Control

Introduction

The University is committed to best practice in all aspects of its corporate governance and has regard to the voluntary Governance Code of Practice contained in the Committee of University Chairmen's 'Guide for Members of Higher Education Governing Bodies in the UK', published in 2009 and re-issued as the 'Higher Education Code of Governance' in 2014. The latest revision was in September 2020.

The code identifies seven primary elements of governance that underpin the value and beliefs articulated in the 'Nolan Principles of public life' with the addition of eight aims and principles particular to the nature of higher education. The University is confident that it has in place all of the primary elements and meets the requirements of the supporting 'must' statements that prescribe essential components within each element.

The summary below describes the manner in which the University has applied the principles set out in the UK Corporate Governance Code issued by the London Stock Exchange in 2016 in so far as they relate to universities. Its purpose is to help the reader of the financial statements to understand how the principles have been applied.

The Board of Governors

The Board of Governors, which meets formally five times a year, is responsible for the University's long-term objectives and for strategies in relation to the educational character and mission of the University and for providing overall financial and organisational control. The Board comprises 13 (independent) Governors, 2 co-opted members, the Chief Executive (the Vice-Chancellor), two Governors representing university staff teaching and non-teaching, and the President of the Students' Union. There is a clear separation of the role of the non-executive Chair from that of the Vice-Chancellor.

The Vice-Chancellor is the accountable officer responsible for satisfying the Board that all conditions of receiving and using grant aid from the Office for Students (OfS) have been met. The University's constitution places responsibility for the University's operations with the Vice-Chancellor who as the accountable officer, supported by the Vice-Chancellor's Group, implements the Board's policies and develops and manages the University's business.

A majority of the Board must, by law, be independent of the University, and they bring with them a wealth of expertise from their respective fields of business and professional activity. Board members are appointed in accordance with the requirements of the Education Reform Act 1988 and appointment processes and terms of office are laid out in the procedures for the appointment of Governors adopted by the Board. A new term of appointment model (2/3/3) for Governors was approved by the Board in 2020 subject to mutual agreement.

No board member may serve more than two consecutive terms of four years, other than the Vice-Chancellor and the student Governor, who may remain members as long as they hold the position of Vice-Chancellor and President of the Students' Union respectively. The Standing Orders of the Board make provision, by resolution, for the extension of the member's term

of office beyond the normal limit of eight years where that is necessary to allow the member to serve a maximum term of four years as either Chair or Deputy Chair.

An external company supported the University in carrying out an effectiveness review of its governance, including the Board of Governors, during 2023. The final report was presented to the Board of Governors in October 2023. Their overall assessment of governance effectiveness was Good.

Vice-Chancellor's Group

The Vice-Chancellor's Group comprises the Vice-Chancellor, two Pro Vice-Chancellors with specific responsibility for Education and for Research and Global Partnerships, respectively, the Registrar and Chief Operating Officer, the four Pro Vice-Chancellor Deans of Faculty, the Chief Financial Officer and the Chief People Officer (CPO). The team meets formally on a weekly basis.

It is constituted to advise the Vice-Chancellor and support decision-making and also serves as a body which can be used by the Vice-Chancellor for briefing, consultation and communication with senior managers and/or University staff as a group.

Finance and Resources Committee

The Finance and Resources Committee meets at least five times a year. Membership consists of six independent Governors, two co-opted members, and one ex-officio member (the Chair of the Board of Governors). The committee is responsible to the Board of Governors for:

- Advising the Vice-Chancellor, on a recommendation to the Board of Governors, for the coming year's recurrent and capital budgets, and on the cash flow forecast and draft balance sheet arising
- Considering for approval by the Board of Governors, a rolling five-year strategic plan, including financial plans (both revenue and capital) projected ten-year cash flow and balance sheets, taking account of the requirements of the Bank Lenders and of the Funding Council
- Recommending the Estates Strategy to the Board of Governors, and monitoring and reviewing its application and implementation
- Recommending the IT Strategy to the Board of Governors, and monitoring and reviewing its implementation
- Reviewing changes to and the implementation of other key University strategies from time to time, as necessary
- Reviewing and recommending to the Board of Governors borrowing or other financial vehicles necessary to fund the strategy, and the release of funds for specific projects
- Recommending to the Board of Governors, the acquisition or disposal of lands and buildings.

These are the key areas but are not the full terms of reference.

Audit and Risk Committee

The Audit and Risk Committee meets at least four times a year. Membership consists of four Governors and one co-opted member (up to three co-optees may be appointed). The committee's summary of purpose is:

- To provide advice to the Board of Governors on the fulfilment of the Board's responsibility for sound internal control, stewardship and the achievement of value for money
- To advise the Board on the appointment, remuneration, terms of reference, scope and results of internal and external audit
- To oversee the implementation of the Board's policy in the event of fraud or irregularity
- To advise the Board on the adequacy and effectiveness of the University's strategic risk management arrangements.

People Committee

The People Committee was established on 17 February 2021 to assist the Board of Governors and the University in its oversight of those functions that ensure delivery of the University's strategic objectives as defined within the University People and Culture Strategy.

Additionally, it oversees policy and best practice in the determination of remuneration. The Committee must also ensure that the legal and compliance requirements are being met, as and when these relate to people, culture and remuneration. Membership consists of five independent Governors, one staff Governor, the Chief People Officer (as an ex Officio member) and one additional ex Officio member (the Chair of the Board of Governors).

The People Committee also has a remuneration function, which is undertaken annually to review the remuneration of the Vice-Chancellor and the Registrar and Chief Operating Officer. The Staff Governor does not attend for this function. The remuneration decisions are subsequently notified to the Board of Governors.

The Vice-Chancellor attends the People Committee at the request of the committee for specific matters. The Vice-Chancellor is excluded from matters concerning his own remuneration.

The People and Culture Strategy is approved by the Vice-Chancellors Group, and endorsed by the People Committee and the Board of Governors.

Nominations Committee

The Nominations Committee comprises six Governors, including the Vice-Chancellor, one co-opted member, and the President of the Students Union when considering appointment of a Chancellor. It is responsible for advising the Board on the appointment of new Governors and co-opted Governors.

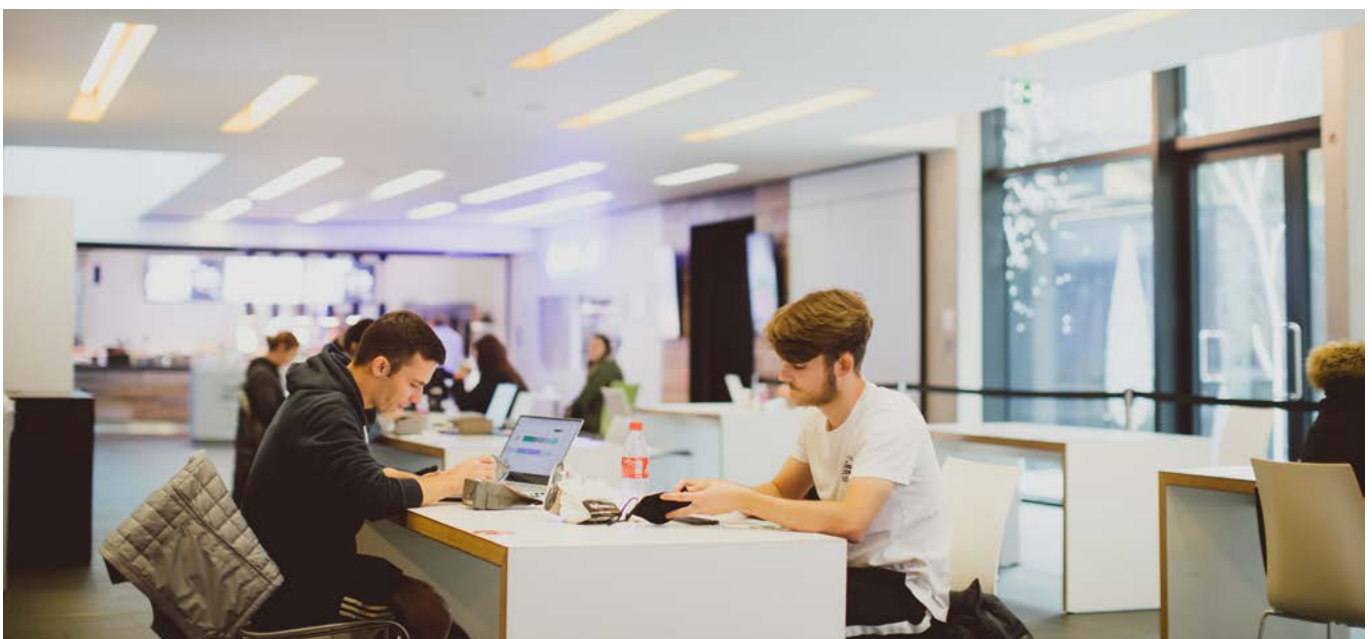
Academic Board

The Academic Board of the University is chaired by the Vice-Chancellor and comprises representatives of both the academic and related areas of the University, a proportion of whom are elected representatives. The Academic Board is responsible for:

- General issues relating to the research, scholarship, teaching and courses at the University, including criteria for the admission of students; the appointment and removal of internal and external examiners; policies and procedures for assessment and examination of the academic performance of students; the content of the curriculum; academic standards and the validation and review of courses; the procedures for the award of qualifications and honorary academic titles; and the procedures for the exclusion of students for academic reasons
- Considering the development of the academic activities of the University and the resources needed to support them and for advising the Vice-Chancellor and the Board of Governors thereon
- Advising on such other matters as the Board of Governors or the Vice-Chancellor may refer to the Academic Board.

Internal control

The key elements of the University's systems of internal financial control, which are designed to discharge the responsibilities of the Board of Governors, include the following:



- Clear definitions of the responsibilities of, and the authority delegated to, heads of academic and administrative departments
- A comprehensive five year planning process, supplemented by detailed annual income, expenditure, capital and cash-flow plans
- Regular reviews of academic performance and monthly reviews of financial results involving variance reporting and quarterly updates of the forecast outturn
- Clearly defined and formalised requirements for approval and control of expenditure, with investment decisions involving capital or revenue expenditure being subject to formal detailed business case appraisal and review
- Comprehensive and regularly updated financial regulations, detailing financial controls and procedures, approved by the Finance and Resources Committee and the Board of Governors
- A professionally qualified and appropriately resourced Finance and Legal Services Directorate
- A professional internal audit team whose annual programme is approved by the Audit Committee.

Any systems of internal financial control can, however, only provide reasonable, but not absolute, assurance against material misstatement or loss.

Charitable status

The University is an Exempt Charity as defined by the Charities Act 2011. Consequently, the University has no charity registration number and is regulated principally by the Office for Students (OfS) which, under the Higher Education and Research Act 2017, operates a registration system to regulate and authorize UK higher education providers (known as Learning Providers). Oxford Brookes University is registered with the OfS under UKPRN 10004930: www.ukrlp.co.uk/ukrlp/ukrlp.first

University financial statements are prepared in accordance with the provisions of the OfS. Where activities undertaken by the University may fall outside the terms of its charitable status, these are undertaken through Oxford Brookes Enterprises Limited. The majority of the profits of that company are gift-aided annually to the University. All the activities operated directly by the University are of a charitable nature and as such not liable to corporation tax.

In accordance with the Education Reform Act 1988, the Board of Governors of Oxford Brookes University ('the Board') is responsible for the administration and management of the affairs of the University and is required to present audited financial statements for each financial year.

The Board is responsible for keeping proper accounting records, which disclose with reasonable accuracy at any time the financial position of the University and which enable it to ensure that the financial statements are prepared in accordance with the powers and duties of previous legislation. These are the Education Reform Act 1988, Further and Higher Education Act 1992 and the Higher Education Act 2004. They must also comply with the Regulatory Framework issued by the OfS in April 2018 and amended from time to time, the Statement of Recommended Practice (SORP): Accounting for Further and Higher Education 2019, and applicable United Kingdom Law and Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102.

The Board, through its designated office-holder, 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 and of the institutional surplus or deficit and cash flows for that year.

In causing the financial statements to be prepared, the Board has to ensure that:

- suitable accounting policies are selected and applied consistently
- judgements and estimates are made that are reasonable and prudent
- applicable UK law and accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- financial statements are prepared on the going-concern basis unless it is inappropriate to presume that Oxford Brookes University will continue in operation. The Board is satisfied that the University has adequate resources to continue in operation for the foreseeable future; for this reason the going-concern basis continues to be adopted in the preparation of the financial statements.

The Board has taken reasonable steps to ensure the University:

- has a robust and comprehensive system of risk management, control and corporate governance. This includes arrangements for the prevention and detection of corruption, fraud, bribery and irregularities
- has regular, reliable, timely and adequate information to monitor performance and track the use of public funds
- plans and manages its activities to remain sustainable and financially viable
- informs the Office for Students of any material change in its circumstances, including any significant developments that could impact on the mutual interests of the University and the Office for Students
- uses public funds for proper purposes and seeks to achieve value for money from public funds
- complies with the mandatory requirements relating to audit and financial reporting, set out in the Office for Students Audit Code of Practice and in the Office for Students annual accounts direction.

The Board of Governors is responsible for the maintenance and integrity of the corporate and financial information included on the University's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions. The work carried out by the auditors does not involve consideration of these matters and, accordingly, the auditors accept no responsibility for any changes that may have occurred to the financial statements since they were initially presented on the website.

Disclosure of information to auditors

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

Risk management

The University's strategic risk management process has been updated in 2023/24 to include new documentation, including; a risk management policy and statement of risk appetite; a risk management guide and scoring mechanism to reflect the University risk appetite; and a Corporate Risk Register which includes strategic and all operational risks recorded in faculties and directorates. The 2022/23 process continued to provide effective systems for the identification of the major strategic and financial risks facing the University. During 2022/23 the VCG, Audit Committee and Board of Governors monitored the highest level strategic risks whilst other risks continued to be managed as part of the established management arrangements. From 2023/24 this approach will be replaced by monitoring of the Corporate Risk Register.

The key elements of the University's approach during the year, designed to discharge the responsibilities of the Board of Governors were:

- a review of the University's approach and attitude to risk. This included active participation from senior management and the Board of Governors
- two workshops to identify evaluate and categorise by severity, risks which impacted on the achievement of strategic objectives
- the production of a new risk register
- the development of risk improvement plans to address the highest categories of risk and the confirmation of the delegation of responsibility to manage the less significant risks
- regular monitoring by the VCG of the risk register and of the implementation of improvement plans for the eight highest severity risks
- regular meetings of the Risk Management Working Group, a small group of senior managers, chaired by the Registrar and Chief Operating Officer, to review the output of the risk management process and to consider improvements and developments to the process itself and the development of additional risk management procedures at an operational level. The Group has no delegated authority itself but provides an effective forum to allow the Registrar and the Chief Financial Officer to fulfil their responsibilities



Peter Vicary-Smith
Chair of Governors

- regular reports both to the Board and the Audit and Risk Committee on the development of the process, the most severe risks and progress with improvement plans
- high level involvement and support which included the Vice-Chancellor taking an active part in one of the risk workshops and chairing the VCG which considered the risk register and improvement plans and other reports on key aspects of the University's performance. Several members of the VCG and most Directors took an active part in at least one of the various workshops
- that the Internal Audit team based their plan of work on the University's risk analysis, modified by their assessment. In addition, the Internal Audit Team reviewed the University's system of risk management
- a workshop convened to specifically review the main risks to the University's financial plans, and to predetermine what actions might be taken if certain events occurred
- a series of workshops to produce new risk registers and improvement plans for each directorate and faculty.

Review of the effectiveness of internal control and risk management

At its meeting in December 2023 the Board of Governors considered the effectiveness of the arrangements for internal control and risk management that have been in place for the financial year to 31 July 2022 and up to the date of signing the annual financial statements. The Board of Governors came to a conclusion, based upon the Annual Report of the Audit Committee and other internal audit and management assurances, regarding whether the arrangements in place were satisfactory to provide effective internal control and risk management throughout this time. The conclusion reached at the meeting was one of adequate assurance.

Going concern

After making appropriate enquiries, the Board of Governors has a reasonable expectation that the University has adequate resources to continue in operational existence for the foreseeable future. For this reason, they continue to adopt the going concern basis in preparing the financial statements.



Professor Alistair Fitt
Vice-Chancellor

Independent Auditors' Report

Opinion

We have audited the financial statements of Oxford Brookes University ('the University') and its subsidiary ('the Group') for the year ended 31 July 2023 which comprise the Consolidated and University Statement of Comprehensive Income, the Consolidated and University Statement of Changes in Reserves, the Consolidated and University Statement of Financial Position, the Consolidated Statement of Cash Flows and notes to the financial statements.

The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 "The Financial Reporting Standard Applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the Group's and University's affairs as at 31 July 2023 and of the Group's and University'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; and
- have been prepared in accordance with the requirements of the Statement of Recommended Practice – Accounting for Further and Higher Education.

Basis for opinion

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

Conclusions relating to going concern

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

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

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

Other information

The Board of Governors is responsible for the other information. The other information comprises the information included in the Annual Report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent

otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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

We have nothing to report in this regard.

Responsibilities of Board of Governors

As explained more fully in the Statement of Responsibilities of the Board of Governors set out on page 24, the Board of Governors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as 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 Governors are responsible for assessing the Group and University's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Governors either intend to liquidate all or part of the University Group or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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

The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud.

Based on our understanding of the University Group and its operations, we considered that non-compliance with the following laws and regulations might have a material effect on the financial statements: OfS requirements, UK tax legislation, pensions legislation, employment regulation and health and safety regulation, anti-bribery, corruption and fraud and money laundering.

To help us identify instances of non-compliance with these laws and regulations, and in identifying and assessing the risks of material misstatement in respect to non-compliance, our procedures included, but were not limited to:

- Inquiring of management and, where appropriate, those charged with governance, as to whether the University Group is in compliance with laws and regulations, and discussing their policies and procedures regarding compliance with laws and regulations;
- Inspecting correspondence, if any, with relevant licensing or regulatory authorities;
- Communicating identified laws and regulations to the engagement team and remaining alert to any indications of non-compliance throughout our audit; and
- Considering the risk of acts by the University Group which were contrary to applicable laws and regulations, including fraud.

We also considered those laws and regulations that have a direct effect on the preparation of the financial statements, such as pensions legislation and the OfS Accounts Direction. In addition, we evaluated the Board of Governors' and management's incentives and opportunities for fraudulent manipulation of the financial statements, including the risk of management override of controls, and determined that the principal risks related to posting manual journal entries to manipulate financial performance, management bias through judgements and assumptions in significant accounting estimates, in particular in relation to defined benefit pension obligations, revenue recognition (which we pinpointed to the cut-off assertion), and significant one-off or unusual transactions.

Our audit procedures in relation to fraud included but were not limited to:

- Making enquiries of the Board of Governors and management on whether they had knowledge of any actual, suspected or alleged fraud;
- Gaining an understanding of the internal controls established to mitigate risks related to fraud;
- Discussing amongst the engagement team the risks of fraud; and
- Addressing the risks of fraud through management override of controls by performing journal entry testing.

There are inherent limitations in the audit procedures described above and the primary responsibility for the prevention and detection of irregularities including fraud rests with management. As with any audit, there remained a risk of non-detection of irregularities, as these may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal controls.

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

Other Required Reporting

Opinion on other matters prescribed in the OfS Audit Code of Practice issued under the Further and Higher Education Act 1992

In our opinion, in all material respects:

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

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

- the provider's grant and fee income, as disclosed in the notes to the accounts, is materially misstated; or
- the provider's expenditure on access and participation activities, as disclosed in the accounts, has been materially misstated.

Matters on which we are required to report by exception

In light of the knowledge and understanding of the group and University and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or the Board of Governors' Report.

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

- the provider's grant and fee income, as disclosed in the notes to the accounts, is materially misstated; or
- the provider's expenditure on access and participation activities, as disclosed in the accounts, has been materially misstated.

Use of the audit report

This report is made solely to the Governing Body as a body in accordance with University's Supplemental Royal Charter and its Schedule of Bye-Laws and the Governing Body's Statement of Primary Responsibilities. Our audit work has been undertaken so that we might state to the Governing Body those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the group and Academy and the Governing Body, as a body, for our audit work, for this report, or for the opinions we have formed.

Mazars LLP

Richard Bott (Senior Statutory Auditor)
Mazars LLP
Chartered Accountants and Statutory Auditor
Address 90 Victoria Street, Bristol, BS1 6DP

Date: *14 December 2023*

Financial statements

Consolidated and University statement of comprehensive income and expenditure for the year ended 31 July 2023

	Note	Year ended 31 July 2023		Year ended 31 July 2022	
		Consolidated £'000	University £'000	Consolidated £'000	University £'000
Income					
Tuition fees and education contracts	1	143,721	143,721	136,959	136,921
Funding body grants	2	21,822	21,822	16,309	16,309
Research grants and contracts	3	8,011	8,011	8,666	8,666
Other income	4	61,065	60,161	54,104	52,457
Investment income	5	1,781	1,767	135	135
Donations and endowments	6	1,630	1,630	385	385
Total income		238,030	237,111	216,558	214,873
Expenditure					
Staff costs	7	126,322	125,762	130,471	129,790
Other operating expenses	10	87,618	87,272	76,029	75,042
Depreciation, amortisation and impairment	11,12	18,510	18,493	17,689	17,672
Interest and other finance costs	8	5,674	5,674	8,081	8,081
Total expenditure	9	238,124	237,201	232,269	230,584
(Deficit) / Surplus before other gains and losses		(94)	(90)	(15,711)	(15,711)
Gain / (Loss) on disposal of fixed assets	12	4,794	4,794	(126)	(126)
Gain / (Loss) on investments		6	6	(3)	(3)
(Deficit) / Surplus before tax		4,706	4,710	(15,840)	(15,840)
Taxation		-	-	-	-
(Deficit) / Surplus for the year		4,706	4,710	(15,840)	(15,840)
Actuarial (loss) / gain in respect of pension schemes	29	6,299	6,299	154,284	154,284
Total comprehensive (expense) income for the year		11,005	11,009	138,444	138,444
Represented by:					
Endowment comprehensive (expense) for the year		(47)	(68)	(53)	(53)
Restricted comprehensive income for the year		755	775	(63)	(63)
Unrestricted comprehensive income for the year		37,984	37,988	139,166	139,166
Revaluation reserve comprehensive income for the year		(27,687)	(27,687)	(606)	(606)
Attributable to the University		11,005	11,009	138,444	138,444
Attributable to the non-controlling interest		-	-	-	-
		11,005	11,009	138,444	138,444

Consolidated and University statement of change in reserves for the year ended 31 July 2023

Consolidated	Income and expenditure account			Revaluation reserve	Total
	<i>Endowment</i>	<i>Restricted</i>	<i>Unrestricted</i>		
	£'000	£'000	£'000	£'000	£'000
Balance at 1 August 2021	1,240	871	51,089	99,531	152,731
Deficit from the income and expenditure statement	(53)	(63)	(15,724)	-	(15,840)
Other comprehensive income	-	-	154,284	-	154,284
Transfers between revaluation and income and expenditure reserve	-	-	606	(606)	-
Release of endowment and restricted capital funds spent in year	-	-	-	-	-
Total comprehensive expense for the year	(53)	(63)	139,167	(606)	138,445
Balance at 1 August 2022	1,187	807	190,257	98,925	291,177
Surplus/(deficit) from the income and expenditure statement	(47)	755	3,998	-	4,706
Other comprehensive income	-	-	6,299	-	6,299
Transfers between revaluation and income and expenditure reserve	-	-	27,687	(27,687)	-
Transfers between restricted reserve and endowment reserve	(21)	21	-	-	-
Release of endowment and restricted capital funds spent in year	-	-	-	-	-
Total comprehensive income for the year	(68)	775	37,984	(27,687)	11,004
Balance at 31 July 2023	1,119	1,583	228,241	71,238	302,181
University	Income and expenditure account			Revaluation reserve	Total
	<i>Endowment</i>	<i>Restricted</i>	<i>Unrestricted</i>		
	£'000	£'000	£'000	£'000	£'000
Balance at 1 August 2021	1,240	871	50,998	99,531	152,640
Deficit from the income and expenditure statement	(53)	(63)	(15,724)	-	(15,840)
Other comprehensive income	-	-	154,284	-	154,284
Transfers between revaluation and income and expenditure reserve	-	-	606	(606)	-
Release of endowment and restricted capital funds spent in year	-	-	-	-	-
Total comprehensive expense for the year	(53)	(63)	139,167	(606)	138,445
Balance at 1 August 2022	1,187	807	190,165	98,925	291,084
Surplus/(deficit) from the income and expenditure statement	(47)	755	4,002	-	4,710
Other comprehensive income	-	-	6,299	-	6,299
Transfers between revaluation and income and expenditure reserve	-	-	27,687	(27,687)	-
Transfers between restricted reserve and endowment reserve	(21)	21	-	-	-
Release of endowment and restricted capital funds spent in year	-	-	-	-	-
Total comprehensive income for the year	(68)	775	37,988	(27,687)	11,009
Balance at 31 July 2023	1,118	1,583	228,154	71,238	302,093

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

	Note	As at 31 July 2023		As restated at 31 July 2022	
		Consolidated £'000	University £'000	Consolidated £'000	University £'000
Non-current assets					
Intangible assets	11	11,335	11,335	11,583	11,583
Fixed assets	12	422,686	418,198	416,939	416,501
Investments	14	244	694	194	644
		<u>434,265</u>	<u>430,227</u>	<u>428,717</u>	<u>428,728</u>
Current assets					
Stock	15	28	11	34	9
Trade and other receivables	16	68,765	75,607	11,729	14,155
Investments	17	82,766	82,766	80,277	79,777
Cash and cash equivalents	24	14,948	8,790	46,380	45,409
		<u>166,507</u>	<u>167,174</u>	138,421	139,352
Less: Creditors: amounts falling due within one year	18	(80,704)	(77,420)	(48,056)	(49,093)
Net current assets		85,803	89,753	90,365	90,259
Total assets less current liabilities		<u>520,068</u>	<u>519,980</u>	<u>519,082</u>	<u>518,987</u>
Creditors: amounts falling due after more than one year	19	(213,921)	(213,921)	(221,785)	(221,785)
Provisions					
Pension provisions	21	(3,966)	(3,966)	(6,120)	(6,120)
Other provisions	21	-	-	-	-
Total net assets		<u>302,181</u>	<u>302,093</u>	<u>291,177</u>	<u>291,082</u>
Restricted Reserves					
Income and expenditure reserve – endowment reserve	22	1,119	1,118	1,187	1,187
Income and expenditure reserve – restricted reserve	23	1,583	1,583	808	808
Unrestricted Reserves					
Income and expenditure reserve – unrestricted		228,241	228,154	190,256	190,162
Revaluation reserve		71,238	71,238	98,925	98,925
Total Reserves		<u>302,181</u>	<u>302,093</u>	<u>291,177</u>	<u>291,082</u>

The financial statements on pages 26 to 58 were approved by the Board of Governors on 12 December 2023 and signed on its behalf by:



Peter Vicary-Smith
Chair of Governors



Professor Alistair Fitt
Vice-Chancellor

Consolidated cash flow statement for the year ended 31 July 2023

	Note	Year ended 31 July 2023 £'000	Year ended 31 July 2022 £'000
Cash flow from operating activities			
Surplus / (deficit) for the year before tax		4,706	(15,840)
Adjustment for non-cash items			
Depreciation	12	16,844	16,132
Amortisation of intangibles	11	1,588	1,555
(Gain) / loss on disposal of fixed assets	12	(4,794)	126
(Gain) / loss on endowments		(6)	3
Service concession lease premium	13	(125)	(125)
(Increase) / decrease in stock	15	7	-
(Increase) / decrease in debtors		(14,905)	107
Increase / (decrease) in creditors		19,717	2,524
Pension provision		4,146	21,904
(Decrease) / increase in general provision	21	-	-
Adjustment for investing or financing activities			
Investment income	5	(1,781)	(135)
Interest payable	8	5,493	5,607
Endowment income	22	(36)	(17)
Capital grant income		(6,525)	(1,391)
Net cash inflow from operating activities		24,330	30,451
Cash flows from investing activities			
Capital grants receipts		615	5,219
Investment income		1,264	135
Withdrawal of deposits		80,277	-
New deposits		(82,766)	(50,777)
Payments made to acquire tangible assets		(49,910)	(25,630)
Payments made to acquire intangible assets		(1,559)	(793)
Proceeds from sale of tangible assets		6,940	21
Net cash outflow used in investing activities		(45,139)	(71,825)
Cash flows from financing activities			
Interest paid		(5,317)	(5,417)
Interest element of finance lease and service concession payments		(181)	(172)
New endowments		36	17
New unsecured loans		-	-
Repayments of amounts borrowed		(1,711)	(1,647)
Capital element of finance lease and service concession payments		(3,450)	(3,275)
Net cash outflow used in financing activities		(10,623)	(10,494)
Increase / (decrease) in cash and cash equivalents in the year		(31,432)	(51,869)
Cash and cash equivalents at beginning of the year	24	46,380	98,249
Cash and cash equivalents at end of the year	24	14,948	46,380

Basis of Preparation

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

The consolidated financial statements include the University and all its subsidiaries for the financial year to 31 July 2023. The results of subsidiaries acquired or disposed of during the period are included in the consolidated statement of income and expenditure from the date of acquisition or up to the date of disposal. Intra-group transactions are eliminated on consolidation.

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

Associated companies and joint ventures are accounted for using the equity method.

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

Fee income 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.

Investment income is credited to the statement of income and expenditure on a receivable basis.

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

Going Concern

The 5-Year Financial Plan for 2023/24 to 2027/28 was approved at the Board of Governors on 10 October 2023, this included a financial risk assessment and evaluation of contingency options.

The Plan demonstrate the surplus levels, cash generation and assessment of covenant compliance:

- The Surplus grows from £2.8m to £18.0m (1% to 5%) driven by Tuition Fee income growth;
- Operating cash generation is healthy at between £25.2m and £48.8m (9% - 14% of income) throughout the planning period;
- Loan covenants were renegotiated at the end of 2022. The financial covenants are now identical across all lenders and have much more headroom such that the risk of a breach is now low. This was one of the primary risks in the 5-Year Financial Plan last year; a risk that has now been mitigated. The full covenant forecasts included in the plans demonstrate compliance;
- Recognising the uneven nature of cash inflows from the Student Loans Company, there may be short periods when the cash balance falls below the Treasury Management Policy threshold. During such periods, the University may utilise temporary borrowing arrangements, overdraft or standby facilities to address temporary shortfalls. This temporary borrowing will not exceed the permitted financial indebtedness outlined in any of

the current lender agreements, will be for no more than 90 days and will not cause the University to breach any of its banking covenants at year end.

- A £20m overdraft facility is planned to be in place from the end of November.

The key assumptions underpinning the 5-Year Financial Plan were approved by the VCG on 23 January 2023 and presented to the Finance and Resources Committee on 26 January 2023. These are included in the 5-Year Financial Plan.

At year end 31 July 2023 the closing cash balance was £95m which was £7m higher than the £88m in the 5 Year Financial Plan for 2023/24 opening balance. The increase in closing cash is due to improved operational performance of £4.5m, delayed capital expenditure £1.7m and increased interest income £0.8m.

There has been appropriate scrutiny of financial forecasts and the going concern assessment (and any related disclosures) by the VCG, by the Finance and Resources Committee, by the Audit and Risk Committee and by the Board of Governors.

The financial position in 2023/24 will be assessed in detail for the Period 4 Forecast at the end of November 2023, with a high-level Period 3 Forecast provided for the Finance & Resources Committee at their November meeting. Based on the early indicators the University will exceed prior year student numbers by c 200, demonstrating a growth trajectory. However, it will fall short on recruitment targets as per the 5-Year Financial Plan. In particular the target growth for Postgraduate students will need revisiting for both the home market and the international markets during the current planning round.

Other items of note that support recruitment are:

- The continued success of the International Student Early Acceptance Scholarship which helped to drive conversion for international students in 2021, 2022 and 2023.
- Investment into widening access and student success including a significant expansion of our school outreach work across new geographic areas, a targeted and enhanced financial support scheme (bursary up to £3,000), a contextual admissions policy, the design of a school governor initiative, work on delivering the employability framework and investing additional resources to support students.
- Continuous Improvement in the volume and quality of student accommodation available. Parade Green (885 new rooms) opened in September 2019 and Paul Kent refurbishment was completed in April 2021. Clive Booth blocks C, L and M were lightly refurbished and made 138 affordable rooms available to students starting in September 2023. The Clive Booth Student Village project is underway and the first 98 rooms will be available for January 2024.
- Continued wide range of options and price points across a portfolio of owned, partnership and nominated halls of residence, alongside a growing number of houses available on our head lease scheme. Rents remain marginally below the sector average (when averaged across the portfolio).
- The demographic 'dip' in the number of 18 year olds has now turned and there will be an increasing supply from 18-year-old entrants. This was anticipated to convert into increased demand for university places, although the cost of living crisis appears to be offsetting this and dampening demand.

The major projects in the capital programme remain under close scrutiny, proactive management and regular reporting to the Board of Governors. There are other areas of the capital programme which can be slowed down if cashflow necessitates.

The planned surplus in 2023/24 is £2.8m; there is an expectation that there will be a small adverse variance based on early monitoring and reporting, robust cost control and the evidence of the 2022/23 outcome. Further actions will be taken if the early assessment of the student recruitment shortfall is realised such that it significantly, adversely impacts the surplus.

In making these statements, the Board of Governors has considered the Going Concern Report from the Chief Financial Officer and they consider that the University is a 'going concern' from the date of approval of the Financial Statements on the 12th December 2023 for the following 12 months.

Grant funding

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

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

Donations and endowments

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

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

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

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

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

Capital grants

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

Accounting for retirement benefits

Retirement benefits to employees of the University are provided by defined benefit schemes that are funded by contributions

from the University and employees. Payments are made to the Teachers' Pension Scheme (TPS), the Universities' Superannuation Scheme (USS) and the Local Government Pension Scheme (LGPS) administered by Oxfordshire County Council. These are all independently administered schemes. Pension costs are assessed on the latest actuarial valuations of the scheme and are accounted for on the basis of charging the cost of providing pensions over the year during which the University benefits from the employees' services.

The TPS is a multi-employer pension scheme and the University is unable to identify its share of the underlying assets and liabilities of the scheme on a consistent and reasonable basis. The TPS is therefore treated as defined contribution schemes and the contributions are recognised as they are paid each year.

The assets of the LGPS are measured using closing market values. LGPS liabilities are measured using the projected unit method and discounted at the current rate of return on high quality corporate bond of equivalent term and currency to the liability. The increase in the present value of the liabilities of the scheme expected to arise from the employee service in the year is charged to staff costs and the interest on the liabilities is charged to interest and other finance costs to the operating surplus in The Consolidated Statement of Comprehensive Income and Expenditure. Actuarial gains and losses are also recognised in The Consolidated Statement of Comprehensive Income and Expenditure.

Defined Benefit Plan

Defined benefit plans are post-employment benefit plans other than defined contribution plans. Under defined benefit plans, the University's obligation is to provide the agreed benefits to current and former employees, and actuarial risk (that benefits will cost more or less than expected) and investment risk (that returns on assets set aside to fund the benefits will differ from expectations) are borne, in substance, by the University. The Group should recognise a liability for its obligations under defined benefit plans net of plan assets. This net defined benefit liability is measured as the estimated amount of benefit that employees have earned in return for their service in the current and prior periods, discounted to determine its present value, less the fair value (at bid price) of plan assets. The calculation is performed by a qualified actuary using the projected unit credit method. Where the calculation results in a net asset, recognition of the asset is limited to the extent to which the University is able to recover the surplus either through reduced contributions in the future or through refunds from the plan.

Employment benefits

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

Finance leases

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

Service Concession Arrangements

Fixed assets held under service concession arrangements are recognised on the Statement of Financial Position at the present value of the minimum lease payments when the assets are brought into use with a corresponding financial liability.

Payments under the service concession arrangement are allocated

between service costs, finance charges and financial liability repayments to reduce the financial liability to nil over the life of the arrangement.

Operating leases

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

Foreign currency

Transactions in foreign currencies are translated to the respective functional currencies of Group entities at the foreign exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are translated to the functional currency at the foreign exchange rate ruling at that date. Foreign exchange differences arising on translation are recognised in Surplus or Deficit.

Fixed assets

Fixed assets are stated at cost less accumulated depreciation and accumulated impairment losses with the following exceptions:

1. Freehold land had been revalued to fair value on the date of transition to the 2015 FE HE SORP. Going forward the land is measured on the basis of deemed cost, being the revalued amount at the date (31 July 2014) of the revaluation.
2. Freehold and leasehold properties vested in the University under the Education Reform Act 1988, at valuation. The valuation as at 1 April 1991 was carried out by an independent firm of chartered surveyors and rating consultants on the basis of depreciated replacement cost in the case of buildings, except where a market value was more appropriate, and current use market value in the case of land. Going forward the valuation on conversion is treated as deemed cost in the financial statements.

Where parts of a fixed asset have different useful lives, they are accounted for as separate items of fixed assets.

All assets are regularly reviewed for indications of impairment. Where there is impairment the difference between the assessed recoverable value of the building and its written down cost is charged to the Consolidated Statement of Comprehensive Income and Expenditure.

Land and buildings

Costs incurred in relation to land and buildings after initial purchase or construction, and prior to valuation, are capitalised to the extent that they increase the expected future benefits to the University.

Freehold land is not depreciated as it is considered to have an indefinite useful life. Freehold buildings are depreciated on a straight line basis over their expected useful lives as follows:

Freehold buildings including refurbishments	10 to 50 years
Long Leasehold property	The lower of the length of the lease, the life of the building, or 50 years

No depreciation is charged on assets in the course of construction.

Equipment

Equipment, including computers and software, costing less than £10,000 is recognised as expenditure. All other equipment is capitalised.

Capitalised equipment is stated at cost and depreciated over its expected useful life as follows:

Equipment	3 to 10 years
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Depreciation methods, useful lives and residual values are reviewed at the date of preparation of each Balance Sheet.

Borrowing costs

Borrowing costs which are directly attributable to the acquisition, construction or production of a qualifying asset are capitalised.

Intangible assets

Intangible assets are amortised over 3-20 years representing the remaining estimated economic life of the assets.

Impairment

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

Financial instruments

The University has chosen to apply the provisions of sections 11 and 12 of FRS102 in full. Financial assets and financial liabilities are recognised in the University's balance sheet when the University becomes a party to the contractual provisions of the instrument. A financial asset and a financial liability are offset only when there is a legally enforceable right to set off the recognised amounts and an intention either to settle on a new basis, or to realise the asset and settle the liability simultaneously.

The University's financial assets and liabilities all meet the criteria for basic financial instruments prescribed within FRS102 Section 11.8. All financial assets and liabilities are initially recognised at the transaction price plus any additional directly attributable transaction costs. They are subsequently measured as follows:

- *Investments*
Investments are measured at cost less impairment. Non-current asset investments are held on the Balance Sheet at amortised cost less impairment. Current asset investments are held at fair value with movements recognised in the Surplus or Deficit.
- *Short-term debtors and creditors*
Debtors and creditors with no stated interest rate and receivable or payable within one year are recorded at transaction price. Any losses arising from impairment are recognised in the statement of comprehensive income in other operating expenses.
- *Loans*
Loans which are basic financial instruments are initially recorded at transaction price, net of transaction costs. Subsequently, they are measured at amortised cost using the effective interest method.

Investment in subsidiary

Investments in subsidiaries are carried at cost in the University's Financial Statements.

Stock

Goods held for resale are included at the lower of cost and net realisable value. Library books and other consumable stocks held by academic departments are excluded.

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 (maturity being less than three months from the placement date), highly liquid investments that are readily convertible to known amounts of cash with insignificant risk of change in value.

Provisions, contingent liabilities and contingent assets

Provisions are recognised in the financial statements when:

- (a) the University has a present obligation (legal or constructive) as a result of a past event;

- (b) it is probable that an outflow of economic benefits will be required to settle the obligation; and
- (c) a reliable estimate can be made of the amount of the obligation.

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

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

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

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

Taxation

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

All subsidiary companies are liable to Corporation Tax and Value Added Tax in the same way as any other commercial organisation. The University's principal activities are exempt from Value Added Tax, but certain ancillary supplies and services are liable to Value Added Tax at various rates. Expenditure includes irrecoverable Value Added tax charged by suppliers to the University.

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.

Unrestricted reserves are balances where there is no restriction on the use of funds.

Critical accounting judgements and estimation uncertainty

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Defined benefit pension schemes (note 29)

The University has obligations to pay pension benefits to certain employees. The cost of these benefits and the present value of the obligations depend on a number of factors, including life expectancy, salary increases, asset valuations and the discount rate on corporate bonds. Management estimates these factors, in liaison with the actuarial valuer, in determining the net pension obligation in the balance sheet. The assumptions reflect historical experience and current trends.

FRS102 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 FRS102. The management 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 obligations under the recovery plan in existence at the date of approving the financial statements.

As the present value of the LGPS defined benefit obligation at the reporting date is less than the fair value of plan assets at that date, the plan has a notional surplus. As management does not consider that the University will be able to recover the surplus either through reduced contributions in the future or through refunds from the plan, the surplus has not been recognised in these financial statements in line with paragraph 28.22 of FRS102.

Service Concession (note 13)

The University has two service concession arrangements; judgement has been used in determining when the infrastructure and related liability should be recognised. The first contract is until 2050, but Oxford Brookes is able to nominate rooms yearly, with the option of nominating 0-100%, there is the following clause in the agreement.

If Oxford Brookes University does not reserve 100% of the 750 rooms, then Oxford Brookes University cannot provide accommodation for more than 46% of the student population in each academic year, over the term of the contract.

The University has made the decision to include a one-year asset and associated liability rather than an asset and liability over the life of the contract as it nominates rooms one year at a time and could provide accommodation for the students via third parties if necessary.

The second contract is until 2030, and the infrastructure asset created has been capitalised and will be depreciated on a straight line basis over the 10-year life of the contract. An associated liability has been created which will be released at the same rate as the depreciation.

Revaluation of Land

In the 2016/17 financial statements the University performed a one off revaluation of its land on transition to FRS 102. The District Valuation office carried out the revaluation on the basis of Fair Value which is defined as:

The amount for which an asset could be exchanged, a liability settled, or equity instrument granted, between knowledgeable, willing parties in an arm's length transaction.

The valuations were prepared on an appropriate basis in accordance with the RICS valuation – Professional Standards 2014 and are suitable for financial statements purposes.

Where land is associated with a building the valuer has apportioned the land on a basis of overall value of the property. The valuer has described that the apportionment between land value and buildings value should be 40%:60%. For campus assets the valuer applied depreciated cost methodology. For student residences assets, the valuer applied fair value methodology by reference to market value.

Notes to the financial statements

1 Tuition fees and education contracts

	Year ended 31 July 2023		Year ended 31 July 2022	
	Consolidated £'000	University £'000	Consolidated £'000	University £'000
Full-time home undergraduate students	86,979	86,979	88,529	88,529
Part-time home undergraduate students	1,424	1,424	1,152	1,152
Full-time home postgraduate students	4,650	4,650	6,583	6,583
Part-time home postgraduate students	5,449	5,449	6,157	6,157
International students	42,408	42,408	32,056	32,056
Health Authorities	195	195	416	416
Other course fees	1,700	1,700	1,179	1,141
Research student tuition fees	877	877	847	847
Further Education	39	39	41	41
	143,721	143,721	136,959	136,921

2 Funding body grants

	Year ended 31 July 2023		Year ended 31 July 2022	
	Consolidated £'000	University £'000	Consolidated £'000	University £'000
Recurrent grant				
Office for Students	5,373	5,373	5,584	5,584
Research England	6,463	6,463	5,710	5,710
Education and Skills Funding Agency	361	361	331	331
Specific grants				
Office for Students	863	863	1,090	1,090
Research England	1,809	1,809	2,043	2,043
Release of Capital grant	6,525	6,525	1,391	1,391
Other	428	428	161	161
	21,822	21,822	16,309	16,309

3 Research grants and contracts

	Year ended 31 July 2023		Year ended 31 July 2022	
	Consolidated £'000	University £'000	Consolidated £'000	University £'000
Research Councils	3,816	3,816	4,387	4,387
UK-based charities	1,012	1,012	1,125	1,125
UK Central Government, Local Authorities	1,680	1,680	1,496	1,496
UK Industry, commerce, Public Corporations	305	305	288	288
European Commission	893	893	1,021	1,021
EU other	171	171	143	143
Other overseas	135	135	206	206
	8,011	8,011	8,666	8,666

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

	Year ended 31 July 2023		Year ended 31 July 2022	
	Consolidated £'000	University £'000	Consolidated £'000	University £'000
Grant and Fee income				
Grant income from the OfS	12,762	12,762	8,064	8,064
Grant income from other bodies	17,071	17,071	16,911	16,911
Fee income for research awards (exclusive of VAT)	877	877	847	847
Fee income from non-qualifying courses (exclusive of VAT)	1,739	1,739	1,220	1,182
Fee income for taught awards (exclusive of VAT)	141,105	141,105	134,892	134,892
	173,554	173,554	161,934	161,896

4 Other income

	Year ended 31 July 2023		Year ended 31 July 2022	
	Consolidated £'000	University £'000	Consolidated £'000	University £'000
Residences, catering and conferences	28,205	27,842	23,211	22,555
Other income	32,861	32,319	30,893	29,902
	61,065	60,161	54,104	52,457

5 Investment income

	Year ended 31 July 2023		Year ended 31 July 2022	
	Consolidated £'000	University £'000	Consolidated £'000	University £'000
Investment income on endowments	43	43	15	15
Other investment income	1,738	1,724	120	120
	1,781	1,767	135	135

6 Donations and endowments

	Year ended 31 July 2023		Year ended 31 July 2022	
	Consolidated £'000	University £'000	Consolidated £'000	University £'000
New endowments	36	36	17	17
Donations with restrictions	1,495	1,495	408	408
Unrestricted donations	99	99	(40)	(40)
	1,630	1,630	385	385

7 Staff costs

	Year ended 31 July 2023		Year ended 31 July 2022	
	Consolidated £'000	University £'000	Consolidated £'000	University £'000
Staff Costs :				
Salaries	94,089	93,536	85,927	85,252
Social security costs	10,376	10,370	9,461	9,457
Severance payments	135	135	158	158
Movement on USS provision	(1,296)	(1,296)	3,212	3,212
Movement on LGPS provision	5,261	5,261	16,219	16,219
Other pension costs	17,757	17,755	15,493	15,493
Total	126,322	125,762	130,471	129,790

In 2023 19 (2022: 17) members of staff received severance payments

	Year ended 31 July 2023	Year ended 31 July 2022
	£	£
Emoluments of the Vice-Chancellor:		
Salary		
Professor Alistair Fitt	246,343	236,800
Pension contributions to USS		
Professor Alistair Fitt	15,520	13,221
	261,863	250,021

In addition the Vice Chancellor received £3.6k (2022: £3.3k) athenaeum subscription

Justification of Vice-Chancellor's salary

The salary of the Vice-Chancellor is set by the remuneration function of the People Committee (formerly the Remuneration Committee) and notified to the Board of Governors.

The salary is set according to the terms of reference of the People Committee as follows:

1. Proportionate pay and the general level of pay rises in the university sector.
2. Comparability with staff in other universities based on comparative information (such as CUC and UCEA).
3. The performance in post of the Vice-Chancellor as reported by the Chair of Governors based on a performance review against the year's objectives, and the report of the Vice-Chancellor on the performance of other posts.
4. The need to recruit and retain well qualified staff.
5. The University's charitable purposes.
6. If considering severance arrangements for senior staff, the committee must represent the public interest and avoid any inappropriate use of funds.
7. To report to the Board of Governors the written decision of the committee concerning senior staff pay and provide sufficient detail of the broad criteria, policies and performance against which decisions have been made.
8. To report to the Board of Governors the recommendations of the VCG Remuneration Committee on the pay of PVCs, PVC/Deans and Directors, together with the criteria used in making these decisions noting that committee members may wish to comment.

Median Pay Ratios

1. The head of the provider's basic salary is 6.8 times the median pay of staff (2022 6.9), where the median pay is calculated on a full-time equivalent basis for the salaries paid by the provider to its staff.
2. The head of the provider's total remuneration is 6.1 times the median total remuneration of staff (2022 6.3), where the median total remuneration is calculated on a full-time equivalent basis for the total remuneration by the provider of its staff.

7 Staff costs continued

Remuneration of other higher paid staff, excluding employer's pension contributions:

	Year ended 31 July 2023	Year ended 31 July 2022
	No.	No.
£100,000 to £109,999	2	2
£110,000 to £119,999	3	4
£120,000 to £129,999	1	4
£130,000 to £139,999	4	7
£140,000 to £149,999	5	-
£150,000 to £159,999	-	-
£160,000 to £169,999	-	1
£170,000 to £239,999	1	1
£240,000 to £249,999	1	-
	<u>17</u>	<u>19</u>

Average staff numbers by major category :	No.	No.
Teaching and research including management	1,030	1,017
Associate lecturers	1,096	1,253
Support	1,467	1,414
	<u>3,593</u>	<u>3,684</u>

Employees can have more than one contract of employment and, if these contracts are in different categories, the employee will be counted more than once.

Nil compensation paid (2022:£110k) for loss of office payable to a senior post-holder.

Key management personnel

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the University. Staff costs includes compensation paid to key management personnel. Key management personnel at Oxford Brookes University are members of the Vice-Chancellor's Group.

	Year ended 31 July 2023	Year ended 31 July 2022
	£'000	£'000
Key management personnel compensation	1,629	1,445

	Year ended 31 July 2023	Year ended 31 July 2022
	£'000	£'000
Access and Participation		
Access Investment	1,096	844
Financial Support	119	88
Disability Support (excluding expenditure included in the two categories above)	527	512
Research and Evaluation	151	160
	<u>1,893</u>	<u>1,604</u>

7 Staff costs continued

Related Party Transactions

The University Governors are the trustees for charitable law purposes. Due to the nature of the University's operations and the compositions of the Board of Governors, being drawn from local public and private sector organisations, it is inevitable that transactions will take place with organisations in which a Governor may have an interest. All transactions involving organisations in which a member of The Board of Governors may have an interest, including those identified below, are conducted at arm's length and in accordance with the University's Financial Regulations and usual procurement procedures.

Professor Alistair Fitt

Vice-Chancellor of Oxford Brookes University:

Employed by Oxford Brookes University

Director of The Office of the Independent Adjudicator for Higher Education

Purchase transactions of £71.7k during the year (2022:£56.3k) and nil outstanding at 31 July 2023 (2022:nil).

There were no sales transactions during the year (2022:nil).

Director of Venturefest Oxford Ltd

There were no purchase transactions during the year (2022:£6k) and nil outstanding at 31 July 2023 (2022:nil).

There were no sales transactions during the year (2020:£3.6k).

There were no sales transactions during the year (2022:nil).

Director of Oxfordshire Local Enterprise Partnership Ltd

Purchase transactions of £12k during the year (2022:nil) and nil outstanding at 31 July 2023 (2022:nil).

Sales transactions of £482 during the year (2022:nil).

Director of Oxford Expression Technologies Ltd

Purchase transactions of £686 during the year (2022:£2k) and nil outstanding at 31 July 2023 (2022:nil).

Sales transactions of £197.2k during the year (2022:nil) and £52.2k outstanding at 31 July 2023 (2022:nil).

Professor Anne Trefethen

Spouse of Alistair Fitt (Vice-Chancellor)

PVC and Trustee of Oxford University

Purchase transactions of £231.9k during the year (2022:£224.5k) and £42.5k outstanding at the 31 July 2023 (2022:nil).

Sales transactions of £23.5k during the year (2022:£1.4k) and £620 outstanding at 31 July 2023 (2022:£1.2k).

Director of JISC, Eduserv

Purchase transactions of £688.6k during the year (2022:£676k) and £167.7k outstanding at 31 July 2023 (2022:£2.5k).

Sales transactions of £10.4k during the year (2022:£13.3k) and nil outstanding at 31 July 2023 (2022:nil).

Paul Feldman, Governor

Independent Governor of Pearson College

Purchase transactions of £816 during the year (2022:£3.7k) and nil outstanding at the 31 July 2023 (2022:nil).

Sales transactions of £500 during the year (2022:£1.8k) and nil outstanding at 31 July 2023 (2022:nil).

Osama Rahman, Governor

Director of the Data Science Campus, Office for National Statistics

There were no purchase transactions during the year (2022:nil).

There were no sales transactions during the year (2022:£3.7k) and nil outstanding at 31 July 2023 (2022:nil).

Advisory board member, CEPEO, University College London

There were no purchase transactions during the year (2022:£12k) and nil outstanding at 31 July 2023 (2022:nil).

Sales transactions of £79.7k during the year (2022:£85.2k) £11.9k outstanding at 31 July 2023 (2022:£21.5k)

Simon Jones, Governor

Member of audit committee at JISC

Purchase transactions of £688.6k during the year (2022:£676k) and £167.7k outstanding at 31 July 2023 (2022:£2.5k).

Sales transactions of £10.4k during the year (2022:£13.3k) and nil outstanding at 31 July 2023 (2022:nil).

Co-Opted Governor, St Michael's Primary School

Purchase transactions of £640 during the year (2022:£3.2k) and nil outstanding at the 31 July 2023 (2022:nil).

There were no sales transactions during the year (2022:nil) and nil outstanding at 31 July 2023 (2022:nil).

Peter Vicary-Smith, Governor (Chair)

Non-Executive Director of British Medical Association (BMA)

Purchase transactions of £2.2k during the year (2022:£2.5k) and nil outstanding at the 31 July 2023 (2022:nil).

There were no sales transactions during the year (2022:nil) and nil outstanding at 31 July 2023 (2022:nil).

John Zealley, Governor

Geography Department Development Committee, Cambridge University

Purchase transactions of £13.3k during the year (2022:£4.2k) and nil outstanding at the 31 July 2023 (2022:nil).

There were no sales transactions during the year (2022:nil) and nil outstanding at 31 July 2023 (2022:nil).

Exeter University SETSquared start up mentoring Organisation

Purchase transactions of £30.9k during the year (2022:nil) and nil outstanding at 31 July 2023 (2022:nil).

Sales transactions of £66.5k during the year (2022:£8.5k) and nil outstanding at the 31 July 2023 (2022:nil).

Trustee and Chair of Chartered Management Institute

Purchase transactions of £5.6k during the year (2022:nil) and nil outstanding at 31 July 2023 (2022:nil).

There were no sales transactions during the year (2022:£8.5k) and nil outstanding at 31 July 2023 (2022:nil).

Anup Mysoor, Governor

Governor of Rye St Anthony School

There were no purchase transactions during the year (2022:£5.6k) and nil outstanding at 31 July 2023 (2022:nil).

Sales transactions of £289 during the year (2022:nil) and nil outstanding at 31 July 2023 (2022:nil).

Katherine Ryan, Co-opted Governor

Inspire Steering Committee, St Johns College, Oxford University

Purchase transactions of £231.9k during the year (2022:£224.5k) and £42.5k outstanding at 31 July 2023 (2022:nil).

Sales transactions of £23.5k during the year (2022:£1.4k) and £620 outstanding at 31 July 2023 (2022:£1.2k).

8 Interest and other finance costs

Notes	Year ended 31 July 2023		Year ended 31 July 2022	
	Consolidated £'000	University £'000	Consolidated £'000	University £'000
Loan interest	5,309	5,309	5,435	5,435
Finance lease interest (service concession finance charge)	13 185	185	172	172
Net charge on pension scheme	29 180	180	2,473	2,473
	5,674	5,674	8,081	8,081

9 Analysis of total expenditure by activity

	Year ended 31 July 2023		Year ended 31 July 2022	
	Consolidated £'000	University £'000	Consolidated £'000	University £'000
Academic and related expenditure	97,474	96,082	87,967	86,554
Administration and central services	79,038	79,076	84,518	84,491
Premises (including service concession cost)	36,083	36,565	29,562	29,673
Residences, catering and conferences	15,706	15,643	19,647	19,291
Research grants and contracts	7,143	7,155	8,260	8,260
Other expenses	2,680	2,680	2,315	2,315
	238,124	237,201	232,269	230,584

Access and Participation

Access Investment	1,085	1,085	999	999
Financial Support	4,811	4,811	5,234	5,234
Disability Support	376	376	377	377
Research and Evaluation (i)	167	167	172	172
	6,438	6,438	6,781	6,781

(i) (i) 1,893k of these costs are already included in the overall staff costs figures included in the financial statements, see note 7

Link to Access and Participation Plan
www.officeforstudents.org.uk/advice-and-guidance/the-register/search-for-access-and-participation-plans/#/AccessPlans/provider/10004930

10 Other operating expenses

	Year ended 31 July 2023		Year ended 31 July 2022	
	Consolidated £'000	University £'000	Consolidated £'000	University £'000
Premises related:				
Maintenance	10,638	10,629	9,758	9,722
Rent	6,239	6,358	6,246	6,354
Utilities	4,780	4,780	3,227	3,227
Books, publications and periodicals	1,914	1,914	1,825	1,825
Information technology related equipment; supplies and consumables	6,713	6,632	5,533	5,462
Other equipment supplies and consumables	2,130	2,103	2,430	2,409
Food and catering supplies and services	3,175	3,161	2,662	2,615
Stationery, photocopying and printing	877	759	781	684
Temporary staff, professional services and consultants	8,271	8,030	8,666	7,884
Other hired and contracted services	14,836	14,836	10,362	10,362
Examiners' fees	34	34	35	30
Communications and marketing	6,259	6,251	4,711	4,691
Placements, teaching practice and educational visits	261	258	480	479
Conferences, training and tuition fees	619	601	580	577
Subscriptions and copyright fees	4,649	4,644	4,349	4,344
Transport and travel related	3,551	3,588	3,479	3,509
Student Union grant	1,084	1,084	1,083	1,083
External auditors' remuneration in respect of audit services	145	133	142	135
External auditors' remuneration in respect of other services	-	-	-	-
Internal auditors' remuneration	175	175	128	128
Insurance	597	597	515	515
Bursaries, scholarships and other financial support to student	9,934	9,934	8,932	8,932
Other costs	735	771	106	75
	87,618	87,272	76,029	75,042

11 Intangible assets: Software

	Intangible assets £'000	Intangible assets in the course of construction £'000	Total £'000
Consolidated			
Cost or valuation			
At 1 August 2022	21,287	695	21,982
Additions	198	426	624
Transfers	991	(275)	716
Disposals	-	-	-
At 31 July 2023	22,476	846	23,322
Accumulated amortisation			
At 1 August 2022	10,399	-	10,399
Charge for the year	1,588	-	1,588
Disposals	-	-	-
At 31 July 2023	11,987	-	11,987
Net book value			
At 31 July 2023	10,489	846	11,335
At 31 July 2022	10,888	695	11,583
University			
Cost or valuation			
At 1 August 2022	21,287	695	21,982
Additions in the year	198	426	624
Transfers	991	(275)	716
Disposals	-	-	-
At 31 July 2023	22,476	846	23,322
Accumulated amortisation			
At 1 August 2022	10,399	-	10,399
Charge for the year	1,588	-	1,588
Disposals	-	-	-
At 31 July 2023	11,987	-	11,987
Net book value			
At 31 July 2023	10,489	846	11,335
At 31 July 2022	10,888	695	11,583

12 Tangible assets

	Freehold Land and Buildings	Long Leasehold Property	Service Concession Arrangement	Fixtures, Fittings and Equipment	Assets in the Course of Construction	Assets held for sale	Total
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Consolidated							
Cost or valuation							
At 1 August 2022	404,965	42,453	3,655	37,310	28,518	54,161	571,062
Additions	910	-	3,853	3,343	56,905	-	65,011
Transfers	778	-	-	3,303	(4,717)	(79)	(716)
Disposals	(2,943)	-	(3,655)	(1,151)	(8)	(54,082)	(61,839)
At 31 July 2023	403,710	42,453	3,853	42,805	80,698	-	573,518
Consisting of valuation as at:							
31 July 2014	45,801	-	-	-	-	-	45,801
Cost	357,909	42,453	3,853	42,805	80,698	-	527,717
	403,710	42,453	3,853	42,805	80,698	-	573,518
Depreciation							
At 1 August 2022	100,724	19,636	-	21,410	-	12,354	154,124
Charge for the year	7,845	1,015	3,509	4,088	-	387	16,845
Disposals	(2,894)	-	(3,509)	(1,150)	-	(12,662)	(20,215)
Impairment Charge	77	-	-	-	-	-	77
Transfers	-	-	-	79	-	(79)	-
At 31 July 2023	105,753	20,651	-	24,429	-	-	150,832
Net book value							
At 31 July 2023	297,957	21,802	3,853	18,376	80,698	-	422,685
At 31 July 2022	304,241	22,817	3,655	15,900	28,518	41,807	416,937
University							
Cost and valuation							
At 1 August 2022	404,147	42,453	3,655	37,224	28,539	54,161	570,179
Additions	910	-	3,853	3,343	52,835	-	60,941
Transfers	778	-	-	3,303	(4,717)	(79)	(716)
Disposals	(2,943)	-	(3,655)	(1,151)	(8)	(54,082)	(61,838)
At 31 July 2023	402,892	42,453	3,853	42,719	76,649	-	568,566
Consisting of valuation as at:							
31 July 2014	45,801	-	-	-	-	-	45,801
Cost	357,091	42,453	3,853	42,719	76,649	-	522,765
	402,892	42,453	3,853	42,719	76,649	-	568,566
Depreciation							
At 1 August 2022	100,363	19,636	-	21,324	-	12,354	153,678
Charge for the year	7,828	1,015	3,509	4,088	-	387	16,827
Disposals	(2,894)	-	(3,509)	(1,150)	-	(12,662)	(20,215)
Impairment Charge	77	-	-	-	-	-	77
Transfers	-	-	-	79	-	(79)	-
At 31 July 2023	105,373	20,652	-	24,343	-	-	150,367
Net book value							
At 31 July 2023	297,519	21,801	3,853	18,376	76,649	-	418,199
At 31 July 2022	303,783	22,817	3,655	15,900	28,539	41,807	416,501

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

	Year ended 2023	Year ended 2022
	£'000	£'000
Cost	497	1,097
Accumulated depreciation	(123)	(673)
Charge for year	(50)	(50)
Net book value	323	374

12 Tangible assets continued

Revaluations

- As a result of the Education Reform Act 1988, freehold and leasehold properties occupied by the University together with the equipment contained therein were vested in the University with effect from 1 April 1989. A professional valuation was carried out in 1991 on the inherited buildings. The valuation, which was 1 April 1991, was on the basis of depreciated replacement costs in the case of buildings except where a market value was more appropriate, and current use market value in the case of land. The total valuation amounted to £64,380k.
- On transition to the FE HE SORP the University has performed a one-off revaluation of its freehold land to fair value as at 31 July 2014. This revaluation increased the value of the land by a net £73,565k (revaluation of £79,034k less impairment of £5,469k) from £33,119k to £106,684k. Wheatley Campus was sold during the year ended 31 July 2023 and the revaluation reserve was reduced by £27,764k.

The following land areas were revalued.

	£'000
Student accommodation	38,586
Headington, Gipsy Lane site	7,215
Wheatley Campus	27,764
Total	73,565

Depreciation, amortisation and impairments

	£'000
Fixed assets accumulated depreciation charge for the year	16,845
Intangible assets (software) accumulated amortisation charge for the year	1,588
Impairments	77
Total depreciation, amortisation and impairments	18,510

13 Service Concession Arrangements

The University has one on Balance Sheet arrangement where service delivery has commenced.

In 2001 the University entered into a 32 year contract with a third party provider for the provision and maintenance of Cheney Hall of residence, providing accommodation to 750 students. On 31 July 2009 the lease was extended by 17 years to 31 July 2050.

The University received a lease premium of £5.2m, which is amortised over the remaining life of the lease.

The University nominates the number of rooms it requires on a yearly basis, it has the option to reserve all or none of the rooms.

The assets and liabilities relating to one year of this scheme are recognised on the University's Statement of Financial Position.

Movement in Service concession arrangement assets

The asset value of the service concession included in the Statement of Financial Position as at 31 July 2023 is £3,853k (2022:£3,655k).

Movement in Service concession arrangement liabilities

The total liabilities relating to the service concession included in the Statement of Financial Position as at 31 July 2023 were £3,853k (2022: £3,655k). The sum of £3,509k was repaid during the year.

Future commitments

The following table analyses the University's future commitments in relation to service concession arrangements.

	Payable in 1 year £'000
Liability repayments	3,853
Finance Charge	203
Service Charge	2,373
Total	6,429

The notes below give more information on the University's current service concession arrangements:

a) Service concession arrangements included in the Statement of Financial Position

Lease Premium

The value of the remaining unamortised lease premium in long term liabilities as at 31 July 2023 was £3,250k (2022: £3,375k). £125k was released in the year to 31 July 2023 (2022:£125k).

14 Non-Current Investments

	Subsidiary companies	Other fixed assets investments	Total
	£'000	£'000	£'000
Consolidated			
At 1 August 2022	-	194	194
At 31 July 2023	-	244	244
University	£'000	£'000	£'000
At 1 August 2022	450	194	644
At 31 July 2023	450	244	694
Other non-current investments consist of :			Consolidated and University
Oxford Expression Technologies			70
CVCP Properties plc			34
MetaGuideX LTD			90
Oxford Target Therapeutics Ltd			50
			<u>244</u>

15 Stock

	Year ended 31 July 2023		Year ended 31 July 2022	
	Consolidated	University	Consolidated	University
	£'000	£'000	£'000	£'000
Goods held for resale	28	11	34	9
	28	11	34	9

16 Trade and other receivables

	Year ended 31 July 2023		Year ended 31 July 2022	
	Consolidated	University	Consolidated	University
	£'000	£'000	£'000	£'000
Amounts falling due within one year:				
Research grants receivables	1,388	1,388	1,225	1,188
Other trade receivables	17,022	16,655	2,744	2,309
Other receivables	44,007	43,901	22	1,300
Prepayments and accrued income	6,347	6,347	7,738	7,734
Amounts due from subsidiary companies	-	7,317	-	1,625
	68,765	75,607	11,729	14,155

17 Current investments

	Year ended 31 July 2023		Year ended 31 July 2022	
	Consolidated	University	Consolidated	University
	£'000	£'000	£'000	£'000
Short term deposits	82,766	82,766	80,277	79,777
	82,766	82,766	80,277	79,777

Deposits are held with banks and building societies operating in the London market and licensed by the Financial Services Authority. These short term deposits do not meet the definition of cash equivalent. The interest rates for these deposits are fixed for the duration of the deposit at time of placement.

At 31 July 2023 the weighted average interest rate of these fixed rate deposits was 3.43% per annum and the remaining weighted average period for which the interest rate is fixed on these deposits was 56 days. The fair value of these deposits was not materially different from the book value.

18 Creditors: amounts falling due within one year

	Year ended 31 July 2023		Year ended 31 July 2022	
	Consolidated	University	Consolidated	University
	£'000	£'000	£'000	£'000
Unsecured loans	1,765	1,765	1,712	1,712
Obligations under finance leases	50	50	50	50
Service concession arrangements (note 13)	3,853	3,853	3,655	3,655
Trade payables	12,032	6,178	2,110	2,126
Social security and other taxation payable	197	2,608	2,207	2,565
Accruals and deferred income	57,726	57,885	34,238	34,902
Other creditors	5,082	5,082	4,083	4,083
	80,704	77,420	48,056	49,093

19 Creditors: amounts falling due after more than one year

	Year ended 31 July 2023		Year ended 31 July 2022	
	Consolidated	University	Consolidated	University
	£'000	£'000	£'000	£'000
Deferred income	18,124	18,124	24,047	24,047
Lease premium	3,250	3,250	3,375	3,375
Unsecured loans	191,950	191,950	193,715	193,715
Concessionary loans	325	325	325	325
Finance lease	272	272	323	323
	213,921	213,921	221,785	221,785

Analysis of unsecured loans:

Due within one year or on demand (Note 18)	1,765	1,765	1,712	1,712
Due between one and two years	1,824	1,824	1,765	1,765
Due between two and five years	5,879	5,879	5,680	5,680
Due in five years or more	184,247	184,247	186,270	186,270
Due after more than one year	191,950	191,950	193,715	193,715
Total unsecured loans	193,715	193,715	195,427	195,427

The University's long-term loans are currently held with Barclays, Lloyds, Santander and private placements with MassMutual, PRICOA, Great-West, Allianz, Hermit, Pensionkasse, Pruco and C.M. Life Insurance.

The loans are unsecured. Of the bank loans outstanding £6,000k is fixed at a rate of 5.3% until 1 August 2027, when it reverts back to 4.99%, £6,100k is fixed at 5.97%, £6,100k is fixed at 5.91%, £6,100k at 5.8%, £12,500k is fixed at 5.66% until 1 August 2027 when it reverts back to 5.34%, £6,300k is a SONIA + Margin linked loan, £9,000k is fixed at 3.97%, £11,000k is fixed at 4.04% and £12,500k is fixed at 5.0%.

The private placement outstanding £75,000k is fixed for 25 years at 3.08%, £10,000k is fixed at 3.53% for 15 years, £15,000k is fixed at 3.76% for 20 years, £25,000k is fixed at 3.91% for 25 years and £10,000k is fixed at 3.94% for 30 years.

The concessionary loan is with Salix finance, no interest is payable on this loan, the loan supports energy efficiency upgrades.

20 Financial instruments

	Year ended 31 July 2023		Year ended 31 July 2022	
	Consolidated	University	Consolidated	University
	£'000	£'000	£'000	£'000
Financial assets				
<i>Financial assets that are equity instruments measured at cost less impairment</i>				
Other investments	244	244	194	194
<i>Financial assets that are debt instruments measured at amortised cost</i>				
Trade and other receivables	64,473	71,315	6,694	10,282
	64,717	71,559	6,888	10,476
Financial liabilities measured at amortised cost				
Loans	193,715	193,715	195,427	195,427
Trade and other payables	26,609	27,085	17,587	18,695
	220,324	220,800	213,014	214,122

21 Pension and other provisions

	Obligation to fund deficit on USS Pension	Pension scheme provision under FRS102 (note 29b)	Total Pensions Provisions
	£'000	£'000	£'000
Consolidated			
At 1 August 2022	5,206	914	6,120
Utilised in year	(288)	(7,033)	(7,321)
Interest charge	56	124	180
Additions in 2022/23	(1,008)	12,294	11,286
Actuarial (gain)/loss	-	(20,372)	(20,372)
Notional surplus not recognised	-	14,073	14,073
At 31 July 2023	3,966	-	3,966

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 have assessed future employees within the USS scheme and salary payment over the period of the contracted obligation in assessing the value of this provision.

LGPS notional surplus

As the present value of the defined benefit obligation at the reporting date is less than the fair value of plan assets at that date, the plan has a notional surplus. As management do not consider that the University will be able to recover the surplus either through reduced contributions in the future or through refunds from the plan, the surplus has not been recognised in these financial statements in line with paragraph 28.22 of FRS102.

22 Endowment Reserves

Restricted net assets relating to endowments are as follows:

	Expendable endowments	
	Year ended 31 July 2023	Year ended 31 July 2022
	£'000	£'000
Balance at 1 August 2022	1,187	1,240
New endowments	36	17
Investment income	43	15
Expenditure	(125)	(86)
Total endowment comprehensive income for the year	(47)	(53)
Transfers to restricted reserves	(21)	-
At 31 July 2023	1,118	1,187
Analysis by asset		
Cash & cash equivalents	1,118	1,187
	1,118	1,187

23 Restricted Reserves

Reserves with restrictions are as follows:

	Endowments	
	Year ended 31 July 2023	Year ended 31 July 2022
	£'000	£'000
Balances at 1 August 2022	807	870
New donations	1,495	408
Expenditure	(740)	(471)
Total endowment comprehensive income for the year	755	(63)
Transfers from endowment reserves	21	-
At 31 July 2023	1,582	807

24 Cash and cash equivalents

	At 1 August 2022	Cash Flows	At 31 July 2023
	£'000	£'000	£'000
Consolidated			
Cash and cash equivalents	46,380	(31,432)	14,948
	46,380	(31,432)	14,948

25 Consolidated reconciliation of net debt

	Year ended 31 July 2023	Year ended 31 July 2022
	£'000	£'000
Net debt 1 August 2022	(72,797)	(72,963)
Movement in cash and cash equivalents	(31,432)	(51,869)
Movement in current investments	2,488	50,776
Other non-cash changes	1,564	1,258
Net debt 31 July 2023	(100,177)	(72,797)
Change in net debt	(27,379)	166

	Year ended 31 July 2023	Year ended 31 July 2022
	£'000	£'000
Analysis of net debt:		
Cash and cash equivalents	14,948	46,380
Current Investments	82,766	80,277
Borrowings: amounts falling due within one year		
Unsecured loans	(1,765)	(1,712)
Obligations under finance leases	(50)	(50)
Service concession arrangements (note 13)	(3,853)	(3,655)
	92,046	121,241
Borrowings: amounts falling due after more than one year		
Unsecured loans	(191,950)	(193,715)
Obligations under finance leases	(272)	(323)
Net debt	(100,177)	(72,797)

26 Capital and other commitments

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

	Year ended 31 July 2023		Year ended 31 July 2022	
	Consolidated	University	Consolidated	University
	£'000	£'000	£'000	£'000
Authorised and contracted	61,829	56,998	6,243	5,416
Authorised but not contracted	43,582	15,161	9,651	7,037
	105,411	72,159	15,894	12,453

The University has given written undertakings to support the subsidiary companies at twelve months from the date of approval of these financial statements.

27 Lease obligations

Total rentals payable under operating leases:

	Year ended 31 July 2023			Total	Year ended 31 July 2022
	Land and Buildings	Plant and Machinery	Other leases		
	£'000	£'000	£'000	£'000	£'000
Payable during the year	5,069		1,526	6,595	6,718
Future minimum lease payments due:					
Not later than 1 year	5,550	-	1,381	6,931	5,938
Later than 1 year and not later than 5 years	4,347	-	11	4,358	4,330
Later than 5 years	56,225	-	-	56,225	50,466
Total lease payments due	66,122	-	1,391	67,513	60,734

28 Subsidiary undertakings

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

Company	Principal Activity	Status	Note
Oxford Brookes Enterprises Ltd	Consultancy and Management of conference and related commercial facilities	100% owned	16
Oxford Brookes Services Ltd	Dormant	100% owned	

29 Pension Schemes

Different categories of staff were eligible to join one of three different schemes:

- Teachers' Pension Scheme England and Wales (TPS), for academic and related staff
- Local Government Pension Scheme (LGPS), for non-teaching staff
- Universities' Superannuation Scheme (USS), for staff who are already in the USS scheme when they join Oxford Brookes University

All schemes are defined-benefit schemes, the assets of which are held in separate trustee administered funds.

	Year Ended 31 July 23	Year Ended 31 July 22
	£'000	£'000
TPS: contributions paid	9,232	8,636
LGPS:		
– contributions paid	6,968	5,863
– FRS102 Charge	5,261	16,219
USS		
– contributions paid	1,025	979
– FRS102	(1,296)	3,212
	21,190	34,909

29a Teachers' Pension Scheme (TPS)

A formal actuarial review of the TPS is undertaken by the Government Actuary not less than every four years. The primary purpose is to set the employer contribution rate. The actuarial valuation of the TPS pertaining to the financial periods including September 2019 to March 2023 was carried out as at 31 March 2016 and in accordance with The Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014 (the Directions). The valuation determines the rate of employer contributions payable and the initial employer cost cap (both of which are set out in the TPS regulations). The Directions also require results relating to scheme liabilities, notional assets and contribution rates to be reported.

As a result of the latest scheme valuation as at 31 March 2016 employer contributions were increased in September 2019 from a rate of 16.4% to 23.6%. The next valuation, based on data as at 31 March 2020, is underway and any changes to contributions will take effect in April 2024. Employers also pay a charge equivalent to 0.08% of pensionable salary costs to cover administration expenses.

Pension payments were reviewed in accordance with the Scheme regulations and were increased by 3.1% from 1 April 2022 (2021: 0.5% increase).

Under the definitions set out in Section 28 of FRS 102, the TPS is a multi-employer defined benefit pension scheme, the assets of which are held separately from those of the University in independently administered funds. As the University is unable to identify its share of the assets and liabilities of the group scheme, it accounts for contributions as if they were to a defined contribution pension scheme. Contributions are charged to the statement of consolidated income in the year to which they relate. The University has set out below the information available on the deficit in the scheme and the contribution rates.

The assumptions and other data that have the most significant effect on the determination of the contribution levels are as follows:

Latest Actuarial Valuation	31 March 2016
Expected return on assets	n/a
Long term salary growth	3.65% pa
Nominal discount rate	4.15% pa, 0.5% in excess of long term salary growth
Aggregated scheme assets	£196.1bn
Aggregated scheme liabilities	(£218.1bn)

During the year all employers paid the same contribution rate 23.6%

During the year all employee's' contribution varied dependent on time equivalent salary between 7.4% and 11.7% members full

The value of pension payments made in year to the Teachers' Pension Scheme was £9,232k (2022: £8,636k).

29b Local Government Pension Scheme (Retirement Benefits) Disclosure for the accounting year ending 31 July 2023 Local Government Pension Scheme

Non-academic employees of the University can participate in the LGPS, a defined benefit scheme, with the assets held in separate trustee-administered funds.

The last formal triennial actuarial valuation of the scheme was performed as at 31 March 2016 by a professionally qualified actuary.

During the accounting period, the University paid contributions to the pension scheme at the rate of 14.4% of pensionable salaries. The University did not incur a deficiency charge for the year ending 31st July 2021, as in July 2019 the University made an advance payment of £5,000k.

The employee rate was between 5.5 and 12.5% of pensionable salaries.

The following information is based upon a full actuarial valuation of the fund at 31st March 2016 updated to 31st July 2020 by a qualified independent actuary.

Assumptions

The financial assumptions used to calculate scheme liabilities under FRS102 are:

	At 31 July 2023	At 31 July 2022
	%pa	%pa
Price Inflation (RPI)	3.15	3.15
Price Inflation (CPI)	3.00	2.75
Rate of increase in salaries	3.00	3.00
Rate of increase of pensions in payment for LGPS members	3.00	3.00
Discount rate	5.05	3.50

The most significant non-financial assumption is the assumed level of longevity. The table below shows the life expectancy assumptions used in the accounting assessments based on the life expectancy of male and female members at age 65.

	Pensioner Male	Non-pensioner Male (currently aged 45)	Pensioner Female	Non- pensioner Female (currently aged 45)
At 31 July 2023	22.1	22.7	24.7	25.9
At 31 July 2022	21.5	22.0	23.9	25.2

29b Local Government Pension Scheme continued

Scheme assets and expected rate of return for LGPS

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

The assets in the scheme were:

	Year ended 31 July 2023	Year ended 31 July 2022
	£'000	£'000
Equities	72%	73%
Bonds	16%	17%
Property	10%	9%
Cash	2%	1%
Total	<u>328,897</u>	<u>333,885</u>
	31 July 2023	31 July 2022
	% pa	% pa
Expected return	5.05%	3.50%
Total return on fund assets	(5,133)	4,843

	Year ended 31 July 2023	Year ended 31 July 2022
	£'000	£'000
Analysis of the amount shown in the balance sheet for LGPS:		
Scheme assets	328,897	333,885
Scheme liabilities	(314,824)	(334,799)
Notional surplus not recognised	<u>(14,073)</u>	<u>-</u>
Deficit in the scheme – net pension liability recorded within pension provisions (Note 21)	-	(914)
Current service cost	12,294	22,155
Past service cost	<u>-</u>	<u>7</u>
Total operating charge:	12,294	22,162
Analysis of the amount charged to interest payable/credited to other finance income for LGPS		
Interest cost	11,804	8,044
Expected return on assets	<u>(11,680)</u>	<u>(5,588)</u>
Net charge to other finance income	124	2,456
Total profit and loss charge before deduction for tax	<u>12,418</u>	<u>24,618</u>

Cumulative actuarial loss recognised as other comprehensive income for LGPS

	At 31 July 2023	At 31 July 2022
	£'000	£'000
Cumulative actuarial losses recognised at the start of the year	914	136,523
Cumulative actuarial losses recognised at the end of the year	-	914

29b Local Government Pension Scheme continued

Analysis of movement in the present value of LGPS liabilities

	Year to 31 July 2023	Year to 31 July 2022
	£'000	£'000
Present value of LGPS liabilities at the start of the year	334,799	465,339
Current service cost (net of member contributions)	12,294	22,155
Past service cost	-	7
Interest cost	11,804	8,044
Actual member contributions (including notional contributions)	3,001	2,782
Actuarial loss/(gain)	(76,208)	(155,268)
Change in demographic assumptions	(3,958)	(1,717)
Actual benefit payments	(9,889)	(8,499)
Experience (gain)/loss on defined benefit obligation	42,981	1,956
Present value of LGPS liabilities at the end of the year	314,824	334,799

Analysis of movement in the fair value of scheme assets

	Year to 31 July 2023	Year to 31 July 2022
	£'000	£'000
Fair value of assets at the start of the year	333,885	328,816
Return on assets less interest	(14,934)	(745)
Interest on assets	11,680	5,588
Actual contributions paid by University	7,030	5,943
Actual member contributions (including notional contributions)	3,001	2,782
Actual benefit payments	(9,886)	(8,499)
Experience gain/(loss) on fair value of plan assets	(1,879)	-
Fair value of scheme assets at the end of the year	328,897	333,885

LGPS assets do not include any of the University's own financial instruments, or any property occupied by the University.

Remeasurements in other comprehensive income

	Year to 31 July 2023	Year to 31 July 2022
	£'000	£'000
Return on fund assets in excess of interest	(14,934)	(745)
Change in financial assumptions	76,208	155,268
Change in demographic assumptions	3,958	1,717
Experience gain on defined benefit obligation	(44,860)	(1,956)
Remeasurement of the defined liability	20,372	154,284

29c The Universities Superannuation Scheme

The institution participates in the Universities Superannuation Scheme (USS). The USS is a multi-employer scheme for which it is not possible to identify the assets and liabilities to the University and members due to the mutual nature of the scheme and therefore this scheme is accounted for as a defined contribution retirement benefit scheme. Throughout the current and preceding years, the scheme was a defined benefit only pension scheme until 31 March 2016 which was contracted out of the State Second Pension (S2P). The assets of the scheme are held in a separate trustee-administered fund. Because of the mutual nature of the scheme, the scheme's assets are not hypothecated 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 and therefore, as required by Section 28 of FRS102 "Employee benefits", accounts for the scheme as if it were a defined contribution scheme. As a result, the amount charged to the income and expenditure account represents the contributions payable to the scheme in respect of the accounting period. 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 the resulting expense in the Statement of consolidated Income. A liability is recorded within provisions for any contractual commitment to fund past deficits within the USS scheme.

Pension costs

The total credited to the Statement of Consolidated Income was £215k (2022: £4,208k charge), which was made up of the following entries:

	Year Ended 31 July 2023	Year Ended 31 July 2022
	£'000	£'000
Employer contributions paid	1025	979
Interest Payable – Unwinding of discount	56	17
Element of employer contributions allocated against the deficit	(288)	(110)
Difference between actual contributions and past expectations	(1,008)	3,322
Total amount charged to Statement of Comprehensive Income	(215)	4,208
Brought Forward Pension Provision	5,206	1,977
Movement	(952)	3,339
Cash payments made to USS	(288)	(110)
Carried forward Pension Provision (Note 21)	3,966	5,206

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

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

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

29c The Universities Superannuation Scheme continued

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

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

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

2020 valuation	
Mortality base table	101% of S2PMA "light" for males and 95% of S3PFA for females
Future improvements to mortality	CMI 2019 with a smoothing parameter of 7.5, an initial addition of 0.5% pa and a long-term improvement rate of 1.8% pa for males and 1.6% pa for females

The current life expectancies on retirement at age 65 are:

	2023	2022
Males currently aged 65 (years)	24.0	23.9
Females currently aged 65 (years)	25.6	25.5
Males currently aged 45 (years)	26.0	25.9
Females currently aged 45 (years)	27.4	27.3

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

	2023	2022
Discount rate	5.05%	1.08%
Pensionable salary growth	3.0%	2.6%

The 31 March 2023 valuation, effective from 1 April 2024, has a statutory deadline for completion on 30 June 2024. The new valuation will be included in the 2023/24 financial statements.

30 US Department of Education required disclosure

The following table is provided solely in satisfaction of the university's obligations to facilitate access to US federal financial aid as required by the US Department of Education, and has been prepared and presented in-line with their specific requirements. All figures presented are based upon FRS 102 recognition and measurement principles, in line with the statement of accounting policies, and are presented in GBP. It is not advised that it be used for any other purpose and all values within it can be found elsewhere within these financial statements. The schedules set out how each amount disclosed has been extracted from the financial statements. As set out above, the accounting policies used in determining the amounts disclosed are not intended to and do not comply with the requirements of accounting principles generally accepted in the United States of America.

During the year the University had an irrevocable standby letter of credit in place in the amount of \$784,073 in relation to Federal Student Aid.

Note	Source	£'000		
		Year Ended 31 July 2023	Year Ended 31 July 2022	
		Primary Reserve Ratio		
	Statement of Financial Position – Unrestricted reserves	Net assets without donor restrictions	299,479	289,181
	Statement of Financial Position – Restricted reserves	Net assets with donor restrictions	2,702	1,995
		Net assets with donor restrictions: restricted in perpetuity	-	-
		Annuities, term endowments and life income funds with donor restrictions	-	-
11	Statement of Financial Position – Intangible assets	Intangible assets	(11,335)	(11,583)
12	Statement of Financial Position – Tangible Assets	Net Property, Plant and Equipment	(422,686)	(416,939)
21	Statement of Financial Position – Pension provisions	Post-employment and defined benefit pension liabilities	3,966	6,120
19	Notes to the Financial Statements – Total Unsecured Loans	Long-term debt – for long term purposes	193,715	195,427
13	Notes to the Financial Statements – Service Concession Arrangements	Lease right-of-use liabilities	3,853	3,655
7	Notes to the Financial Statements – Related Party Transactions	Unsecured related party receivable	(65)	(23)
		Expendable Net Assets	69,629	67,833
	Statement of Comprehensive Income and Expenditure – Total expenditure + Other Losses	Total Expenses and Losses	238,124	232,398
22 & 23	Notes to the Financial Statements – Endowments expenditure and Restricted reserves expenditure	Total Expenses with donor restrictions	(865)	(557)
		All Expenses and Losses without donor restrictions	237,259	231,841
	Statement of Comprehensive Income and Expenditure – Loss on investments	Investment Losses without donor restrictions	-	(3)
	Statement of Comprehensive Income and Expenditure – Actuarial gain/(loss) in respect of pension schemes	Post-employment, defined benefit pension plan and annuities losses	-	-
		Total Expenses and Losses Without Donor Restrictions	237,259	231,838
29	Notes to the Financial Statements – LGPS FRS 102 Charge + USS FRS 102	Non-operating expenses (Defined benefit pension)	3,966	19,431

30 US Department of Education required disclosure continued

Note	Source		£'000	
			Year Ended 31 July 2023	Year Ended 31 July 2022
		Equity Ratio		
	Statement of Financial Position – Unrestricted reserves	Net assets without donor restrictions	299,479	289,181
	Statement of Financial Position – Restricted reserves	Net assets with donor restrictions	2,702	1,995
11	Statement of Financial Position – Intangible assets	Intangible assets	(11,335)	(11,583)
7	Notes to the Financial Statements – Related Party Transactions	Unsecured related party receivable	(65)	(23)
		Modified Net Assets	290,781	279,570
	Statement of Financial Position - Non-current + Current assets	Total assets	600,772	567,138
11	Statement of Financial Position - Intangible assets	Intangible assets	(11,335)	(11,583)
7	Notes to the Financial Statements - Related Party Transactions	Unsecured related party receivable	(65)	(23)
		Modified Assets	589,372	555,532

Note	Source		£'000	
			Year Ended 31 July 2023	Year Ended 31 July 2022
		Net Income Ratio		
	Statement of Comprehensive Income and Expenditure – Unrestricted + Revaluation reserve comprehensive income for the year	Change in Net Assets without donor restrictions	10,297	138,560
	Statement of Comprehensive Income and Expenditure – Total income + Other gains	Total Revenues and Gains	249,129	370,842
22 & 23	Notes to the Financial Statements – Endowment Reserves Income and Restricted Reserves Income	Revenues and Gains with donor restrictions	(1,573)	(440)
		Total Revenues and Gains without donor restrictions	247,556	370,402

Composite Score Calculation	Year Ended 31 July 2023			
	Ratio	Strength Factor	Weight	Composite Score
Primary Reserve Ratio	0.294	2.935	40%	1.17
Equity Ratio	0.493	2.960	40%	1.18
Net Income Ratio	0.042	3.000	20%	0.60
				3.0

Composite Score Calculation	Year Ended 31 July 2022			
	Ratio	Strength Factor	Weight	Composite Score
Primary Reserve Ratio	0.293	2.935	40%	1.17
Equity Ratio	0.493	2.960	40%	1.18
Net Income Ratio	0.374	3.000	20%	0.60
				3.0

If the strength factor for any ratio is greater than or equal to 3, the strength factor for the ratio is 3.
If the strength factor for any ratio is less than or equal to -1, the strength factor is -1.