



BISHOP
GROSSETESTE
UNIVERSITY

Annual Report 2019

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Welcome from the Chair of Council

Bishop Grosseteste University (BGU) has had many significant achievements during its history. In years to come, I hope that the hard work in engaging with students, staff and our many partners to develop a new institutional strategy will signal the start of another successful era.

Higher Education is a rapidly evolving sector and the onus lies firmly with institutions to differentiate themselves in order to deliver a compelling offer to prospective students. As BGU has reached the end of its first five-year strategy, it is with a renewed sense of confidence that we, as an institution, look forward to the future. In developing our new strategic plan, we ensured that it retained a strong connection with our heritage and the values which have sustained the University for over 150 years, but also demonstrated that we are an ambitious University with a clear vision for our future.

Despite the uncertainty, which is a prominent feature of the higher education landscape, BGU is well placed to meet the challenges

and opportunities presented by this ever-changing environment. It is especially pleasing that in a highly competitive context, student recruitment is responding to our expanding portfolio and we are looking to grow steadily over the strategy period. Our finances are underpinned by strong assets and we are taking steps to ensure that we can invest further in student services and facilities. The University has a great reputation and we intend to build on that substantially.

Following an extensive review, BGU is now a Company Limited by Guarantee as well as a Registered Charity. These changes to our corporate form align the University with the sector and we have also modernised our governance in order to strengthen the foundations, which underpin our ambition to grow.

Furthermore, the University is in the process of acquiring a plot of land in close proximity to our campus in uphill Lincoln. This is a pivotal moment in the history of the institution and it follows a period of significant refurbishment

and development on campus. We continue to develop our reputation for research and knowledge exchange in our areas of strength.

With some uncertainty over the future of funding in the sector, universities will need to be strategic in relation to the partnerships they pursue and the markets they develop. I am delighted that the leadership team, working closely with University Council, has taken a positive and proactive approach to these issues.

The achievements highlighted in this report are a testament to all the hard work and commitment of our staff and students. I would like to thank everyone for their contribution in making BGU what it is today – a fantastic place to study and work.

Bob Walder

Mr Bob Walder
Chair of Bishop Grosseteste
University Council

27 November 2019





Welcome from the Vice-Chancellor

It gives me great pleasure to welcome you to BGU's Annual Report for the year 2018/19. At its core, the University continues to fulfil the purpose it was set up for in 1862 – to provide a first-class education. In the formulation of a new strategic plan we have consulted widely to ensure that we reflect the perspectives of staff, students and external partners in our vision for the future. We have not only considered how we can improve what we currently do, but how we might grasp opportunities to do something different or something that the University has not done before.

This year we have continued to build on the solid foundations laid during the last five-year Strategy 2014-19, including our commitment to provide our students from all backgrounds with differentiated experiences to make our learning opportunities more accessible. This year we have introduced innovative new programmes such as the Foundation Year, and the Certificate and Professional Graduate Diploma in Education, Training and Skills. These are just three examples of the way in which the University

can combine its academic offering with a genuinely supportive culture to create truly life-changing opportunities.

We have refreshed our Graduate Attribute Excellence Award to ensure that our graduates leave the institution equipped with the skills required to fulfil their potential as global citizens. This is in addition to the employability skills and international aspects already embedded within our curricula. I am extremely grateful to our external partners for all their support in enhancing the opportunities we are able to provide to our students. It is remarkable how, by working together, we can create something much more powerful.

Several externally funded projects have drawn to a successful conclusion this year, exceeding their projected outputs. These include the Lincoln Open Research and Innovation Centre (LORIC) and Industry Educators projects, and they represent the intersection between strategy and reality. They are examples of how the University brings its ambitions to life and how it connects society, the economy and individuals. Projects

such as these also demonstrate our commitment to research, innovation and knowledge exchange as we seek to enable businesses to flourish and continue to develop our reputation as an outward facing institution.

We have achieved all of this with a common purpose, namely to ensure that BGU continues to enhance what it can offer to its students. Over the year we have seen compelling stories of success which would not have been possible without the input of staff, students, external partners and University Council. I should like to thank everyone for their enthusiasm, support, teamwork and creativity. We are well positioned to meet the challenges and opportunities ahead and we should look to the future with confidence.



The Reverend Canon Professor Peter Neil, Vice-Chancellor of Bishop Grosseteste University

27 November 2019

Strategic Review





Since the Higher Education and Research Act was passed in 2017 universities have been adapting to new regulatory requirements. There has been an unprecedented shift in the focus on the performance of universities in relation to external assessments, frameworks and metrics. At BGU we have engaged positively with this rapidly changing environment and sought to learn and develop from doing so.

The past year has remained challenging but was one in which we reviewed our previous strategy and focused on the next phase of our journey as a university. The challenges of continuing declining demography, a fierce market for recruitment and lack of clarity in relation to future funding mean that we, as a small institution, have to be able to be creative, quick to take up initiatives and to seek strategic partnerships which further our institutional priorities. However, the overwhelming feedback when consulting on our new strategic plan, was that BGU offers something that cannot easily be measured by metrics – a strong sense of community which is based upon providing a differentiated learning experience to all our students.

New types of courses such as Degree Apprenticeships are beginning to embed themselves within the market place and the sector can expect an increasing need to be flexible and responsive in the design and delivery of programmes in a rapidly changing market. We have already introduced a number of new and creative programmes, with plans for further growth in the future. These will be augmented by improvements to our marketing strategies, which will broaden the reach of our provision.

To take forward the academically focussed strategic priorities in the new Strategy 2019-25, we have identified our key enabling priorities – a connected infrastructure and collaboration and partnership. These will be underpinned by a detailed business plan which is linked to our Access and Participation Plan together with a costing model.

We have continued to invest wisely in our estate, infrastructure and asset base. A significant amount of early planning work has taken place in preparation for the 2019-25 strategy period and BGU has remained committed to providing a high-quality learning environment and facilities to its students and staff.

Key Performance Indicators

Student Numbers

Enrolments (Headcount)

The total headcount of enrolled students has shown a modest increase in each of the last two years (see figure 1). With 2,498 enrolled in 2018/19 there is both a platform and capacity for growth upon which the ambitions of the new Strategy 2019-25 are predicated. This growth comprises a significant increase in the number of postgraduate students of over 9% since 2017/18, but this is offset by a contraction of the number of undergraduates from 1,797 to 1,776 (down 1.2%).

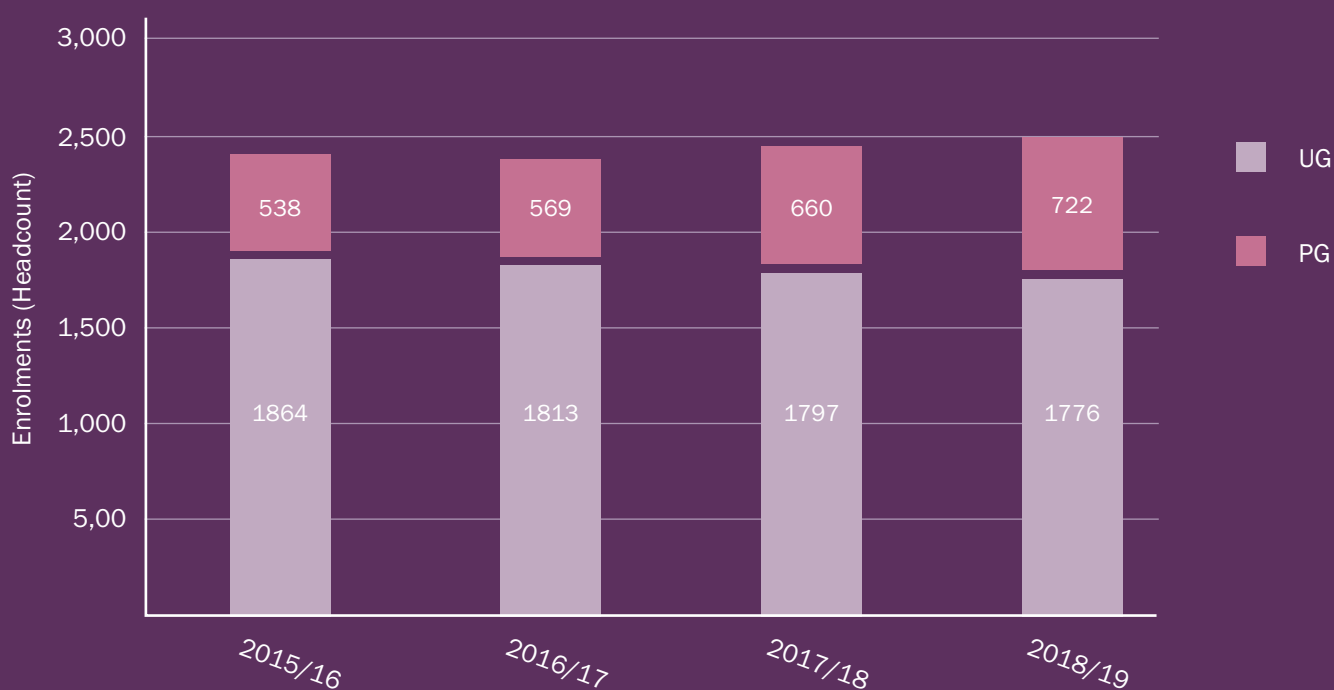


Figure 1. BGU Student Numbers, 2015/16 to 2018/19

Source: Students Record System

National Student Survey

Percent satisfied with course overall 2009 to 2019

The National Student Survey (NSS) measures the level of satisfaction of final year undergraduate students against several performance indicators. The one that attracts the most attention and features in various league tables is 'overall course satisfaction' (see figure 2) which, disappointingly, for the second year in succession shows a slight decrease – down by 1% from 2017/18 to 82%. In contrast, other NSS indicators related to the Teaching Excellence Framework (TEF) have improved following some successful interventions to address specific aspects of the student experience (see section 4).

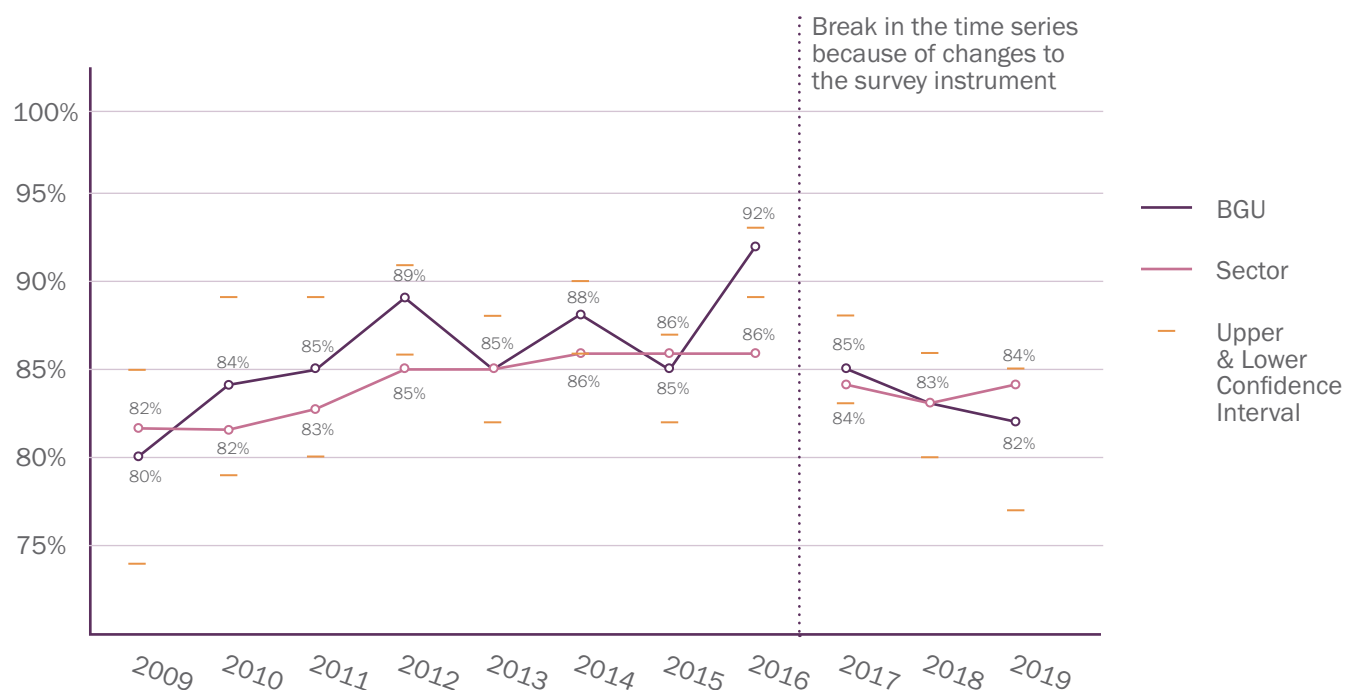


Figure 2. National Student Survey overall course satisfaction – BGU and sector, 2009 to 2019

Source: National Student Survey Results 2009-2019

BGU Student Satisfaction Survey

Percent satisfied with course and University overall (2005-2019)

The BGU Student Satisfaction Survey (BGUSSS) which measures many of the same variables as the NSS but for all other students shows an upward trend over the last 10 years with 89.5% of respondents indicating overall satisfaction with their course and an impressive 95.1% satisfied with the University in 2018/19 (see figure 3). This provides the platform to improve NSS scores as the students in the lower levels of their programmes progress into their final year and engage with the NSS.



Figure 3. BGU student overall course and University satisfaction, 2005/06 to 2018/19 (number of respondents)

Source: BGU Student Survey Results 2005-2019

Retention of full-time first degree students after year 1

Percent no longer in Higher Education (2010-2017)

The University invests in support for students to ensure that retention is high. Measured by the level of non-continuation of full-time undergraduate students from year 1 to year 2, at 4.8% in 2018/19 BGU continues to out-perform sector benchmark average of 7.6% (see figure 4). Moreover, improved performance in 2018/19 continues the general trend of increased retention over the last seven years.

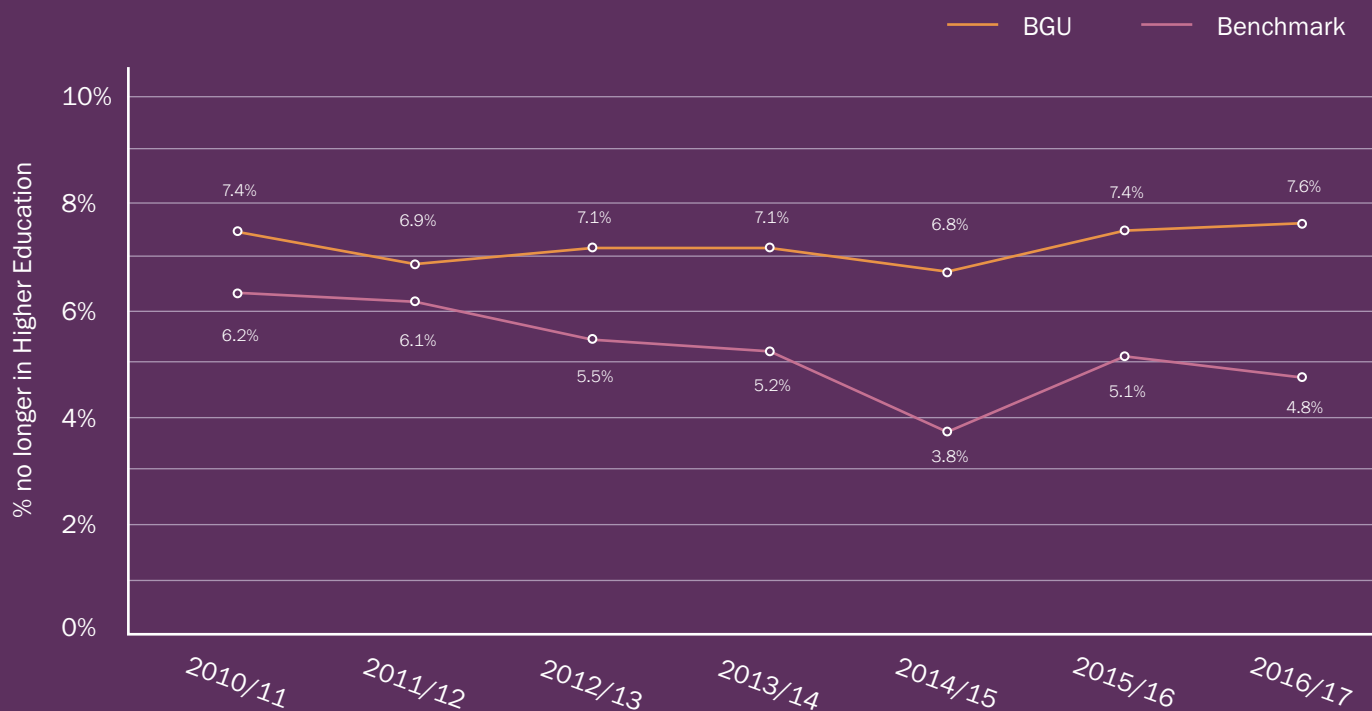


Figure 4. Non-continuation of full-time students following year 1 – BGU and benchmark, 2010/11 to 2016/17
Source: HESA



Learning, Teaching and Student Engagement

The University was rated Gold in the TEF exercise in 2017 and we continue to strive for excellence in teaching, learning, student continuation and employability. In 2019, BGU took part in the second Subject-level TEF Pilot to test the anticipated evaluation model as well as the format and nature of judgement feedback. The University also contributed to the Government's Independent Review of TEF and the sector awaits the revised TEF which should be introduced during 2019/20, with judgements published in 2021.

Over the past year the University concluded a review of the academic portfolio. Since 2014 the portfolio has diversified with developments focused on the professional practitioner areas of education, health and well-being as well as single honours programmes in the humanities. Supported by additional investment in marketing beyond our typical geographical reach, these new programmes have been established despite a significant dip in the number of 18 year olds nationally and regionally. Further portfolio developments were also identified and will be introduced from 2019/20 onwards. These include higher and degree apprenticeships as well as new single subject and multi-disciplinary honours awards.

Our Centre for Enhancement in Learning and Teaching (CELT) provides a focus for the wrap-around services to our students, where academic and professional teams collaborate to deliver an inclusive experience, high retention rates, outstanding student support and improved employability. Working alongside subject teams, CELT and BG Futures (our careers and employment service) have embedded Graduate Attributes (including employability) within the curricula. A new Graduate Attributes Excellence Award has also been devised to enhance our graduates' employability.

During 2018/19 BGU developed and had approved, by the Office for Students (OfS), its ambitious five-year Access and Participation Plan (2020/21 to 2024/25). This outlines how we will increase the participation and minimise the differential continuation rates, attainment outcomes and employment outcomes for students who are normally under-represented in Higher Education (HE). The University continues to outperform many similar institutions in relation to the retention of students in several of the widening participation

cohorts. These include mature students, students from the lowest participation areas (undergraduate) and areas of multiple deprivation.

The National Collaborative Outreach Project, LiNCHigher, is hosted at BGU and seeks to raise higher education aspirations amongst school leavers. Funded by the OfS until July 2021, the project has entered phase two of delivery and enables us to work in partnership with other providers of higher and further education and schools to extend our reach into communities in Lincolnshire.

The first year at university is a time of additional vulnerability for students and a joint submission with the University of Lincoln to the OfS Challenge Competition 'Achieving a step change in mental health outcomes for all students' has been successful in securing £480,000 of funding. The project will focus on supporting students through the transition from school to university and BGU will receive approximately £110,000.

Research and Knowledge Exchange

As part of BGU's journey towards securing Research Degree Awarding Powers, work on the Research Excellence Framework (REF) 2021 continued with a series of open *fora* held with staff to inform, through consultation, the final stages of the passage of the REF Code of Practice, before its submission to Research England in June 2019. It is anticipated that the University will achieve its strategic targets for REF 2021 by making a submission to five Units of Assessment with over 50 researchers being returned.

Likewise, BGU was invited to participate in the consultation about the Knowledge Exchange Framework (KEF) with the fifth and final Research England pilot workshop held in 2019. The overall programme of consultation activities will feed into a body of evidence, including the consultation, which will inform the future direction of how the KEF will operate in England.

LORIC reached the end of its European Regional Development Fund period in June 2019 having achieved its primary contracted outcomes, by providing bespoke data-driven support to 25 small and medium-sized enterprises. Work in the post-funding period is concerned with developing a sustainable medium and long-term future for LORIC.

The Business Inspiration (BI) project claimed EU grant funding of £137,500 for the six months of Business Support from October 2018 to March 2019. In total, since the BI Project began, it has worked with over 75 local businesses. Work is now focusing on completing a detailed evaluation of project outputs.

Two successful Business Skills programmes, managed by BG Futures, concluded at the end of March 2019. Commissioned by the Greater Lincolnshire Local Enterprise Partnership, and funded by the European Social Fund, with match funding from the UK's Education and Skills Funding Agency, the Specialist Skills Programme delivered training needs analyses to 670 businesses and generated income of £1.6 million.

The Specialist Teaching programme delivered an accredited, fully funded four-day intensive 'train to teach' course to 266 local industry experts. The course equipped business people to deliver masterclasses to students at local Further Education and independent

training course providers to improve their labour-market relevance. Through this and other programmes, BGU has engaged with over 1000 business contacts – many new to the University, from over 900 different employers, thereby extending BGU's reach and reputation across the Greater Lincolnshire business community.

The Sandford Cascade Award has successfully delivered all of its approved outputs under the conditions of its grant with the National Lottery Heritage Fund. The project involved 120 heritage sites and welcomed 480 delegates to learning events throughout the East Midlands.

Case Study

Shine Lincolnshire

Founded in 2013 Shine Lincolnshire provides a free peer support service to people with various mental health difficulties – first in Gainsborough, then opening centres in Lincoln and in Louth. The model that Shine Lincolnshire uses creates safe spaces for people in crisis, and it enables them to

“shine at what (they) do.”

While Shine’s Peer Link Workers knew the impact they had on their local community, they struggled to quantify it in any specific terms. Putting a value on quality of life,

improved mental well being, and reduced risks of suicide is not something that can be done easily.

LORIC engaged with Shine in late 2017 and devised an Excel calculator that helps the company work out the Social Return on Investment of its activities. The calculator uses all open data, from the NHS and the UK government’s websites, to quantify the work of the Peer Link Workers. It showed that in one year of activity, Shine delivered nearly £10 million worth of social impact through the activities of its volunteers.



“

We are thrilled to have been recognised as one of the top three universities for student support services. This achievement is all the more important to us because the awards are driven by student opinions, it's great that BGU's students have made such positive remarks about the support available and that the services offered by our community are so highly valued.”

Phil Davis

Head of Student Support at BGU

Student Support services at BGU were named 3rd best in the country at the Whatuni 2019 Student Choice Awards in April. The ceremony is an annual celebration of the best universities and higher education institutions in the UK. Each award was voted for by students

with over 41,000 from across the UK taking part this year.

Students at BGU were keen to praise the support they receive, both academic and personal, whilst studying along with the quality of the University's accommodation.

Student Experience

In 2018/19 BGU welcomed 737 new undergraduates (93 on Foundation Degree programmes) as well as 329 PGCE students and 193 Masters students. The University's fifth matriculation ceremony in Lincoln Cathedral was a diverse and vibrant occasion and formally welcomed them into our learning community.

Every year since the successful introduction of 'Survey Week' in 2017 we have continued to raise awareness and increase participation in the NSS and our own BGUSSS. Both surveys showed high response rates in 2018/19 with 80% of our final year undergraduate students completing the NSS, whilst the BGUSSS received its highest response rate yet with 48% of our other students taking part. Importantly, high levels of engagement as well as representative feedback from our students are central to our enhancement processes.

The results of the NSS were published in July 2019 with a number of key areas showing year-on-year improvement, and performance in three of the five TEF / Subject-level TEF metrics (i.e. Academic Support, Assessment and Feedback, and Student Voice) was better than in 2018. After the 2018 NSS three areas were identified for enhancement actions as part of our annual monitoring processes. All improved in 2019 with Learning Community and Student Voice rising above sector averages with increases of 1.4% and 4.6% respectively, and Organisation and Management also rising by 2%. Other aspects that remained ahead of sector averages were Learning Opportunity (+2%), Assessment and Feedback (+5%) and Academic Support increased to reach the sector average.

The BGUSSS results show that students are very satisfied with the campus environment, IT services and availability of computers along with the support provided by the Library, Student Advice and Chaplaincy teams all receiving satisfaction scores of over 95%. Reassuringly, given our belief in the transformative experience that higher education offers to students, over 93% of our student community are satisfied with the opportunities for personal growth and development at BGU.

As well as feedback on their programmes, in partnership with the Students' Union, our students are also engaged in enhancing collaboratively the

teaching and learning experience. Our on-going Students Creating Change Framework has delivered many projects in collaboration with academic and professional support staff to transform the student experience. This year, projects ranged across the whole portfolio and included understanding what a 'Learning Community' is, BGU's heritage and legacies of the training college, and the use of undergraduate research interns for near peer mentoring for research design. A number of students worked as Digital Change Agents helping to create more effective use of technology-enhanced learning including a review of Assistive Technology Tools, IT User Guides and promotion materials for the Children's University.

Throughout 2018/19 we have continued to develop our holistic, university-wide mental health and well-being initiative with a range of activities to support physical, mental and emotional well-being were devised and delivered during the academic year including 'Kindness Day' and BGU Carnival Day as well as Well-being Wednesdays throughout March.

The year's student engagement activity culminated in BGU's fourth annual Student Engagement Conference, 'Becoming Brilliant'. The conference was led and delivered by students for a mixed student and staff audience and explored a number of avenues for student feedback to support the development of the Access and Participation Plan and the Graduate Attributes Award.

The end of the academic year was marked by four memorable Graduation ceremonies at Lincoln Cathedral to celebrate the achievements of our students. Across all undergraduate programmes 70% of our graduating students achieved an upper-second or first class honours degree.

International

Throughout 2018/19 our international work continued to focus upon the development of work in key markets, in particular China, India and Thailand. Embedded in the University's Internationalisation Strategy, the *foci* have remained the same: to raise the awareness of BGU as an international brand, to develop a number of partnerships with overseas institutions, to increase the number of International students studying at BGU, to increase staff engagement with international activity and to deliver income generating projects.

International visits are a key part of the process of developing sustainable partnerships allowing the University to showcase its strengths and the expertise of staff. We continued to increase the number of inward and outward delegations during the year and links were developed with institutions in Thailand, which culminated in a student mobility visit to Nakhon Ratchasima Rajabhat University in April 2019.

As part of the Generation UK programme to increase outbound student mobility to China, in March 2019 the University was awarded £30,000 by the British Council. Working with our partners at Hengyang Normal University (HYNU), in Hunan province, the University will seek to engage 50 UK students in mobility visits over a two-year period and assist HYNU to develop its internationalisation strategy. The first visit by BGU staff and students took place in July 2019. There have also been outward student mobility visits to India, Finland and Italy that have played an important role in broadening the student experience.

The enhanced reputation of the University has allowed us to increase the number of international students studying on campus. We have attracted an increased number of full-time and part-time students studying on our programmes - the number of fee-paying students increased by 85% to a total of 13 during 2018/19.

The number of European students studying at BGU as part of the Erasmus+ lifelong learning programme has increased by 48% to a total of 48. This has enabled us to diversify the student cohort by increasing the number of students from different countries and backgrounds, giving our UK students an enhanced experience.

Additionally, in partnership with the British Council and the GREAT Britain Campaign, we will be offering two scholarships to students in China applying for postgraduate courses.



Case Study

Research Impact in Thailand

In March 2019 the Minister of Education in the Kingdom of Thailand announced policy changes for undergraduate teacher education that was based on research conducted at BGU. The most significant of the changes was the reduction from five years to four years for undergraduate initial teacher education programmes - a key recommendation from the research findings.

The change in the curriculum will affect all of Thailand's undergraduate trainee teachers – approximately 32,000 students graduating each year from Thailand's 130 universities offering government / Teachers' Council of Thailand accredited initial teacher education programmes leading to 'licence to teach' status.





Estates and Facilities

Over recent years there has been significant capital investment and the past year has been a period of consolidation to lay the foundations for future investment in the estate. Throughout 2018/19 we have focused on two strategic projects. First, we are in the process of acquiring additional land to provide much needed expansion of the campus - largely to accommodate first year students and to enhance the existing academic facilities with the associated ancillary spaces (i.e. social learning areas, refectory space and meeting areas). Secondly, feasibility work began in collaboration with the City of Lincoln Council and LK2 Consultancy to explore options for more efficient use of the campus. This will provide BGU students with access to better sport and well-being facilities than is currently on offer – enhancements from both an academic and student-life perspective.

A significant number of surveys and audits has been undertaken to enable the early stages of planning to take place in preparation for implementation of the new Strategy 2019-25, and a number of smaller scale projects has been undertaken, namely:

- A focus on sustainability and a reduction in energy usage;
- The refurbishment of areas in the Skinner building creating new offices, welfare facilities and storage areas;
- Refurbishment of the Chapel;
- Supported the Students' Union to reinstate the bar facility; and
- Enhanced security provision.

The University also received external recognition of its estate by being listed by the Student Crowd in the Top 20 for 'Best Student Accommodation' and with a commendation for 'Excellent Value for Money' (for Constance Stewart Hall). The Whatuni Student Choice Awards for 2019 also ranked BGU 6th in the Accommodation category. Recent capital projects were also acknowledged for their excellence at the Lincoln Good Design Awards in 2019 with LORIC nominated for the 'Conservation Themed Development' and Constance Stewart Hall winning both 'Commercial Project' and 'Outstanding Project'.

Stakeholder Engagement

The University has engaged with a variety of external stakeholders on a broad and diverse range of topics throughout the year. For example, in liaison with CELT and the Students' Union, there was a cross-institutional public engagement and student co-production project, Vote100. This connected with events nationwide marking the extension of the franchise to women through to the end of 2018, with the main feature being an exhibition created for Lincoln Central Library and for hosting in schools and public buildings elsewhere across the county. Another exhibition, in the week following the centenary of the 1918 Armistice, promoted and celebrated women's football in Britain from the early years up to the present day, including its presence in Lincoln and across Lincolnshire.

Our public seminar series continued to gain momentum and includes the well-attended Annual History Lecture and the annual Robert Grosseteste Lecture. The former selected the theme of The Civil War and the Regicide, while the latter addressed one of Robert Grosseteste's earliest treatises on the Liberal Arts. The University also hosted the public lectures of regional branches of the Historical Association and Geographical Association.

Several other initiatives continue to flourish. 'The Lincoln Teenage Market' recently held its 14th Lincoln event and received support from Lincoln Business Improvement Group, the Lincolnshire Co-op, BBC Radio Lincolnshire, Linkage, and Lincoln College, as well as the Bailgate Area Guild and numerous local independent businesses. The Market

gives individuals aged 10-29 the opportunity to engage with the enterprise offer at BGU, in addition to an opportunity to highlight their creative and entrepreneurial talents. During 2018/19 the Teenage Market went 'on tour' to both Skegness and Louth. This enabled the BG Futures team to work with a new range of strategic partners including East Lindsey District Council, Boston Borough Council, Louth Town Council and Visit Lincoln Coast.

The three-year European Social Fund and Big Lottery funded MOVE project completed its third year and achieved an extension to June 2022. BG Futures staff have been working one-to-one with participants who are long term unemployed or who are economically inactive to help them identify goals and barriers, and then support them to put remedies and plans into action. The past few months have seen further individual successes, with an overall outcome of 54% of participants moving into work or learning. This is an excellent result as a number of participants on the programme have been unemployed or inactive for between 15 and 20 years.

More space has been provided by BG Futures for students to develop their enterprising ideas. As a result, six students and 10 Alumni businesses have been supported since August 2018. In partnership with the BG Students' Union, the team has also launched 'Enactus'. This globally recognised programme has engaged a group of 20 interested students to develop a social action project related to the United Nations' Global Goals for Sustainable Development.

Financial Review

The Financial Statements for the year ended 31 July 2019 consolidate the results of the University and its subsidiary company BG (Lincoln) Limited. The accounts have been prepared in accordance with Financial Reporting Standard 102 (FRS102) and the Statement of Recommended Practice on Accounting for Higher and Further Education (2015).

The Financial Strategy is concerned with financing the University's corporate objectives by providing a sound and prudent financial planning and management framework. Within this strategy, the main objectives are to:

- Maintain the financial health of the University and ensure its long-term viability;
- Generate sufficient cash to maintain productive capacity to meet current objectives on infrastructure, capital and revenue expenditure to ensure the sustainability of the University's business; and
- Manage and mitigate financial risk, identify opportunities, and ensure value for money in the University's operations.

Results for the Year

The consolidated income and expenditure results are summarised as follows:

	2018/19		2017/18	
	Consolidated £'000	University £'000	Consolidated £'000	University £'000
Income	24,280	22,957	24,745	23,754
Expenditure	(25,958)	(24,635)	(24,756)	(24,503)
(Loss) / Surplus before other gains and losses	(1,678)	(1,678)	(11)	(749)
(Loss) / Gain on fixed assets	-	-	(149)	(149)
Taxation	-	-	(23)	-
(Loss) / Surplus for the year	(1,678)	(1,678)	(183)	(898)
Actuarial (Loss) / Gain	(2,329)	(2,233)	2,461	2,368
Transfer from Revaluation Reserve	36	36	36	36
Total Comprehensive Income for the Year	(3,971)	(3,875)	2,314	1,506

The operating deficit for the year was worse than forecast in June 2018 but better than forecast in June 2019.

Forecasts	Operating Surplus/Deficit
June 2018	£2,000
June 2019	(£1,063,000)
Actual	(£475,000)

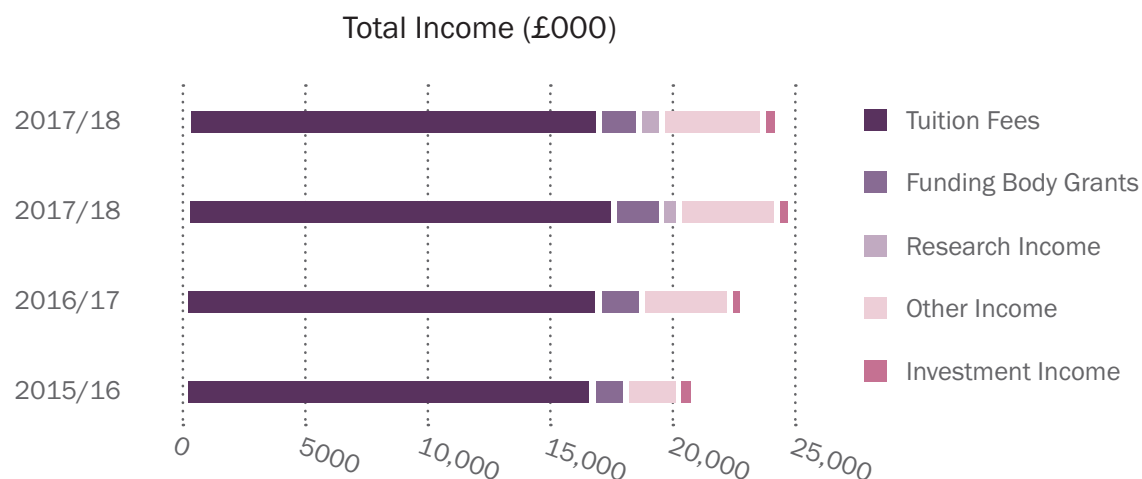
The impact of FRS102 regarding the actuarial and accounting treatment of pensions has resulted in a non-cash adjustment of £1,203,000 being made to the Income and Expenditure account, increasing the operating deficit of £475,000 into the reported deficit of £1,678,000.

It continues to be important for the University that a cash surplus is generated from operations each year. This enables the institution to continue to invest in delivering its strategic priorities. Following approval of the new Strategy 2019-25, several opportunities have been identified to invest in staff, enhance the student experience, develop buildings and upgrade systems.

Income

Total income of £24.3m decreased by 1.9% from last year. As in previous years, tuition fees were the primary source of income representing 69% of total income (2017/18: 71%).

Income from residences, catering and conferences grew by 16% contributing 12% of total income (2017/18: 10%).

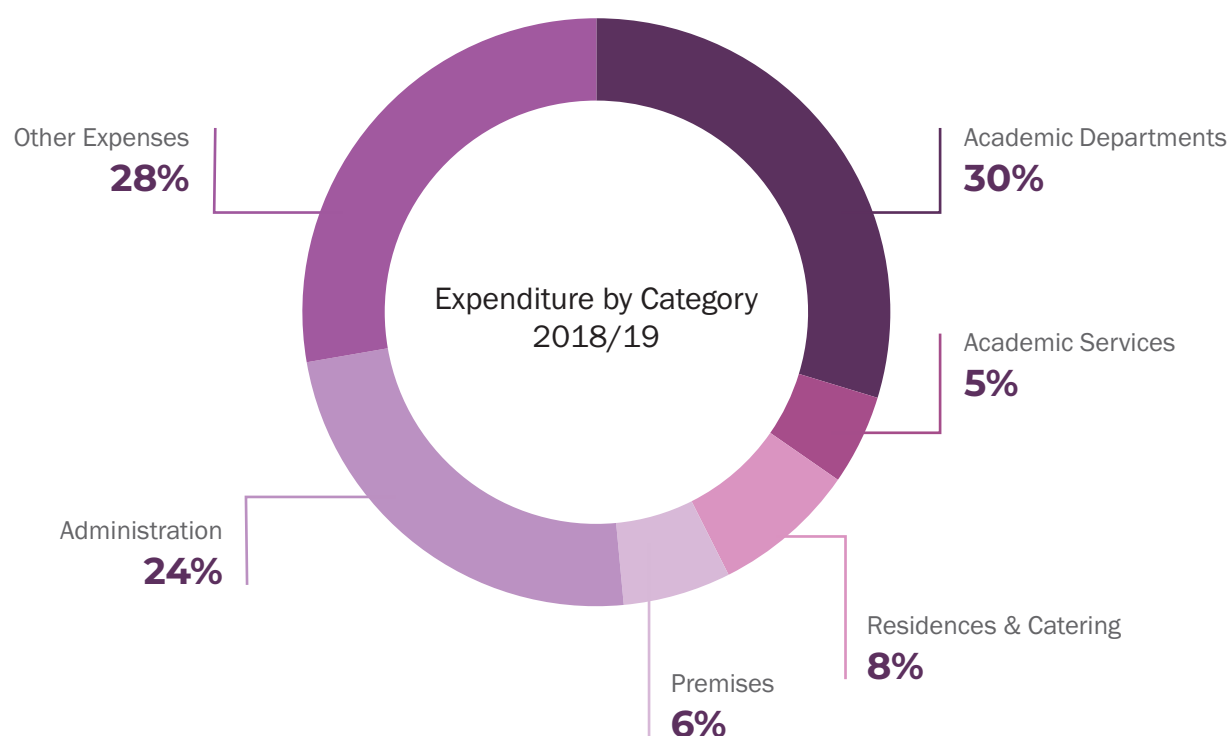
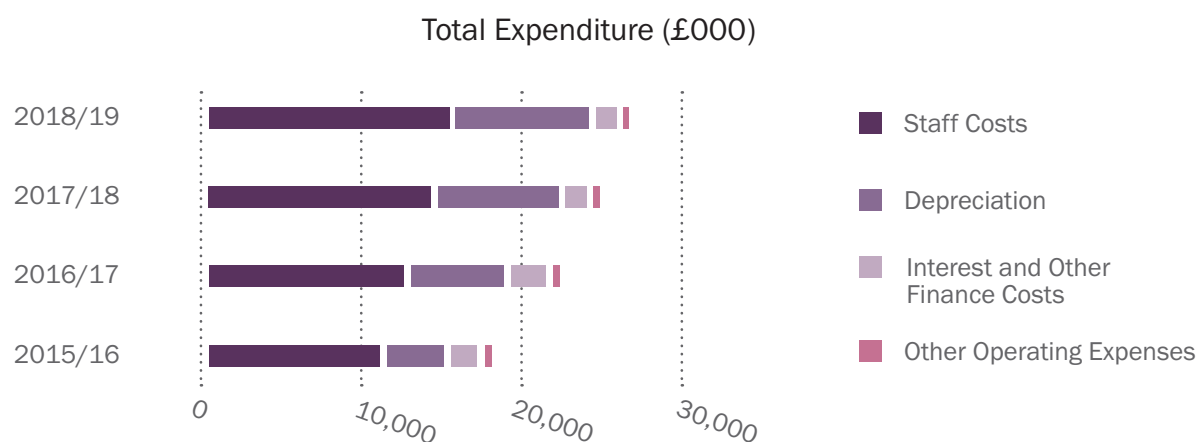


Expenditure

Total expenditure of £25.9m increased by 4.8% from last year.

Staff costs remain the most significant cost for the University, increasing to 65.7% as a percentage of income (2017/18: 59.4%), reflecting the impact of workforce investments, pay inflation and pension costs.

Other operating expenses decreased by 0.5%.



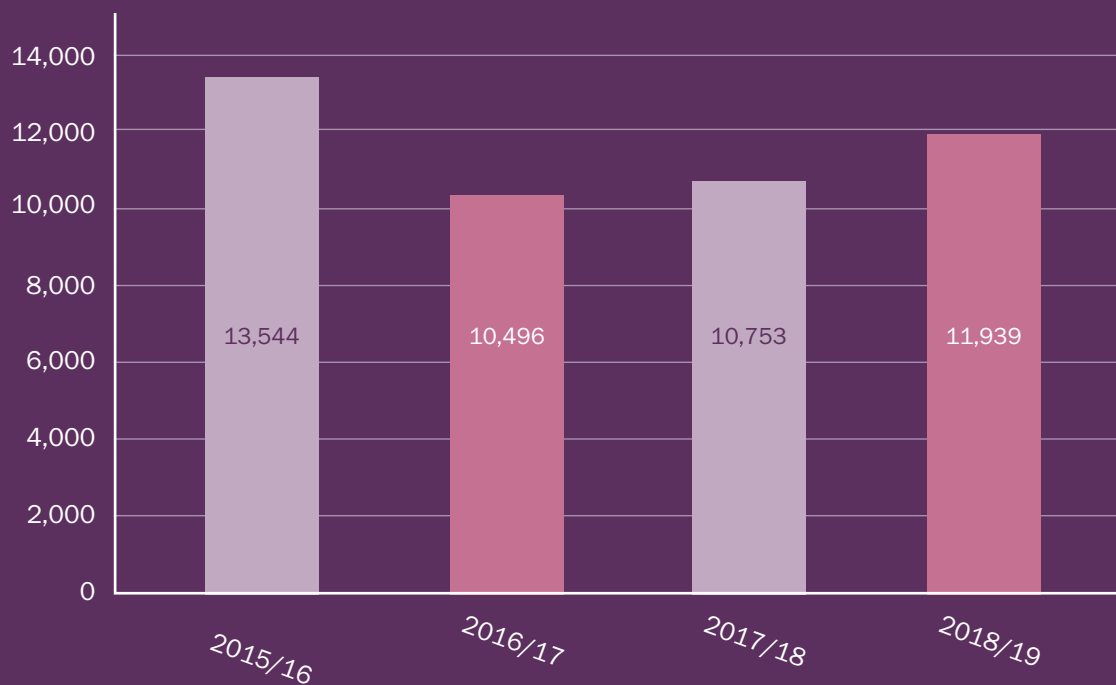
Balance Sheet

Cash and cash equivalents of £11.9m at 31 July 2019 (July 2018: £10.8m) ensure that the University has the ability to finance its strategic objectives and the financial strength to weather the current economic uncertainties. The current ratio, a measure commonly used to measure liquidity (current assets / current liabilities), improved from 4.8 in 2018 to 5.9 this year. Net assets decreased by £4.0m to £26.5m, £3m of which was due to the increased deficit on the defined benefit pension schemes.

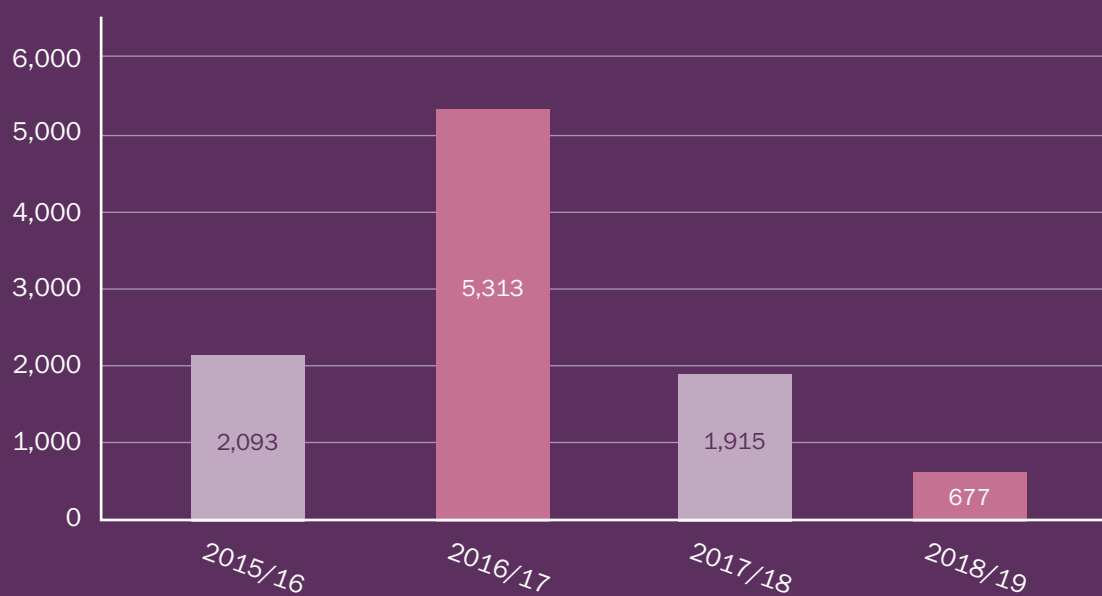
The University's employees belong to five principal pension schemes, the Church of England Funded Pensions Scheme, the Teachers' Pension Scheme (TPS), the Local Government Pension Scheme (LGPS), the Universities Superannuation Scheme (USS) and the Bishop Grosseteste University Flexible Retirement Account provided by Friends Life. Four of these schemes are defined benefit schemes with the Bishop Grosseteste University Flexible Retirement Account being a defined contribution scheme.

Total pension deficit provisions increased from £4.6m to £8.3m.

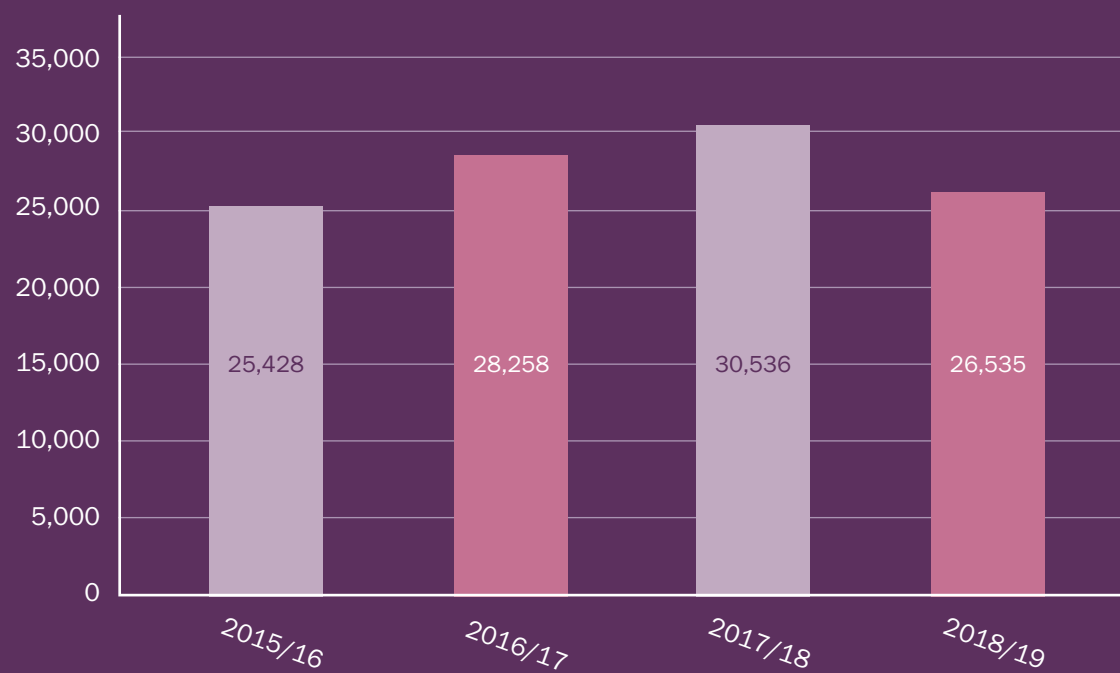
Cash & Investments (£000)



Capital Expenditure (£000)



Net Assets (£000)



Pension Provision (£000)



Governance

Charitable Purpose and Public Benefit Statement

The University has no linked charities and its charitable objectives are to provide the services of education and training of young people and the general public. It does this through the teaching of a diverse curriculum and by educating a broad range of students. Its students and potential students are the principal beneficiaries.

Here at BGU, we believe it is important that access to education is offered in an open and affordable way to all who may benefit from it. Widening access and improving participation to higher education is actively promoted.

We have a very strong track record in relation to widening participation. As a university with an Anglican Foundation, we are committed to being a community that welcomes and hosts a diverse population of students and staff, and fosters an ethos of mutual respect, trust and care.

We are an open, forward looking community that celebrates diversity and welcomes applications from all students and trainees. We are committed to widening access and aim to encourage applications from all communities, particularly those currently under-represented in higher education generally, and at the University specifically.

We have consistently exceeded sector benchmarks in recruitment of students from state schools, and low

participation neighbourhoods. More challenging areas of widening participation include recruitment of Black and Minority Ethnic students – this is largely due to the local demographic in Lincolnshire from which we recruit heavily, and which our current recruitment also exceeds.

Our access agreement, contains a range of financial support arrangements to help ensure that the opportunity to benefit from higher education is not restricted by the ability to afford fees or living costs. These arrangements are intended to complement the Government's provision of loans and maintenance grants and are targeted at those identified as being most in need. During 2018/19, £630,000 of bursaries were paid out to students from low income backgrounds, students experiencing financial hardship during their studies, disabled students and students from care.

We have a number of support mechanisms in place to support students, including support centres offering counselling, financial advice, academic and study skills, careers advice, placement and volunteering services, health services, specialist dyslexia and disability assessment and various other support services.

Two successful Business Skills programmes, managed by BG Futures, concluded at the end of March 2019. Commissioned by the Greater Lincolnshire Local

Enterprise Partnership, and funded by the European Social Fund, with match funding from the UK's Education and Skills Funding Agency, the Specialist Skills Programme delivered training needs analyses to 670 businesses and generated income of £1.6 million.

The Specialist Teaching programme delivered an accredited, fully funded four-day intensive 'train to teach' course to 266 local industry experts. The course equipped business people to deliver masterclasses to students at local Further Education and independent training provider courses to improve their labour-market relevance. Through this and other programmes, BGU has engaged with over 1000 business contacts – many new to the university, from over 900 different employers, thereby extending BGU's reach and reputation across the Greater Lincolnshire business community.

BG Futures has devoted more space for students to develop their enterprising ideas. As a result 6 student and 10 Alumni businesses have been supported since August 2018. The team has also launched, in partnership with the SU, Enactus. This globally recognised programme has engaged a group of 20 interested students to develop a social action project related to the United Nation's Global Goals for Sustainable Development. The programme is aimed at students across the university and non-business students are particularly welcomed.

BG Futures and the Careers Team at the University of Lincoln are working collaboratively on the Graduate Skills Builder Programme which will engage groups of students to deliver projects for large employers across the Greater Lincolnshire region. The aim of the project is to develop the skills of students and broaden their perception of the opportunities that Greater Lincolnshire has to offer. Alongside this, it is designed to allow Greater Lincolnshire employers to better understand the value that graduates can bring to their businesses.

Case Study

“

BG Futures Business and Enterprise Centre is a brilliant complex for fledgling businesses. With its professional reception, on-site support, and its mix of tenants, it offers a safe starting point for ambitious businesses.”

Lauren Todd

Laurella Mama

Lauren Todd has been a member of the BGU community since 2010 when she started her undergraduate degree in Primary Education. She initially ran a private on-campus tuition company (Longdales Student Tuition Service) alongside her studies, in which fellow trainee teachers tutored pupils at a reduced rate.

After the birth of her daughter, Lauren noticed a gap in the clothing market for ‘mum friendly’ affordable clothing and thus,

Laurella Mama was conceived. Benefitting from advice from BG Futures Business and Enterprise Centre, Lauren developed a sustainable growth plan.

Laurella Mama was launched on a £400 budget and during 2018/19 grew to a successful e-commerce marketplace, turning over upwards of £150,000 per annum, and now requires a larger dispatch studio for her products.



Corporate Governance

The University is committed to exhibiting best practice in all aspects of corporate governance. This section summarises and explains the arrangements for the governance of the University that applied during the financial year 2018/19.

In August of 2019, the University became a Private Limited Company by guarantee without share capital use of 'Limited' exemption. However, for 2018/19, the Articles of Government from 2014, as outlined on <https://www.bishopg.ac.uk/articles-of-association-2/>, applied. These Articles set out the respective powers and responsibilities of University Council and the Vice-Chancellor for that year.

Broadly speaking, University Council is responsible for overseeing the running of the University and specifically for the effective, efficient and economic use of resources, the approval of annual budgets

and senior appointments. The Vice-Chancellor is responsible for the organisation and management of the University and for making recommendations to University Council on the matters for which it is responsible.

These arrangements for 2018/19 are set out in the University's Instrument and Articles of Government from 2014; the terms of reference of committees of University Council; University Council Statement of Primary Responsibilities; the University's Schedule of Delegation; the University's financial regulations; and such resolutions as University Council may from time to time adopt, including Byelaws. The University's governance arrangements were (and continue to be) consistent with good practice and Committee of University Chairs (CUC) Higher Education Code of Governance.

Roles and Responsibilities

The Articles of Government (2014) empowered University Council to delegate certain of its functions to committees of University Council or to the Vice-Chancellor. University Council could not delegate responsibility for:

- Pursuit of the charitable object and the determination of the educational character and mission of the University;
- The effective and efficient use of resources, including approving the annual budget, and tuition fee levels;
- Ensuring the solvency of the institution and safeguarding its assets;
- The appointment, grading, suspension, dismissal and determination of the pay and conditions of service of the Vice-Chancellor; and
- Varying or revoking the Instrument or Articles of Government.

Senior Executive Group

The Senior Executive Group has responsibility for planning, directing and controlling the activities of the University. This team is supported by the Vice-Chancellor's Executive Group and the wider Senior Management Group.

University Council: Constitution

When complete, under the 2014 Articles of Governance, University Council had 24 members, appointed for four years and eligible for one re-appointment for consecutive service, with the exception of the Vice-Chancellor (appointed for the duration of their employment), the President of the Students' Union, the elected Student member of Council and the Bishop of Lincoln. The composition of Council under the 2014 Articles was as follows:

- The Bishop of Lincoln (who could nominate a representative for one or more meetings of the Council);
- The University Vice-Chancellor;
- The Deputy Vice-Chancellor(s) of the University;
- Three persons appointed by the Diocesan Council of the Diocese of Lincoln;

- One member from another higher education institution appointed by University Council;
- One elected member of the University teaching staff;
- One elected member of the University Non-teaching staff;
- One elected student of the University;
- The President of the Students' Union; and
- 12 members co-opted by University Council.

Under the 2014 Articles, the Chair's term of office was as an appointed position for three years with a possible renewal period of three years. During 2019, Mr Bob Walder was re-appointed for a further three years as Chair of Council.

During 2018/19, Mr Stephen Deville was the University's Chief Operating Officer and Secretary to University Council, ensuring that appropriate procedures were followed to support the governance processes in line with best practice. The Vice-Chancellor was (and remains) the accountable officer in respect of reporting to the OfS.

The Governance Office maintains a register of financial and personal interests of University Council. The register for 2018/19 is available for inspection at the University address.

During 2018/19, University Council and its committees met as follows:

University Council

26 September 2018
22 November 2018
29 January 2019 (Extraordinary)
20 March 2019
15 May 2019 (Extraordinary)
3 July 2019

Audit Committee

26 September 2018
7 November 2018
6 March 2019
17 June 2019

Finance, Employment & General Purposes Committee (FE & GP)

7 November 2018

20 February 2019

6 June 2019

Governance & Nominations Committee

10 October 2018

6 February 2019

15 May 2019

Remuneration Committee

6 November 2018

20 February 2019

20 June 2019

Selection Committee

26 September 2018

27 November 2018

Membership and Attendance 2018/19	Meetings Attended					
	University Council	FE & GP	Audit Committee	Remuneration Committee	Governance & Nominations Committee	Selection Committee
Chair of University Council – Mr B Walder	6/6	N/A	N/A	3/3	3/3	2/2
Rt Reverend C Lowson		N/A	N/A	N/A	N/A	N/A
Vice-Chancellor – Reverend Canon Professor P Neil	6/6	3/3	4/4	3/3	3/3	2/2
Deputy Vice-Chancellor – Professor S Fleming (from 1/1/19)	4/4	2/2	2/2	N/A	0/2	N/A
Mr D Babb	6/6	2/3	N/A	3/3	N/A	1/2
Dr S Critchley	4/6	N/A	4/4	3/3	N/A	2/2
Mrs J Croft	5/6	2/3	N/A	2/3	N/A	N/A
Mr C Ferguson (until 31/5/19)	5/5	N/A	N/A	N/A	N/A	N/A
Reverend D Dadswell	4/6	N/A	3/4	N/A	N/A	N/A
Mr R Hallsworth	6/6	N/A	4/4	N/A	N/A	N/A
Professor D Head	5/6	N/A	N/A	3/3	3/3	2/2
Mr S Lawrence	5/6	3/3	N/A	N/A	N/A	N/A
Air Vice-Marshal G MacKay	6/6	3/3	N/A	N/A	N/A	N/A
Dr S Mason	4/6	N/A	N/A	N/A	2/3	N/A
Reverend Dr S Myers	6/6	N/A	4/4	N/A	N/A	N/A
Rt Reverend Dr N Peyton	5/6	3/3	N/A	1/1	N/A	0/2
Miss B Robinson (until 31/5/19)	2/5	N/A	N/A	N/A	N/A	N/A
Mr A Stacey	5/6	N/A	N/A	N/A	N/A	N/A

Co-opted Committee Members (non-Council)

Mrs W Cundy	N/A	N/A	N/A	2/3	N/A	N/A
Mr P Wright	N/A	N/A	4/4	N/A	N/A	N/A

Recognising that decisions may sometimes be required at times when it is not possible or expedient for University Council as a whole to meet, University Council has agreed a Schedule of Delegation in line with sector best practice and in accordance with the guidance from the Committee of University Chairs (CUC). This Schedule was updated at the July 2019 meeting to align to the revised Articles of Association of the Company incorporating the Instruments and Articles of Governance of the University. University Council also has an approved Decisions in Writing procedure (although this was not used during 2018/19). Further details can be found at: www.bishopg.ac.uk/about/Governance.

University Council delegates certain of its functions to committees. University Council determines the membership of its committees, which then elect their own Chair. During 2018/19, these committees were as follows:

Committee:	Responsible for:
Audit	Monitoring the performance and effectiveness of internal and external audit, reviewing the effectiveness of the internal control system and a range of other matters relating to financial efficiency, effectiveness and propriety.
FE & GP	Considering, and advising University Council on, such employment, financial and administrative matters as the Council may refer to it.
Governance and Nominations	Advising the University Council on matters of governance and Council effectiveness as well as on the appointment of independent members to the University Council and the membership of committees of the University Council, other than the Governance and Nominations Committee itself.
Remuneration	Advising the University Council on the remuneration and terms and conditions of employment of senior staff, including the Vice-Chancellor.
Selection	Managing the appointment process for senior posts and advising the Council members about such appointments.

The University Senate is a committee of the staff of the University whose composition and functions during 2018/19 were defined in the Articles of Government (2014). During 2018/19, it made recommendations to the Vice-Chancellor or University Council, as appropriate, about the content of University curricula, academic standards and a range of related matters.

The revised Instruments and Articles of Governance of the University applicable from 1st August 2019 are available at <https://www.bishopg.ac.uk/council/>, together with the revised Schedule of Delegation. These articles detail the changes to University Council membership for 2019/20, specifically that:

University Council consists of 16 to 22 persons (the majority of whom shall not be members of staff or students of the University) being:

- The Bishop of Lincoln;
- The Vice-Chancellor;
- Four persons appointed by the Bishop's Council of Diocesan Trustees, or any successor body;

- One member of the academic staff of the University;
- One member of the support staff of the University;
- Two representatives of the students elected by the students; and
- Six to 12 members appointed by University Council.

The Bishop may by notice in writing to the Council appoint a representative to act as alternate director in their absence from meetings of University Council.

University Council Committees remain as outlined above.

The statement of corporate governance covers the financial year and up to the date of approval of these financial statements by University Council on 27 November 2019.



Statement of University Council's Responsibilities

The principal responsibilities of University Council are set out in the Statement of Primary Responsibilities and are consistent with the University's Instrument and Articles of Government from 2014 and 2019. University Council is the Governing Body of the Institution. Subject to the powers of the Senate as provided for in the Instruments and Articles, it has ultimate responsibility for the affairs of the University. Further details regarding the Statement of Primary Responsibilities can be found at: www.bishopg.ac.uk/about/Governance/universitycouncil

In accordance with the University's Instrument and Articles of Government, University Council is responsible for the administration and management of the University's affairs, including ensuring an effective system of internal control, and is required to present audited financial statements for each financial year to the Charity Commission.

University Council is responsible for keeping proper accounting records that disclose, with appropriate accuracy at any time, the financial position of the University and enable it to ensure that the financial statements are prepared in accordance with:

- The Statement of Recommended Practice on Accounting for Further and Higher Education (SORP);
- The Office for Students' Audit Code of Practice and annual accounts direction;
- FRS102; and
- Other relevant accounting standards and legislation.

In addition, in accordance with the requirements of the Office for Students, University Council, through its designated office holder, is required to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the University and of the income and expenditure, surplus or deficit, changes in reserves and cash flows for that year.

In causing the financial statements to be prepared, University Council has ensured that:

- Suitable accounting policies are selected and applied consistently;

- Judgements and estimates are made that are reasonable and prudent;
- Applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- The financial statements are prepared on the going concern basis unless it is inappropriate to presume that the University will continue in operation.
- The University Council is satisfied that the University has adequate resources and to continue in operation for the foreseeable future; for this reason, the going concern basis continues to be adopted in the preparation of the financial statements.

On 1 August 2019 the University incorporated as a company limited by guarantee (company number 11963500) and a registered charity (charity number 1184682). This has modernised and strengthened the governance arrangements. As part of this process all assets and liabilities of the unincorporated University were transferred to the new company. The University therefore continues as a going concern in all practical senses. However, it should be recognised that for the end of this 2018/19 reporting period these statements represent the final accounts of the unincorporated University.

University Council has taken reasonable steps to:

- Ensure that funds from the Office for Students and the Teaching Regulation Agency are used only as permitted by the relevant agreements and any other conditions which the funding bodies may from time to time prescribe;
- 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 and prevent and detect fraud;
- Secure the economical, efficient and effective management of the University's resources and expenditure; and
- Ensure that the executive has an adequate system of internal control designed to manage rather than eliminate the risk of failure to achieve business objectives, providing only reasonable and not absolute assurance against material misstatement or loss and that it regularly monitors and reviews the effectiveness of that system.

The key elements of the University's system of internal control, which is designed to discharge the responsibilities set out above, include the following:

- Clear definitions of the responsibilities of, and the authority delegated to, Heads of Schools in 2018/19 and professional support departments;
- A comprehensive medium and short-term planning process, supplemented by detailed annual income, expenditure, capital and cash flow budgets;
- Regular reviews of key performance indicators and termly reviews of financial results involving variance reporting and updates of forecast outturns;
- Clearly defined and formalised requirements for approval and control of expenditure, with investment decisions involving capital or revenue expenditure being subject to formal detailed appraisal and review according to approval levels set by University Council;
- Comprehensive financial regulations, detailing financial controls and procedures, approved by the Audit Committee and University Council; and
- A professional Internal Audit team whose annual programme is approved by the Audit Committee and endorsed by University Council, and whose head provides University Council with a report on internal audit activity within the University and an opinion on the adequacy and effectiveness of the University's system of internal control, including financial control.

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

Statement of Internal Control

1. As the University Council of Bishop Grosseteste University, we have responsibility for maintaining a sound system of internal control that supports the achievement of policies, aims and objectives, while safeguarding the public and other funds and assets for which we are responsible, in accordance with the responsibilities assigned by: the University's Instrument and Articles of Government, the Office for Students' Terms and Conditions of Funding for Higher Education Institutions; other funding bodies' conditions; and the Charity Commission.
2. The system of internal control is designed to manage rather than eliminate the risk of failure to achieve policies, aims and objectives; it can therefore only provide reasonable and not absolute assurance of effectiveness.
3. The system of internal control is based on an on-going process designed to identify the principal risks to the achievement of policies, aims and objectives; to evaluate the nature and extent of those risks; and to manage them efficiently, effectively and economically. This process has been in place for the year ended 31 July 2019 and up to the date of approval of the financial statements and accords with the Office for Students' guidance.
4. As the University Council, we have responsibility for reviewing adequacy and effectiveness of the system of internal control and arrangements for the management and quality assurance of data submitted to Higher Education Statistics Agency, Student Loans Company, the Office for Students and other bodies. The following processes have been established:
 - a. Regular meetings (at least termly) are held to consider the plans and strategic direction of the University;
 - b. Regular reports are received from the Chair of the Audit Committee concerning internal control, and we require regular reports from the Vice-Chancellor on the steps being taken to manage risks, including progress reports on key projects;
 - c. We have requested the Audit Committee oversee risk management;
 - d. The Audit Committee receives regular reports from the Head of Internal Audit, which include the Head of Internal Audit's independent opinion on the adequacy and effectiveness of the University's system of internal control, together with recommendations for improvement;
 - e. An effectiveness review of Council and all sub-committees was undertaken during 2016/17. The University commissioned an independent appraisal of the effectiveness of the implementation of the subsequent actions. These actions were accepted as complete during 2018/19;
 - f. The University's risk register is actively reviewed by the Vice-Chancellor's Executive Group, Audit Committee and University Council and informed by robust internal and external audits; and

- g. During 2018/19, the University examined how Council's risk appetite informs this register and subsequent actions.
5. Our review of the effectiveness of the system of internal control is informed by the internal audit service, reviewed for effectiveness by the HEFCE Audit Service in December 2017. The internal auditors submit regular reports that include the Head of Internal Audit's independent opinion on the adequacy and effectiveness of the University's system of internal control, with recommendations for improvement.
6. Our review of the effectiveness of the system of internal control is also informed by the work of the Vice-Chancellor's Executive Group, which has responsibility for the development and maintenance of the internal control framework, and by comments made by the external auditors in their management letter and other reports.

During 2018, the OfS came into being as the independent regulator of Higher Education in England. The University was registered with the OfS in September 2018 in the category of Approved (fee cap). In July 2018, three reportable events were submitted to the OfS. These related to the change of legal status of the University (previously notified to the OfS during the registration partnership), notification of Boston College's withdrawal from partnership with the University (effective from 2021) and changes to the Student Protection Plan. The University submitted its Access and Participation Plan to the OfS on 1 July 2019. The plan was accepted on 20 September 2019.

Principal Risks

During 2018/19 the University reviewed its risk management arrangements. A new Risk Appetite Framework was developed with University Council to inform decision-making, and a new alignment of risk to key performance indicators was introduced. Monthly reporting of risk to the Vice-Chancellor's Executive Group has been implemented in preparation for the roll-out of the new Strategy 2019-25 and its accompanying business plan. The Vice-Chancellor's Executive Group considers core risks and the mitigation actions proposed. The risk register is then submitted to the Audit Committee for consideration and core risks (together with mitigation

actions) pertaining to business, operational, compliance and finance reported to Council. These risks (and the effectiveness of mitigation actions) are submitted to the Governing Body for consideration within the Vice-Chancellor's report.

The Risk Appetite Framework is a dynamic strategic tool that is influenced by external factors and the University's overall 'risk readiness'. Predictably, it emphasises a low level of risk appetite around regulatory compliance and brand management, but a greater level of willingness around research and knowledge exchange.

Overall, during the year there has been a reduction in the level of risk associated with the University's academic portfolio and student recruitment (present challenges notwithstanding). The risks linked to General Data Protection Regulation, the student record system, OfS registration and establishing BGU as a research university have remained static. A new risk concerned with the withdrawal of the United Kingdom from the European Union was introduced but has been managed and the residual risk is considered low. Due to the University's cash position, the University's financial risk is currently considered to be medium.

Having taken all reasonable steps to assure itself (e.g through scrutiny of internal and external audit reports and opinions, the University's Risk Register and KPIs and the consideration of the regular reports to the Audit Committee), the Audit Committee have identified no significant control weaknesses that should be disclosed.

The statement of internal control covers the financial year and up to the date of approval of these financial statements by University Council on 27 November 2019.

Disclosure of Information to Auditors

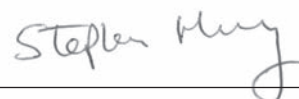
University Council members who held office at the date of approval of this report confirm that so far as they are each aware there is no relevant audit information of which the University's auditors are unaware; and each Council member has taken all the steps that he or she ought to have taken to be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



Vice-Chancellor
27 November 2019



Chair of University Council
27 November 2019



Chief of Finance and Operations
27 November 2019

Independent Auditor's Report to the Members of the Council of Bishop Grosseteste University

Opinion

We have audited the financial statements of the Bishop Grosseteste University (the 'University') and its subsidiary (the 'group') for the year ended 31 July 2019 which comprise the Consolidated Statements of Comprehensive Income and Expenditure, the Consolidated and University Balance Sheet, the Consolidated and University Statement of Changes in Reserves, the Consolidated Statement of Cash Flow and notes to the financial statements. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In Our Opinion

- the financial statements give a true and fair view of the state of the group's and of the University's affairs as at 31 July 2019, and of the group's and University's deficit, comprehensive income and expenditure and changes in reserves and of the group's cash flows for the year then ended;
- The financial statements have been properly prepared in accordance with financial reporting standards (FRS102) and the Statement of Recommended Practice: Accounting for further and higher education, and relevant legislation;
- In all material aspects, funds from whatever source administered by the University for specific purposes have been properly applied only for those purposes for which they were received, and managed in accordance with relevant legislation;
- In all material aspects, funds from the OfS have been applied in accordance with these terms and conditions and any other terms and conditions attached to them.
- The requirements of the Office for Students' Accounts Direction have been met.

Basis for Opinion

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

Conclusions Relating to Going Concern

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

- The Members of the Council use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- The Members of the Council have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the 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.

Other Information

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

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

We have nothing to report in this regard.

Opinions On Other Matters Prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- The information given in the Members of the Council's report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- The Members of the Council's report has been prepared in accordance with applicable legal requirements.

In the light of the knowledge and understanding of the University and its environment obtained in the course of the audit, we have not identified material misstatements in the board members' report.

Matters On Which We Are Required to Report By Exception

We have nothing to report in respect of the following matters which 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 Institution;
- Adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- The financial statements are not in agreement with the accounting records and returns; or
- Certain disclosures of members' remuneration specified by law are not made; or
- We have not received all the information and explanations we require for our audit.

Responsibilities of Members

As explained more fully in the statement of responsibilities of the members of the Council, the members are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the members 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 members are responsible for assessing the University's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Members either intend to liquidate the University or to cease operations, or have no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

Use of Our Report

This report is made solely to the University's members, as a body, in accordance with the University's Articles of Governance. Our audit work has been undertaken so that we might state to the University's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the University and the University's members as a body, for our audit work, for this report, or for the opinions we have formed.

Hugh Swainson

For and on behalf of Buzzacott LLP,
Statutory Auditor
130 Wood Street
London
EC2V 6DL

Buzzacott LLP

28 November 2019



Financial Statements



Consolidated Statement of Comprehensive Income and Expenditure

Year Ended 31 July 2019

		Year ended 31 July 2019		Year ended 31 July 2018	
	Notes	Consolidated £'000	University £'000	Consolidated £'000	University £'000
Income					
Tuition fees and education contracts	1	16,812	16,812	17,596	17,596
Funding body grants	2	2,925	2,925	3,491	3,491
Research grants and contracts	3	226	226	107	107
Other income	4	4,265	2,942	3,520	2,529
Investment income	5	52	52	31	31
Total Income		24,280	22,957	24,745	23,754
Expenditure					
Staff costs	6	15,955	15,259	14,695	14,014
Other operating expenses	7	8,614	8,004	8,616	9,063
Depreciation/amortisation	10&11	1,258	1,245	1,282	1,269
Interest and other finance costs	8	131	127	163	157
Total expenditure	9	25,958	24,635	24,756	24,503
Loss before other gains losses		(1,678)	(1,678)	(11)	(749)
Loss on disposal of fixed assets		—	—	(149)	(149)
Loss before tax		(1,678)	(1,678)	(160)	(898)
Taxation		—	—	(23)	—
Loss for the year		(1,678)	(1,678)	(183)	(898)
Actuarial (loss) / gain in respect of pension schemes	23	(2,329)	(2,233)	2,461	2,367
Transfers between revaluation and income and expenditure reserve		36	36	36	36
Total comprehensive income / (expenditure) for the year		(3,971)	(3,875)	2,314	1,506
Represented by:					
Unrestricted comprehensive income / (expenditure) for the year		(4,007)	(3,911)	2,278	1,470
Revaluation reserve comprehensive income for the year		36	36	36	36
		(3,971)	(3,875)	2,314	1,506
(Loss) / surplus for the year attributable to:					
BG (Lincoln) Limited		—	—	715	—
University		(1,678)	(1,678)	(898)	(898)
		(1,678)	(1,678)	(183)	(898)

All items of income and expenditure relate to continuing activities in the current and prior years.

Consolidated Statement of Changes in Reserves

Year Ended 31 July 2019

Consolidated	Income and expenditure account		Revaluation reserve	Total
	Restricted £'000	Unrestricted £'000	£'000	£'000
Balance at 1 August 2017	844	23,901	3,513	28,258
Deficit from the income and expenditure statement	—	(183)	—	(183)
Other comprehensive income	—	2,461	—	2,461
Transfers between revaluation and income and expenditure reserve	—	36	(36)	—
Total comprehensive income for the year	—	2,314	(36)	2,278
Balance at 1 August 2018	844	26,215	3,477	30,536
Deficit from the income and expenditure statement	—	(1,678)	—	(1,678)
Other comprehensive income	—	(2,329)	—	(2,329)
Transfers between revaluation and income and expenditure reserve	—	36	(36)	—
Total comprehensive income for the year	—	(3,971)	(36)	(4,007)
Balance at 31 July 2019	844	22,244	3,441	26,529

University Statement of Changes in Reserves

Year Ended 31 July 2019

University	Income and expenditure account		Revaluation reserve	Total
	Restricted £'000	Unrestricted £'000	£'000	£'000
Balance at 1 August 2017	844	24,753	3,513	29,110
Deficit from the income and expenditure statement	—	(898)	—	(898)
Other comprehensive income	—	2,368	—	2,368
Transfers between revaluation and income and expenditure reserve	—	36	(36)	—
Total comprehensive income for the year	—	1,506	(36)	1,470
Balance at 1 August 2018	844	26,259	3,477	30,580
Deficit from the income and expenditure statement	—	(1,678)	—	(1,678)
Other comprehensive income / (expenditure)	—	(2,233)	—	(2,233)
Transfers between revaluation and income and expenditure reserve	—	36	(36)	—
Total comprehensive income for the year	—	(3,875)	(36)	(3,911)
Balance at 31 July 2019	844	22,384	3,441	26,669

Consolidated Balance Sheet

Year Ended 31 July 2019

	Notes	As at 31 July 2019		As at 31 July 2018	
		Consolidated £'000	University £'000	Consolidated £'000	University £'000
Non-current assets					
Intangible assets	10	68	68	366	366
Fixed assets	11	28,516	28,486	29,038	29,009
		28,584	28,554	29,404	29,375
Current assets					
Stock	12	17	—	22	—
Trade and other receivables	13	1,217	1,052	1,498	1,301
Cash and cash equivalents	14	11,939	11,849	10,753	10,704
		13,173	12,901	12,273	12,005
Less: Creditors: amounts falling due within one year	15	(2,245)	(2,094)	(2,596)	(2,414)
Net current assets		10,928	10,807	9,677	9,591
Total assets less current liabilities		39,512	39,361	39,081	38,966
Creditors: amounts falling due after more than one year	16	(4,706)	(4,706)	(3,904)	(3,904)
Provisions					
Pension provisions	18	(8,277)	(7,986)	(4,641)	(4,482)
Total net assets		26,529	26,669	30,536	30,580
Restricted Reserves					
Income and expenditure reserve - endowment reserve	19	697	697	697	697
Income and expenditure reserve - restricted reserve	19	147	147	147	147
Unrestricted Reserves					
Income and expenditure reserve - unrestricted		22,244	22,384	26,215	26,259
Revaluation reserve		3,441	3,441	3,477	3,477
		25,685	25,825	29,692	29,736
Total Reserves		26,529	26,669	30,536	30,580

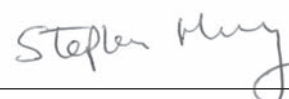
The financial statements were approved by the Governing Body on 27 November 2019 and were signed on its behalf on that date by:



Vice-Chancellor
27 November 2019



Chair of University Council
27 November 2019



Chief of Finance and Operations
27 November 2019

Consolidated Statement of Cash Flows

Year Ended 31 July 2019

	Notes	Year ended 31 July 2019 £'000	Year ended 31 July 2018 £'000
Cash flow from operating activities			
Loss for the year		(1,678)	(160)
Adjustment for non-cash items			
Depreciation and amortisation	10 & 11	1,258	1,282
Decrease (increase) in stock	12	5	(6)
(Increase) decrease in debtors	13	281	(17)
Increase (decrease) in creditors	15, 16	(351)	(167)
Increase in pension provision	18	243	3
Pension costs less contributions payable		1,160	1,114
Taxation		—	(23)
Adjustment for investing or financing activities			
Investment income	5	(52)	(31)
Loss (gain) on the sale of fixed assets		—	149
Capital grant income		(229)	(204)
Net cash inflow from operating activities		637	1,940
Cash flows from investing activities			
Capital grants receipts		1,174	1,189
Investment income		52	31
Payments made to acquire fixed assets		(677)	(2,903)
		549	(1,683)
Increase in cash and cash equivalents in the year		1,186	257
Cash and cash equivalents at beginning of the year	14	10,753	10,496
Cash and cash equivalents at end of the year	14	11,939	10,753

Statement of Principal Accounting Policies

1. Statement of Accounting Policies

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

2. Basis of Preparation

These financial statements have been prepared in accordance with the Statement of Recommended Practice: Accounting for Further and Higher Education 2015 (the 2015 FE HE SORP) and in accordance with Financial Reporting Standards 102 – “The Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102)”. The University is a public benefit entity and therefore has applied the relevant public benefit requirement of FRS 102.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgement in applying the University’s accounting policies.

3. Basis of Accounting

The financial statements are prepared under the historical cost convention modified by the revaluation of certain fixed assets, and are presented in £000s.

4. Basis of Consolidation

The consolidated financial statements include the University and its subsidiary undertaking, BG (Lincoln) Limited. Intra-group sales and profits are eliminated fully on consolidation. The consolidated financial statements do not include the income and expenditure of the Students’ Union as the University does not exert control or dominant influence over policy decisions. All financial statements are made up to 31 July 2019.

5. Recognition of Income

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

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

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

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

Grant funding:

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

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

**Capital Grants:**

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

6. Maintenance of Premises

The University has produced a long-term maintenance plan. The plan includes all recurring work, the number of years necessary to complete a full maintenance cycle, and the likely annual cost. The cost of long-term and routine corrective maintenance is charged to the income and expenditure account as incurred.

7. Foreign Currency Translation

Transactions denominated in foreign currencies are recorded at the rate of exchange ruling at the dates

of the transactions. Monetary assets and liabilities denominated in foreign currencies are translated into sterling either at year-end rates or, where there are related forward foreign exchange contracts, at contract rates. The resulting exchange differences are dealt with in the determination of income and expenditure for the financial year.

8. Pension schemes

Retirement benefits for most employees of the University are provided by the Teachers' Pension Scheme (TPS) and the Local Government Pension Scheme (LGPS). These are defined benefit schemes which are independently administered schemes, funded by contributions from the University and the employees.

Contributions to the TPS are charged to the income and expenditure so as to spread the cost of pensions over employees' working lives with the University in such a way that the pension cost is a substantially

level percentage of current and future pensionable payroll. The contributions are determined by qualified actuaries on the basis of quadquennial valuations using a prospective benefit method. As stated in note 23, the TPS is a multi-employer scheme and the University is unable to identify its share of the underlying assets and liabilities of the scheme on a consistent and reasonable basis. The TPS is therefore treated as a defined contribution scheme and the contributions recognised as they are paid each year.

The assets of the LGPS are measured using closing market values. LGPS liabilities are measured using the projected unit method and discounted at the current rate of return on a high-quality corporate bond of equivalent term and currency to the liability. The increase in the present value of the liabilities of the scheme expected to arise from employee service in the period is charged to the operating surplus. The expected return on the scheme's assets and the increase during the period in the present value of the scheme's liabilities, arising from the passage of time, are included in pension finance costs. Actuarial gains and losses are recognised in the Statement of Comprehensive Income and Expenditure.

The institution participates in the Universities Superannuation Scheme. The scheme is a hybrid pension scheme, providing defined benefits (for all members), as well as defined contribution benefits. The assets of the scheme are held in a separate trustee-administered fund. Because of the mutual nature of the scheme, the assets are not attributed to individual institutions and a scheme-wide contribution rate is set. The institution is therefore exposed to actuarial risks associated with other institutions' employees and is unable to identify its share of the underlying assets and liabilities of the scheme on a consistent and reasonable basis.

As required by Section 28 of FRS102 "Employee benefits", the institution accounts for the scheme as if it were a wholly defined contribution scheme. As a result, the amount charged to the Statement of Comprehensive Income and Expenditure represents the contributions payable to the scheme. Since the institution has entered into an agreement (the Recovery Plan) that determines how each employer within the scheme will fund the overall deficit, the institution recognises a liability for the contributions payable that arise from the agreement (to the extent that they relate to the deficit) and therefore an expense is recognised.

Bishop Grosseteste University also participates in the Church of England Funded Pension Scheme which is a defined benefit scheme but the University is unable

to determine its share of the underlying assets and liabilities on a consistent and reasonable basis. The Scheme is therefore treated as a defined contribution scheme and the contributions recognised as they are paid each year.

The University operates a defined contributions pension scheme, the Bishop Grosseteste University Flexible Retirement Account. The assets of the scheme are held separately from those of the University in an independently administered fund.

9. Enhanced Pensions

The actual cost of any enhanced on-going pension to a former member of staff is paid by the University annually. An estimate of the expected future cost of any enhancement to the on-going pension of a former member of staff is charged in full to the University's income and expenditure account in the year that the member of staff retires. In subsequent years a charge is made to provisions in the balance sheet using guidance prepared for the OfS by Deloitte & Touche Actuarial & Benefit Services.

10. Tangible Fixed Assets

Where significant expenditure is incurred on tangible fixed assets it is charged to the income and expenditure account in the period it is incurred, unless it meets one of the following criteria, in which case it is capitalised and depreciated on the relevant basis:

- Market value of the fixed asset has subsequently improved;
- Asset capacity increases;
- Substantial improvement in the quality of output or reduction in operating costs; and
- Significant extension of the assets life beyond that conferred by repairs and maintenance.

a. Land and Buildings

Fixed assets are stated at cost less accumulated depreciation and accumulated impairment losses. Certain items of fixed assets that had been revalued to fair value on or prior to the date of transition to the 2015 FE HE SORP, are measured on the basis of deemed cost, being the revalued amount at the date of that revaluation.

The basis of valuation is open market value for existing use or, where such a valuation is not practicable, depreciated replacement cost. A full valuation of the land was carried out by Hodgson Elkington Chartered Surveyors on transition to FRS 102.

Land is held freehold and is not depreciated. Buildings are depreciated over their expected useful lives of 50 years from 1 August 1993 or from the date of acquisition. Subsequent capital improvements to existing buildings are depreciated over the remaining useful life of the building to which the expenditure relates.

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

b. Equipment

All equipment, including computers and software costing more than £10,000 per individual item and having an expected life of more than one year is capitalised. Equipment, including motor vehicles, is stated at cost and depreciated over its expected useful life of 5 years.

11. Intangible Assets

Computer software is carried at cost less accumulated amortisation and any recognised impairment loss. Externally acquired computer software and software licences are capitalised and amortised on a straight-line basis over their useful lives of five years. Amounts capitalised include the total cost of any external products or services and labour costs directly attributable to development. The addition during the year relates to the purchase of a software intangible asset. The amortisation period is 5 years.

12. Stocks

The stocks are catering provisions and shop items. Stocks are stated at the lower of cost and net realisable value. Where necessary, provision is made for obsolete, slow moving and defective stocks.

13. Taxation

The University is an exempt charity within the meaning of Part 3 of the Charity Act 2011. It is considered to pass the tests set out in paragraph 1 schedule 6 of the

Finance Act 2010 and accordingly the University is potentially exempt from taxation in respect of income or capital gains received within categories covered by sections 478-488 of the Corporation Tax Act 2010 or section 256 of the Taxation of Chargeable Gains Act 1992 to the extent that such income is applied to exclusively charitable purposes.

The University receives no similar exemption in respect of value added tax (VAT). For this reason, the University is generally unable to recover input VAT it suffers on goods and services purchased. Non-pay expenditure is therefore shown inclusive of VAT with any partial recovery netted off against these figures.

The University's subsidiary company, BG (Lincoln) Ltd, is subject to corporation tax and VAT in the same way as any commercial organisation.

14. Cash and Cash Equivalents

Cash flows comprise increases or decreases in cash. 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. No investments, however liquid, are included in cash.

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

15. Provisions

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

16. Employment Benefits

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

17. Operating Leases

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

18. Judgements In Applying Accounting Policies and Key Sources of Estimation Uncertainty

In preparing these financial statements, the Members of the Council has made the following judgements:

Tangible fixed assets

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

Local Government Pension Scheme

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost (income) for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 23, will impact the carrying amount of the pension liability. Furthermore, a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2016 has been used by the actuary in valuing the pensions liability at 31 July 2019. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

Universities Superannuation Scheme

FRS 102 makes the distinction between a group plan and a multi-employer scheme. A group plan consists of

a collection of entities under common control typically with a sponsoring employer. A multi-employer scheme is a scheme for entities not under common control and represents (typically) an industry-wide scheme such as Universities Superannuation Scheme. The accounting for a multi-employer scheme where the employer has entered into an agreement with the scheme that determines how the employer will fund a deficit results in the recognition of a liability for the contributions payable that arise from the agreement (to the extent that they relate to the deficit) and the resulting expense in the Statement of Comprehensive Income and Expenditure in accordance with section 28 of FRS 102. The Members of the Council are satisfied that Universities Superannuation Scheme meets the definition of a multi-employer scheme and has therefore recognised the discounted fair value of the contractual contributions under the funding plan in existence at the date of approving the financial statements.

Bad Debt Provision

Provision is made for debts that are not considered to be collectable – referred to as a bad debt provision. This provision is calculated based on experience of previous years' collectability of differing type of debt and applied to the amount of outstanding debt. The University currently provides for 80% of outstanding debt.

Assessment of Going Concern

On 1 August 2019, the University incorporated as a company limited by guarantee (company number 11963500) and a registered charity (charity number 1184682). As part of this process all assets and liabilities of the unincorporated University have been transferred to the new company on this date and the University, in its current legal structure, ceases to be a going concern. The financial statements for the year ended 31 July 2019, represent the final accounts of the incorporated University. However, the University, as an education establishment, is continuing as a going concern in all practical senses. This is on the grounds that, based on our assessments of feasibility of future plans; current and future sources of funding or support will be adequate for the University's needs.

University Council therefore considers that there are no material uncertainties about the University's ability to continue as a going concern and in assessing this, has paid particular attention to a period of not less than one year from the date of approval of the financial statements.





Notes to the Financial Statements

JCS
GREEN
UNIVERSE

10:00am - 11:00am	Keynote
11:00am - 12:00pm	Midwinter
12:00pm - 1:00pm	Midwinter
1:00pm - 2:00pm	Midwinter
2:00pm - 3:00pm	Finance and Accounting
3:00pm - 4:00pm	Robert 2018

Notes to the Financial Statements

1	Tuition Fees and Education Contracts	Year ended 31 July 2019		Year ended 31 July 2018	
		Consolidated £'000	University £'000	Consolidated £'000	University £'000
	UK Higher Education Students	16,812	16,812	17,596	17,596
		16,812	16,812	17,596	17,596

2	Funding Body Grants	Year ended 31 July 2019		Year ended 31 July 2018	
		Consolidated £'000	University £'000	Consolidated £'000	University £'000
	Recurrent Grant				
	Office for Students	519	519	599	599
	Department for Education	204	204	192	192
	Specific Grants				
	Office for Students Inherited Liabilities - Staff	7	7	7	7
	Office for Students National Collaborative Outreach Project	1,089	1,089	1,216	1,216
	Education and Skills Funding Agency	821	821	1,226	1,226
	Office for Students Learning Gain Project and Global Challenges	4	4	7	7
	UK Research and Innovation	87	87	76	76
	Deferred Capital Grants Released in Year				
	Office for Students	194	194	168	168
		2,925	2,925	3,491	3,491

3	Research Grants and Contracts	Year ended 31 July 2019		Year ended 31 July 2018	
		Consolidated £'000	University £'000	Consolidated £'000	University £'000
	Research councils	74	74	—	—
	Research charities	136	136	54	54
	Government (UK and overseas)	16	16	38	38
	Industry and commerce	—	—	15	15
		226	226	107	107

4	Other Income	Year ended 31 July 2019		Year ended 31 July 2018	
		Consolidated £'000	University £'000	Consolidated £'000	University £'000
	Residences, catering and conferences	2,862	1,400	2,461	1,329
	Non-Funding Council capital grants released	35	35	36	36
	Other income	1,368	1,507	1,023	1,164
		4,265	2,942	3,520	2,529

5	Investment Income	Year ended 31 July 2019		Year ended 31 July 2018	
		Consolidated £'000	University £'000	Consolidated £'000	University £'000
	Investment Income from short-term deposits	52	52	31	31
		52	52	31	31

6	Staff Costs	Year ended 31 July 2019		Year ended 31 July 2018	
		Consolidated £'000	University £'000	Consolidated £'000	University £'000
	Staff costs				
	Salaries	11,436	10,838	10,721	10,172
	Social security costs	1,047	1,013	1,022	988
	Movement on USS provision	266	266	5	5
	Other pension costs - FRS102 adjustment	1,196	1,168	956	925
	Other pension costs	2,010	1,974	1,991	1,924
	Total	15,955	15,259	14,695	14,014

		2019	2018
		£	£
Emoluments of the Vice-Chancellor			
	Salary	191,908	188,145
	Bonus	—	100*
	Benefits	5,923	5,692
		197,831	193,937
	Pension contributions to USS	35,503	33,866
		233,334	227,803

*The £100 bonus was authorised by Council and awarded to all staff.

The pension contributions in respect of the Vice-Chancellor are in respect of employer's contributions to the Universities Superannuation Scheme and are paid at the same rate as for other employees.

In addition the Vice-Chancellor also receives non-taxable benefit of on-site accommodation with a rental value of £9800.

The Vice-Chancellor is in attendance of Remuneration Committee, but is not involved in, or present at, any discussions or decisions of the Committee in relation to his own salary or benefits.

To enable the Remuneration Committee to assess the value and performance of the Vice-Chancellor the following information is provided to the Committee:

1. A summary of discussions at the Vice-Chancellor's personal development review (PDR) meeting with the Chair and Deputy Chair of the Board of Governors.
2. An assessment of achievement against the Vice-Chancellor's personal objectives for the year.
3. A summary of the salary and benefits received by the Vice-Chancellor.
4. Details of the remuneration received by the Vice-Chancellor in previous years.
5. Guidance and advice provided by the Committee of University Chairs on the setting of senior staff remuneration
6. Benchmarking data gathered by the Universities and Colleges Employers Association with a particular focus on, post-92 by income up to £70 million, institutions within the membership of the Cathedrals Group of Universities and Rest of England income.
7. Lowest paid staff members pay ratio and median pay rate ratio data for the University.

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

	2019 No.	2018 No.
£110,000 to £114,999	1	1

Reporting bodies are required to disclose the relationship between the remuneration of the highest paid director in their organisation and the median remuneration of the organisation's workforce. Total remuneration includes salary, non-consolidated performance-related pay and benefits in kind. It does not include severance payments, employer pension contributions and the Cash Equivalent Transfer Value of Pensions.

Pay Multiples (as at 31 July 2019)	2019	2018
Band of highest paid staff members basic salary (£000)	191,908	188,145
Median total remuneration (£)	26,142	24,634
Ratio	7.34	7.64
Pay Multiples (as at 31 July 2019)	2019	2018
Vice-Chancellor total remuneration	233,334	238,603
Median total remuneration	30,363	28,168
Ratio	7.68	8.47

The Vice-Chancellor's basic salary is 7.3 (2018-7.6) times the median pay of staff, where the median pay is calculated on a full time equivalent basis for the salaries paid by the provider to its staff.

The Vice-Chancellor's total remuneration is 7.6 (2018 – 8.5) times the median total remuneration of staff, where the median total remuneration is calculated on a full time equivalent basis for the total remuneration by the provider of its staff.

Average staff numbers by major category:

	2019 No.	2018 No.
Academic	119	101
Management & Administrative	168	172
Other	59	60
	346	333

Key Management Personnel

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the University and include members of the Senior Executive Team and University Council.

Staff costs paid to key management personnel are as follows:

	Year ended 31 July 2019 £'000	Year ended 31 July 2018 £'000
Key management personnel compensation	492	495

Compensation for loss of office:

	Year ended 31 July 2019		Year ended 31 July 2018	
	No.	£'000	No.	£'000
Compensation payable recorded within staff costs	17	227	4	34

Council Members

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

No University Council member has received any remuneration from the group during the year (2018: none).

The total expenses paid to or on behalf of council members was £11,919 (2018: £11,291). This represents travel and subsistence expenses incurred in attending Council, Committee meetings and Charity events in their official capacity.

7	Other Operating Expenses	Year ended 31 July 2019		Year ended 31 July 2018	
		Consolidated £'000	University £'000	Consolidated £'000	University £'000
	Residences, catering & conferences operating expenditure	1,249	641	1,152	643
	Residences - long-term maintenance	37	37	82	82
	Consumables and laboratory expenditure	335	335	344	344
	Books and periodicals	257	257	237	237
	Heat, light, water and power	328	328	281	281
	Repairs and general maintenance	201	201	199	199
	Non-Residential - long-term maintenance	61	61	114	114
	Grants to BG Students' Union	131	131	134	134
	External Auditors' remuneration				
	Financial statements audit	19	17	31	26
	Internal auditors' remuneration	59	59	51	51
	Bursary payments to students	863	863	831	831
	Other expenses	5,074	5,074	5,160	6,121
		8,614	8,004	8,616	9,063

8	Interest and Other Finance Costs	Notes	Year ended 31 July 2019		Year ended 31 July 2018	
			Consolidated £'000	University £'000	Consolidated £'000	University £'000
	Net charge on pension scheme	23	131	127	163	157
			131	127	163	157

9	Analysis of Total Expenditure by Activity	Year ended 31 July 2019		Year ended 31 July 2018	
		Consolidated £'000	University £'000	Consolidated £'000	University £'000
	Academic Departments	7,658	7,658	6,820	6,820
	Academic Services	1,333	1,333	1,354	1,354
	Residences & Catering	2,080	802	2,023	833
	Premises	1,453	1,451	1,420	1,420
	Administration	6,245	6,245	6,414	6,384
	Other expenses	7,190	7,145	6,725	7,692
		25,959	24,634	24,756	24,503

10	Intangible Assets		Consolidated £'000	University £'000
	Software			
	Cost			
	At 1 August 2018		1,876	1,876
	Additions		7	7
	Disposals		(272)	(272)
	At 31 July 2019		1,611	1,611
	Amortisation			
	At 1 August 2018		1,510	1,510
	Charge for the year		66	66
	Disposal		(33)	(33)
	At 31 July 2019		1,543	1,543
	Net book value			
	At 31 July 2019		68	68
	At 31 July 2018		366	366

11	Fixed Assets Consolidated	Land £'000	Leasehold Land £'000	Buildings £'000	Fixtures, Fittings and Equipment £'000	Assets in the Course of Construction £'000	Total £'000
	Cost or Valuation						
	At 1 August 2018	2,700	8	28,404	2,946	3,151	37,209
	Additions	—	—	303	184	183	670
	Transfers	—	—	2,858	81	(2,939)	—
	At 31 July 2019	2,700	8	31,565	3,211	395	37,879
	At Valuation	2,700	—	2,500	—	—	5,200
	At Costs	—	8	29,065	3,211	395	32,679
		2,700	8	31,565	3,211	395	37,879
	Depreciation						
	At 1 August 2018	—	1	5,942	2,228	—	8,171
	Charge for the year	—	—	880	312	—	1,192
	At 31 July 2019	—	1	6,822	2,540	—	9,363
	Net Book Value						
	At 31 July 2019	2,700	7	24,743	671	395	28,516
	At 31 July 2018	2,700	7	22,462	718	3,151	29,038

11	Fixed Assets University	Land £'000	Leasehold Land £'000	Buildings £'000	Fixtures, Fittings and Equipment £'000	Assets in the Course of Construction £'000	Total £'000
	Cost or Valuation						
	At 1 August 2018	2,700	8	28,404	2,880	3,151	37,143
	Additions	—	—	303	170	183	656
	Transfers	—	—	2,858	81	(2,939)	—
	At 31 July 2019	2,700	8	31,565	3,131	395	37,799
	At Valuation	2,700	—	2,500	—	—	5,200
	At Costs	—	8	29,065	3,131	395	32,599
		2,700	8	31,565	3,131	395	37,799
	Depreciation						
	At 1 August 2018	—	1	5,942	2,191	—	8,134
	Charge for the year	—	—	880	299	—	1,179
	At 31 July 2019	—	1	6,822	2,490	—	9,313
	Net Book Value						
	At 31 July 2019	2,700	7	24,743	641	395	28,486
	At 31 July 2018	2,700	7	22,462	689	3,151	29,009

12	Stock	Year ended 31 July 2019		Year ended 31 July 2018	
		Consolidated £'000	University £'000	Consolidated £'000	University £'000
	General consumables	17	—	22	—
		17	—	22	—

13	Trade and Other Receivables	Year ended 31 July 2019		Year ended 31 July 2018	
		Consolidated £'000	University £'000	Consolidated £'000	University £'000
	Amounts falling due within one year				
	Other trade receivables	209	44	244	47
	Prepayments and accrued income	1,008	1,008	1,254	1,254
		1,217	1,052	1,498	1,301

14	Cash and Cash Equivalents	Year ended 31 July 2019		Year ended 31 July 2018	
		Consolidated £'000	University £'000	Consolidated £'000	University £'000
	At 1 August 2018	10,753	10,704	10,496	10,483
	Cash flows	1,186	1,145	257	221
	At 31 July 2019	11,939	11,849	10,753	10,704

15	Creditors: Amounts Falling Due Within One Year	Year ended 31 July 2019		Year ended 31 July 2018	
		Consolidated £'000	University £'000	Consolidated £'000	University £'000
	Trade payables	749	550	788	655
	Social security and other taxation payable	301	301	328	278
	Corporation tax	—	—	23	—
	Accruals	690	690	492	492
	Payments received in advance	170	170	138	138
	Deferred capital grants	189	189	711	711
	Salix Loan	12	12	—	—
	Amounts owed to subsidiary	—	48	—	24
	Amounts owed to funding councils	134	134	116	116
		2,245	2,094	2,596	2,414



16	Creditors: Amount Falling Due After One Year	Consolidated and University £'000	
		Year ended 31 July 2019	Year ended 31 July 2018
	Salix Loan	46	—
	Deferred capital grants (see Note 17)	4,660	3,904
		4,706	3,904

17	Deferred Capital Grants	Consolidated and University £'000		
		Office for Students	Other	Total
	At 1 August 2018	2,064	1,840	3,904
	Cash Received/Receivable	164	1,010	1,174
	Released to income and expenditure account in respect of depreciation	(194)	(35)	(229)
	At 31 July 2019	2,034	2,815	4,839
	Of which:			
	Due to be released within one year (Note 15)	(65)	(124)	(189)
	Due to be released after one year (Note 16)	(1,969)	(2,691)	(4,660)
		(2,034)	(2,815)	4,849

18	Provisions for Liabilities	Obligation to fund deficit on USS Pension	Pension enhancements on termination	Defined Benefit Obligations (Note 23)	Total
		£'000	£'000	£'000	£'000
	At 1 August 2018	165	359	4,117	4,641
	Utilised in year	—	—	—	—
	Additions in 2018/19	266	—	3,393	3,659
	Unused amounts reserved in 2018/19	—	(23)	—	(23)
	At 31 July 2019	431	336	7,510	8,277

	Obligation to fund deficit on USS Pension £'000	Pension enhancements on termination £'000	Defined benefit obligations (Note 23) £'000	Total £'000
University				
At 1 August 2018	165	359	3,958	4,482
Utilised in year	—	—	—	—
Additions in 2018/19	266	—	3,261	3,527
Unused amounts reserved in 2018/19	—	(23)	—	(23)
At 31 July 2019	431	336	7,219	7,986

USS Deficit

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

Enhanced Pension Provision

The calculation of the cost of early retirement provisions charged to the income and expenditure account in the year of retirement is based on the total capital cost of providing enhanced pensions with allowance for future investment at 2% in excess of price inflation. The overall provision has been based on the revised recovery plan for USS considering the 2017 actuarial valuation results, using guidance prepared by Mercer Actuarial & Benefit Services. The provision will be released against the cost to the University of enhanced pension entitlements over the estimated life expectancy of each relevant ex-employee.

The enhanced pension provision relates mostly to early retirements whereby an expectation of the payment existed prior to retirement.

19	Restricted Reserves	Year ended 31 July 2019		Year ended 31 July 2018	
		Consolidated £'000	University £'000	Consolidated £'000	University £'000
	Permanent endowment reserves				
	At 1 August 2018 and at 31 July 2019	697	697	697	697
		697	697	697	697
	Other restricted reserves				
	At 1 August 2018 and at 31 July 2019	147	147	147	147
	Total restricted reserves at 31 July 2019	844	844	844	844

Other Restricted Reserves

During 2006, the University sold a property with proceeds of £147,000. The proceeds from the sale were to be reinvested within 3 years from the sale date. The funds were used to assist with the building of a new administration office at the University.

Permanent Endowment Reserves

Permanent endowment reserves are made up from the sale of two properties previously owned by the University. As required by the Charity Commission, University Council obtained and considered proper advice before investing this money. To date £332,000 has been used to purchase an additional residential building and the remaining funds are currently held in an interest-bearing account.

As part of the incorporation process of the University, legal documents in relation to its land and buildings are being reviewed by solicitors. The solicitors have identified a potentially significant portion of the estate that may need to be transferred to the permanently endowed fund of the University but there is substantial uncertainty over exactly which elements and the amount attributed to each.

As a result, the book cost cannot be quantified at the time of approval of these financial statements and therefore no adjustment to reclassify amounts to the permanent endowment fund has been made. Clarity will be sought in advance of the preparation of the 2020 financial statements for the newly incorporated entity and any required accounting adjustments will be made once a resolution has been reached including approval by the Charity Commission.

20 Capital and Other Commitments	Year ended 31 July 2019		Year ended 31 July 2018	
	Consolidated £'000	University £'000	Consolidated £'000	University £'000
Provision has not been made for the following capital commitments at 31 July 2019:				
Commitments contracted for				
Land and buildings	439	439	499	499
Equipment	68	68	54	54
	507	507	553	553

21 Lease Obligations	Consolidated and University			
	Year ended 31 July 2019			Year ended 31 July 2018
	Land and Buildings £'000	Plant and Machinery £'000	Total £'000	Total £'000
Total rentals payable under operating leases:				
Payable during the year	559	70	629	591
Future minimum lease payments due:				
Not later than 1 year	559	41	600	589
Later than 1 year and not later than 5 years	1,603	—	1,603	2,235
Later than 5 years	4,008	—	4,008	6,535
Total lease payments due	6,170	41	6,211	9,359

22 Training Bursaries	Consolidated and University	
	Year ended 31 July 2019 £'000	Year ended 31 July 2018 £'000
NCTL Grants	1,678	1,604
Disbursed to Students	(1,544)	(1,528)
Balance unspent at 31 July, included in creditors	134	76

NCTL grants are available solely for students; the University acts only as a paying agent. The grants and related disbursements are therefore excluded from the Statement of Consolidated Income and Expenditure Account.

23 Pension and Similar Obligations

The University's employees belong to five principal pension schemes, the Church of England Funded Pensions Scheme, the Teachers' Pensions Scheme (TPS), the Local Government Pension Scheme (LGPS), the University Superannuation Scheme (USS) and the Bishop Grosseteste University Flexible Retirement Account provided by Friends Life. Four of these schemes are defined benefit schemes with the Bishop Grosseteste University Flexible Retirement Account being a defined contribution scheme.

Total pension cost for the year

The pension contributions for the year were £2,010,000 (2018: £1,873,000) excluding the FRS 102 adjustment.

	Year ended 31 July 2019		Year ended 31 July 2018	
	Consolidated £'000	University £'000	Consolidated £'000	University £'000
Teacher's Pension Scheme: Contributions Payable	730	730	672	672
Local Government Pension Scheme: Charge to the Consolidated Statement of Income & Expenditure	1,166	1,130	1,162	1,126
Universities Superannuation Scheme: Contributions Payable	82	82	92	92
Church of England Funded Pension Scheme	9	9	9	9
Bishop Grosseteste University Flexible Retirement Account: Charge to the Consolidated Statement of Income & Expenditure	23	23	56	25
Total Pension Cost for the Year (excluding FRS 102 adjustment)	2,010	1,974	1,991	1,924

Church of England Funded Pensions Scheme:

Bishop Grosseteste University participates in the Church of England Funded Pensions Scheme and employs 1 member of the Scheme out of a total membership of approximately 8,500 active members. This scheme is administered by the Church of England Pensions Board, which holds the assets of the scheme separately from those of the Employer and the other participating employers.

The Church of England Funded Pensions Scheme is a defined benefit scheme, but Bishop Grosseteste University is unable to identify its share of the underlying assets and liabilities - each employer in that scheme pays a common contribution rate. A valuation of the Scheme was carried out as at 31 December 2015. This revealed a shortfall of £236m, with assets of £1,308m and a funding target of £1,544m, assessed using the following assumptions:

- Discount rate 4.6%
- RPI 3.2%
- Pension increases:
 - Increasing in line with RPI (capped at 5%) 3.1%
 - Increasing in line with RPI (capped at 3.5%) 2.6%
- Rate of increase of pensionable stipends 3.2%
- Post-retirement mortality: 80% of the S1NMA and S1NFA mortality tables projected from 2007 in line with the CMI 2015 core projections with a long-term annual rate of improvement of 1.5% p.a. for both males and females

For schemes such as the Church of England Funded Pensions Scheme, paragraph 28.11 of FRS102 requires Bishop Grosseteste University to account for pension costs based on contributions actually payable to the Scheme in the year. A valuation of the scheme is carried out once every three years. The next valuation was due to be carried out on the 31 December 2018, and the results have yet to be published.

Bishop Grosseteste University contribution rate is 39.9% of pensionable stipends of which 14.1% will be in respect of the £226m shortfall in the Scheme and 25.8% is in respect of accrual of future benefits and the day-to-day expenses of running the Scheme.

Teachers' Pension Scheme (TPS)

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

The TPS is an unfunded scheme and members contribute on a 'pay as you go' basis – these contributions, along with those made by employers, are credited to the Exchequer under arrangements governed by the above Act. Retirement and other pension benefits are paid by public funds provided by Parliament.

Under the definitions set out in FRS 102 (28.11), the TPS is a multi-employer pension plan. The Trust is unable to identify its share of the underlying assets and liabilities of the plan.

Accordingly, the University has taken advantage of the exemption in FRS 102 and has accounted for its contributions to the scheme as if it were a defined-contribution plan. The Trust has set out above the information available on the plan and the implications for the University in terms of the anticipated contribution rates.

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

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

As a result of the valuation, new employer contribution rates were set at 23.68% of pensionable pay from September 2019 onwards (compared to 16.48% during 2018/19). The Department for Education has agreed to pay a teacher pension employer contribution grant to cover the additional costs during the 2019/20 academic year.

Universities Superannuation Scheme (USS)

The University participates in the USS, a defined benefit scheme. The assets of the scheme are held in a separate fund administered by the trustee, Universities Superannuation Scheme Limited. The company is required to contribute a specified percentage of payroll costs to the pension scheme to fund the benefits payable to the company's employees. The employer contribution rate is 18%.

The total cost charged to the profit and loss account is £82,000 (2018: £92,000). There was neither a prepayment nor an accrual at the end of the financial year in respect of these contributions. The disclosures below represent the position from the scheme's financial statements.

The latest available complete actuarial valuation of the Retirement Income Builder is at 31 March 2017 (the valuation date), which was carried out using the projected unit method. A valuation as at 31 March 2018 is underway but not yet complete.

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

The 2017 valuation was the fourth valuation for the scheme under the scheme-specific funding regime introduced by the Pensions Act 2004, which requires schemes to adopt a statutory funding objective, which is to have sufficient and appropriate assets to cover their technical provisions. At the valuation date, the value of the assets of the scheme was £60.0 billion and the value of the scheme's technical provisions was £67.5 billion indicating a shortfall of £7.5 billion and a funding ratio of 89%.



Defined benefit liability numbers for the Scheme for accounting purposes have been produced using the following assumptions as at 31 March 2018 and 2019:

	2019	2018
Discount Rate	2.44%	2.64%
Pensionable salary growth	N/A	N/A
Price Inflation (CPI)	2.11%	2.02%

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

	2019	2018
Mortality base table	Pre-retirement: 71% of AMC00 (duration 0) for males and 112% of AFC00 (duration 0) for females Post-retirement: 96.5% of SAPS S1NMA "light" for males and 101.3% of RFV00 for females	71% of AMC00 (duration 0) for males and 112% of AFC00 (duration 0) for females 96.5% of SAPS S1NMA "light" for males and 101.3% of RFV00 for females
Future improvements to mortality	CMI_2016 with a smoothing parameter of 8.5 and a long term improvement rate of 1.8% pa for males and 1.6% pa for females.	CMI_2016 with a smoothing parameter of 8.5 and a long term improvement rate of 1.8% pa for males and 1.6% pa for females.

The current life expectancies on retirement at age 65 are:

	2019	2018
Males currently aged 65 (years)	24.6	24.5
Females currently aged 65 (years)	26.1	26.0
Males currently aged 45 (years)	26.6	26.5
Females currently aged 45 (years)	27.9	27.8

	2019	2018
Scheme assets	£60.0bn	£63.6bn
Total scheme liabilities	£67.5bn	£72.0bn
FRS 102 total scheme deficit	£7.5bn	£8.4bn
FRS 102 total funding level	89%	88%

Bishop Grosseteste University Flexible Retirement Account

The University operates a defined contributions pension scheme. The assets of the scheme are held separately from those of the University in an independently administered fund. The pension cost charge represents contributions payable by the University to the fund and amounted to £23,000 (2018 - £56,000).

Local Government Pension Scheme (LGPS):

The LGPS is a funded defined benefit scheme, with the assets held in separate trustee administered funds. The total contribution made for the year ended 31 July 2019 was £1,402,000 (2018 - £1,355,000), of which employer's contributions totalled £1,075,000 (2018 - £1,014,000) and employees' contributions totalled £327,000 (2018 - £311,000). From 1 April 2018, the agreed contribution rate was 20.9% plus an annual lump sum of £82,000 for employers. Contributions are between 5.5% and 12.5% depending upon salary for employees.

Assumptions

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

	At 31 July 2019 %pa	At 31 July 2018 %pa
Price Inflation	2.40%	2.40%
Rate of increase in salaries	2.80%	2.80%
Discount rate	2.10%	2.80%

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

	Males		Females	
	Pensioner	Non-pensioner (currently aged 45)	Pensioner	Non-pensioner (currently aged 45)
At 31 July 2018	22.1 years	24.1 years	24.4 years	26.6 years
At 31 July 2019	21.2 years	22.5 years	23.5 years	25.25 years

Analysis of plan assets	At 31 July 2019	At 31 July 2018
Equities	74%	73%
Bonds	15%	15%
Property	10%	11%
Cash	1%	1%

	Year ended 31 July 2019		Year ended 31 July 2018	
	Consolidated £000	University £000	Consolidated £000	University £000
Analysis of the amount shown in the balance sheet				
Scheme assets	23,038	22,191	20,505	19,752
Scheme liabilities	(30,548)	(29,410)	(24,622)	(23,710)
Deficit in the scheme – net pension liability recorded within pension provisions (Note 18)	(7,510)	(7,219)	(4,117)	(3,958)
Current service cost	1,885	1,822	1,968	1,902
Past service cost	127	122	—	—
Total operating charge:	2,012	1,944	1,968	1,902
Analysis of the amount charged to interest payable/credited to other finance income				
Interest cost	(715)	(689)	(653)	(629)
Expected return on assets	588	566	493	475
Net charge to other finance income	(127)	(123)	(160)	(154)
Total profit and loss charge before deduction for tax				
Analysis of other comprehensive income:				
Gain on assets	957	922	1,284	1,237
Experience loss on liabilities	—	—	—	—
Changes in Financial Assumptions	(4,940)	(4,746)	1,177	1,130
Changes in demographic assumptions	1,654	1,591	—	—
Total other comprehensive income before deduction for tax	(2,329)	(2,233)	2,461	2,367

Analysis of movement in deficit	Year ended 31 July 2019		Year ended 31 July 2018	
	Consolidated £000	University £000	Consolidated £000	University £000
Deficit at beginning of year	24,622	23,710	23,282	22,418
Employee contributions	327	318	311	302
Benefits Paid	(414)	(406)	(415)	(411)
Current service cost	1,885	1,822	1,968	1,902
Past service cost	127	122	—	—
Other finance charge	715	689	653	629
Gain recognised in other comprehensive income	3,286	3,155	(1,177)	(1,130)
Deficit at end of year	30,548	29,410	(24,622)	(23,710)

Analysis of movement in the fair value of scheme assets	Year ended 31 July 2019		Year ended 31 July 2018	
	Consolidated £000	University £000	Consolidated £000	University £000
Fair value of assets at the start of the year	20,505	19,752	17,818	17,170
Expected return on assets	588	566	493	475
Actuarial gain on assets	957	922	1,284	1,237
Actual contributions paid by University	1,075	1,039	1,014	979
Actual member contributions (including notional contributions)	327	318	311	302
Actual benefit payments	(414)	(406)	(415)	(411)
Fair value of scheme assets at the end of the year	23,038	22,191	20,505	19,752

Consolidated History of experience gains and losses

	Year to				
	31 July 2019	31 July 2018	31 July 2017	31 July 2016	31 July 2015
Difference between actual and expected return on scheme assets:					
Amount (£m)	957	1,284	1,344	1,226	572
% of assets at end of year	4.2%	6.3%	7.5%	7.9%	4.4%
Experience (gains)/losses on scheme liabilities					
Amount (£m)	(4,940)	(1,177)	(812)	2,515	1,232
% of liabilities at end of year	(22.25%)	(4.78%)	(3.49%)	11.23%	6.73%

Sensitivity Analysis

The sensitivities for the University regarding the principal assumptions used to measure the scheme liabilities are set out below:

Change in assumptions at 31 July 2019:	Approximate Increase to Defined Benefit Obligation	Approximate Monetary Amount £000
0.5% decrease in Real Discount Rate	13%	3,752
0.5% increase in Salary Increase Rate	2%	575
0.5% increase in the Pension Increase Rate	11%	3,105

The principal demographic assumption is the longevity assumption (i.e. member life expectancy). For sensitivity purposes, a one-year increase in life expectancy would approximately increase the Employer's Defined Benefit Obligation by around 3-5%.

24 Related Party Transactions

Due to the nature of the University's operations and the composition of University Council (being drawn from public and private sector organisations), it is inevitable that transactions will take place with organisations in which a member of University Council may have an interest. All transactions involving organisations in which a member of University Council may have an interest are conducted at arm's length and in accordance with the University's financial regulations and normal procurement procedures. No transactions were identified which should be disclosed under the provisions of FRS 102. In the opinion of University Council, there is no controlling party.

25 Investments

The University holds all issued ordinary share capital of BG (Lincoln) Limited, a trading company registered in England and Wales, (Company number 2467793) the principal activity of which is the organisation of functions and conferences and catering. The University's interest in the company at 31 July 2019, comprised share capital of £2 (2018: £2).

26 Post Balance Sheet Events

On 1 August 2019 the University incorporated as a company limited by guarantee (company number 11963500) and a registered charity (charity number 1184682). This has modernised and strengthened the governance of the University. As part of this process all assets and liabilities of the unincorporated University were transferred to the new company. The University therefore continues as a going concern in all practical senses, however, it should be recognised that for the end of the 2018/19 reporting period these represent the final accounts of the unincorporated University.

Other than this, no significant events have occurred since 31 July 2019.



CUSTODIAN TRUSTEE:

The Lincoln Diocesan Trust and Board of Finance Limited.

CONSTITUTION:

The University is a Registered Charity (Charity Number 527276). It is governed by an instruments and articles of governance dated 1 October 1998 updated October 2012.

COUNCIL AND ADMINISTERING TRUSTEES:

The Council members who served in the year and up to the date of the signature of the financial statements were:

Memberships 2018/19 and 2019/20

Chair

Mr B Walder

Ex-OFFICIO

Rt Rev. Christopher Lowson, The Bishop of Lincoln (Until 31/07/2019)

Nominee: Rt Rev Dr Nigel Peyton

Rev. Canon Professor Peter Neil

Professor Scott Fleming (Until 31/07/19)

DIOCESAN COUNCIL NOMINEES

Rev. David Dadswell

Rev. Dr Sally Myers

Rev. Sonia Barron (From 01/08/2019)

HE INSTITUTION

Professor David Head

CO-OPTED COUNCIL MEMBERS

Mr David Babb

Dr Stephen Critchley

Mrs Jackie Croft

Air Vice-Marshal Gavin MacKay

Mr Richard Hallsworth

Mr Stephen Lawrence

Professor Marianne Howarth (From 01/08/2019)

ELECTED STAFF

Dr Sacha Mason

Mr Alan Stacey

STUDENTS' REPRESENTATION

Mr Craig Ferguson, SU President (Until 31/05/2019)

Miss Bethanne Robinson, Student Representative (Until 31/05/2019)

Mr Alan Foster, SU President (From 01/08/2019)

Mrs Clarissa Bown, Student Representative (From 01/08/2019)

Co-opted Committee members (non-Council)

Mrs Wendy Cundy (from 06/11/2018)

Mr Philip Wright (from 03/07/2018)

BY INVITATION

Mr Joshua Blanchard,

SU Vice President (until 31/05/2019)

Mr Alan Foster, SU President

(from 01/06/2019-31/07/2019)

Mrs Clarissa Bown, Student Representative (from 01/06/2019-31/07/2019)

Mr Jordan Fane, SU Vice President (from 01/08/2019)

VICE-CHANCELLOR:

The Reverend Canon Professor Peter Neil

REGISTRAR AND SECRETARY:

Mr Stephen Deville, Secretary (until 14/10/2019)

Ms Stephanie Gilluly (from 14/10/2019)

BANKERS:

National Westminster Bank plc

PRINCIPAL SOLICITORS: Andrew & Co,

St Swithin's Court, 1 Flavian Road, Nettleham Road, Lincoln, LN2 4GR

EXTERNAL AUDITORS:

Buzzacott LLP, 130, Wood Street, London, ECV2 6DL

INTERNAL AUDITORS:

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Bishop Grosseteste University,
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