

# Our vision

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

## Strategic report

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# Highlights

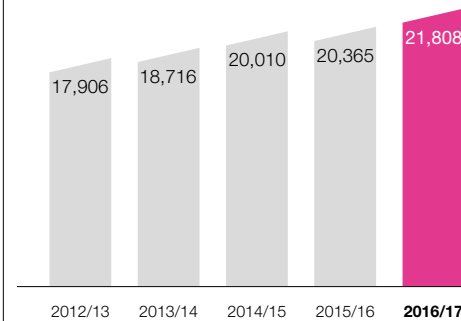
- University Group surplus before other gains and losses of £47.2 million, a record year.
- Major investments commenced in projects supporting the new University Strategy.
- Over £100 million of capital investment, focussing on new teaching facilities.
- Research income from competitively won grants up by 7.3 per cent as compared with last financial year, to £159.9 million.

The University continued its sustained growth in student numbers, growing by 7 per cent in the year.

## Student FTEs

**21,808**

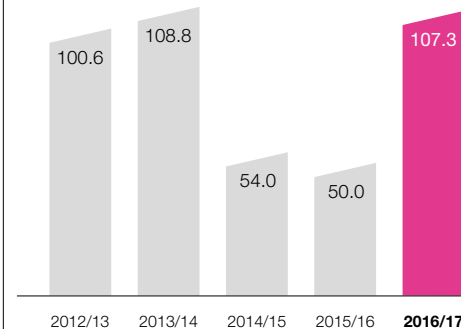
+7% (2015/16: 20,365)



## Capital investment (£m)

**£107.3m**

+107% (2015/16: £50.0m)



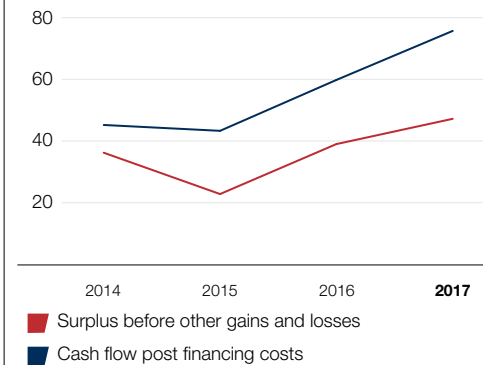
## Student FTE (%)



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

**£47.2m**

+21% (2016: £39.0m)



## Surplus before other gains and losses

**£47.2m**

## Cash from operations post interest paid

**£73.7m**

## Student FTEs

**21,808**

## Staff FTEs

**6,066**

## Capital investment including software

**£107.3m**

## Research income

**£159.9m**



# At a glance

## Our history



**1876**  
University College  
Bristol opens

**1909**  
University granted  
Royal Charter by  
Edward VII



**1962**  
Construction boom  
to support post-war  
expansion – Royal Fort  
area development begins

**1998**  
Bristol is the first UK  
university to provide  
students with internet  
access in their rooms

**1893**  
Bristol Medical  
School incorporated  
into the College

**1929**  
Winston Churchill becomes the  
University's third Chancellor



**1969**  
Bristol is one of the few  
universities to receive  
samples of moon rock  
for analysis

**2009**  
Centenary of  
the University's  
Royal Charter

## Our recent history

- September 2015: Professor Hugh Brady takes office as new Vice-Chancellor and President, succeeding Sir Eric Thomas.
- June 2016: new University Strategy launched.
- March 2017: Sir Paul Nurse appointed as new Chancellor.
- July 2017: purchase of parcels of land in the Temple Quarter Enterprise Zone begins, designated for a new campus.
- September 2017: University welcomes first cohort of Bristol Scholars; 42 students from 17 local schools.

## Faculties

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

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

Alongside our faculties, our seven Specialist Research Institutes and four University Research Institutes position the University among the world's leading research-intensive universities.

Find out more on pages 24 and 25



### Courses we offer

Across the six faculties, the University offers 250 undergraduate programmes and 426 postgraduate programmes of study across a broad range of subjects.

**5,120**  
international students  
(headcount) studying  
from 146 different  
countries (excluding  
the UK)

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

The University has launched an ambitious Strategy and committed to a new city centre campus.

Right: **Professor Hugh Brady**  
Vice-Chancellor and President

Left: **Denis Burn**  
Chair, University Board  
of Trustees



**Vice-Chancellor's introduction**  
**2016/17 has been another year of investment and growth for our institution. Through our commitment to our staff, students and the wider city-region we have been able to take great steps to achieving our collective ambition over the past 12 months. The environment in which we operate looks set to become even more uncertain over the coming years, but what seems certain is that there will be challenges and opportunities ahead. We look forward with excitement to realising the goals of our Strategy, which has been prepared against this background of change and uncertainty, and to building upon the excellent foundations here in Bristol.**

At Bristol, we pride ourselves on the quality of our students, our world leading research and our inspiring and stretching research-rich learning environment. Bristol is renowned for its academic excellence and we are delighted to be ranked amongst the world's best universities.\*

Throughout 2016/17, we continued to provide our students with an inspiring and stretching learning experience with employment prospects that are among the best in the sector. In parallel, our academic staff continued to produce leading-edge research and to infuse our curriculum with the very latest ideas, discoveries and technological breakthroughs. We are passionate about using our academic excellence to respond to public concerns, priorities and aspirations. Partnership, knowledge exchange and co-production between the University, its various communities and the public, private and voluntary sectors are crucial to addressing the complex challenges facing society – and each continues to be a vital part of life at Bristol. This approach was exemplified by the 2016 launch of our new Briggstow Institute – which brings together researchers from different disciplines with a range of partners across the city and beyond to experiment in new ways of living and being. Other examples this year include the opening of a new piece of public art in Royal Fort Gardens, *Hollow*; and the Centre for Ethics in Medicine's outstanding work with Bristol Museum on the award winning *death: the human experience*.

This is not, however, a time for the University to be complacent. We acknowledge the significant pace of change nationally, internationally and within the higher education sector. Terms such as 'Brexit' were almost unheard of two years ago and must

\* Q5 World University Rankings 2017 Times Higher Education World.



We find the expertise and independent challenge offered by Board members incredibly valuable in developing our future thinking.



**Professor Hugh Brady**  
Vice-Chancellor and President



The Board enjoys an open and constructive relationship with the Executive Team of the University which enables the Board to undertake its governance role in an effective manner.



**Denis Burn**  
Chair, University Board of Trustees

now inform our strategic decision making. Our Strategy was developed against this background, and we believe that it plays to our existing strengths as well as developing areas in which the University must seek improvement. In this broader context, we are delighted that our ambitious plans for the future, such as the additional campus at Bristol's Temple Quarter, have been so well received by our students, staff and the wider Bristol family.

Such a strong performance, in terms not only of our academic offering and research achievements but also regarding our financial results and continued investment in the University infrastructure, would not be possible without the ongoing commitment of our highly skilled and driven staff. I am proud to have led such a superb team throughout this period and are confident that we can tackle the challenges ahead together as a strong team.

#### Chair of the Board of Trustees

I, along with the other members of the Board, have always felt privileged to be part of this prestigious institution and never more so than in the past 12 months. The University's exciting new Strategy was launched in 2016, setting out a roadmap of our aspirations for the next seven years, and includes a significant programme of investment and development. We now move from strategy development to strategy implementation – never easy, and particularly so in such uncertain times. The University is being bold and focused on its long term success, but with a careful eye on the risks around each major decision to be taken.

The day to day business of running the institution must continue alongside this programme of change, and the Board has been encouraged by the hard work and accomplishments by University staff throughout 2016/17. Key achievements include:

- the launch of our ground-breaking *Bristol Scholars* scheme: an innovative offer for post 16 students in the city of Bristol;

- the establishment of the *Bristol Institute for Learning and Teaching* to provide educational excellence in the University, by supporting innovation and scholarship;
- significant investment being made in support for student wellbeing and mental health;
- creating 12 Vice-Chancellor's Fellowships, to support exceptional early-career researchers in the first year of this scheme;
- the launch of seven new *Specialist Research Institutes*, to reflect Bristol's strength and depth in key specialisms; and
- a fundamental review of the University's decision making structures and processes, which we hope will lead to a step-change in University culture. We seek to achieve the right balance between the collegiality that is important to a university, and efficient and agile decision making that is able to respond quickly to challenges in times of great uncertainty.

While the higher education sector is experiencing a time of unprecedented change, the Board believes that the implementation of the University's bold new Strategy will ensure its continued success. The Board looks forward to working, with the Executive Team, towards the next phase of the University's development.

**Professor Hugh Brady**  
Vice-Chancellor and President

**Mr Denis Burn**  
Chair, University Board of Trustees

## The Executive Team

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



Read more about our Executive Team online at [www.bristol.ac.uk/university/governance](http://www.bristol.ac.uk/university/governance)



**Professor Hugh Brady**  
Vice-Chancellor and President

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

#### Special responsibilities

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



**Professor Guy Orpen**  
Deputy Vice-Chancellor and Provost

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

#### Special responsibilities

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



**Ms Robin Geller**  
Registrar and Chief Operating Officer

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

#### Special responsibilities

- Head of the University's Professional Services, other than Finance Services, with responsibility for the overall direction and coordination of professional services activities
- As a member of the University's senior executive team, participates in the formulation of the University's key strategies, and overall aims and objectives
- Leads on some of the University's strategic projects and activities



**Ms Lynn Robinson**  
Deputy Registrar (Academic Services)

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

#### Special responsibilities

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





**Mr Robert Kerse**  
Chief Financial Officer

Robert Kerse joined the University as Chief Financial Officer from the social housing sector where he has held executive level roles in both Bristol and London over the last 13 years. He started his career training as a Chartered Accountant at PricewaterhouseCoopers in Bristol, after being educated at the University of Cambridge. His previous role was as Executive Director (Resources) at Circle Housing, one of England's largest housing groups with over 300,000 customers and 70,000 properties with a combined market value in excess of £11 billion. He is a member of the Board of Bristol & Bath Regional Capital and of the young person's homeless charity Centrepont. He is Chair of the Science Research Foundation, which operates the Engine Shed. He also serves as a Trustee to the University of Bristol Pensions & Assurance Scheme.

**Special responsibilities**

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



**Professor Nick Lieven**  
Pro Vice-Chancellor (Strategy)

Nick Lieven is Pro Vice-Chancellor and Professor of Aircraft Dynamics. Previously he was the Pro Vice-Chancellor for Education, followed by Pro Vice-Chancellor for International. In August 2015, he took on the role of Pro Vice-Chancellor for Strategy. He was awarded his first degree in Acoustics and Vibration from the Institute of Sound and Vibration Research in Southampton and then went to Imperial College London and gained a Ph.D. in Mechanical Engineering supported by Rolls-Royce. He is visiting professor at the Los Alamos National Laboratories in the USA and was the founding Director of the AgustaWestland University Technology Centre in Rotorcraft Vibration, which maps onto his continued research interests.

**Special responsibilities**

- Strategy
- Faculty of Arts
- Faculty of Science



**Professor Judith Squires**  
Pro Vice-Chancellor (Education)

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

**Special responsibilities**

- Education and the student experience
- Faculty of Engineering



**Professor Nishan Canagarajah**  
Pro Vice-Chancellor (Research and Enterprise)

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

**Special responsibilities**

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



**Professor John Iredale**  
Pro Vice-Chancellor (Health)

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

**Special responsibilities**

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



**Dr Erik Lithander**  
Pro Vice-Chancellor (International)

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

**Special responsibilities**

- International and Student Recruitment
- Development and Alumni Relations

## Our operating context

The University of Bristol has many exciting plans and initiatives under way to equip us for the future, but in order to make the best decisions and continue to thrive, we need to be mindful of the environment in which we operate at a local, national and international level.

### Politics – after Brexit?

The UK's decision to leave the EU could impact upon us in a number of ways including our student mix, our ability to offer visas to the best staff and our attractiveness to sources of EU research and other grant funding.

### Tuition fees

The fee cap for a home undergraduate student beginning study in Autumn 2017 has risen to £9,250. In this environment of higher tuition fees, it has never been more important that we invest in the student experience, and we have a number of new projects which are set to do just that, including transformation of the University campus and investment in our student systems. The Government has announced that tuition fees for UK and EU students will be frozen at £9,250 pending a review of tuition fees and student funding arrangements. Political changes mean that the future of tuition fees for UK and EU students is not certain.

### Students

Our student body has increased in number significantly over the past five years and we are aiming to increase our student intake still further over the coming seven years as we become able to make use of the new campus at Temple Quarter. Other prestigious and Russell Group institutions have also had a policy of increasing student numbers which the removal of the student number cap has allowed. We are seeing increased competition between institutions to recruit the brightest students against a backdrop of fewer UK school leavers until 2020.

### Research funding

The Government has created UK Research and Innovation (UKRI) to consolidate the existing Government-funded research councils and has announced in the Industrial Strategy Green

Paper an additional £4.7 billion over five years for research and innovation (rising to £2 billion a year by 2020/21, an increase of around 20 per cent in total Government spending and more than any increase in any Parliament since 1979). These measures, along with the potential implications for post-Brexit access to European funding of research programmes, are changing the landscape of research funding.

### Regulatory changes

From April 2018 the responsibilities of the Higher Education Funding Council for England (HEFCE) will be split between the Office for Students, which will become the market regulator encompassing most of the functions currently carried out by OFFA (Office for Fair Access), and Research England, which will be responsible for research and knowledge exchange.

### Higher Education and Research Act 2017

As well as the establishment of the Office for Students, this bill opens the sector to new providers, including for-profit establishments. In the future, the bill also allows tuition fees to be linked to the Teaching Excellence Framework (TEF) results. Jo Johnson, the Universities and Science Minister, described the bill as 'the most significant legislative reforms of the sector for 25 years'.

### Bristol and the South West

Bristol topped the Sunday Times Best Places to Live Guide, being described as 'a small city that feels like a big city... and it crams in all the culture you could wish for'. Bristol is the largest city in the South West, with a population of nearly 500,000. It is 90 minutes from London and easily located for access to nearby cities, beaches and rolling landscapes ([bristol.ac.uk/city/](http://bristol.ac.uk/city/)). Bristol was the first British city to be named European Green Capital.

### Meeting the future

It is now more important than ever that the University of Bristol continues to uphold the reputation that our predecessors built carefully over decades – a reputation based on excellent research and teaching standards. We are continuing to invest in our students, staff and physical assets against the backdrop of change outlined above.



**Emerging demographic, economic, technological and political changes are likely to have further implications for future patterns and trends at UK higher education institutions.**



**Universities UK**  
2017

Members of the Smart Internet Lab's High Performance Networks Research Group



[www.bristol.ac.uk/city/bristol-is-famous-for/sustainability/](http://www.bristol.ac.uk/city/bristol-is-famous-for/sustainability/)

## Our value model

Our mission is to pursue and share knowledge and understanding for their own sake and to help individuals and society fulfil their potential. Our academic activities in education and research have resulted in consistently high achievement in pursuit of this mission.

### Education

The University Strategy published in June 2016 aims for us to be globally renowned for the quality of our teaching and learning environment alongside research. We have been developing our educational offering through the introduction of innovation and enterprise programmes. The Bristol Futures curriculum will give all students an opportunity to develop their core academic skills through application outside their own discipline (see page 14). We have also been enhancing what we already do through our continued investment in digital education and commitment to academic staff through mentoring schemes and the student-led Teaching Awards. Our investment goes beyond the lecture hall. We are putting more resources into careers guidance and enhanced student wellbeing support.

### Research

The University scores strongly in research outputs, environment and impact, as evidenced by our Research Excellence Framework (REF) 2014 performance.

### Financial performance

The financial years 2015/16 and 2016/17 have both generated significant surpluses and the longer term trend of reducing staff costs as a percentage of income has put the University on a firm financial footing. Without this foundation the ambition and capital investment plans related to the new Strategy would not be possible. For 2015/16 our surplus represented 7.2 per cent of total income versus a Russell Group average of 6.8 per cent and our cash from operations

12.8 per cent (Russell Group average 10.6 per cent). The surplus for 2016/17 is 10.6 per cent of total income.

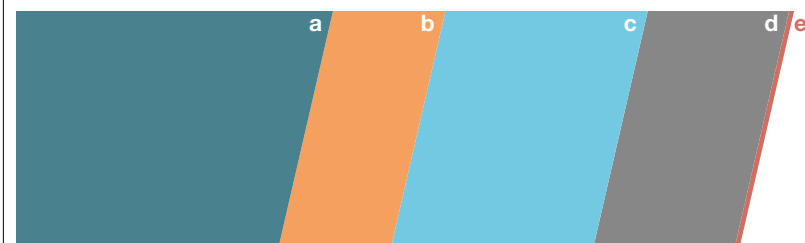
### Value for money

A major focus of the University's Senior Management Team and Board of Trustees continues to be on how to achieve value and effectiveness at lower cost while enhancing research outputs, academic standards and the quality of the student experience. The latter is particularly vital in terms of national league tables and the new Teaching Excellence Framework (TEF). The cumulative impact of the initiatives delivered can be seen in the improvement in financial performance since 2008/09 when the University last reported an operating deficit. We have achieved this improvement against a background of substantial financial pressure, including:

- absolute cuts in funding council grants;
- the continued capping of the new home undergraduate fee at £9,000 from 2012/13 until 2017/18 when it rose to £9,250. In this period national pay scales have risen by 7 per cent;
- increasing demands from students in a competitive market place;
- pressure from research grant funders including Wakeham Review efficiencies for charity, reduced equipment funding and a requirement for increased University contributions; and
- challenging and deteriorating pension scheme funding positions.

### Sources of income (£m)

# £608.0m



|   |                      |
|---|----------------------|
| <b>a</b> Tuition fees and education contracts | <b>£243.6m (40%)</b> |
| <b>b</b> Funding body grants                  | <b>£88.9m (15%)</b>  |
| <b>c</b> Research grants and contracts        | <b>£159.9m (26%)</b> |
| <b>d</b> Other income                         | <b>£111.7m (18%)</b> |
| <b>e</b> Investment income                    | <b>£3.9m (1%)</b>    |



# How we allocate our resources

Fees for undergraduate students from the UK and the EU are set at a standard level for all programmes. The University receives some Government funding over and above this for students participating in programmes that are more expensive to deliver, for example medicine and laboratory based subjects.

Fees for postgraduate students and all students from non-EU countries are reviewed annually with reference to existing fee levels, inflation, external market research and benchmarking analysis, as well as the increased cost of recruitment of international students.

Many factors contribute to the cost of educating each student or group of students. For example, students have a range of different needs and study methods, and will use libraries, career services and welfare services to varying extents; the academic year is also longer for certain courses. Fees must also contribute towards the cost of major capital investments in the University which benefit current and future students.

**Academic and related expenditure**

**£250.8m**

**Research grants and contracts**

(mostly funded by external funders such as research councils or by HEFCE via the Research Excellence Framework)

**£119.4m**

**Premises**

**£65.0m**

**Administration and central services**

**£43.5m**

**Residences, catering and conferences**

**£32.5m**

**Other spend including general educational expenditure**

**£33.7m**

**Services rendered including consultancy contracts (funded by external funders)**

**£15.9m**

# Our Strategy

Our University Strategy captures the collective ambition and imagination of our staff, our students and the wider Bristol family. It provides a roadmap that sets out our plans for the next seven years and beyond.

Our staff and students fed their views into the Strategy as it developed and teams across the University are now working on implementation plans which are being monitored against the strategic themes.

Read more: [www.bristol.ac.uk/university/strategy](http://www.bristol.ac.uk/university/strategy)



1

Strategic theme

## Education

**What we have achieved in 2016/17**

We launched our new Education Strategy (2017–2023) with a focus on the student experience at its heart. New Study Skills courses and Personal Development Planning for students were delivered as part of our innovative Bristol Futures project. The new Bristol Institute for Learning and Teaching (BILT) was launched in June 2017. Bristol Scholars, our radical approach to widening participation, recruited its first cohort of students from Bristol schools in 2017. We launched a major systems reimplementation, the Student Lifecycle Support Programme (SLSP). We continued to invest significantly in enabling digital education across the University. We evaluated the way we delivered academic support and wellbeing services and committed to an investment of £1 million per year for new wellbeing services as well as improvements to support in schools. We started to remodel the centre of the Clifton campus to create our student-centred ‘heart’ within Tyndall Place.

**What we plan to achieve in 2017/18**

Looking forward, we will be launching our new Wellbeing Service for students, embedding new wellbeing staff in every School. We will also be focusing on the way academic support is delivered in Schools, and making improvements. We are developing more ways to listen to our students by introducing the All Bristol Forum, bringing students and staff together to consider how best to deliver our Strategy. As part of Bristol Futures students will have increased opportunities to undertake professional and community engagement activities and from February 2018 new open courses will be available, providing the educational experiences and opportunities to develop broad skill sets in line with our Bristol Skills Framework.

2

## Research

We launched seven new Specialist Research Institutes in March 2017. Planning for REF 2021 is under way and we have made excellent progress with the Postgraduate Research (PGR) growth plan, including the allocation of 29 new Industrial Strategy studentships to Bristol.

The first cohort of Vice-Chancellor’s Fellows will start in the Autumn and a second next year. These are university funded fellowships to support early and mid career researchers. We will continue to identify and support research priorities, for example through the Strategic Research Fund, with a current focus on areas aligned to global challenges and the Industrial Strategy.

3

## People

Focus on further enhancing staff diversity, including open recruitment for senior academic roles. Established data analysis to understand the gender pay gap. Implemented innovative initiatives to recruit and develop talented staff and to improve the status and quality of teaching and education.

We aim to respond to outcomes of a promotion and progression review and professorial gender pay analysis; embed Equity, Diversity and Inclusion (EDI) and enhance recruitment with an improved employer brand; undertake an all staff satisfaction survey and develop a staff engagement strategy; enhance induction and training provision for newly appointed managers; and embed new systems to improve efficiency.

4

## International

The appetite for internationalisation as a central component of University activity, together with the significant additional investment that has been made to support it, has led to progress in improving the University's international student recruitment competitiveness, accelerated new international partnership development and enhanced strategic focus.

The focus will be on consolidating international student recruitment performance as a key component of our internationalisation plans, while continuing to enhance international student mobility opportunities and productive institutional partnerships.

5

## Infrastructure

**Physical:** We have completed expansion projects for Law, Engineering, and Economics, Finance and Management (EFiM) Phase 1. Plans have been brought forward for Tyndall Place, including the proposed pedestrianisation of Tyndall Avenue. We have acquired land for the Temple Quarter Enterprise Campus (TQEC).

**Digital:** We have completed infrastructure cooling and have implemented power improvements to our server room. We have also deployed the core back office infrastructure in our new off-site data centre. Outlook email and calendar have been deployed (Digital Workspace Programme).

**Physical:** We aim to complete the Fry Building for Mathematics, begin work on expansion plans for Humanities and Engineering and make further provision for EFiM. We intend to gain planning and highways consent for Tyndall Avenue, start remodelling Senate House as a student centre and design work on the new University Library. We will seek outline planning consent for the TQEC and complete concept designs for the new campus.

**Digital:** New Ways of Working will allow us to occupy buildings with new workstyles. IT Services are developing the associated equipment, systems, policies and training. We will continue to migrate services into the new data centre. We will complete deployment of Enterprise Resource Planning (ERP) and the majority of the SLSP and the Digital Workspace Programme (OneDrive, SharePoint).

6

## Sustainability

The University has implemented environmental standards ISO 14001 and 14064, which govern our environmental and carbon management programmes. We have achieved a BREEAM Excellent standard for the renovation of 8/10 Berkeley Square and are on track to do the same for the new Queen's Engineering wing. We have established a new University bus contract, utilising less polluting vehicles and with improved offers for our students.

Carbon emissions from our buildings are down by 17%.

We aim to adopt an updated sustainability policy and carbon reduction plan, detailing the steps that we will need to be take to work towards our target of carbon neutrality by 2030. We will provide a clear sustainability brief for our work at the TQEC and aim to make designs for the new University Library environmental exemplars.

# Our Strategy in action

## 1 Education and the student experience

We launched a new Education Strategy 2017 to support the University Strategy to 2023.

### **Bristol Institute for Learning and Teaching**

Creation of the Bristol Institute for Learning and Teaching (BILT) is supporting innovation and scholarship by ensuring Bristol's education is shaped by current research and evidence and provides staff and resources to promote educational excellence in the University. BILT's work is being organised around a series of themes, with the first theme identified as Assessment. This will include leading the University's strategic initiative on Assessment, developed in partnership with the Higher Education Academy.

### **Bristol Futures**

Bristol Futures is an exciting initiative that will provide our students with an opportunity to develop their core academic skills and see them develop as adaptable graduates. Bristol Futures is making good progress. All new 2017/18 students have received information about the use of Personal Development Planning and access to study skills courses. A new Bristol Skills Framework will be incorporated into the core curriculum by September 2019 to help ensure that our graduates are well equipped for their futures.

Our plans to expand our portfolio of taught postgraduate masters and continuing professional development programmes are maturing and the Temple Quarter Programme is overseeing their development.

Proposals to enhance support in Schools have been approved and implementation is beginning. New wellbeing service senior posts will be recruited in early autumn and the first wellbeing advisors will be in post by January 2018.

As part of the Faculty of Arts education, research and structure review, 'Arts2020', we have increased contact hours offered to students. We have invested in 40 additional academic appointments for 2017/18 to improve staff student ratios in key areas.

We have focussed over the last year on supporting digital literacy in our students and staff and enhancing our digital offering. The roll out of the centrally supported Re/Play lecture capture platform has improved the way students are able to engage with lectures and seminars, improving their learning outcomes.





## Tyndall Place

We will create a highly visible, coherent and welcoming heart to our main campus on Tyndall Avenue.

A significant part of our plans for excellent student experience is to provide a much improved student focus for the campus on Tyndall Avenue. The Tyndall Place programme aims to create an inclusive, accessible, vibrant and welcoming heart to the University through increasing the range and quality of student owned and student-focussed space for learning, sports and social purposes. Tyndall Avenue will be pedestrianised and we are relocating our Professional Services staff and Senior Management Team from Senate House to enable us to create a new student resource centre.

The programme is making good progress. Subject to planning consents, we will begin work in early 2018 on refurbishing the Sports Centre and improving the public realm around Tyndall Avenue and Woodland Road. We will be starting work on the designs for the new library in late 2017/early 2018 and we expect to firm up the designs for the new student resource centre before the end of 2017.

As well as these capital investment projects, initial scoping work is under way for our new, integrated student service provision and we are beginning to look at how we might better integrate services and facilities in the new spaces once developed.



It would provide a stronger university atmosphere, building up the notion of a real campus within the city.



Student member



I think it will be a positive change and add to the sense of community.



Staff member

Credit: Nicholas Pearson Associates

## Our Strategy in action continued

### 2 Research

We will build upon our position to cement our place as one of the world's leading research-intensive universities.

#### Vice-Chancellor's Fellowships

The University of Bristol has a long term strategy to create 100 Vice-Chancellor's Fellowships offering an exciting opportunity for early career researchers to advance their research careers and develop their potential to become academic leaders.

Our Fellows benefit from one to one mentoring and training tailored to their specific personal needs. They have access to start-up funds and receive support to develop themselves professionally across the full spectrum of an academic role, including engagement with research users, teaching experience, impact development and innovation.

The 2017 Fellowship intake consists of 12 dynamic individuals who are outstanding and have the capability to become future trailblazers in their field. They will be working across three priority research areas: Digital Innovation and Wellbeing, Bioengineering, and Environmental Social Sciences and Humanities. These Fellows and future cohorts will help us to sustain and increase our University's reputation for world leading research that addresses the grand challenges facing society.



This is an exciting time for research at the University of Bristol. The new Specialist Research Institutes build on our culture of innovation, strong community and outstanding facilities.



**Professor Nishan Canagarajah**  
Pro Vice-Chancellor (Research and Enterprise)

## In March 2017 the University launched seven new Specialist Research Institutes (SRIs) reflecting the University's strength and depth in key specialisms.

The SRIs complement the University's existing research institutes which bring disciplines together to meet both the challenges of leading-edge research and the external demands of Government, business and society, to encompass areas where the University is already internationally leading and is looking to develop capacity.

The seven new SRIs are:

- Bristol BioDesign Institute**  
 Promoting a cross-sectoral engineering approach to biology, the institute looks at how molecules can be engineered in a biological context. It has wide ranging applications, from health to food security, and its work embeds pioneering synthetic biology practice in biological and bioengineering research.
- Advanced Composites Collaboration for Innovation and Science (ACCIS)**  
 Composites are critical to reducing weight, energy consumption and CO<sub>2</sub> generation, and the University has research strength to make composites in the UK an exemplar of research and industrial engagement.
- Bristol Heart Institute**  
 A world leading centre for translational cardiovascular research and the leading academic cardiac surgery centre in the UK.
- Bristol Institute for Migration and Mobility Studies**  
 Providing a fresh approach to the study of migration through a prism of arts, humanities and social sciences, the institute looks at why people move from one place to another; the social, economic and cultural consequences of migration; and, importantly, the actual experience of migration.
- Bristol Population Health Science Institute**  
 Building on Bristol's internationally leading reputation for research in the determinants and consequences of ill-health, this institute takes a multi disciplinary approach to studying the health of populations, from molecules to communities.
- Bristol Poverty Institute**  
 Drawing on 25 years' experience, the institute's work centres around the production and dissemination of practical solutions and policies to catalyse the eventual ending of world poverty.
- Bristol Quantum Information Institute**  
 Long at the forefront of the growing worldwide activity in this area, the institute crystallises the University's research across the entire spectrum, from theory to technology. With an expert cross-disciplinary team, it has expertise in all major areas of theoretical quantum information science and in experiment.



Sanctuary Scholarship students speak at a symposium in May 2017 hosted by the Bristol Institute for Migration and Mobility Studies.

### New discovery could reverse tissue damage caused by heart attacks

A new discovery by University of Bristol scientists helps to explain how cells which surround blood vessels, called pericytes, stimulate new blood vessels to grow with the hormone leptin playing a key role. Leptin is produced by fat cells and helps to regulate energy balance in the body by inhibiting the appetite. This study, described in *Scientific Reports*, may have important implications for the treatment of heart attacks and also for cancer, the two main killers in the UK.

Paolo Madeddu, Professor of Experimental Cardiovascular Medicine from the School of Clinical Sciences, who leads the project at the Bristol Heart Institute, said: 'This new discovery could have important implications for the treatment of heart attacks, which is when a main coronary artery gets blocked, but also cancer. These results reveal a new signalling mechanism that may have a far-reaching and significant impact on cardiovascular regenerative medicine.'

Find out more:  
[bristol.ac.uk/news/2017/july/heart-attacks.html](http://bristol.ac.uk/news/2017/july/heart-attacks.html)



# Our Strategy in action continued

## 3 People

Our aim to have 'a highly motivated and energised workforce' is a prerequisite for achieving our ambitions.



We must recruit, develop and retain the best academic and Professional Services staff and provide them with a challenging, high performing and supportive environment.

We make a significant investment in our staff and ensure that our benefits package is both attractive to current staff and future recruits and also comparable in an increasingly competitive market place. Alongside competitive pay rates we have a well regarded and comprehensive staff development offer and, alongside our transparent and open pay and promotions processes, we have a wide range of non-pay benefits. We work closely with trades unions' representatives who represent staff across the University and provide in-house staff counselling and executive coaching services.

Our specific targets, in support of the Strategy, include actions to strengthen staff engagement, recruiting excellent people from across the world and unlocking potential. We are also improving career development and nurturing our community of researchers.

### Staff engagement

As the University is moving to more flexible and agile ways of working, including significant investment in our physical infrastructure for both staff and students, we are engaging our staff in the change of culture that supports future growth, enhancement of the student experience and diversification of our workforce. We continue to deploy resources to staff engagement and responding to staff feedback through focus groups, staff networks and committees. This links closely to the implementation in 2018 of a new system for finance, payroll and HR, an extensive and complex project spanning several years. Such significant change is only possible through having a skilled and engaged workforce, and their recruitment and development remains a key priority.

### Recruitment

Overall the University has made 1,200 staff appointments, from 28,000 job applications during the year, and has made additional investment in the support available for colleagues joining from outside the UK. Overall growth in student numbers has led to a particular focus on recruitment and induction training and during 2016/17 we developed and implemented new recruitment processes for senior academic appointments.

### Nurturing researchers

The University has signed up to the UK Concordat, an agreement between funders and employers to improve the working conditions and career development of researchers; our long term commitment to this was demonstrated in our retention of the HR Excellence in Research Award in 2017.

To ensure researchers are engaged and their views feed into the University's decisions and processes, we have established a Research Staff Working Party and committee structure to promote and represent research staff from across the institution. The Academic Staff Development Team delivers 19 courses specific to the needs of researchers and also provides individual career coaching and guidance support.

### Nurturing educators

Recognising and rewarding teaching excellence is critical to the delivery of a first class education. The University's Bristol Teaching Awards recognise those members of staff who have made an outstanding contribution to teaching, student support and enhancing the student learning experience.





The Academic Staff Development Team delivers courses on a further 31 topics aimed at academics and also runs the well regarded CREATE programme, which develops teaching, learning and leadership skills.

#### Other initiatives

Universities, along with other public-sector employers, have been challenged with the increasing cost and feasibility of pension schemes. We have, through extensive consultation with staff and unions, moved some categories of staff to alternative schemes, while individual choice about pension provision has been retained as far as possible.

The Technical Staff and Services Strategy Group developed the University Technical Strategy around how we define and lead our technical services and how we recruit, train and deploy technical staff. The University of Bristol is a Founding Signatory of the Technician Commitment which was launched at the Higher Education Technicians' Summit at the University of Warwick on 31 May 2017. This pledges action against the key challenges affecting our technical staff – visibility, recognition, career development and sustainability for technicians working in higher education and research, across all disciplines.

## Diversity and inclusion

Our University Strategy presents an opportunity to take our commitments to equality, diversity and inclusion (EDI) to the next level, attracting and supporting a more diverse staff and student body than ever before and engaging with groups across the local community to influence demonstrable change and challenge accepted norms.

#### Promoting gender equality

We have continued our involvement with the Equality Challenge Unit's Athena SWAN Charter and now have 16 Schools holding awards that recognise good practice in gender equality. Equal pay is high on our agenda with our third Equal Pay Audit completed in 2016 and further work under way to explore and address issues connected to professorial pay. Through training and development sessions, we raised awareness of how unconscious bias can impact decision making – particularly in relation to staff recruitment – and took steps to ensure gender diversity on shortlists and on all interview panels.

#### Disability access

Our Estates Office joined in partnership with DisabledGo, a leading provider of online accessibility guides trusted by disabled visitors, to develop a series of online access guides to key University buildings that aim to maximise independence and choice for disabled people.

#### Governance

We convened an EDI Steering Group to offer a strategically focussed approach to these areas, identifying and implementing key mission critical activity that ensures the richness and diversity of society are reflected and celebrated in our staff and student experience. Chaired by our Pro Vice-Chancellor for Research and Enterprise, the Group has influenced many key University activities.

#### Addressing race equality

Working with local external partners from SARI and VOSCUR we established a joint task force to tackle racism in all its forms – including institutional, direct incidents of racist abuse, and more subtle forms of discrimination. This work will feed into the University's long term commitment to promoting a safe and inclusive environment for its entire community.

#### Working with our LGBT+ communities

We introduced a rainbow lanyard as a symbol of affirmation and pride for the sexual and gender diversity of our staff and students and a reminder of the individual worth, value and equality of each person who belongs to the University, inclusive of students and staff who identify as LGBT+. We were recognised as the 'Best Employer' at the Bristol Pride Gala Ball for our continued engagement with the LGBT+ community.

#### Staff networks

We now have thriving staff networks that promote the diversity of our staff through peer support covering parents, carers, disabled staff and LGBT+ colleagues. A network for BAME staff was launched in October 2017.

## Our Strategy in action continued

### 4 International

Strong international links are as crucial to the Bristol student experience as they are to the University's ambitious research programmes.

The University's international outlook has been further strengthened during the last 12 months, not least due to the significant emphasis on internationalisation that is evident throughout the University's new strategic plan. New initiatives are being introduced across the internationalisation spectrum, in areas such as student recruitment, student mobility and institutional partnership development. Key developments of note are a major expansion of the resources available for internationalisation, and the appointment of a new International Director.

In 2016/17:

- we welcomed over 2,200 new international students from 102 countries to the University;
- close to 500 undergraduate students took part in study abroad programmes or work placements overseas;
- the Vice-Chancellor presented nearly 400 graduates with their degrees at the University's China Graduation in Beijing. The live broadcast of the ceremony was watched online by over 2.5 million viewers; and
- the University opened new representative offices in India, the UAE and Malaysia.

**2,200**  
new international students

**500**  
students took part in study  
abroad programmes or work  
placements overseas



### Summer Schools – Destination Vet

The University's first international Summer School took place in July. The Destination Vet Summer School was an intensive two week programme, combining world class teaching, clinical experience, interview skills and a varied social programme. It attracted 17 participants from seven countries and was a unique opportunity for students considering a future career in veterinary science.



### Global engagement with scholarship providers

The development of new institutional relationships with key overseas scholarship providers has been a focal point for the new International Partnerships and Relations Team during 2016/17. One such new partnership is with the China Scholarship Council, which will enable 20 new high-calibre Chinese students to commence their Ph.D. studies at the University of Bristol every year.

Other agreements have been developed with governmental agencies such as COLFUTURO (Colombia) and MESCYT (Dominican Republic), NGOs such as the Karta Initiative (India) and the Beacon Equity Trust (Kenya, Tanzania, Uganda) and private scholarship providers such as Aviva. The University has also renewed its partnership with Santander Bank and has become a partner in the British Council's GREAT Scholarships campaign in China.

The University already has a number of very successful partnerships – from which almost 150 students have benefitted this year – with a wide variety of scholarship providers such as Chevening, Conacyt (Mexico), CONICYT (Chile), Fulbright Commission (USA), Marshall Scholarships (USA) and the Saudi Arabia Cultural Bureau.

### Commitment to partnerships in China

Developing links with China's universities has been a key focus over the past year. The Vice-Chancellor has signed agreements with several of China's most prestigious universities, including the University of Chinese Academy of Sciences in Beijing, Shanghai Jiao Tong University, Nankai University in Tianjin, Sun Yat-Sen University and the South China University of Technology, both in Guangzhou.

The University of Bristol already has well established research links with some of China's top universities. It is anticipated that the new partnerships will add even greater breadth and depth to the University's current research and teaching offerings. The partnerships with Shanghai Jiao Tong University and Nankai University will give students the opportunity to obtain a joint Liberal Arts undergraduate degree and a joint postgraduate degree in the field of Translation. The agreements with Sun Yat-Sen University and South China University of Technology will focus on fostering connections with Bristol's Faculties of Science and Biomedical Sciences.



## Our Strategy in action continued

### 5 Infrastructure

We are planning to build a new £300 million campus at Temple Meads.



#### Temple Quarter Enterprise Campus

Planning is well under way for the University's transformational new campus, with the £300 million project to sit at the heart of the city's Temple Quarter Enterprise Zone planned to open in the 2021/22 academic year.

The development will transform a derelict site into an open campus that will be part of the community, helping to regenerate the area and benefit the whole city. We are working with communities, businesses and the City Council to shape our plans, which include landmark buildings for teaching, learning and collaboration, with a focus on future digital technologies. We will also be building a student village and expanding our successful enterprise hub, Engine Shed, which houses the award winning SETSquared business incubator.

Once fully developed, the 70 hectare Bristol Temple Quarter Enterprise Zone has the potential to attract over 17,000 jobs over its 25 year lifetime and add a further £100 million a year to the city's economy.

Business, Energy and Industrial Strategy Secretary Greg Clark said: 'Our forthcoming Industrial Strategy is committed to creating highly skilled and versatile workforces in all areas of the UK. The development of this exceptional new campus

for the University of Bristol is a brilliant example of this strategy in action, with government, academia and industry collaborating to deliver future-focussed training that will build on Bristol's growing reputation as a digital and tech cluster.'

Professor Hugh Brady, Vice-Chancellor and President of the University, has commented: 'This is an historic moment for the University of Bristol and for the city-region. This new initiative is, I believe, truly unique: a dynamic partnership between the University, industry and the city, located in an enterprise zone and major transport hub and offering the opportunity to position Bristol as a global leader in digital and educational innovation. We now have the opportunity to re-imagine our University as an organisation that is completely porous with our partners, enabling students, researchers and people from all walks of life to move seamlessly between the city, the academy and the workplace, feeding the talent pipeline and creating opportunities.'

New degree programmes will be designed and developed in collaboration with industry partners to ensure students educated on the Temple Quarter Enterprise Campus are equipped to create, lead and work successfully in the industries of tomorrow.

# 17,000

Potential to attract over 17,000 jobs over its 25 year lifetime

# £100m

The campus also has the potential to add a further £100 million a year to the city's economy



This confirms our place as the UK's most technologically advanced city-region and one of the world's leading digital cities.



**Marvin Rees**  
Mayor of Bristol



## 6 Sustainability

We are proud to be a sector leader in sustainability – from the research we support, the curricula we teach and the student experience we offer, to the way we behave as an organisation.



Members of the University of Bristol's Fossil Free Society on the left. On the right are Professor Guy Orpen, Deputy Vice-Chancellor of the University, Paloma Parkes, Head of the Fossil Free Society, and Robert Kerse, Chief Financial Officer at the University.

The University has a long history of action to enhance sustainability. Our organisation and community played a large role in helping Bristol to become European Green Capital in 2015, the first UK city to do so. The University aims to be carbon neutral by 2030. During 2016/17 carbon emissions from our buildings were down 17 per cent on our 2005/06 baseline, during which period the University has grown by a third.

We invested £1.5 million in efficiency technologies in 2016/17. We aim to invest a similar amount in 2017/18. We are adopting a circular economy approach to managing resources, including waste, moving away from the 'make, purchase, use and dispose' approach to materials. We reused, recycled and composted 82 per cent of our waste in 2016/17.

Recent initiatives such as a student bus service, new cycling infrastructure and an electric vehicle fleet have helped achieve significant progress towards our goals of safe and sustainable transport options.

Sustainability is not just limited to our estate and operations but deeply embedded in our teaching and research, via Bristol Futures and our sector-leading, multidisciplinary University Research Institutes.

The University believes that environmental sustainability is the foundation of wider economic and social sustainability and is an integral part of good institutional practice. We are committed to maintaining and, wherever possible, improving the quality of the environment for those who live and work in the University and for the wider community, now and in the future.

We have developed our new investment policy to be consistent with our sustainability aims. Investments in the energy sector will now focus on companies which are having the greatest impact on reducing carbon emissions. It follows a campaign by the University's Fossil Free Society, which has praised the new policy for being 'one of the clearest and most wide ranging in Britain'.

### Our sustainability emphasis:

- Building and refurbishing to high environmental standards, saving energy and adopting a circular economy approach to use of materials.
- Maximising resource efficiency, reducing waste and encouraging reuse and remanufacturing.
- Optimising our estate to reduce our energy and water use per person.
- Using more energy from renewables.
- Including sustainability in our teaching and learning, via Bristol Futures.
- Maintaining and increasing our native ecosystems and Living Estate.
- Ensuring compliance with environmental legislation using our Environmental Management System, maintained to ISO 14001.
- Procuring goods and services with reduced environmental impact and high social standards.
- Offering ethical and sustainable catering options.
- Developing responsible principles for our investments.
- Engaging with communities, enhancing the local economy and building resilient partnerships.
- Developing whole life costing and circular economy principles throughout our business areas.

### In 2016/17:

- A new contract allowed all our IT equipment to be reused instead of recycled in a secure, responsible manner, which is more sustainable.
- Our Big Give project, whereby students leaving can donate items to charity rather than sending them to waste, collected 16,000 bags for 19 charities, worth £200,000.
- We successfully trialled an initiative, 'Let's EcoSort it', saving Site Services time, increasing recycling, reducing landfill and costs. This will be rolled out through 2017/18.
- We announced bold plans to divest our endowment funds from the most carbon intensive sectors of the fossil fuel industry:
  - ending investment in companies that derive more than 5 per cent of turnover from the extraction of thermal coal or oil and gas from tar sands by January 2018; and
  - actively managing other areas of our portfolio of energy investments to achieve a material reduction in carbon emissions from these investments.

## Operational structure

Responsibility for overall day to day management of the University is through the Vice-Chancellor and President (in the role of Accountable Officer), supported by a senior team which for 2016/17 included the Deputy Vice-Chancellor, five Pro Vice-Chancellors, the Registrar and Chief Operating Officer, the Chief Financial Officer and the Deputy Registrar.

### Academic structure

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



Arts

#### **Professor Michael Basker is Dean of Arts**

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



Biomedical Sciences

#### **Professor George Banting is Dean of Biomedical Sciences**

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



Engineering

#### **Professor Andrew Nix is Dean of Engineering**

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

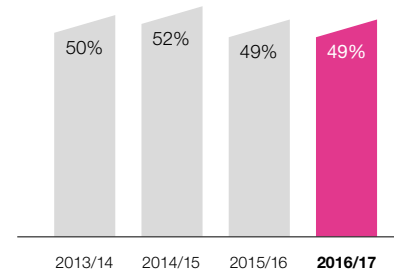
### Professional Services

From finance and accommodation to grounds maintenance and IT – our Professional Services Divisions cover a wide range of vital professional, administrative and other functions that support the University.

The University has recently launched the benchmarking exercise, UniForum, which is being developed and delivered by Cubane Consulting. This programme looks at costs and effectiveness to support the running of the University, and of our teaching and research. It forms part of a set of initiatives aimed at continuous improvement and provides a network in which we can learn from and engage with our Higher Education Institution (HEI) peers.

### Staff costs as a percentage of income

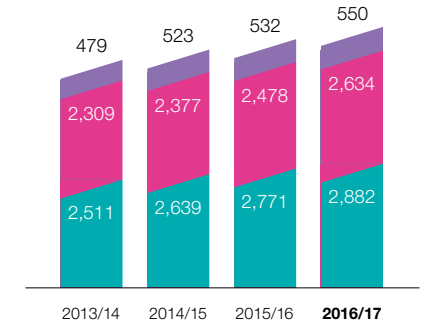
**49%**  
(2016: 49%)



### Staff FTEs

**6,066**  
+5% (2016: 5,781)

Academic staff  
Administrative staff  
Technical staff



Health Sciences

#### Professor Jonathan Sandy is Dean of Health Sciences

We provide high quality, innovative teaching supported by NHS partnerships and clinical expertise, and research excellence at every scale, from cellular mechanisms to health service provision. The REF 2014 ranked Bristol among the UK's top research universities. The University achieved 100 per cent world leading 4+ ratings for impact in clinical medicine and public health, health services and primary care.



Science

#### Professor Tim Gallagher is Dean of Science

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











Social Sciences and Law


#### Professor Paddy Ireland is Dean of Social Sciences and Law

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

# Principal risks and uncertainties

The University has identified a number of challenges which are monitored by the University Management Team (UMT), the Audit Committee and the Board of Trustees.

| Risk                            |  Failure to deliver a high quality student experience   |  Failure to meet student fee income targets   |  Political change with funding and policy   |  Failure to have/deliver fit for purpose systems and processes  |
|---------------------------------|--|--|--|--|
| <b>Current positions</b>        | <ul style="list-style-type: none"> <li>Your Bristol Survey results showed student satisfaction holding steady; however, the Students' Union boycott of the National Student Survey this year meant that our institutional results did not meet the threshold for publication</li> <li>We achieved a Silver ranking in the TEF pilot</li> <li>We were finalists for the Higher Education Academy's first Global Teaching Excellence Awards, recognising our institution-wide approach to teaching excellence</li> <li>Increased focus and investment in a range of strategic priorities including: employment partnership agreements; Student Wellbeing Service; teaching spaces; Bristol Futures; digital infrastructure; and assessment and feedback</li> </ul> | <ul style="list-style-type: none"> <li>Student fee income targets for 2017/18 estimated to be achieved</li> <li>Competitive pressures will continue to increase given that other Russell Group universities are planning for significant increases in student numbers</li> <li>Brexit is likely to have an impact on ability to recruit EU students (6% total)</li> <li>New Director of External Relations and Director of International in post along with additional investment in student attraction</li> </ul> | <ul style="list-style-type: none"> <li>Uncertainties over the implications of Brexit in relation to student fees, visas and research funding</li> <li>Government with a confidence and supply arrangement leads to less certainty over policy direction</li> <li>Government review of tuition fees and student funding</li> <li>£4.7 billion of additional Government research funding nationally</li> </ul> | <ul style="list-style-type: none"> <li>Enterprise resource planning (ERP) system due to come online in the year to July 2018</li> <li>Digital Workspace programme under way with the objective of creating a more flexible working environment</li> <li>Student Lifecycle Support Programme under way to improve educational administration experience for applicants, students and staff</li> </ul> |
| <b>Governance and oversight</b> | <ul style="list-style-type: none"> <li>PVC Education and Students</li> <li>Senate and University Education Committee</li> <li>Annual Academic Quality and Standards Assurance report to the Board of Trustees</li> </ul>   | <ul style="list-style-type: none"> <li>PVC-International and Student Recruitment division</li> <li>Student Recruitment Committee</li> <li>Regular updates to Finance Committee and Board of Trustees</li> </ul>  | <ul style="list-style-type: none"> <li>UMT</li> <li>Regular updates to Finance Committee and Board of Trustees</li> </ul>  | <ul style="list-style-type: none"> <li>IT Committee of the Board</li> <li>Project Steering Boards for key initiatives</li> </ul>   |
| <b>Link to strategy</b>         |   |   |   |   |

-  Low risk
-  Medium risk
-  High risk



| <p><b>M</b> Failure to maintain research excellence and volume</p>  | <p><b>M</b> Failure to secure and manage major research and innovation initiatives/ partnerships</p>  | <p><b>H</b> Pension liabilities and servicing costs at levels where they have material impact on the University financial performance and prospects</p>  | <p><b>L</b> Failure to manage/ deliver long term financial sustainability</p>  | <p><b>M</b> Failure to manage, prioritise and deliver the Capital Programme effectively</p>  | <p><b>L</b> Inability to recruit and/or engage key staff</p>  | <p><b>M</b> Inability to maintain business continuity in the event of serious incidents or disasters</p>                                  |
|---|---|--|--|--|---|---|
| <ul style="list-style-type: none"> <li>• The Stern Review (an independent review of University research funding published in July 2016) is largely favourable to the University</li> <li>• Risk from Brexit to our EC research funding (13% total)</li> <li>• Additional research monies available from HEFCE for the year to March 2018</li> </ul> | <ul style="list-style-type: none"> <li>• Strategic Alliance Framework agreed within the Institution</li> <li>• Brexit may alter partnership environment</li> <li>• SW Science and Innovation Audit is positive to University's interests</li> </ul> | <ul style="list-style-type: none"> <li>• Potential impact of March 2017 USS valuation is likely to require further reforms to the scheme structure</li> <li>• Market conditions continue to impact on future service costs</li> <li>• UBPAS changes agreed by staff and trade unions to close the scheme to future accrual beyond December 2019</li> </ul> | <ul style="list-style-type: none"> <li>• Financial results for 2016/17 are very strong</li> <li>• Home/EU tuition fee freeze at £9,250 for new students pending Government Review</li> <li>• Strong liquidity position</li> <li>• New Integrated Planning Process to integrate budget setting process with related planning processes</li> </ul> | <ul style="list-style-type: none"> <li>• Brexit/rising inflation may impact on cost of capital works not yet contracted for</li> </ul>   | <ul style="list-style-type: none"> <li>• New Integrated Planning Process strengthens workforce planning</li> <li>• Governance review completed and recommendations being implemented</li> </ul> | <ul style="list-style-type: none"> <li>• Off-site data centre operational</li> </ul>  |
| <ul style="list-style-type: none"> <li>• Research Committee</li> <li>• Finance Committee review order book and financial impact</li> <li>• UMT</li> </ul>   | <ul style="list-style-type: none"> <li>• Strategic Alliance Review Board</li> <li>• Research Committee</li> <li>• UMT</li> <li>• Finance Committee</li> <li>• Board of Trustees</li> </ul>  | <ul style="list-style-type: none"> <li>• Regular briefings and updates to Finance and Audit Committees and Board of Trustees</li> <li>• Pensions sub-Committee of the Board established to consider the USS consultation</li> </ul>  | <ul style="list-style-type: none"> <li>• Regular reports to Finance and Audit Committees and Board of Trustees</li> <li>• Systems and Process Investment Board where appropriate</li> <li>• Capital Investment Programme Board where appropriate</li> </ul>  | <ul style="list-style-type: none"> <li>• Regular updates to Board of Trustees</li> <li>• Capital Programme Board</li> <li>• Specific programme boards for key initiatives</li> </ul> | <ul style="list-style-type: none"> <li>• Reports to HR Committee and Remuneration Committee</li> <li>• UMT</li> </ul>   | <ul style="list-style-type: none"> <li>• Reports to IT Committee</li> <li>• Briefings to Board of Trustees and Audit Committee</li> </ul> |
| <p>2</p>  | <p>2</p>  | <p>1 2 3</p>   | <p>1 2 3 5 6</p>   | <p>5</p>   | <p>3</p>  | <p>3 5</p>  |

## Financial review

### The University has put in place new long term debt that will fund the next phase of the new University Strategy, taking advantage of the current market conditions on the cost of borrowing.

Financial performance during the year was extremely positive with a surplus for the year before other gains and losses of £47.2 million (2016: £39.0 million).

The result this year is boosted by land and property sales generating a surplus of £11.8 million. In addition, we have recognised £5.3 million of market value gains in the year due to the bull market that equities have experienced. Endowment funds have increased from £62.6 million at the start of the year to £70.8 million, including endowment value growth of 8.6 per cent. Included in the surplus is £21.8 million of income relating to capital grants that is fully used to fund specific expenditure or fixed asset purchases so are cash neutral.

The University has especially benefitted in the last two financial years from a prolonged period of growth in student numbers (21 per cent from 2012/13 to 2016/17), coupled with a considered control of our cost base. This was a planned approach to take advantage of the introduction of the current fee regime in 2012 and the removal of the cap in student numbers.

Total income for the year was £608.0 million (2016: £576.3 million) with research income growing by 7.3 per cent to £159.9 million.

Total expenditure for the year was £560.8 million (2016: £537.3 million) with staff costs representing 53 per cent of the total expenditure (2016: 53 per cent).

#### Capital

Capital investment in the year was £107.3 million (2016: £50.0 million). Projects included:

- the Fry Building refurbishment, the new home for the School of Mathematics;
- the Queen's Building Engineering extension;
- purchase and re-modelling of Augustine's Courtyard to provide office space for staff relocating from Senate House to make way for student learning and social space at the heart of the Clifton campus; and
- rebuild of our Colston Street halls of residence destroyed by fire in 2015.

#### New loans

Delivery of the major capital projects to support the delivery of the University Strategy will require the investment to be supported by new long term debt, philanthropic activity and capital grants for specific projects. The University entered into new loan arrangements in March and April 2017 with additional borrowings of £200 million increasing total gross borrowings to £450 million. A prepayment of interest was made during the

year. This has reduced the level of cash payments of these loans over their remaining terms. All borrowings are on fixed interest rates to maturity. The University therefore has no current exposure to interest rate risk. In addition, the University put in place a new revolving credit facility of £75 million to act as a standby credit line, which is currently unused. The new £200 million of debt has fixed interest rates and maturity dates of between 2047 and 2057 (see Note 16 to the Financial Statements).

#### Major donations

In July 2017, the University received a £10 million gift pledge from the Sloane Robinson Foundation. The gift will be used to help fund our new Temple Quarter Enterprise Campus. Of the total gift pledge, £1 million was received in the year and has been recognised as income.

We also received a £1 million gift from Dr Jonathan and Georgina de Pass that will be used to support medical research projects and the University's Centre for Innovation and Entrepreneurship.

#### Surplus before other gains and losses

£47.2m

(2016: £39.0m)

#### Endowment value growth

8.6%

#### Total income

£608.0m

+5.5% (2016: £576.3m)

## Pensions

The University continues to operate a number of pension schemes:

- National Health Service Pension Scheme (NHSPS).
- University of Bristol Group Pension Plan (UBGPP) (defined contribution).
- University of Bristol Pension and Assurance Scheme (UBPAS) (moving to defined contribution for new contributions from 1 January 2020).
- Universities Superannuation Scheme (USS).

UBPAS and USS are defined benefit schemes (note that new contributions to UBPAS from 1 January 2020 will earn defined contribution benefits only). Under FRS 102, the University of Bristol is required to reflect an estimate for the full liability of the UBPAS scheme. USS is a multi-employer scheme. Individual employers within the scheme cannot identify their own share of the assets and liabilities and therefore it is accounted for as though it was a defined contribution scheme. However, the University has entered into a deficit recovery plan and therefore, under FRS 102, we have recognised a liability for the contributions payable under the terms of the plan. This has added significant liabilities to our Balance Sheet in recent years but the underlying substance of the schemes and the University of Bristol's involvement with them is unchanged.

The USS scheme is currently undergoing a valuation as at 31 March 2017, due to conclude by July 2018. The Scheme funding position is estimated to have deteriorated since the last valuation at March 2014. This is primarily due to falls in long term Gilt rates resulting in future liabilities having a greater value. Asset growth has performed reasonably well between the two valuation dates. Employers have been surveyed and there is a strong view that they will not increase their contribution levels above the current 18 per cent level. However, the deficit recovery period is likely

to be re-set and potentially further changes to the Scheme benefits may be required. We forecast that our provision for past service deficit contributions to USS will rise significantly once the outcome of the March 2017 USS valuation is agreed.

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

## Finance strategy and sustainability

The University is seeking to ensure its long term financial sustainability and detailed parameters to support this aim, in the form of a detailed Financial Framework, were approved by the Board of Trustees in January 2017 together with the financial planning rules that help to ensure the future financial sustainability of the institution. The Financial Framework sets three main objectives with a series of rules within each objective to ensure its delivery:

- The University remains financially sustainable into the long term.
- The University has adequate resources allocated to deliver its objectives and supporting plans.
- The University maintains adequate financial headroom (liquidity and loan covenant compliance) to absorb unforeseen financial risk.

The University has continued steadily to strengthen its financial performance and has budgeted to continue this trend going forward.



**The 2016/17 result has exceeded our expectations, building further on our strong 2015/16 year.**



**Sir Ron Kerr**  
Chair of Finance Committee

## Institutional sustainability and the longer term future

The University of Bristol's governing body, the Board of Trustees, has in place a framework to monitor, assess and ensure the institution's sustainability. The Board and its supporting Committees regularly consider progress against the targets and Strategic Performance Indicators (SPIs) that underpin the new University Strategy published in 2016. These targets and SPIs cover the University's activities, including teaching, learning and the student experience, research outputs and the sustainability of our facilities, financial health and other key areas.

The University through its actions in the last year is well placed to deal with its short and longer term financial commitments and has developed a ten year planning horizon for major financial decision making.

## Our community contribution

### Our relationship and engagement with the city-region and nation continue to be an important part of our role as an engaged university.

Students lead and take part in a range of projects to support disadvantaged young people, and lead befriending and support groups for older people. A recent survey showed that 34 per cent of our students take part in voluntary activity. In 2016 Bristol Students' Union Volunteering was awarded the Queen's Award for Voluntary Service, which is the highest national award for volunteering. Students are also involved with a range of entrepreneurial activities that benefit the city. A recent example is a new cleaning company set up by our students that provides employment opportunities specifically for refugees, along with the mentoring and support they need to settle in our city.

We are involved in a range of activities with Bristol schools: besides our active sponsorship of a multi academy Trust including the Merchants' Academy in South Bristol, we recently launched the Bristol Scholars scheme and we welcomed our first cohort of Bristol Scholars in September 2017 (see below). Researchers from all disciplines are involved in engaging school students and teachers; this year saw the culmination of the four year Schools University Partnership Initiative, which was designed to build partnerships with local teaching alliances to enhance the school curriculum and inspire the next generation of researchers.

We have also established a formal partnership with the Bristol Culture team, which manages many of the city's cultural and heritage assets. This partnership will enable us to collaborate more effectively on research, teaching and engagement activities. An example of our joint working includes the Skeletons: Our Buried Bones exhibition which took place from April to September in the M Shed and was developed with our forensic anthropology team.

We are one of the founding partners of Bristol's Cultural Development Partnership, and we work with the Festival of Ideas and other partners to deliver hundreds of events every year. A highlight of this year included hosting local artist Luke Jerram's giant moon in the Wills Memorial Building, which was enjoyed by over 6,000 members of the public over one weekend.







### Bristol Scholars

Bristol Scholars was launched in December 2016 by the Secretary of State for Education, Justine Greening. It is the first initiative of its kind in the country and was developed in partnership with Bristol Learning City, a partnership of over 70 different organisations that are all working together to promote and improve learning opportunities in the city. It demonstrates the University's commitment to Bristol's schools and colleges. It involves the University making lower offers to high potential local pupils – moving away from the traditional focus on grades and instead looking at the student's potential as assessed by their teachers, taking into account any form of educational disadvantage.

The first cohort includes 42 Bristol Scholars from 17 local schools, studying a wide range of degree courses. Among the cohort are five students from Merchants' Academy, one of the schools that University of Bristol co-sponsors, the first from the school to study at the University of Bristol. The cohort is a diverse group – 76 per cent of those who were made offers are the first in their family to progress to higher education; 57 per cent are entitled to the post-16 bursary; 40 per cent are part of the Free School Meals cohort; and seven per cent are young carers.

One of the Bristol Scholars, Beranger Igiraneza, 19, came from Burundi in East Africa in 2002, and made it his life's ambition to emulate the doctors who served in his war-torn home during the political upheaval. The former St Mary Redcliffe pupil will now study Medicine, with ambitions to specialise in paediatrics. He said: "Bristol Scholars was a massive help to me. It really pushed me and helped me to get my place here. I'm excited to get started and to be taught by people so passionate about the subject."

### Bristol Green Capital partnership

In a unique collaboration between the University of Bristol, the University of the West of England Bristol, student unions, Bristol City Council and a network of over 800 local organisations, Green Capital: Student Capital was designed to unleash the power of Bristol's students to promote student involvement in green activities.

Green Capital: Student Capital initiated, promotes and celebrates student engagement with sustainability across the city region. Much of the work comprises novel initiatives, co-created by students with community groups and small and medium enterprises (SMEs), such as:

- addressing the urgent problem of homelessness in the city;
- working with non-governmental organisations to help write new business plans, based on which some have secured future funding; and
- helping produce new apps to widen awareness of parks and open spaces, creating business analyses based on which firms have relocated to Bristol.

By creating a vibrant network with community groups, public bodies and SMEs, the first year of the project saw students giving over 125,000 hours of their time to sustainability volunteering, placements, internships and projects. That amounts to over 72 years' worth of work and over £1.2 million of economic contribution to the city.

Over 7,000 students took part in the first year and hundreds of students have been awarded the Green Capital Change Maker award for their work. This award was specially created for the project and recognises students' passion and commitment to making a difference in their city.

# Public benefit statement

## The overall aim of the University is the promotion of Arts, Sciences and Learning.\*

The University of Bristol is an exempt charity under the terms of the Charities Act 2011. The Trustees of the charity are the members of the Board of Trustees, the governing body of the University. In setting and reviewing the University's objectives and activities, the Board of Trustees had had due regard to the Charity Commission's guidance on public benefit and particularly to its supplementary public benefit guidance on reporting and on the advancement of education. This statement had been included in compliance with the formal reporting requirements introduced by HEFCE as the principal regulator of English higher education institutions.

### Aims and objectives

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

### Education and the student experience

The University has many current initiatives as set out in our Strategy (pages 12–13) in support of our education and the student experience.

In addition to this we take pride in our new Bristol Scholars programme. At the beginning of the 2016/17 academic year, as part of the new University Strategy, the Bristol Scholars scheme was launched. Bristol Scholars is a radical new approach to widening access to universities which entered pilot year in September 2017 and is intended to capture the talent we know exists in our locality, demonstrate the University's

commitment to Bristol's schools and colleges and provide alternative entry routes into our programmes to those who would otherwise be excluded due to our very high entry requirements. We have had positive engagement with schools in the pilot of the programme and are pleased to have recruited a strong cohort of 42 students from schools across the city. In addition, the new two grade contextual offer for high potential students from aspiring state schools has been developed and implemented successfully.

Elisabeth Gilpin, head teacher of St Mary Redcliffe and Temple School, said: 'I am delighted that the University of Bristol is recognising and supporting the talents of students in our great city. There are so many highly intelligent students in state schools who are achieving excellent results with the good teaching that is available to them. It makes sense for Bristol to hold onto this talent and encourage these talented young people to study closer to home, providing the nurture and encouragement that young people need to take that next step and make their dreams a reality.'

### Research and enterprise

The year to July 2017 has been another exciting year for world leading research at the University of Bristol. Some specific initiatives launched this year in support of our research include seven new SRIs and the Vice-Chancellor's Fellowships which are aimed at supporting exceptional early-career researchers. The Bristol Doctoral College's Research without Borders festival featured the work of almost 100 postgraduate researchers supported by the University's existing research institutes which bring disciplines together to meet both the challenges of leading-edge research and the external demands of government, business and society. Further details can be found on pages 16 and 17.

### Our staff and students

Bristol Students' Union (SU) exists so that all students have the best possible time while they are at Bristol. Led by students, it is central to the University experience and works to support all aspects of student life:

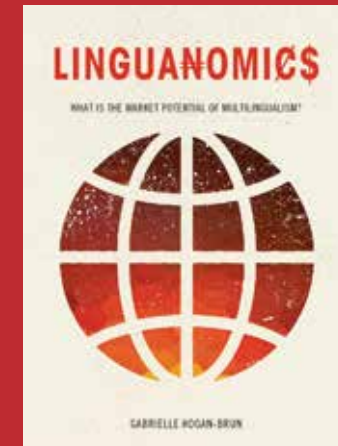
- The SU represent students' views to the University through a network of student representatives, campaigning on behalf of students on a range of issues at both a local and national level.
- It supports and advises individual students experiencing academic challenges and encourages students' personal and community development by supporting over 300 sports clubs and societies (covering everything from international relations to Pokémon).
- It also provides volunteering, fundraising, health, fitness and sustainability activity programmes.
- The SU is a welcoming social hub for students with a diverse events programme including theatre, live music, lectures, food, beverages and more.
- The SU provides quality services that make a real difference to the lives of students such as a 'fees free' lettings agency, an advice service and a low cost bicycle hire scheme.
- Bristol SU is currently working towards its ambitious strategic vision 2015–2020 of 'Developing pride in the Union'. Some of its key achievements in the year to July 2017 included:
  - winning the NUS Award for Equality as well as achieving the Investors In Diversity, the Bristol City Council Workplace Wellbeing Charter and status as one of the Top 10 SME Employers for Working Families UK wide;
  - increasing participation in the 330 clubs and societies by 10 per cent to over 26,000 memberships;

\* Royal Charter of Incorporation 1909

- 168 organisations offering volunteering opportunities to students through our volunteering hub; and
- our lettings agency save students more than £250,000 in agency fees and continuing to improve standards in accommodation.

### The engaged University

The University is committed to sharing our research, encouraging collaboration, and ensuring that the work we do is informed by the values and aspirations of society. Activities in 2016/17 have included our researchers from BrisSynBio developing *Invincible* – a participatory theatre performance with a local theatre company exploring the ethical implications of future synthetic biology technologies. Set in 2047 and focussing on a family's dilemma, audiences were encouraged to debate the possible issues that might arise with the researchers and performers. Pages 30 and 31 outline our interactions with the wider community and page 23 describes our commitment to environmental sustainability.



### How languages shape economics

Half of the world's population is bilingual or multilingual, with over 6,000 different languages spoken in the world today. But language is much more than just communication. As well as expressing cultural identity, language also enables trade and trade shapes language.

The intimate link between languages and economics is the subject of a new book published in February by Bloomsbury. Dr Gabrielle Hogan-Brun, author of *Linguanomics*. *What is the Market Potential of Multilingualism?* explores the benefits and challenges of language diversity and shows 'how economies that have embraced language diversity have always benefitted, from ancient Egyptian traders on the Nile, to Marco Polo, post-colonial Africa and the EU project'.

Dr Hogan-Brun from the University's Graduate School of Education said *Linguanomics* is a journey through the evolution of language and its effect on our world. Never more politically charged than now, the topic of the languages we speak can either invite or split communities. At a time when the benefits of multiculturalism are being questioned, valuing language diversity is not only important for our culture, but also for our economy.

Find out more:  
[bristol.ac.uk/news/2017/february/languages.html](http://bristol.ac.uk/news/2017/february/languages.html)

## The University is committed to best practice in all aspects of Corporate Governance.

### How we are structured

The University conducts its business in accordance with the seven principles identified by the Committee on Standards in Public Life, namely selflessness, integrity, objectivity, accountability, openness, honesty and leadership. In the year ended 31 July 2017, the University has complied with the guidance to universities provided by the Committee of University Chairs (CUC), in particular the CUC Governance Codes of Practice issued in December 2014 (the '2014 Code') save that:

- lay members' appointments to the University Board of Trustees are managed by a Nominations Committee of Court and approved by Court rather than by the Board of Trustees (which differs from the guidance of the 2014 Code). In accordance with the University's Charter, any changes to this position would require the consent of Court, which has not been obtained; and
- Court, rather than the Board of Trustees, has the power to remove members of the Board of Trustees (other than ex officio members and members of academic staff), which differs from the guidance of the 2014 Code. In accordance with the University's Charter, any changes to this position would require the consent of Court, which has not been obtained.

### Legal status of the University

The University is a chartered corporation, whose legal status derives from a Royal Charter granted in 1909. The University's objects, powers and framework of governance are set out in the Charter and supporting Statutes and Ordinances.

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

The University is an exempt charity under the terms of the Charities Act 2011 and is therefore not required to register with the Charity Commission. Since June 2010, universities in England have been regulated on behalf of the Charity Commission by HEFCE.

### Court

There are some 620 members of Court, who include officers of the University, members of the Board of Trustees and Senate, emeritus professors, benefactors, members of the Society of Merchant Venturers, representatives of local authorities, persons appointed by the Privy Council, persons appointed by the Chancellor of the University, representatives of other universities, local Members of Parliament, representatives of local and national bodies, and members elected by Convocation.

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

The Board of Trustees reports to Court and is required to take into consideration any views expressed by Court. The constitution of Court is defined by statute.

Court appoints the Chancellor and the Pro Chancellors on the nomination of the Board of Trustees and elects up to 15 lay members of the Board of Trustees.

Court normally meets once a year in December, but may hold special meetings at the request of members. The Chancellor presides.



### Board of Trustees

There are currently 20 members of the Board of Trustees, with a lay majority. The members are the Vice-Chancellor and President, the Deputy Vice-Chancellor, the Treasurer, up to 15 lay members elected by Court upon the nomination of Court's Nominations Committee, a member formally nominated by Convocation, 3 members of the academic staff, 2 members of non-academic staff and 2 students. Appointed members serve for renewable three year terms, with the exception of student members who serve one year terms. All members are charity Trustees of the University. The lay members do not receive any payment for the work they do for the University, apart from the reimbursement of expenses. All new members of the Board of Trustees are given appropriate induction and training sessions.

The Board of Trustees is the governing body of the University, responsible for financial affairs, borrowings, investments, buying, selling, leasing and mortgaging property, contracts, and the general business of the University. In consultation with Senate and on the recommendation of the Vice-Chancellor and President, the Board of Trustees sets the strategic direction of the institution. The Board of Trustees appoints the Vice-Chancellor and President, the Deputy Vice-Chancellor and Pro Vice-Chancellors after consultation with Senate. The Board of Trustees may make, amend or repeal statutes subject to the approval of the Privy Council.

The Board of Trustees normally meets five or six times a year. The Committees of the Board of Trustees advise the Board of Trustees in a wide range of areas, including Audit, Estates, Finance, Human Resources, Remuneration and Student Affairs. These Committees have written terms of Reference and include a significant proportion of lay members of the Board of Trustees and in some cases external lay members.

### Audit Committee

The Audit Committee meets four times a year; it is chaired by the Treasurer and its membership includes lay members of the Board of Trustees and lay members appointed by the Board of Trustees. Senior officers and the external and internal Auditors are in attendance at all meetings. The Committee has a risk based approach and considers detailed reports from the Auditors, which include recommendations for the improvement of the University's systems of internal control, together with management responses and implementation plans. This covers both operational and compliance as well as financial risk. The Committee also receives and considers reports from HEFCE as they affect the University's business and monitors adherence to regulatory requirements. The Committee meets the Auditors without the University officers present at least once a year.

### Senate

There are just over 100 members of Senate, comprising the Vice-Chancellor and President, the Deputy Vice-Chancellor, Pro Vice-Chancellors, academic staff and students. Senate is responsible to the Board of Trustees for teaching, examinations and research. Senate advises the Board of Trustees on changes to Ordinances and Regulations. Academic Ordinances may be made only with Senate's consent. Senate may declare an opinion on any matter relating to the University and the Board of Trustees must take Senate's views into consideration. Senate normally meets five times a year. Its chair is the Vice-Chancellor and President.

### Convocation

The members of Convocation are the Chancellor, Pro Chancellors, the Vice-Chancellor and President, the Deputy Vice-Chancellor, Pro Vice-Chancellors, honorary fellows, members of Senate, academic staff, University officers, graduates, honorary graduates and such other former students as Convocation determines – currently those who

have received academic awards requiring at least nine months of full time study or an equivalent period of part time study. There are also associate members, including all the academic related staff of the University.

Convocation may give an opinion on any matter relating to the University and may communicate directly with Court, the Board of Trustees or Senate. The Annual General Meeting of Convocation is held in July each year. The Chancellor presides if present, but normally the Chair of Convocation takes the chair.

### Vice-Chancellor and President

The Chief Executive and academic leader of the University is the Vice-Chancellor and President. He has a general responsibility for ensuring that all public funds are properly used and that in its activities the University achieves value for money.

Under the terms of the formal Memorandum of Assurance and Accountability between the University and HEFCE, the Vice-Chancellor and President is the Accountable Officer of the University. In that capacity he is required to advise the Board of Trustees on the discharge of all its responsibilities under the Memorandum and the Audit Code of Practice and is required, jointly with the Board of Trustees, to ensure that all such responsibilities are discharged. He is required to advise the Board of Trustees if, at any time, any action or policy under consideration by the Board of Trustees appears to him to be incompatible with the terms of the Memorandum. He is required to inform the Accounting Officer of HEFCE in writing forthwith should the Board of Trustees decide nevertheless to proceed with such an action or policy. The Vice-Chancellor and President may be summoned to appear before the Public Accounts Committee of the House of Commons.

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## Corporate Governance continued

### Internal control

The Board of Trustees has responsibility for maintaining a sound system of internal control that supports the achievement of the University's policies, aims and objectives, while safeguarding public and other funds and assets for which it is responsible. The system of internal control is designed to manage rather than eliminate the risk of failure to achieve policies, aims and objectives, and it can therefore provide only a reasonable and not an absolute assurance of effectiveness.

The system of internal control is based on an ongoing process designed to identify the principal risks to the achievement of the University's goals, to evaluate the nature and extent of those risks and to manage them efficiently, effectively and economically. This process was in place for the year ended 31 July 2017 and up to the date of approval of the financial statements, and accords with HEFCE guidance.

In order to implement the risk management strategy, the Board of Trustees has adopted a risk management policy in line with advice from the Internal Auditors. The University conducts a risk review each year which sets out the University's most significant risks for the coming year, together with actions currently being taken to control the risks and a future action plan. The risk process feeds into the University's longer term planning and strategy and is the basis of the work of Internal Audit.

The University has Internal Auditors who submit regular reports which include their independent opinion on the adequacy and effectiveness of the system of internal control, together with recommendations for improvement. The Board of Trustees, including by reference to these reports, concluded that overall the University has adequate and effective arrangements for risk management, control and governance.

### Register of Interests

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

During the year a total of £8,000 (2016: £15,000) was reimbursed to, or paid on behalf of, lay members of the Board of Trustees in respect of travelling and other expenses. Staff and student members are not remunerated for their Board of Trustees services.

### Further information

Any enquiries about the constitution and governance of the University or request to inspect the Register of Interests should be addressed to the University Secretary, who is Clerk to Court, the Board of Trustees and Convocation.

# Board of Trustees

## Responsibilities of Trustees

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

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

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

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

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

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

The Board of Trustees has taken reasonable steps to:

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

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

## Members of the Board of Trustees for the year to July 2017

### Class I: Lay Members

#### Chair:

Mr Denis Burn, appointed by Court

#### Treasurer:

Mr Andrew Poolman (Chair of Audit Committee)

#### Appointed by Convocation:

Mrs Julie Goldstein

#### Appointed by Court:

Dr Moira Hamlin (Vice Chair)  
Mr Roy Cowap  
Mr Paul Hand (to 31 December 2016)  
Sir Ronald Kerr  
Dr John Manley  
Mr Mohammed Saddiq  
Ms Victoria Stace  
Ms Anne Stephenson  
Mr James Wetz

### Class II: University Staff

#### Ex officio:

Professor Hugh Brady  
Professor Guy Orpen

#### Elected members of the academic staff:

Dr Sally-Ann Kitts  
Professor Stephen Mann  
Professor Bridget Lumb

#### Elected members of the non-academic staff:

Mrs Tilly Beech  
Mr Robert Massie

### Class III: Students

Mx Jamie Cross (to 30 June 2017)  
Ms Laura Ho (to 30 June 2017)  
Mr Lucky Dube (from 1 July 2017)  
Ms Ishita Handa (from 1 July 2017)

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

## Report on the audit of the financial statements

### Opinion

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

- give a true and fair view of the state of the group's and of the parent institution's affairs as at 31 July 2017 and of the group's and of the parent's income and expenditure, gains and losses and changes in reserves and of the group's cash flows for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and applicable law); and
- have been properly prepared in accordance with the requirements of the Statement of Recommended Practice – Accounting for Further and Higher Education and the 2016/17 HEFCE Accounts Direction.

We have audited the financial statements, included within the Annual Report and Financial Statements (the "Annual Report"), which comprise the Consolidated and University Balance Sheets as at 31 July 2017; the Consolidated and University Statements of Comprehensive Income and Expenditure for the year then ended; the Consolidated and University Statements of Changes in Reserves for the year then ended; the Consolidated Statement of Cash Flows for the year then ended; the Principal Accounting Policies; and the notes to the financial statements, which include other explanatory information.

### Basis for opinion

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

### Independence

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

### Conclusions relating to going concern

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

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

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

### Reporting on other information

The other information comprises all of the information in the Annual Report other than the financial statements and our auditors' report thereon. The Board of Trustees is responsible for the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except to the extent otherwise explicitly stated in this report, any form of assurance thereon.

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

Based on the responsibilities described above and our work undertaken in the course of the audit, ISAs (UK) require us also to report certain opinions and matters as described below.



## **Responsibilities for the financial statements and the audit**

### **Responsibilities of the Board of Trustees for the financial statements**

As explained more fully in the Responsibilities of Trustees statement set out on page 37, the Board of Trustees is responsible for the preparation of the financial statements in accordance with the applicable framework and for being satisfied that they give a true and fair view. The Board of Trustees is also responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

### **Auditors' responsibilities for the audit of the financial statements**

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

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

### **Use of this report**

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

## **Other required reporting**

### **Opinions on other matters prescribed in the HEFCE 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 institution for specific purposes have been properly applied to those purposes and, if relevant, managed in accordance with relevant legislation;
- income has been applied in accordance with the institution's statutes and
- funds provided by HEFCE have been applied in accordance with the Memorandum of Assurance and Accountability, and any other terms and conditions attached to them.

### **Other matters on which we are required to report by exception**

Under the HEFCE Audit Code of Practice issued under the Further and Higher Education Act 1992 we are required to report to you if, in our opinion the statement of internal control included as part of the Corporate Governance Statement is inconsistent with our knowledge of the parent institution and group. We have no exceptions to report from this responsibility.

### **PricewaterhouseCoopers LLP**

#### **Chartered Accountants and Statutory Auditors**

Bristol

10 November 2017

# Consolidated and University Statements of Comprehensive Income and Expenditure

Year ended 31 July 2017

|   | Note  | Year ended<br>31 July 2017 |                  | Year ended<br>31 July 2016 |                  |
|---|-------|----------------------------|------------------|----------------------------|------------------|
|   |       | Consolidated<br>£m         | University<br>£m | Consolidated<br>£m         | University<br>£m |
| <b>Income</b>   |       |                            |                  |                            |                  |
| Tuition fees and education contracts                    | 1     | 243.6                      | 243.6            | 216.1                      | 216.1            |
| Funding body grants                                     | 2     | 88.9                       | 88.9             | 91.4                       | 91.4             |
| Research grants and contracts                           | 3     | 159.9                      | 155.4            | 149.0                      | 146.2            |
| Other income  | 4     | 111.7                      | 104.0            | 116.3                      | 108.6            |
| Investment income                                       | 5     | 3.9                        | 26.0             | 3.2                        | 3.2              |
| Endowment donations                                     | 6     | -                          | -                | 0.3                        | 0.3              |
| <b>Total income</b>                                     |       | <b>608.0</b>               | <b>617.9</b>     | 576.3                      | 565.8            |
| <b>Expenditure</b>                                      |       |                            |                  |                            |                  |
| Staff costs   | 7     | 298.2                      | 281.9            | 284.5                      | 271.7            |
| Other operating expenses                                | 9     | 196.8                      | 217.5            | 186.3                      | 190.0            |
| Depreciation  | 11    | 46.1                       | 45.5             | 47.6                       | 46.6             |
| Interest and other finance costs                        | 8     | 19.7                       | 19.7             | 18.9                       | 18.9             |
| <b>Total expenditure</b>                                | 9     | <b>560.8</b>               | <b>564.6</b>     | 537.3                      | 527.2            |
| <b>Surplus before other gains and losses</b>            |       |                            |                  |                            |                  |
| Gain on disposal of fixed assets                        |       | 47.2                       | 53.3             | 39.0                       | 38.6             |
| Gain on investments                                     |       | 11.8                       | 11.8             | 1.7                        | 1.7              |
| Gain on investments                                     |       | 5.2                        | 5.3              | 1.0                        | 1.2              |
| <b>Surplus for the year</b>                             |       | <b>64.2</b>                | <b>70.4</b>      | 41.7                       | 41.5             |
| Unrealised surplus on revaluation of land and buildings | 11,19 | 34.3                       | 32.6             | 113.5                      | 113.5            |
| Unrealised gains on revaluation of other investments    |       | -                          | -                | -                          | -                |
| Actuarial loss in respect of pension schemes            | 17,22 | (5.3)                      | (5.3)            | (20.2)                     | (20.2)           |
| <b>Total comprehensive income for the year</b>          |       | <b>93.2</b>                | <b>97.7</b>      | 135.0                      | 134.8            |
| Represented by:   |       |                            |                  |                            |                  |
| Endowment comprehensive income for the year             |       | 5.7                        | 5.7              | 1.4                        | 1.4              |
| Unrestricted comprehensive income for the year          |       | 87.5                       | 92.0             | 133.6                      | 133.4            |
| <b>Total comprehensive income for the year</b>          |       | <b>93.2</b>                | <b>97.7</b>      | 135.0                      | 134.8            |

All items of income and expenditure relate to continuing activities.

# Consolidated and University Statements of Changes in Reserves

Year ended 31 July 2017

|  | Income and<br>expenditure account |                    | Revaluation<br>reserve<br>£m | Total<br>reserves<br>£m |
|--|-----------------------------------|--------------------|------------------------------|-------------------------|
|  | Endowment<br>£m                   | Unrestricted<br>£m |                              |                         |
| <b>Consolidated</b>  |                                   |                    |                              |                         |
| <b>Balance at 1 August 2015</b>  | 61.2                              | 278.3              | 327.1                        | 666.6                   |
| Surplus from the income and expenditure statement                                | 1.4                               | 40.3               | –                            | 41.7                    |
| Other comprehensive income   | –                                 | (20.2)             | 113.5                        | 93.3                    |
| Transfers between revaluation and income and expenditure reserves in respect of: |                                   |                    |                              |                         |
| – Depreciation on revalued assets  | –                                 | 1.4                | (1.4)                        | –                       |
| <b>Total comprehensive income for the year</b>                                   | 1.4                               | 21.5               | 112.1                        | 135.0                   |
| <b>Balance at 31 July 2016</b>   | <b>62.6</b>                       | <b>299.8</b>       | <b>439.2</b>                 | <b>801.6</b>            |
| Surplus from the income and expenditure statement                                | 5.7                               | 58.2               | 0.3                          | 64.2                    |
| Other comprehensive income   | –                                 | (5.3)              | 34.3                         | 29.0                    |
| Transfers between revaluation and income and expenditure reserve in respect of:  |                                   |                    |                              |                         |
| – Depreciation on revalued assets  | –                                 | 2.0                | (2.0)                        | –                       |
| – Disposals of revalued assets   | –                                 | 1.3                | (1.3)                        | –                       |
| Transfer between endowment reserve and income and expenditure reserve            | 2.5                               | (2.5)              | –                            | –                       |
| <b>Total comprehensive income for the year</b>                                   | 8.2                               | 53.7               | 31.3                         | 93.2                    |
| <b>Balance at 31 July 2017</b>   | <b>70.8</b>                       | <b>353.5</b>       | <b>470.5</b>                 | <b>894.8</b>            |

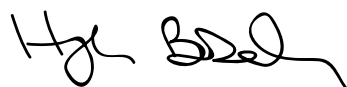
|  | Income and<br>expenditure account |                    | Revaluation<br>reserve<br>£m | Total<br>reserves<br>£m |
|--|-----------------------------------|--------------------|------------------------------|-------------------------|
|  | Endowment<br>£m                   | Unrestricted<br>£m |                              |                         |
| <b>University</b>  |                                   |                    |                              |                         |
| <b>Balance at 1 August 2015</b>  | 61.2                              | 274.9              | 322.2                        | 658.3                   |
| Surplus from the income and expenditure statement                                | 1.4                               | 40.1               | –                            | 41.5                    |
| Other comprehensive income   | –                                 | (20.2)             | 113.5                        | 93.3                    |
| Transfers between revaluation and income and expenditure reserves in respect of: |                                   |                    |                              |                         |
| – Depreciation on revalued assets  | –                                 | 1.4                | (1.4)                        | –                       |
| <b>Total comprehensive income for the year</b>                                   | 1.4                               | 21.3               | 112.1                        | 134.8                   |
| <b>Balance at 31 July 2016</b>   | <b>62.6</b>                       | <b>296.2</b>       | <b>434.3</b>                 | <b>793.1</b>            |
| Surplus from the income and expenditure statement                                | 5.7                               | 64.4               | 0.3                          | 70.4                    |
| Other comprehensive income   | –                                 | (5.3)              | 32.6                         | 27.3                    |
| Transfers between revaluation and income and expenditure reserve in respect of:  |                                   |                    |                              |                         |
| – Depreciation on revalued assets  | –                                 | 1.9                | (1.9)                        | –                       |
| – Disposals of revalued assets   | –                                 | 1.3                | (1.3)                        | –                       |
| Transfer between endowment reserve and income and expenditure reserve            | 2.5                               | (2.5)              | –                            | –                       |
| <b>Total comprehensive income for the year</b>                                   | 8.2                               | 59.8               | 29.7                         | 97.7                    |
| <b>Balance at 31 July 2017</b>   | <b>70.8</b>                       | <b>356.0</b>       | <b>464.0</b>                 | <b>890.8</b>            |

# Consolidated and University Balance Sheets

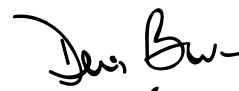
As at 31 July 2017

|  | Note | As at<br>31 July 2017 |                  | As at<br>31 July 2016 |                  |
|--|------|-----------------------|------------------|-----------------------|------------------|
|  |      | Consolidated<br>£m    | University<br>£m | Consolidated<br>£m    | University<br>£m |
| <b>Non-current assets</b>                                |      |                       |                  |                       |                  |
| Intangible assets  | 10   | 4.3                   | 4.3              | 0.2                   | 0.2              |
| Tangible assets  | 11   | 1,102.0               | 1,099.1          | 1,011.9               | 988.8            |
| Investments  | 12   | 0.9                   | 9.6              | 0.8                   | 23.3             |
| Investment in joint venture                              |      | 0.4                   | 0.4              | –                     | –                |
|  |      | <b>1,107.6</b>        | <b>1,113.4</b>   | 1,012.9               | 1,012.3          |
| <b>Current assets</b>                                    |      |                       |                  |                       |                  |
| Stock  |      | 1.9                   | 1.4              | 1.6                   | 1.2              |
| Trade and other receivables                              | 13   | 75.2                  | 77.9             | 72.9                  | 76.6             |
| Investments  | 14   | 166.8                 | 166.8            | 132.3                 | 132.3            |
| Cash and cash equivalents                                |      | 221.3                 | 214.0            | 101.7                 | 98.7             |
|  |      | <b>465.2</b>          | <b>460.1</b>     | 308.5                 | 308.8            |
| Creditors – amounts falling due within one year          | 15   | (149.8)               | (154.8)          | (129.6)               | (137.8)          |
| <b>Net current assets</b>                                |      | <b>315.4</b>          | <b>305.3</b>     | 178.9                 | 171.0            |
| <b>Total assets less current liabilities</b>             |      | <b>1,423.0</b>        | <b>1,418.7</b>   | 1,191.8               | 1,183.3          |
| Creditors – amounts falling due after more than one year | 16   | (394.9)               | (394.9)          | (250.0)               | (250.0)          |
| <b>Provisions</b>  |      |                       |                  |                       |                  |
| Pension provisions                                       | 17   | (133.3)               | (133.0)          | (140.2)               | (140.2)          |
| <b>Total net assets</b>                                  |      | <b>894.8</b>          | <b>890.8</b>     | 801.6                 | 793.1            |
| <b>Restricted reserves</b>                               |      |                       |                  |                       |                  |
| Income and expenditure reserve – endowment reserve       | 18   | 70.8                  | 70.8             | 62.6                  | 62.6             |
| <b>Unrestricted reserves</b>                             |      |                       |                  |                       |                  |
| Income and expenditure reserve – unrestricted            |      | 353.5                 | 356.0            | 299.8                 | 296.2            |
| Revaluation reserve                                      | 19   | 470.5                 | 464.0            | 439.2                 | 434.3            |
| <b>Total reserves</b>                                    |      | <b>894.8</b>          | <b>890.8</b>     | 801.6                 | 793.1            |

The financial statements on pages 40 to 68 were approved by the Board of Trustees on 10 November 2017 and signed on its behalf on that date by:



**Professor Hugh Brady**  
Vice-Chancellor and President



**Mr Denis Burn**  
Chair, University Board of Trustees



# Consolidated Statement of Cash Flows

Year ended 31 July 2017

|   | Notes | Year ended<br>31 July 2017<br>£m | Year ended<br>31 July 2016<br>£m |
|---|-------|----------------------------------|----------------------------------|
| <b>Cash flow from operating activities</b>                    |       |                                  |                                  |
| Surplus for the year  |       | 64.2                             | 41.7                             |
| <b>Adjustment for non-cash items</b>                          |       |                                  |                                  |
| Depreciation  | 11    | 46.1                             | 47.6                             |
| Impairment loss on fixed assets                               |       | –                                | 8.7                              |
| Amortisation of intangibles                                   |       | 0.2                              | 0.3                              |
| Gain on investments   |       | (5.2)                            | (1.0)                            |
| Pension contributions to UBPAS greater than accounting charge |       | (13.2)                           | (2.7)                            |
| Increase in stock   |       | (0.3)                            | (0.3)                            |
| Decrease/(increase) in debtors                                |       | 3.4                              | (10.9)                           |
| Increase in creditors   |       | 12.8                             | 3.5                              |
| Increase in USS pension provision                             |       | 1.0                              | 0.8                              |
| <b>Adjustment for investing or financing activities</b>       |       |                                  |                                  |
| Investment income   | 5     | (3.9)                            | (3.2)                            |
| Interest payable  | 8     | 15.4                             | 14.0                             |
| Endowment income  |       | –                                | (0.3)                            |
| Profit on the sale of fixed assets                            |       | (11.8)                           | (1.7)                            |
| Capital grant income  |       | (21.8)                           | (22.7)                           |
| <b>Net cash inflow from operating activities</b>              |       | <b>86.9</b>                      | <b>73.8</b>                      |
| <b>Cash flows from investing activities</b>                   |       |                                  |                                  |
| Proceeds from sales of fixed assets                           |       | 7.7                              | 1.7                              |
| Capital grant income  |       | 21.8                             | 22.7                             |
| Withdrawal of deposits  |       | (26.2)                           | (29.3)                           |
| Endowments cash   |       | –                                | (1.5)                            |
| Net endowment income and transfers in                         |       | (3.2)                            | –                                |
| Investment income   |       | 3.9                              | 3.2                              |
| Payments made to acquire fixed assets                         |       | (97.4)                           | (50.0)                           |
| Payments made to acquire intangible assets                    |       | (4.3)                            | (0.2)                            |
| New current asset investments                                 |       | (0.6)                            | (0.2)                            |
| New deposits  |       | –                                | (0.3)                            |
| <b>Net cash outflow from investing activities</b>             |       | <b>(98.3)</b>                    | <b>(53.9)</b>                    |
| <b>Cash flows from financing activities</b>                   |       |                                  |                                  |
| Loan interest paid  |       | (13.2)                           | (14.0)                           |
| Endowment cash received                                       |       | –                                | 0.3                              |
| New secured loans   |       | 200.0                            | –                                |
| Interest prepayment   |       | (55.8)                           | –                                |
| <b>Net cash inflow/(outflow) from financing activities</b>    |       | <b>131.0</b>                     | <b>(13.7)</b>                    |
| <b>Increase in cash and cash equivalents in the year</b>      |       | <b>119.6</b>                     | <b>6.2</b>                       |
| Cash and cash equivalents at beginning of the year            |       | 101.7                            | 95.5                             |
| Cash and cash equivalents at end of the year                  |       | 221.3                            | 101.7                            |

# Principal accounting policies

## Accounting convention

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

## Basis of consolidation

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

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

## Recognition of income

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

Grant funding including funding council block grant, research grants from Government sources and grants (including research grants) from non-Government sources are recognised as income when the University is entitled to the income and performance related conditions have been met. Income received in advance of performance related conditions being met is recognised as deferred income within creditors on the Balance Sheet and released to income as the conditions are met.

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

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

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

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

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

There are three types of donations and endowments identified within reserves:

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

## Recognition of income continued

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

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

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

## Capital grants and donations

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

- Income on HEFCE grants is credited to funding body grants income upon being awarded and then held in unrestricted reserve.
- Income on other capital grants is recognised within research or other income.

## Operating leases

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

Lease duration for properties varies from 2 to 30 years, while for equipment it is on average 3 years. None of the leases transfer ownership of an asset between the lessor and lessee. Thus all the University's leases are recognised as operating leases with rental costs being charged to expenditure in equal amounts over the duration of the lease.

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

## Freehold land and buildings

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

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

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

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

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

## Principal accounting policies continued

### Leasehold and laboratory refurbishments

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

### Maintenance of premises

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

### Equipment and IT infrastructure

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

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

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

### Heritage assets

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

### Intangible assets

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

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

### Fixed asset investments

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

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

### Current asset investments

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

### Stocks

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



## Cash and cash equivalents

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

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

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

## Provisions

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

## Trade and other receivables

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

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

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

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

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

## Bad debt provision

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

## Trade and other payables

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

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

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade payables are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

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

## Trade and other payables continued

Financial liabilities are derecognised when the liability is extinguished, that is when the contractual obligation is discharged, cancelled or expires, or when there has been a substantial modification to the terms of the loan. The Trustees consider that a substantial modification could arise when there is, for example, a change in lender, a change in maturity, a change from fixed to floating interest rates or a significant change to the terms of the covenants.

## Financial instruments

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

## Foreign currencies

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

## Employment benefits

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

## Pension schemes

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

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

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

## Universities Superannuation Scheme

The University participates in USS. With effect from 1 October 2016, the Scheme changed from a Defined Benefit only pension Scheme to a hybrid pension scheme, providing defined benefits for all members, as well as defined contribution benefits. The assets of the Scheme are held in a separate Trustee administered fund. Because of the mutual nature of the Scheme, the assets are not attributed to individual institutions and a Scheme-wide contribution rate is set. The University is therefore exposed to actuarial risks associated with other institutions' employees and is unable to identify its share of the underlying assets and liabilities of the Scheme on a consistent and reasonable basis. As required by Section 28 of FRS 102 'Employee benefits', the institution therefore accounts for the Scheme as if it were a wholly defined contribution scheme. As a result, the amount charged to the profit and loss account represents the contributions payable to the Scheme. Since the University has entered into an agreement (the Recovery Plan) that determines how each employer within the Scheme will fund the overall deficit, the institution recognises a liability for the contributions payable that arise from the agreement (to the extent that they relate to the deficit) and therefore an expense is recognised.

## University of Bristol Group Personal Pension

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

## University of Bristol Pension and Assurance Scheme

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

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

## National Health Service Pension Scheme

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

## Taxation status

The University is an exempt charity within the meaning of the Charities Act 2011 and as such is a charity within the meaning of Section 506(1) of the Taxes Act 1988. Accordingly, the University is potentially exempt from taxation in respect of income or capital gains within categories covered by Section 505 of the Taxes Act 1988 or Section 256 of the Taxation of Chargeable Gains Act 1992 to the extent that such income or gains are applied exclusively to charitable purposes. The University receives no similar exemption in respect of Value Added Tax (VAT).

## Reserves

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

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

## Critical accounting judgements

### (i) USS pension

FRS 102 makes the distinction between a group plan and a multi employer scheme. A group plan consists of a collection of entities under common control typically with a sponsoring employer. A multi employer scheme is a scheme for entities not under common control and represents (typically) an industry wide scheme such as USS. The accounting for a multi employer scheme where the employer has entered into an agreement with the scheme that determines how the employer will fund a deficit results in the recognition of a liability for the contributions payable that arise from the agreement (to the extent that they relate to the deficit) and the resulting expense in profit or loss in accordance with Section 28 of FRS 102. The Trustees are satisfied that the scheme provided by USS meets the definition of a multi employer scheme and has therefore recognised the discounted fair value of the contractual contributions under the funding plan in existence at the date of approving the Financial Statements.

Assumptions used in the calculation of the USS pension deficit provision represent a source of material uncertainty. Future membership changes have been incorporated into the calculation using budget and forecast data for the next ten years. Future salary changes have been based on publicly available CPI inflation data. The carrying value of the USS deficit provision as at 31 July 2017 is £52.7m (31 July 2016: £51.7m).

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

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

## Principal accounting policies continued

### Critical accounting judgements continued

#### (ii) UBPAS pension

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

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

A 0.1% change in the discount rate would change the pension provision by approximately £8.5m. A 0.1% change in the salary increase would change the pension provision by approximately £0.4m.

#### (iii) Valuations of land and buildings

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

#### (iv) Revenue

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

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

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



# Notes to the Financial Statements

For the year ended 31 July 2017

## 1. Tuition fees and education contracts

|                                  | Year ended 31 July 2017 |               | Year ended 31 July 2016 |               |
|----------------------------------|-------------------------|---------------|-------------------------|---------------|
|                                  | Consolidated £m         | University £m | Consolidated £m         | University £m |
| Full time home and EU students   | 138.7                   | 138.7         | 129.7                   | 129.7         |
| Full time international students | 69.9                    | 69.9          | 59.0                    | 59.0          |
| Part time students               | 5.0                     | 5.0           | 3.9                     | 3.9           |
| Research Training Support Grant  | 24.6                    | 24.6          | 19.0                    | 19.0          |
| Short course fees                | 5.4                     | 5.4           | 4.5                     | 4.5           |
|                                  | <b>243.6</b>            | <b>243.6</b>  | 216.1                   | 216.1         |

## 2. Funding body grants

|                                  | Year ended 31 July 2017 |               | Year ended 31 July 2016 |               |
|----------------------------------|-------------------------|---------------|-------------------------|---------------|
|                                  | Consolidated £m         | University £m | Consolidated £m         | University £m |
| <b>Recurrent grant</b>           |                         |               |                         |               |
| Higher Education Funding Council | 75.8                    | 75.8          | 76.5                    | 76.5          |
| Capital grants                   | 8.6                     | 8.6           | 9.8                     | 9.8           |
| <b>Specific grants</b>           |                         |               |                         |               |
| Higher Education Innovation Fund | 3.3                     | 3.3           | 3.0                     | 3.0           |
| Other                            | 1.2                     | 1.2           | 2.1                     | 2.1           |
|                                  | <b>88.9</b>             | <b>88.9</b>   | 91.4                    | 91.4          |

## 3. Research grants and contracts

|  | Year ended 31 July 2017 |               | Year ended 31 July 2016 |               |
|--|-------------------------|---------------|-------------------------|---------------|
|  | Consolidated £m         | University £m | Consolidated £m         | University £m |
| Research councils  | 65.0                    | 65.0          | 59.9                    | 59.9          |
| UK based charities                                       | 21.6                    | 21.6          | 20.7                    | 20.7          |
| European Commission and other Euro-denominated contracts | 17.2                    | 17.2          | 16.7                    | 16.7          |
| Other grants and contracts                               | 55.7                    | 51.6          | 51.3                    | 48.9          |
| Research and Development Expenditure Credit              | 0.4                     | -             | 0.4                     | -             |
|  | <b>159.9</b>            | <b>155.4</b>  | 149.0                   | 146.2         |

Included in research grants and contracts are capital grants of £1.7m (2016: £1.9m).

**Notes to the  
Financial  
Statements  
continued**  
For the year ended  
31 July 2017

**4. Other income**

|  | Year ended<br>31 July 2017 |                  | Year ended<br>31 July 2016 |                  |
|--|----------------------------|------------------|----------------------------|------------------|
|  | Consolidated<br>£m         | University<br>£m | Consolidated<br>£m         | University<br>£m |
| Residences, catering and conferences           | 43.3                       | 43.3             | 39.2                       | 39.2             |
| Other capital grants                           | 11.5                       | 11.5             | 11.0                       | 11.0             |
| Other services rendered                        | 16.9                       | 9.9              | 17.2                       | 7.7              |
| Contracts with health and hospital authorities | 5.0                        | 5.0              | 4.8                        | 4.8              |
| Funded teaching and general research           | 10.7                       | 10.7             | 12.6                       | 12.6             |
| Departmental and other income                  | 19.9                       | 19.2             | 18.9                       | 20.7             |
| Donations                                      | 4.4                        | 4.4              | 2.6                        | 2.6              |
| Insurance claim                                | -                          | -                | 10.0                       | 10.0             |
|  | <b>111.7</b>               | <b>104.0</b>     | 116.3                      | 108.6            |

**5. Investment income**

|                                 | Note | Year ended<br>31 July 2017 |                  | Year ended<br>31 July 2016 |                  |
|---------------------------------|------|----------------------------|------------------|----------------------------|------------------|
|                                 |      | Consolidated<br>£m         | University<br>£m | Consolidated<br>£m         | University<br>£m |
| Investment income on endowments | 18   | 2.2                        | 2.2              | 1.7                        | 1.7              |
| Dividend in specie              |      | -                          | 22.1             | -                          | -                |
| Other investment income         |      | 1.7                        | 1.7              | 1.5                        | 1.5              |
|                                 |      | <b>3.9</b>                 | <b>26.0</b>      | 3.2                        | 3.2              |

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

**6. Endowment donations**

|                | Note | Year ended<br>31 July 2017 |                  | Year ended<br>31 July 2016 |                  |
|----------------|------|----------------------------|------------------|----------------------------|------------------|
|                |      | Consolidated<br>£m         | University<br>£m | Consolidated<br>£m         | University<br>£m |
| New endowments | 18   | -                          | -                | 0.3                        | 0.3              |
|                |      | -                          | -                | 0.3                        | 0.3              |

**7. Staff costs**

|                       | Note | Year ended<br>31 July 2017 |                  | Year ended<br>31 July 2016 |                  |
|-----------------------|------|----------------------------|------------------|----------------------------|------------------|
|                       |      | Consolidated<br>£m         | University<br>£m | Consolidated<br>£m         | University<br>£m |
| Staff costs:          |      |                            |                  |                            |                  |
| Salaries              |      | 244.9                      | 230.1            | 231.5                      | 220.2            |
| Social security costs |      | 24.1                       | 23.2             | 20.3                       | 19.4             |
| Other pension costs   | 22   | 29.2                       | 28.6             | 32.7                       | 32.1             |
| Total                 |      | <b>298.2</b>               | <b>281.9</b>     | 284.5                      | 271.7            |

## 7. Staff costs continued

|  | Year ended<br>31 July 2017<br>£000s | Year ended<br>31 July 2016<br>£000s |
|--|-------------------------------------|-------------------------------------|
| Emoluments of the Vice-Chancellor:       |                                     |                                     |
| Salary                                   | <b>271</b>                          | 264                                 |
| Benefits                                 | <b>6</b>                            | 1                                   |
| Payment in lieu of pension contributions | <b>15</b>                           | 17                                  |
| Pension payment                          | <b>41</b>                           | 41                                  |
|  | <b>333</b>                          | 323                                 |

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

|                      | Excluding distinction awards<br>and other NHS payments |                                   | Including distinction awards<br>and other NHS payments |                                   |
|----------------------|--|-----------------------------------|--|-----------------------------------|
|                      | Year ended<br>31 July 2017<br>No.                      | Year ended<br>31 July 2016<br>No. | Year ended<br>31 July 2017<br>No.                      | Year ended<br>31 July 2016<br>No. |
| £100,000 to £109,999 | <b>47</b>  | 41                                | <b>42</b>  | 35                                |
| £110,000 to £119,999 | <b>30</b>  | 23                                | <b>25</b>  | 19                                |
| £120,000 to £129,999 | <b>18</b>  | 16                                | <b>15</b>  | 22                                |
| £130,000 to £139,999 | <b>6</b>   | 5                                 | <b>14</b>  | 9                                 |
| £140,000 to £149,999 | <b>3</b>   | 2                                 | <b>6</b>   | 7                                 |
| £150,000 to £159,999 | <b>3</b>   | 5                                 | <b>10</b>  | 10                                |
| £160,000 to £169,999 | <b>1</b>   | –                                 | <b>6</b>   | 4                                 |
| £170,000 to £179,999 | <b>3</b>   | 2                                 | <b>7</b>   | 5                                 |
| £180,000 to £189,999 | <b>1</b>   | 1                                 | <b>2</b>   | 2                                 |
| £190,000 to £199,999 | <b>1</b>   | 2                                 | <b>2</b>   | 1                                 |
| £200,000 to £209,999 | <b>1</b>   | 1                                 | <b>3</b>   | 3                                 |
| £220,000 to £229,999 | –  | –                                 | –  | –                                 |
| £230,000 to £239,999 | –  | –                                 | <b>1</b>   | 1                                 |
| £250,000 to £259,999 | –  | –                                 | <b>1</b>   | 1                                 |
|                      | <b>114</b>   | 97                                | <b>134</b>   | 119                               |

|  | No.          | No.   |
|--|--------------|-------|
| Average staff numbers by major category: |              |       |
| Academic/Clinical                        | <b>2,882</b> | 2,771 |
| Administrative and operational support   | <b>2,634</b> | 2,478 |
| Technical                                | <b>550</b>   | 532   |
|  | <b>6,066</b> | 5,781 |

# Notes to the Financial Statements continued

For the year ended 31 July 2017

## 7. Staff costs continued

### Key management personnel

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

The University's 'key management personnel' are those members of the Senior Management Team who form the Executive Group and consist of the following roles:

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

|                                      | Year ended<br>31 July 2017<br>£000s | Year ended<br>31 July 2016<br>£000s |
|--------------------------------------|-------------------------------------|-------------------------------------|
| Key management personal remuneration | <b>1,810</b>                        | 1,720                               |

## 8. Interest and other finance costs

|                              | Note | Year ended<br>31 July 2017 |                  | Year ended<br>31 July 2016 |                  |
|------------------------------|------|----------------------------|------------------|----------------------------|------------------|
|                              |      | Consolidated<br>£m         | University<br>£m | Consolidated<br>£m         | University<br>£m |
| Loan interest                |      | <b>15.4</b>                | <b>15.4</b>      | 14.0                       | 14.0             |
| Other bank charges           |      | <b>0.9</b>                 | <b>0.9</b>       | 0.9                        | 0.9              |
| Net charge on pension scheme | 22   | <b>3.4</b>                 | <b>3.4</b>       | 4.0                        | 4.0              |
|                              |      | <b>19.7</b>                | <b>19.7</b>      | 18.9                       | 18.9             |

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

## 9. Analysis of expenditure by activity

|  | Staff costs<br>£m | Other<br>operating<br>expenses<br>£m | Depreciation<br>£m | Financing<br>costs<br>£m | Year ended<br>31 July 2017<br>Total<br>£m | Year ended<br>31 July 2016<br>Total<br>£m |
|--|-------------------|--------------------------------------|--------------------|--------------------------|---|---|
| <b>Consolidated</b>                            |                   |                                      |                    |                          |   |   |
| Academic and related expenditure               | 162.5             | 61.3                                 | 8.2                | 18.8                     | <b>250.8</b>                              | 234.8                                     |
| Administration and central services            | 24.4              | 15.0                                 | 4.1                | –                        | <b>43.5</b>                               | 32.2                                      |
| Premises                                       | 9.9               | 29.0                                 | 26.1               | –                        | <b>65.0</b>                               | 82.6                                      |
| Residences, catering and conferences           | 6.2               | 20.7                                 | 4.7                | 0.9                      | <b>32.5</b>                               | 32.3                                      |
| Research grants and contracts                  | 73.4              | 43.2                                 | 2.8                | –                        | <b>119.4</b>                              | 111.2                                     |
| Services rendered                              | 9.3               | 6.4                                  | 0.2                | –                        | <b>15.9</b>                               | 13.2                                      |
| Other, including general endowment expenditure | 12.5              | 21.2                                 | –                  | –                        | <b>33.7</b>                               | 31.0                                      |
|  | 298.2             | 196.8                                | 46.1               | 19.7                     | <b>560.8</b>                              | 537.3                                     |



## 9. Analysis of expenditure by activity continued

|  | Staff costs<br>£m | Other<br>operating<br>expenses<br>£m | Depreciation<br>£m | Financing<br>costs<br>£m | Year ended<br>31 July 2017<br>Total<br>£m | Year ended<br>31 July 2016<br>Total<br>£m |
|--|-------------------|--------------------------------------|--------------------|--------------------------|---|---|
| <b>University</b>                              |                   |                                      |                    |                          |   |   |
| Academic and related expenditure               | 162.5             | 61.3                                 | 7.9                | 18.8                     | <b>250.5</b>                              | 234.5                                     |
| Administration and central services            | 21.2              | 28.2                                 | 4.1                | –                        | <b>53.5</b>                               | 28.7                                      |
| Premises                                       | 9.9               | 29.6                                 | 26.0               | –                        | <b>65.5</b>                               | 83.0                                      |
| Residences, catering and conferences           | 6.2               | 20.7                                 | 4.7                | 0.9                      | <b>32.5</b>                               | 32.2                                      |
| Research grants and contracts                  | 67.3              | 52.7                                 | 2.8                | –                        | <b>122.8</b>                              | 112.9                                     |
| Services rendered                              | 3.4               | 3.7                                  | –                  | –                        | <b>7.1</b>                                | 5.5                                       |
| Other, including general endowment expenditure | 11.4              | 21.3                                 | –                  | –                        | <b>32.7</b>                               | 30.4                                      |
|  | <b>281.9</b>      | <b>217.5</b>                         | <b>45.5</b>        | <b>19.7</b>              | <b>564.6</b>                              | <b>527.2</b>                              |

|  | Year ended<br>31 July 2017<br>£000s | Year ended<br>31 July 2016<br>£000s |
|--|-------------------------------------|-------------------------------------|
| Other operating expenses included:   |                                     |                                     |
| Audit fees payable to the University's external Auditors for University main audit | <b>48</b>                           | 48                                  |
| Audit fees payable to the University's external Auditors for audit of subsidiaries | <b>19</b>                           | 28                                  |
| Other fees payable to the University's external Auditors                           | <b>92</b>                           | 51                                  |
| Audit fees payable to other Auditors for audit of individual grants                | <b>42</b>                           | 78                                  |

|                                | Year ended<br>31 July 2017<br>£m | Year ended<br>31 July 2016<br>£m |
|--------------------------------|----------------------------------|----------------------------------|
| <b>Operating lease rentals</b> |                                  |                                  |
| Land and buildings             | <b>12.6</b>                      | 12.5                             |

## 10. Intangible assets

|                                    | Software<br>development<br>£m | Other<br>£m | Total<br>2017<br>£m | Total<br>2016<br>£m |
|------------------------------------|-------------------------------|-------------|---------------------|---------------------|
| <b>Consolidated and University</b> |                               |             |                     |                     |
| <b>At 1 August</b>                 | –                             | 0.2         | <b>0.2</b>          | 0.3                 |
| Additions                          | 4.0                           | 0.3         | <b>4.3</b>          | 0.2                 |
| Amortisation                       | –                             | (0.2)       | <b>(0.2)</b>        | (0.3)               |
| <b>At 31 July</b>                  | <b>4.0</b>                    | <b>0.3</b>  | <b>4.3</b>          | <b>0.2</b>          |

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**11. Tangible assets**

|  | Freehold land<br>& buildings<br>£m | Assets in<br>construction<br>£m | Leasehold<br>& laboratory<br>refurbishment<br>£m | IT<br>infrastructure<br>£m | Equipment<br>£m | Total<br>2017<br>£m | Total<br>2016<br>£m |
|--|------------------------------------|---------------------------------|--|----------------------------|-----------------|---------------------|---------------------|
| <b>Consolidated</b>                    |                                    |                                 |  |                            |                 |                     |                     |
| <b>Cost or valuation</b>               |                                    |                                 |  |                            |                 |                     |                     |
| At 1 August                            | 957.6                              | –                               | 86.0   | –                          | 78.1            | <b>1,121.7</b>      | 1,037.0             |
| Additions at cost                      | 64.8                               | 0.3                             | 10.4   | 3.6                        | 24.2            | <b>103.3</b>        | 50.0                |
| Impairment                             | –                                  | –                               | –  | –                          | –               | <b>–</b>            | (8.7)               |
| Disposals                              | (1.5)                              | –                               | –  | –                          | –               | <b>(1.5)</b>        | –                   |
| Elimination of fully depreciated items | (2.6)                              | –                               | (26.2)   | –                          | (19.7)          | <b>(48.5)</b>       | (43.3)              |
| Revaluations in year                   | 22.4                               | –                               | –  | –                          | –               | <b>22.4</b>         | 86.7                |
| <b>At 31 July</b>                      | <b>1,040.7</b>                     | <b>0.3</b>                      | <b>70.2</b>                                      | <b>3.6</b>                 | <b>82.6</b>     | <b>1,197.4</b>      | <b>1,121.7</b>      |
| <b>Accumulated depreciation</b>        |                                    |                                 |  |                            |                 |                     |                     |
| At 1 August                            | 11.5                               | –                               | 57.8   | –                          | 40.5            | <b>109.8</b>        | 132.3               |
| Charge for year                        | 12.4                               | –                               | 9.5  | –                          | 24.2            | <b>46.1</b>         | 47.6                |
| Disposals                              | (0.1)                              | –                               | –  | –                          | –               | <b>(0.1)</b>        | –                   |
| Elimination of fully depreciated items | (2.6)                              | –                               | (26.2)   | –                          | (19.7)          | <b>(48.5)</b>       | (43.3)              |
| Written back on revaluation            | (11.9)                             | –                               | –  | –                          | –               | <b>(11.9)</b>       | (26.8)              |
| <b>At 31 July</b>                      | <b>9.3</b>                         | <b>–</b>                        | <b>41.1</b>                                      | <b>–</b>                   | <b>45.0</b>     | <b>95.4</b>         | <b>109.8</b>        |
| <b>Net book value</b>                  |                                    |                                 |  |                            |                 |                     |                     |
| <b>At 31 July</b>                      | <b>1,031.4</b>                     | <b>0.3</b>                      | <b>29.1</b>                                      | <b>3.6</b>                 | <b>37.6</b>     | <b>1,102.0</b>      | <b>1,011.9</b>      |
| <b>At 1 August</b>                     | <b>946.1</b>                       | <b>–</b>                        | <b>28.2</b>                                      | <b>–</b>                   | <b>37.6</b>     | <b>1,011.9</b>      | <b>904.7</b>        |
| <b>University</b>                      |                                    |                                 |  |                            |                 |                     |                     |
| <b>Cost or valuation</b>               |                                    |                                 |  |                            |                 |                     |                     |
| At 1 August                            | 936.6                              | –                               | 86.0   | –                          | 73.0            | <b>1,095.6</b>      | 1,011.2             |
| Additions at costs                     | 86.9                               | –                               | 10.4   | 3.6                        | 23.7            | <b>124.6</b>        | 49.6                |
| Impairment                             | –                                  | –                               | –  | –                          | –               | <b>–</b>            | (8.7)               |
| Disposals                              | (1.7)                              | –                               | –  | –                          | –               | <b>(1.7)</b>        | –                   |
| Elimination of fully depreciated items | (2.6)                              | –                               | (26.2)   | –                          | (19.7)          | <b>(48.5)</b>       | (43.2)              |
| Revaluations in year                   | 21.4                               | –                               | –  | –                          | –               | <b>21.4</b>         | 86.7                |
| <b>At 31 July</b>                      | <b>1,040.6</b>                     | <b>–</b>                        | <b>70.2</b>                                      | <b>3.6</b>                 | <b>77.0</b>     | <b>1,191.4</b>      | <b>1,095.6</b>      |
| <b>Accumulated depreciation</b>        |                                    |                                 |  |                            |                 |                     |                     |
| At 1 August                            | 11.4                               | –                               | 57.6   | –                          | 37.8            | <b>106.8</b>        | 130.2               |
| Charge for year                        | 12.0                               | –                               | 9.7  | –                          | 23.8            | <b>45.5</b>         | 46.6                |
| Disposals                              | (0.3)                              | –                               | –  | –                          | –               | <b>(0.3)</b>        | –                   |
| Elimination of fully depreciated items | (2.6)                              | –                               | (26.2)   | –                          | (19.7)          | <b>(48.5)</b>       | (43.2)              |
| Written back on revaluation            | (11.2)                             | –                               | –  | –                          | –               | <b>(11.2)</b>       | (26.8)              |
| <b>At 31 July</b>                      | <b>9.3</b>                         | <b>–</b>                        | <b>41.1</b>                                      | <b>–</b>                   | <b>41.9</b>     | <b>92.3</b>         | <b>106.8</b>        |
| <b>Net book value</b>                  |                                    |                                 |  |                            |                 |                     |                     |
| <b>At 31 July</b>                      | <b>1,031.3</b>                     | <b>–</b>                        | <b>29.1</b>                                      | <b>3.6</b>                 | <b>35.1</b>     | <b>1,099.1</b>      | <b>988.8</b>        |
| <b>At 1 August</b>                     | <b>925.2</b>                       | <b>–</b>                        | <b>28.4</b>                                      | <b>–</b>                   | <b>35.2</b>     | <b>988.8</b>        | <b>881.0</b>        |

## 11. Tangible assets continued

Annually the University undertakes a review of the underlying value of its portfolio of freehold land and buildings and carries out revaluation when and where appropriate. As at 31 July 2017, in excess of 75 per cent (2016: 75 per cent) of the estate was revalued, by either a full valuation or desktop review, by an external professional firm of chartered surveyors, on the basis of either market value or existing use value using the depreciated replacement cost. All properties are subject to a full valuation at least once every four years. Freehold land and buildings at 31 July 2017 consisted of:

|  | As at 31 July 2017 |                  | As at 31 July 2016 |                  |
|--|--------------------|------------------|--------------------|------------------|
|  | Consolidated<br>£m | University<br>£m | Consolidated<br>£m | University<br>£m |
| At valuation                             | <b>1,019.5</b>     | <b>1,019.4</b>   | 946.0              | 925.0            |
| At cost                                  | <b>21.2</b>        | <b>21.2</b>      | 11.6               | 11.6             |
| <b>Total freehold land and buildings</b> | <b>1,040.7</b>     | <b>1,040.6</b>   | 957.6              | 936.6            |

Freehold land and buildings include land totalling £227.2m (2016: £211.2m) which is not depreciated.

No interest cost has been capitalised in construction costs in the year (2016: £Nil).

Leasehold and laboratory refurbishments include £10.5m cost and £2.7m accumulated depreciation (2016: £8.0m and £5.6m) of leasehold land and buildings.

Contracted capital commitments as at 31 July 2017 were £3.9m (2016: £38.8m).

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

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

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

There were no material heritage assets acquired during the year (2016: none).

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**12. Non-current investments**

|                         | Shares in<br>University's<br>subsidiary<br>companies<br>£m | Shares in<br>listed and<br>unlisted<br>companies<br>£m | Total<br>£m   |
|-------------------------|--|--|---------------|
| <b>Consolidated</b>     |  |  |               |
| <b>At 1 August 2016</b> | –  | 0.8  | <b>0.8</b>    |
| Additions               | –  | 0.2  | <b>0.2</b>    |
| Impairments             | –  | (0.1)  | <b>(0.1)</b>  |
| <b>At 31 July 2017</b>  | <b>–</b>   | <b>0.9</b>   | <b>0.9</b>    |
| <b>University</b>       |  |  |               |
|                         | £m   | £m   | £m            |
| <b>At 1 August 2016</b> | 22.7   | 0.6  | <b>23.3</b>   |
| Additions               | –  | 0.2  | <b>0.2</b>    |
| Impairment              | (13.9)   | –  | <b>(13.9)</b> |
| <b>At 31 July 2017</b>  | <b>8.8</b>   | <b>0.8</b>   | <b>9.6</b>    |

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

Shares in listed and unlisted companies excluding subsidiaries consist of:

|                                       | Consolidated<br>£m | University<br>£m |
|---------------------------------------|--------------------|------------------|
| 27.3% in Sulis Seedcorn Fund          | <b>0.4</b>         | <b>0.4</b>       |
| Itaconix plc                          | <b>0.1</b>         | –                |
| University of Bristol Enterprise Fund | <b>0.4</b>         | <b>0.4</b>       |
|                                       | <b>0.9</b>         | <b>0.8</b>       |

**13. Trade and other receivables**

|  | As at 31 July 2017 |                  | As at 31 July 2016 |                  |
|--|--------------------|------------------|--------------------|------------------|
|  | Consolidated<br>£m | University<br>£m | Consolidated<br>£m | University<br>£m |
| <b>Amounts falling due within one year</b> |                    |                  |                    |                  |
| Research grants receivable                 | <b>28.2</b>        | <b>28.2</b>      | 21.9               | 21.9             |
| Other debtors                              | <b>41.0</b>        | <b>37.4</b>      | 45.3               | 41.1             |
| Prepayments and accrued income             | <b>6.0</b>         | <b>6.0</b>       | 5.7                | 5.7              |
| Amounts due from subsidiary undertakings   | –                  | <b>6.3</b>       | –                  | 7.9              |
|  | <b>75.2</b>        | <b>77.9</b>      | 72.9               | 76.6             |



## 14. Current investments

|                                     | Consolidated and University |                             |
|-------------------------------------|-----------------------------|-----------------------------|
|                                     | As at<br>31 July 2017<br>£m | As at<br>31 July 2016<br>£m |
| Short term investment in shares     | 0.1                         | 0.1                         |
| Short term deposits                 | 99.8                        | 73.6                        |
| Short term investments – endowments | 66.9                        | 58.6                        |
|                                     | <b>166.8</b>                | 132.3                       |

Deposits are held with banks and building societies operating in the London market and licensed by the Financial Services Authority with more than three months' maturity at the Balance Sheet date. The interest rates for these deposits are fixed for the duration of the deposit at time of placement. At 31 July 2017 the weighted average interest rate of these fixed rate deposits was 1.21 per cent per annum and the remaining weighted average period for which the interest rate is fixed on these deposits was 149 days. The fair value of these deposits was not materially different from the book value.

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

## 15. Creditors – amounts falling due within one year

|  | As at 31 July 2017 |                  | As at 31 July 2016 |                  |
|--|--------------------|------------------|--------------------|------------------|
|  | Consolidated<br>£m | University<br>£m | Consolidated<br>£m | University<br>£m |
| Trade creditors                            | 1.0                | 1.0              | 0.4                | 0.4              |
| Other creditors                            | 50.2               | 50.2             | 48.9               | 48.8             |
| Social security and other taxation payable | 1.2                | 1.2              | 1.1                | 1.1              |
| Accruals and deferred income               | 40.7               | 36.5             | 34.2               | 30.8             |
| Research grants received in advance        | 56.7               | 56.7             | 45.0               | 45.0             |
| Amounts owed to subsidiary undertakings    | –                  | 9.2              | –                  | 11.7             |
|  | <b>149.8</b>       | <b>154.8</b>     | 129.6              | 137.8            |

### Deferred income

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

|                                     | 31 July 2017       |                  | 31 July 2016       |                  |
|-------------------------------------|--------------------|------------------|--------------------|------------------|
|                                     | Consolidated<br>£m | University<br>£m | Consolidated<br>£m | University<br>£m |
| Research grants received on account | 56.7               | 56.7             | 45.0               | 45.0             |

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

|   | As at 31 July 2017 |                  | As at 31 July 2016 |                  |
|---|--------------------|------------------|--------------------|------------------|
|   | Consolidated<br>£m | University<br>£m | Consolidated<br>£m | University<br>£m |
| Unsecured loans due in five years or more | <b>394.9</b>       | <b>394.9</b>     | 250.0              | 250.0            |

The University amended its lending facilities of £250m with Barclays Bank plc. This required a payment by the University to the bank of £56m which secured a reduction in the nominal rate of interest payable to the bank under the new arrangement. The liability in respect of the amended debt is initially accounted for at fair value, being the net proceeds received by the University, and measured subsequently at amortised cost, calculated using cash flows discounted at the effective interest rate of the borrowing.

|                                   | As at 31 July 2017 |                  | As at 31 July 2016 |                  |
|-----------------------------------|--------------------|------------------|--------------------|------------------|
|                                   | Consolidated<br>£m | University<br>£m | Consolidated<br>£m | University<br>£m |
| Unsecured loans repayable by 2038 | <b>100.0</b>       | <b>100.0</b>     | 100.0              | 100.0            |
| Unsecured loans repayable by 2047 | <b>150.0</b>       | <b>150.0</b>     | 150.0              | 150.0            |
| Series A repayable 5 April 2047   | <b>50.0</b>        | <b>50.0</b>      | –                  | –                |
| Series B repayable 5 April 2052   | <b>50.0</b>        | <b>50.0</b>      | –                  | –                |
| Series C repayable 5 April 2057   | <b>100.0</b>       | <b>100.0</b>     | –                  | –                |
|                                   | <b>450.0</b>       | <b>450.0</b>     | 250.0              | 250.0            |

Included in loans are the following:

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

**17. Pension provisions**

|  | Obligation to<br>fund deficit on<br>USS pension<br>£m | Obligation to<br>fund deficit<br>on UBPAS<br>pension<br>£m | Total<br>pensions<br>provisions<br>£m |
|--|---|--|---------------------------------------|
| <b>Consolidated</b>                      |   |  |                                       |
| At 1 August 2016                         | 51.7  | 88.5   | 140.2                                 |
| Utilised in year                         | –   | (13.2)   | (13.2)                                |
| Additions in 2016/17                     | 1.0   | 5.3  | 6.3                                   |
| <b>At 31 July 2017</b>                   | <b>52.7</b>   | <b>80.6</b>  | <b>133.3</b>                          |
| <b>University</b>                        | £m  | £m   | £m                                    |
| At 1 August 2016                         | 51.7  | 88.5   | 140.2                                 |
| Utilised in year                         | –   | (13.2)   | (13.2)                                |
| Additions in 2016/17                     | 1.0   | 5.3  | 6.3                                   |
| Amount attributable to subsidiary entity | –   | (0.3)  | (0.3)                                 |
| <b>At 31 July 2017</b>                   | <b>52.7</b>   | <b>80.3</b>  | <b>133.0</b>                          |

## 17. Pension provisions continued

### USS deficit

The obligation to fund the past deficit on the Universities Superannuation Scheme (USS) arises from the contractual obligation with the pension scheme for total payments relating to benefits arising from past performance. Management has assessed future employees within the USS scheme and salary payment over the period of the contracted obligation in assessing the value of this provision. (See also Note 22).

## 18. Endowment reserves

Restricted net assets relating to endowments are as follows:

|   | Consolidated and University   |                                 |                                | 2017<br>Total<br>£m | 2016<br>Total<br>£m |
|---|-------------------------------|---------------------------------|--------------------------------|---------------------|---------------------|
|   | Restricted<br>permanent<br>£m | Unrestricted<br>permanent<br>£m | Expendable<br>endowments<br>£m |                     |                     |
| <b>Balances at 1 August 2016</b>                                    |                               |                                 |                                |                     |                     |
| Capital   | 44.4                          | 2.6                             | 7.8                            | <b>54.8</b>         | 53.3                |
| Accumulated income  | 4.3                           | 0.3                             | 3.2                            | <b>7.8</b>          | 7.9                 |
|   | <b>48.7</b>                   | <b>2.9</b>                      | <b>11.0</b>                    | <b>62.6</b>         | 61.2                |
| New endowments  | –                             | –                               | –                              | –                   | 0.3                 |
| Investment income   | 1.7                           | 0.1                             | 0.4                            | <b>2.2</b>          | 1.7                 |
| Expenditure   | (1.0)                         | –                               | (0.6)                          | <b>(1.6)</b>        | (1.8)               |
|   | 0.7                           | 0.1                             | (0.2)                          | <b>0.6</b>          | 0.2                 |
| Increase in market value of investments                             | 4.0                           | 0.2                             | 0.9                            | <b>5.1</b>          | 1.2                 |
| Transfer  | 0.7                           | –                               | 1.8                            | <b>2.5</b>          | –                   |
| <b>At 31 July 2017</b>  | <b>54.1</b>                   | <b>3.2</b>                      | <b>13.5</b>                    | <b>70.8</b>         | 62.6                |
| <b>Represented by:</b>  |                               |                                 |                                |                     |                     |
| Capital   | 48.1                          | 2.9                             | 12.5                           | <b>63.5</b>         | 54.8                |
| Accumulated income  | 6.0                           | 0.3                             | 1.0                            | <b>7.3</b>          | 7.8                 |
|   | <b>54.1</b>                   | <b>3.2</b>                      | <b>13.5</b>                    | <b>70.8</b>         | 62.6                |
| <b>Analysis by type of purpose:</b>                                 |                               |                                 |                                |                     |                     |
| Dame Emily Smyth endowment trust – support of agricultural research | 14.5                          | –                               | –                              | <b>14.5</b>         | 13.1                |
| William P Coldrick – Chair in Genomics                              | –                             | –                               | 4.0                            | <b>4.0</b>          | 3.7                 |
| Professorships, readerships and lectureships                        | 5.1                           | –                               | 3.5                            | <b>8.6</b>          | 7.8                 |
| Scholarships and bursaries  | 17.6                          | –                               | 3.4                            | <b>21.0</b>         | 17.8                |
| Research support  | 6.4                           | –                               | 0.4                            | <b>6.8</b>          | 5.7                 |
| Prize funds   | 0.7                           | –                               | –                              | <b>0.7</b>          | 0.7                 |
| General   | 5.0                           | 3.2                             | –                              | <b>8.2</b>          | 7.4                 |
| Other   | 4.8                           | –                               | 2.2                            | <b>7.0</b>          | 6.4                 |
|   | <b>54.1</b>                   | <b>3.2</b>                      | <b>13.5</b>                    | <b>70.8</b>         | 62.6                |
| <b>Analysis by asset</b>  |                               |                                 |                                |                     |                     |
| Current and non-current asset investments                           |                               |                                 |                                | <b>66.9</b>         | 58.6                |
| Cash and cash equivalents   |                               |                                 |                                | <b>3.9</b>          | 4.0                 |
|   |                               |                                 |                                | <b>70.8</b>         | 62.6                |

### Transfer

At year end, funds totalling £2.5m, which had previously been recognised in general reserves, were transferred into endowment reserves following confirmation that these funds satisfied the definition of endowments at that date.

### Deficit balances

There are no endowment balances in deficit.

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**19. Revaluation reserve**

|   | 2017               |                  | 2016               |                  |
|---|--------------------|------------------|--------------------|------------------|
|   | Consolidated<br>£m | University<br>£m | Consolidated<br>£m | University<br>£m |
| At 1 August   | <b>439.2</b>       | <b>434.3</b>     | 327.1              | 322.2            |
| Revaluation of properties   | <b>22.4</b>        | <b>21.4</b>      | 86.7               | 86.7             |
| Cumulative depreciation of properties written back on revaluation | <b>11.9</b>        | <b>11.2</b>      | 26.8               | 26.8             |
| Revaluation of investments  | <b>0.3</b>         | <b>0.3</b>       | -                  | -                |
| Transfer to income and expenditure reserve in respect of:         |                    |                  |                    |                  |
| Depreciation on revalued assets                                   | <b>(2.0)</b>       | <b>(1.9)</b>     | (1.4)              | (1.4)            |
| Fixed asset sales   | <b>(1.3)</b>       | <b>(1.3)</b>     | -                  | -                |
| <b>At 31 July</b>   | <b>470.5</b>       | <b>464.0</b>     | 439.2              | 434.3            |

**20. Financial instruments**

The University has the following financial instruments:

|   | Consolidated<br>As at<br>31 July 2017<br>£m | University<br>As at<br>31 July 2017<br>£m | Consolidated<br>As at<br>31 July 2016<br>£m | University<br>As at<br>31 July 2016<br>£m |
|---|---|---|---|---|
| Financial instruments at fair value through profit or loss                    | <b>0.1</b>                                  | -   | 0.2   | -   |
| Financial instruments that are debt instruments measured at amortised cost:   |   |   |   |   |
| trade receivables   | <b>28.2</b>                                 | <b>28.2</b>                               | 21.9  | 21.9                                      |
| other receivables   | <b>41.1</b>                                 | <b>37.3</b>                               | 45.3  | 41.1                                      |
| investments in listed companies   | <b>0.1</b>                                  | <b>0.1</b>                                | 0.1   | 0.1                                       |
| investments in short term deposits  | <b>166.7</b>                                | <b>166.7</b>                              | 132.2                                       | 132.2                                     |
|   | <b>236.1</b>                                | <b>232.3</b>                              | 199.5                                       | 195.3                                     |
| Financial assets that are equity instruments measured at cost less impairment | <b>0.9</b>                                  | <b>0.8</b>                                | 0.8   | 0.6                                       |
| Financial liabilities measured at amortised cost:                             |   |   |   |   |
| unsecured loans   | <b>394.9</b>                                | <b>394.9</b>                              | 250.0                                       | 250.0                                     |
| trade creditors   | <b>1.0</b>                                  | <b>1.0</b>                                | 0.4   | 0.4                                       |
| accruals  | <b>40.7</b>                                 | <b>36.5</b>                               | 34.2  | 30.8                                      |
| deferred income   | <b>56.7</b>                                 | <b>56.7</b>                               | 45.0  | 45.0                                      |
| other creditors   | <b>51.4</b>                                 | <b>51.4</b>                               | 50.0  | 49.9                                      |
|   | <b>544.7</b>                                | <b>540.5</b>                              | 379.6                                       | 376.1                                     |

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

|  | Consolidated              |                            |                          |
|--|---------------------------|----------------------------|--------------------------|
|  | At<br>1 August 2016<br>£m | Cash flow<br>in year<br>£m | At<br>31 July 2017<br>£m |
| Cash and cash equivalents  | 97.7                      | 119.7                      | <b>217.4</b>             |
| Liquid resources – including certificates of deposit and corporate bonds | 73.7                      | 26.2                       | <b>99.9</b>              |
| Debts due after one year   | 171.4<br>(250.0)          | 145.9<br>(200.0)           | <b>317.3<br/>(450.0)</b> |
| <b>Total net debt</b>  |                           | <b>(78.6)</b>              | <b>(132.7)</b>           |

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

|  | University                |                           |                          |
|--|---------------------------|---------------------------|--------------------------|
|  | At<br>1 August 2016<br>£m | Cashflow<br>in year<br>£m | At<br>31 July 2017<br>£m |
| Cash and cash equivalents  | 94.7                      | 115.4                     | <b>210.1</b>             |
| Liquid resources – including certificates of deposit and corporate bonds | 73.7                      | 26.2                      | <b>99.9</b>              |
|  | 168.4                     | 141.6                     | <b>310.0</b>             |
| Debts due after one year   | (250.0)                   | (200.0)                   | <b>(450.0)</b>           |
| <b>Total net debt</b>  | <b>(81.6)</b>             | <b>(58.4)</b>             | <b>(140.0)</b>           |

## 22. Pension schemes

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

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

|   | Notes | Consolidated<br>Year ended<br>31 July 2017<br>£m | University<br>Year ended<br>31 July 2017<br>£m | Consolidated<br>Year ended<br>31 July 2016<br>£m | University<br>Year ended<br>31 July 2016<br>£m |
|---|-------|--|--|--|--|
| Employer's cost for USS                                     |       | <b>27.5</b>                                      | <b>27.8</b>                                    | 24.6   | 24.5   |
| Employer's cost for UBPAS                                   |       | <b>(2.0)</b>                                     | <b>(2.4)</b>                                   | 4.8  | 4.8  |
| Employer's cost for UBGPP                                   |       | <b>1.6</b>                                       | <b>1.6</b>                                     | 1.3  | 1.3  |
| Employer's cost for NHSPS                                   |       | <b>1.6</b>                                       | <b>1.6</b>                                     | 1.5  | 1.5  |
| Other   |       | <b>0.5</b>                                       | –  | 0.5  | –  |
| <b>Total pension costs in staff costs</b>                   | 7     | <b>29.2</b>                                      | <b>28.6</b>                                    | 32.7   | 32.1   |
| Net financing charge in respect of deficit in UBPAS and USS | 8     | <b>3.4</b>                                       | <b>3.4</b>                                     | 4.0  | 4.0  |
| <b>Total pension costs</b>                                  |       | <b>32.6</b>                                      | <b>32.0</b>                                    | 36.7   | 36.1   |

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

### (i) Universities Superannuation Scheme (USS)

The total cost charged to the Statement of Comprehensive Income and Expenditure account is £29.2m (2016: £25.9m) as shown in Notes 7 and 8.

The latest available full actuarial valuation of the scheme was at 31 March 2014 (the 'valuation date'), which was carried out using the projected unit method. The valuation as at 31 March 2017 is under way.

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

The 2014 valuation was the third valuation for USS under the scheme-specific funding regime introduced by the Pensions Act 2004, which requires schemes to adopt a statutory funding objective, which is to have sufficient and appropriate assets to cover their technical provisions. At the valuation date, the value of the assets of the scheme was £41.6bn and the value of the Scheme's technical provisions was £46.9bn indicating a shortfall of £5.3bn. The assets therefore were sufficient to cover 89 per cent of the benefits which had accrued to members after allowing for expected future increases in earnings.



# Notes to the Financial Statements continued

For the year ended 31 July 2017

## 22. Pension schemes continued

Defined Benefit liability numbers for the Scheme have been produced using the following assumptions:

|                           | 2017         | 2016 |
|---------------------------|--------------|------|
| Discount rate             | <b>2.57%</b> | 3.6% |
| Pensionable salary growth | <b>n/a</b>   | n/a  |
| Pensions increases (CPI)  | <b>2.41%</b> | 2.2% |

The main demographic assumption used relates to the mortality assumptions. Mortality in retirement is assumed to be in line with the Continuous Mortality Investigation's (CMI) S1NA tables as follows:

|                           |  |
|---------------------------|--|
| Male members' mortality   | 98% of S1NA ['light'] YoB tables – no age rating       |
| Female members' mortality | 99% of S1NA ['light'] YoB tables – rated down one year |

Use of these mortality tables reasonably reflects the actual USS experience. To allow for further improvements in mortality rates the CMI 2014 projections with a 1.5 per cent per annum long term rate were also adopted. The current life expectancies on retirement at age 65 are:

|                                   | 2017        | 2016 |
|-----------------------------------|-------------|------|
| Males currently aged 65 (years)   | <b>24.4</b> | 24.3 |
| Females currently aged 65 (years) | <b>26.6</b> | 26.5 |
| Males currently aged 45 (years)   | <b>26.5</b> | 26.4 |
| Females currently aged 45 (years) | <b>29.0</b> | 28.8 |

|                              | 2017           | 2016    |
|------------------------------|----------------|---------|
| Scheme assets                | <b>£60.0bn</b> | £49.8bn |
| Total Scheme liabilities     | <b>£77.5bn</b> | £58.3bn |
| FRS 102 total Scheme deficit | <b>£17.5bn</b> | £8.5bn  |
| FRS 102 total funding level  | <b>77%</b>     | 85%     |

The financial assumptions used to calculate the deficit repayment liability within these Financial Statements are:

|                              | 31 July 2017<br>% | 31 July 2016<br>% |
|------------------------------|-------------------|-------------------|
| Deficit contribution rate    | <b>2.1</b>        | 2.1               |
| Rate of increase in salaries | <b>4.0</b>        | 4.0               |
| Discount rate                | <b>1.85</b>       | 2.5               |

### (ii) University of Bristol Pension Scheme (UBPAS)

UBPAS is a Defined Benefit pension scheme that the University operates in-house and until 30 September 2010 was offered to all staff who were not eligible to join USS or NHSPS. UBPAS was contracted out of the State Second Pension until April 2016; it is now closed to new members. The assets of the Scheme are held in a separate fund administered by a board of seven Trustees. UBPAS currently has around 1,000 active members.

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

## 22. Pension schemes continued

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

|   | 31 July 2017<br>% | 31 July 2016<br>% |
|---|-------------------|-------------------|
| Price inflation (RPI)   | <b>3.2</b>        | 2.7               |
| Price inflation (CPI)   | <b>2.1</b>        | 1.7               |
| Rate of increase in salaries                                      | <b>3.9</b>        | 3.4               |
| Increases to non-GMP pension in deferment (RPI capped at 5% p.a.) | <b>3.2</b>        | 2.7               |
| Increases to non-GMP pension in payment (CPI)                     | <b>2.2</b>        | 1.8               |
| Increases to Post 88 GMP in payment (CPI capped at 3% p.a.)       | <b>1.9</b>        | 1.6               |
| Discount rate   | <b>2.6</b>        | 2.4               |

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

The assets in the scheme were:

|                                   | Fair value as at 31 July |            |            |
|-----------------------------------|--------------------------|------------|------------|
|                                   | 2017<br>£m               | 2016<br>£m | 2015<br>£m |
| Equities/Diversified growth funds | <b>153.8</b>             | 131.1      | 114.8      |
| Liability driven investments      | <b>87.7</b>              | 92.8       | 77.3       |
| Absolute return bond fund         | <b>50.8</b>              | 41.8       | 39.9       |
| Property                          | <b>23.1</b>              | 20.3       | 20.5       |
| Other net assets (including cash) | <b>0.4</b>               | 0.3        | –          |
| <b>Total</b>                      | <b>315.8</b>             | 286.3      | 252.5      |

Reconciliation of scheme assets and liabilities:

|                                 | Assets<br>£m | Liabilities<br>£m | Total<br>£m   |
|---------------------------------|--------------|-------------------|---------------|
| At 1 August 2016                | 286.3        | (374.8)           | <b>(88.5)</b> |
| Benefits paid                   | (11.8)       | 11.8              | <b>–</b>      |
| Employer contributions          | 15.6         | –                 | <b>15.6</b>   |
| Current service cost            | –            | (9.0)             | <b>(9.0)</b>  |
| Scheme changes and curtailments | –            | 8.6               | <b>8.6</b>    |
| Interest income/(expense)       | 6.9          | (8.9)             | <b>(2.0)</b>  |
| Re-measurement gains/(losses):  |              |                   |               |
| Actuarial losses                | –            | (24.1)            | <b>(24.1)</b> |
| Return on plan assets           | 18.8         | –                 | <b>18.8</b>   |
| <b>Total</b>                    | <b>315.8</b> | <b>(396.4)</b>    | <b>(80.6)</b> |

**Notes to the  
Financial  
Statements  
continued**  
For the year ended  
31 July 2017

**22. Pension schemes** continued

Total cost recognised as an expense:

|                                    | 2017<br>£m   | 2016<br>£m |
|------------------------------------|--------------|------------|
| Current service cost               | <b>9.0</b>   | 7.2        |
| Past service cost                  | <b>(8.6)</b> | –          |
| Paid under salary sacrifice scheme | <b>(2.4)</b> | (2.4)      |
| Interest cost                      | <b>2.0</b>   | 2.7        |
| Total                              | <b>–</b>     | 7.5        |

**Actuarial valuation**

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

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

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

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

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

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

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

During the year the University paid deficit contributions of £10.15m (2016: £6.9m) and as at 31 July 2017 had prepaid a total of £10.15m (2016: £11.9m).

As required by law, the actuary also made an estimate of the amount the University would have to pay to secure all members' benefits with an insurance company, in the event that the Trustees were to decide that the scheme should be wound up. (This measure is sometimes referred to as 'full solvency'.) The shortfall in funding under this 'full solvency' measure was approximately £237.2m.

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

## 22. Pension schemes continued

### (iii) UBGPP

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

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

UBGPP is managed by Legal & General Pension Management Limited. On 31 July 2017, there are a total of 1,616 members (2016: 1,314).

### (iv) NHSPS

NHSPS is a non-funded occupational scheme backed by the Government, which is restricted to some clinical staff. Under the definitions set out in FRS 102, NHSPS is a multi employer Defined Benefit pension scheme. The University is unable to identify its share of the underlying assets and liabilities of the Scheme. Accordingly, the University has applied the exemption in FRS 102 and has accounted for its contributions as if it were a defined contribution scheme.

## 23. Operating leases

Total future commitments under operating leases in respect of land and buildings are as follows:

|                                    | As at<br>31 July 2017<br>£m | As at<br>31 July 2016<br>£m |
|------------------------------------|-----------------------------|-----------------------------|
| Future minimum lease payments due: |                             |                             |
| Less than 1 year                   | 15.2                        | 13.2                        |
| Total lease payments due           | 15.2                        | 13.2                        |

## 24. Events after the reporting period

No events that require disclosure have occurred after the end of reporting period.

## 25. Subsidiary undertakings and Joint Ventures

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

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

## 26. Related party transactions

### University of Bristol Students' Union

During the year, the University of Bristol made a block grant payment of £1.59m (2016: £1.65m) to Bristol SU (the Students' Union of the University). On 31 July 2017, the current account due to the Bristol SU was £Nil (2016: £Nil). In addition to the provision of services (portering, housekeeping, etc.), the University provides the building in which Bristol SU operates, and meets all utility costs.

# Notes to the Financial Statements continued

For the year ended 31 July 2017

## 26. Related party transactions continued

### The Board of Trustees members

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

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

#### Year ended 31 July 2017:

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

#### Year ended 31 July 2016:

| Organisation                                      | Individual trustee or key management | Income<br>£000 | Expenditure<br>£000 | Debtor<br>£000 | Creditor<br>£000 |
|---|--------------------------------------|----------------|---------------------|----------------|------------------|
| The Russell Group of Universities                 | Hugh Brady                           | -              | 69                  | -              | -                |
| University Hospitals Bristol NHS Foundation Trust | Guy Orpen                            | 8,039          | 2,281               | 249            | -                |
| Bristol and Bath Regional Capital                 | Nishan Canagarajah                   | -              | 6                   | -              | -                |
| Bristol Cultural Development Partnership          | Judith Squires                       | -              | 43                  | -              | -                |
| Bristol Green Capital Partnership CIC             | Judith Squires                       | -              | 1                   | -              | -                |

No Board of Trustees member has received any remuneration/waived payments from the Group during the year (2016: none).

The total expenses paid to or on behalf of 10 Board of Trustees members was £8,000 (2016: £15,000 to 14 Board of Trustees members). This represents travel and subsistence expenses incurred in attending Board of Trustees meetings, Committee meetings and charity events in their official capacity.

### UBPAS

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

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

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



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