

REPORT AND FINANCIAL STATEMENTS

REPORT AND FINANCIAL STATEMENTS 2019

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x University of Worcester

ANNUAL REPORT AND CONSOLIDATED FINANCIAL STATEMENTS FOR YEAR ENDED 31st JULY 2019

UNIVERSITY OF WORCESTER DIRECTORATE AND PROFESSIONAL ADVISERS

VICE CHANCELLOR AND CHIEF EXECUTIVE

Professor David Green CBEMA (Cantab.)

DEPUTY VICE CHANCELLOR, PROVOSE AND DEPUTY CHIEF EXECUTIVE

Professor Sarah Greer MA (Cantab.)

Registered Address

~~REPORT AND FINANCIAL STATEMENTS 2019~~

~~MEMBERS OF THE BOARD OF GOVERNORS~~

The members of the Board who were in office during the year and up to the date of signing the financial statements were:

Professor

STRATEGIC REPORT

FORTHE YEAR ENDED 31st JULY 2019

This statement covers the period 1st August 2018 up to 25th November 2019.

SECTION 1 The University's Strategy

THE UNIVERSITY OF WORCESTER'S VALUES AND VISION

We published our Strategic Plan 2019 in February 2019, following its adoption =

SECTION 2 Public Benefit Statement

CHARITABLE STATUS AND CHARITABLE OBJECTIVES OF THE UNIVERSITY

As a Higher Education Corporation, the University is listed as an exempt charity under the Charities Act 2006. The University is a charity for the purposes of the Charities Act 2006.

SECTION 2 Public Benefit Statement (continued)

We have a student focused approach to delivering an outstanding, holistic student experience, with extensive opportunities for engagement and participation. We were one of the first universities in the country to have student officers on our Board of Governors and its key committees, including Finance and Development and Audit. This is a manifestation of our commitment to a student centred approach and the principle of 'nothing about us without us'.

Student participation and representation	2018/19
Number of student representatives	380
Number of student volunteering hours	16,189
Number of student societies	43

Early Years and lifelong learning

Schools and education have been at the heart of our work since our inception. As one of the country's 10 biggest providers for teacher training, we are at the forefront of educating caring and insightful professionals.

In 2018,

SECTION 2 Public Benefit Statement (continued)

GOOD HEALTH AND WELLBEING

Living Well Through the Life Course

The University has a strong research focus on improving human health and well being through the life cycle from pregnancy through to end of life care.

Recent examples include:

- x Our researchers are examining birth related perineal trauma in low and middle income countries. Such trauma can lead to increased morbidity and mortality, particularly in community settings, in poorer countries.
- x Working with colleagues at Great Ormond

SECTION 2 Public Benefit Statement (continued)

Student and Staff Wellbeing

The University has a deep commitment to inclusion for those experiencing mental health problems. We have offered specialist wellbeing support to students since 2000, while in 2004 we were one of the first universities in the UK to directly employ Mental Health Advisors. We are playing a leading role in partnership with the National Union of Students and others to make universities and cities 'suicide safer' through early intervention. We were shortlisted for a prestigious Times Higher Education Award in 2018 for our work in this area.

Meeting workforce demands

Official 2018 statistics revealed that one in 11 posts across NHS hospital, ambulance and mental health trusts were vacant. With our long history of outstanding Health Education and as leaders of the national campaign to increase nursing places, we are helping to meet the needs of this workforce crisis. We have grown our existing courses for health professionals and work is well underway to create a new Medical School, meeting the urgent needs of our region for compassionate, high quality doctors.

Health Graduates	2018/19
Nurses	183
Midwives	29
Paramedics	102
Social Workers	32

Community access to university sports facilities and expertise

Sustained investment throughout the campus typified by the University of Worcester Arena, the country's first indoor sports arena purpose designed to include wheelchair athletes, promotes participation for those with physical impairment and encourages wellbeing.

The University of Worcester Arena has helped Worcester become one of the UK's most successful educators in the UK of degree qualified Physical Education teachers, sports coaches and sports psychologists with specialist expertise in inclusive sport and practice. Our graduates are now working all over Britain, educating and coaching tens of thousands of young people with genuine inclusive sport and practice expertise.

In 2018 we worked with the Japanese Paralympic Committee and movement, as well as the Beijing Sports as

SECTION 2 Public Benefit Statement (continued)

Over 102,000 community visitors have enjoyed sport and leisure experiences at our Lakeside Campus, St. John's Campus Sport Centre and the Riverside Centre this year.

We work with age groups spanning from 5 to 85+ yrs, engaging

SECTION 2 Public Benefit Statement (continued)

Gender Equality

Worcester is the best performing university in England and the most genuinely equal when it comes to gender pay, according to data published in both 2018 and 2019. We have the smallest average pay gap of any UK university and have a high percentage of women employed at all levels including within the senior team.

Women make up 65 per cent of Worcester's overall staff and are represented at this level throughout the University. In July 2019, 40

SECTION 2 Public Benefit Statement (continued)

DECENT WORK, ECONOMIC GROWTH AND INNOVATION

The University's annual income has risen by more than four times since 2004 and is now approx £15.4m (year ended 31 July 2019)

SECTION 2 Public Benefit Statement (continued)

Indicative examples: Public Arts and Science Events	2018/19 attendance
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Students work under the supervision of qualified Solicitors to give members of the public access to free legal advice on Employment Law issues in our Legal Advice Centre.

University of Worcester staff raised over £20,000 for local Charity, Smile for Joel.

SECTION 2 Public Benefit Statement (continued)

CLIMATE ACTION AND RESPONSIBLE CONSUMPTION

Worcester is a leader in sustainability and climate change research, teaching and engagement. Our campus is a living laboratory for developing, testing and implementing solutions that enhance the health of people and planet. Community engagement campaigns, such as projects to improve energy efficiency in student housing, car share schemes and sustainability conferences for young people, focus on using our campus to incubate new ideas and replicable models for change.

We have, in close partnership with the Students' Union, pioneered many initiatives to promote sustainability over the last 15 years, including much improved recycling, encouraging walking and cycling wherever possible, and practical changes such as introducing less energy intensive lighting and solar heated hot water.

We are engaged in a wide ranging body of research which seeks to enhance food security at a UK and global level but to do so in an environmentally sustainable way, for example:

- x We are working in collaboration with the James Hutton Institute to develop integrated management strategies to deal with various pathogens of food crops
- x We have co-funded a series of doctoral studentships with Waitrose and with specific fruit growers to enable increased yield of specific fruit crops whilst minimising the use of pesticides

Worcester has had first class honours in the Guardian published People and Planet 'Green' league every year since 2009. We successfully completed our ISO14001:2015 audit, making us the second university in the UK to transition to the new standard.

We were shortlisted for Sustainability Institution of the Year 2019, Campus of the Future and Total Reporting in the Green Gowns, the leading national sustainability awards for higher education.

SECTION 3 Financial Management and Sustainability

In meeting the on going challenges of the new funding regime and other Higher Education changes in delivering our financial strategy we will:

- x Continue to observe the principles of prudent financial management;
- x Ensure that the expansion and development plans remain achievable and affordable;
- x Take measures to maintain and further increase the University's popularity and student intake;
- x Ensure efficient collection of cash and debtor together with prompt payments to creditors and suppliers, as per the relevant agreed terms; and
- x Maximise opportunities to diversify sources of income and increase income generation from

SECTION 3 Financial Management and Sustainability (continued)

The level of surplus (before other gains and losses) generated has continued to fluctuate, with some years resulting in a higher surplus due to elements of non recurrent

SECTION 3 Financial Management and Sustainability

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SECTION 4 Infrastructure Development Programme

2018/19 saw the completion of the refurbishing of the former County Furnishings building, a Grade II listed building adjacent to the City Campus to provide a new library for the City.

SECTION 5 Staff

AN INCLUSIVE COMMUNITY FOR HIGH ACHIEVING STAFF

The University was delighted to achieve the position of joint 4th for Gender Equality in the Times Higher University Impact rankings 2019, in recognition of its long term commitment to inclusivity and fairness. See Section 2 for further details.

This accolade was further endorsed by this year's Gender Pay Gap data. The University continues to be the best performing University and the most genuinely equal when it comes to gender pay and the data is demonstrable of the University's promotion of educational and social inclusion and equality. For further details see page 13.

TRADE UNION FACILITY TIME APRIL 2018 to MARCH 2019

SECTION 6 Corporate Governance

The University of Worcester is an independent corporation, established as a Higher Education Corporation under the terms of the Education Reform Act 1988 and the Further and Higher Education Act 1992. Its objectives, powers and framework of governance are set out in the Instrument and Articles of Government, which are available on the University's website: <https://www.worc.ac.uk/discover/governance.html>.

THE BOARD OF GOVERNORS

The Board of Governors is the governing body of the University. The Board of Governors has a majority of independent members and the Chair is elected for a term of four years from the independent members. The Chair is supported by two Vice Chairs, appointed by the Board of Governors on the recommendation of the Nominations

SECTION C Corporate Governance (continued)

Committee members meet with the Auditor on their own for at least one independent discussion per annum. During 2018/19, one 'in camera' session of this type was held.

The Committee approves the Internal Audit Strategy and the Annual Internal Audit Plan and receives detailed reports with recommendations for improvements to the institution's internal control systems. It also receives the Corporate Risk Register and the annual financial statements and management letter from the external auditors, prior to their formal approval by the Board of Governors. It reports to each meeting of the Board and also presents an annual report that is part of the annual assurance process required by HEFCE and subsequently OfS, which is submitted along with the Annual Opinion statement from the Internal Auditors. The Annual Report of the Audit Committee includes an assurance on the quality of the University's data management and the accuracy of data.

SECTION 6 Corporate Governance (continued)

INTERNAL CONTROL AND RISK MANAGEMENT

The Board has responsibility for maintaining a sound system of internal control that supports the achievement of institutional strategies and policies, whilst safeguarding public and other funds and the assets of the University. The system of internal control is designed to manage rather than eliminate risk and can only provide reasonable rather than absolute assurance of effectiveness. The University Risk Manager is the Head of Governance & Regulatory Affairs.

In February 2019 the Head of Governance & Regulatory Affairs was appointed as Clerk to the Board, this replaced the interim arrangement which had been in place since the previous Clerk left the University in March 2018.

An institutional Risk Register is maintained, which is presented on a six monthly basis to the Audit Committee and Board of Governors for approval. In 2018/19 the Head of Governance & Regulatory Affairs undertook a comprehensive review of the existing institutional Risk Register and Policy. The review resulted in a new format for the institutional Risk Register and significant update to the Risk Management Policy, both of which were considered by the Audit Committee and approved by the Board of Governors in July 2019. Separate and detailed risk registers are maintained for key capital developments and the Medical School project and risk assessments are also undertaken alongside any proposals for major new partnerships.

The Board's oversight of the effectiveness of the system of internal controls is informed directly by the work of the Internal Auditors and the University Executive that has responsibility for the development and maintenance of the internal control system. The University Executive is informed directly

Independent auditor's report to the board of governors of University of Worcester

Opinion

Independent auditor's report to the board of governors of University of Worcester (continued)

Opinion on other matters required by the Office for Students ("OfS") and Research England

In our opinion, in all material respects:

- x Funds from whatever source administered by the higher education institution for specific purposes have been properly applied to those purposes and managed in accordance with relevant legislation.
- x Funds provided by the OfS and Research England have been applied in accordance with the Terms and Conditions of Funding and any other terms and conditions attached to them.
- x The requirements of the OfS's accounts direction have been met.

Responsibilities of governors

As explained more fully in the governor responsibilities statement set out on pages 26 and 27, the governors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the governors determine is necessary to enable the preparation

Consolidated and University Statements of Comprehensive Income and Expenditure
For the year ended 31st July 2019

	Note	Group		University	
		2019 £000	2018 £000	2019 £000	2018 £000
INCOME					
Funding Body Grants	2	6,472	6,468	6,472	6,468
Tuition fees and education contracts	3	76,969	78,173	76,969	78,173
Research grants and contracts	4	1,230	1,027	1,230	1,027
Other income	5	12,000	12,987	11,986	12,958
Investment income	6	220	138	270	138

Consolidated and University Balance Sheets as at 31st July 2019

	Note	Group		University	
		2019 £000	2018 £000	2019 £000	2018 £000
Non current assets					
Intangible assets	12	457	37	457	37
Tangible fixed assets	13	144,670	146,904	150,430	152,696
Investments	14	3,319	8,414	3,330	8,425
Total Non current assets		148,446	155,355	154,217	161,158
Current assets					
Stock	15	12	21	7	16
Trade and other receivables	16	6,027	3,656	7,379	5,278
Short term investments	17		14,000		14,000
Cash and cash equivalents		39,673	20,209	39,344	19,651
Total Current assets		45,712	37,886	46,730	38,945
Current liabilities					
Creditors: amounts falling due within one year	18	(10,435)	(13,161)	(10,405)	(13,067)
Net Current assets		35,277	24,725	36,325	25,878
Total assets less current liabilities		183,723	180,080	190,542	187,036
Creditors: amounts falling due after more than one year					
	19	(86,342)	(87,236)	(86,342)	(87,236)
Provisions					
Pension	21	(41,363)	(21,569)	(41,363)	(21,569)
Other	21	(209)	(305)	(209)	(305)
Total Net assets		55,809	70,970	62,628	77,926
Restricted Reserves					
Income and expenditure reserve - endowment					
Income and expenditure reserve - restricted	22	78	128	78	128
Unrestricted Reserves					
Income and expenditure reserve - unrestricted		45,347	60,216	52,166	67,172
Revaluation reserve		10,384	10,626	10,384	10,626
		55,731	70,842	62,550	77,798
Total Reserves		55,809	70,970	62,628	77,926

The financial statements on pages 33 to 70 were approved by the Board of Governors on 25th November 2019 and signed on their behalf:

The notes on pages 37 to 70 form part of these financial statements.

Mr John Bateman OBE

Professor David Green

Consolidated Cash Flow Statement for the year ended 31st July 2019

	<u>2019</u> £000	<u>2018</u> £000
Cashflow from operating activities	..	..
Surplus for the year	556	8,701
Adjustment for non r 0PÕ"ri fdc r 0PÕ!iv@- i•! À ðÂ ð À"UYI 1À fðÁÆVf Â ðÂh0 "G h iH•iv@-rîiPì;Ð ð 8ÃÑð À"€ßÀ C		

Notes to the financial statements
Year ended 31st July 2019

1. Statement of Principal Accounting Policies (continued)

Donations and endowments

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

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

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

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

1. Restricted donations – the donor has specified that the donation must be used for a particular objective.
2. Unrestricted permanent endowments – the donor has specified that the fund is to be permanently invested to generate an income stream for the general benefit of the University.
3. Restricted expendable endowments – the donor has specified a particular purpose for the fund, but the donor has not specified that the fund is to be permanently invested to generate an income stream for the general benefit of the University.

1. Statement of Principal Accounting Policies (continued)

Financial Instruments

The University has considered its principal financial instruments (being cash, investments, trade debtors, trade creditors and loans) in line with FRS 102 and concluded that they meet the classification of basic financial instruments, including derivative financial instruments. Given the basic nature of the University's financial instruments, they are accounted for at amortised cost and the carrying value of each category in the balance sheet is considered to equate to fair value.

Reserves

Reserves are classified as restricted or unrestricted. Restricted endowment reserves include balances which, through endowment to the University, are held as a permanently restricted fund which the University must hold in perpetuity. Other restricted reserves include balances where the donor has designated a specific purpose and therefore the University is restricted in the use of these funds.

Critical accounting judgements and estimation uncertainty

Investment Land (note 14) – As part of the FRS 102 transition the University reclassified the land held at

5. Other Income

	Group		University	
	<u>2019</u> £000	<u>2018</u> £000	<u>2019</u> £000	<u>2018</u> £000
Residences, catering and conferences	8,622	9,567	8,622	9,567
Other services rendered	199	186	199	186
Release of other deferred capital grants	74	130	74	130
Other income	3,105	3,104	2,872	2,849
Inter Company Sales			219	226
	12,000	12,987	11,986	12,958

8. Staff costs

Group

University

	2019 £000	2018 £000	2019 £000	2018 £000
..				
..				

Wages and

8. Staff costs (continued)

When making decisions, Committee members referred to the Terms of Reference for the Remuneration Committee and the delegated powers as outlined in the Articles of Government (3.3.3.):

In advance of the meeting, Committee members received detailed information in relation to the review process for the Vice Chancellor. This includes:

8. Staff costs (continued)

Having considered feedback from the Chair of the Board of Governors, in relation to the performance of the Vice Chancellor against the agreed annual objective, and with reference to relevant sector benchmark data and the 'cost of living' salary increase applied to all staff at the University, the Committee agreed to apply a 2% award staff benchmark

8. Staff costs (continued)

The average monthly

10. Interest and other finance costs

	Group		University	
	2019 £000	2018 £000	2019 £000	2018 £000
Loans not wholly repayable within 5 years	3,269	3,266	3,269	3,266
Lease Finance Costs	201	208	201	208
Unwind of discount on USS pension provision	8	8	8	8
Pension Interest	633	777	633	777
Loan arrangement fee		10		10
	4,111	4,269	4,111	4,269

11. Analysis of Expenditure by Activity

	Group				2019 Total £000	2018 Total £000
	Staff costs £000	Other expenses £000	Depreciation and amortisation £000	Interest and other finance costs £000		
Academic Departments	36,862	15,371	363	.....	52,596	35,471
Academic Services	2,962	3,411	459	201	7,033	6,643
Administrative and central services	9,495	4,289	40	3,910	17,734	32,757
Premises	2,868	6,182	1,050	.....	10,100	9,814
Research	.....	.....	.....	.....	.....	.....

12. Intangible assets

Group and University

	<u>2019</u>	<u>2018</u>
	£000	£000
Cost		
At beginning of year	936	982
Assets in course of development	437	(46)
Disposals	(201)	
At end of year	<u>1,172</u>	<u>936</u>
Accumulated amortisation		
At beginning of year	899	876
Charge for year	15	23
Amortisation on disposals	(199)	

13. Tangible Fixed Assets (continued)

			Fixtures, Fittings and Equipment	Assets in the Course of Construction	Total
			£000	£000	2019 £000
Cost or valuation at beginning of year			9,435	4,630	189,489
Additions at cost			645	799	2,679
Transfers (reclassification)			128	(3,376)	
Disposals at cost			(605)		(1,814)
At end of year			9,603	2,053	190,354
Accumulated depreciation					
At beginning of year	28,688		6,419		36,793
Charge for year	3,283		1,024		4,577
Depreciation on disposals	(873)		(563)		(1,446)
At end of year	31,098		6,880		39,924
Net Book Value					
At end of year	135,576	9,781	2,723	2,053	150,430

14. Investments

	Group		University	
	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>
	£000	£000	£000	£000
..
..
Investment Land
At beginning of

16. Trade and other receivables

Group

University

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18. Creditors: Amounts falling due within one year (continued)

Deferred income

Included within accruals and deferred income are

19. Creditors: Amounts falling due after more than one year (continued)

Analysis of finance lease repayments

	Group		University	
	2019 £000	2018 £000	2019 £000	2018 £000
Due within one year	298	301	298	301
Due between one and two years	297	298	297	298
Due between two and five years	874	885	874	885
Due in five years or more	3,325	3,611	3,325	3,611
Total gross payments	4,794	5,095	4,794	5,095
Less finance charges included above	(2,031)	(2,232)	(2,031)	(2,232)
	<u>2,763</u>	<u>2,863</u>	<u>2,763</u>	<u>2,863</u>

Finance lease liability

	Group		University	
	2019 £000	2018 £000	2019 £000	2018 £000
Opening balance	2,863	2,958	2,863	2,958
Payments	(100)	(95)	(100)	(95)
Closing balance	<u>2,763</u>	<u>2,863</u>	<u>2,763</u>	<u>2,863</u>

The University has a loan facility with Barclays Bank PLC of £80 million for capital development works, of which all has now been drawn down. The outstanding balance as at 31st July 2019 is £68 million. Of the loan drawn down £45 million is at a fixed interest rate of 4.952%, with Term Loan Facility of £45 million at 4.8% The 20,325,013 (6 Dec 2018) & £20,000,000 (11 Dec 2018) of £20,000,000

20. Consolidated reconciliation of net

21. Provisions for liabilities

	Group and University			Total Pensions Provisions £000	Legal £000	VAT £000	Total Other £000
	Obligation to fund deficit on USS Pension £000	Pension enhancements on termination £000	Defined Benefit Obligations (Note 26) £000				
At 1 August 2018	370	301	20,898	21,569	196	109	305
Utilised in year		(42)		(42)		(54)	(54)
Additions in 2018/19	687	1	19,148	19,836	23		23
Unused amounts reversed in 2018/19					(65)		(65)
At 31 July 2019	1,057	260	40,046	41,363	154	55	209

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.

Pension enhancement

The University has provided for future pension costs associated with the granting of additional years of service to certain members of staff taking early retirement. The pension costs are charged directly against the provision. Interest on the balance of the provision is added annually to the provision through a charge to the Income and Expenditure Account. This provision covers pension costs not met by the Teachers Pension Scheme, Universities Superannuation Scheme and the Local Government Pension Scheme. This provision is expected to be utilised during the staff members' retirement.

Defined benefit obligations – see note 26

Legal

The legal provision is a provision covering on going potential obligations.

VAT

The VAT provision relates to the Capital Goods Scheme in respect of the Motion Performance Centre which is expected to be utilised during the coming year and also facilities at the Charles Darwin building which is expected to be utilised over the next two years.

22. Restricted Reserves

24. Contingent liabilities

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

25. Lease obligations

Total rentals payable under operating leases:

	Land and Buildings £000	Vehicles £000	Equipment £000	31 July 2019 £000	31 July 2018 £000
Payable during the year	139	6	164	309	668
Future minimum lease payments due:					
Not later than 1 year	132		90	222	297
Later than 1 year and not later than 5 years	520			520	698
Later than 5 years	1,770			1,770	1,770
Total lease payments due	2,422		90	2,512	2,765

26. Pensions schemes

The three principal pensions schemes for the University's staff are provided by the Local Government Pension Scheme (LGPS) administered by the Worcestershire Pension Fund (WPF), the Teachers' Pension Scheme (TPS), and the Universities Superannuation Scheme (USS). The assets of the Schemes are held in separately administered funds.

Worcestershire Pension Fund (WPF)

WPF is valued every three years by professionally qualified independent actuaries using the projected unit method, the rates of contribution payable being determined by the trustees on the advice of the actuaries. In the intervening years, the WCCPF Actuary reviews the progress of the WCCPF Scheme. A full actuarial valuation was carried out at 31st March 2016 on a FR basis by a qualified independent actuary.

The pension scheme assets are held in a separate Trustee administered fund to meet long term pension liabilities to past and present employees. The trustees of the fund are required to act in the best interests of the fund's beneficiaries. The appointment of trustees to the fund is determined by the scheme's trust documentation. The trustees are responsible for setting the investment strategy for the scheme after consultation with professional advisers.

For WCCPF the actuary has indicated

26. Pensions schemes (continued)

The assets in Worcestershire Pension Fund (WPF) scheme were:

The breakdown of Assets in the scheme are as follows:

	% at 31st July 2019	Value at 31st July 2019 £000	% at 31st July 2018	Value at 31st July 2018 £000
Equities	70.90	47,421	76.90	47,115
Government Bonds	7.5	5,016	8.20	5,024
Other Bonds	5.0	3,344	4.70	2,880
Property	6.0	4,013	4.60	2,818

26. Pensions schemes (continued)

Provision for pensions		2019	2018
		£000	£000
As at 1st August		20,898	28,694
Increase/(Decrease) in pension liability		19,148	(7,796)
As at 31st July		40,046	20,898
Amount recognised in the Statement of Comprehensive Income (SOI)			
		2019	2018
		£000	£000
Current service cost		4,399	4,713
Past service cost		1,158	
Net interest cost		566	711
Administration expenses		61	63
Total pension cost recognised in Income & Expenditure		6,184	5,487
Remeasurement (liabilities & assets)		15,717	(10,645)
Total pension costs recognised in SOI			

26. Pensions schemes (continued)

Universities' Superannuation Scheme (USS)

Principal accounting policies

The institution participates in Universities Superannuation Scheme. This 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 if 0.00056 0 Td sC2_0 0003>

29. Related party transactions

Due to the nature of the University's operations and the composition of the Board of Governors (with members drawn from local, public and private sector organisations) it is inevitable that transactions will take place with organisations in which a member of the Board may have an interest.

All transactions involving organisations in which a member of the Board may have an interest are conducted at arm's length and in accordance with the University's financial regulations and normal procurement procedures, which require individuals to declare any interest. However, there have been no material transactions with members of the board during the accounting year.

The value of payments made by the University, during the year, to organisations that have been disclosed by either members of the Board of Governors or members of the University's Senior Management (as defined in the University's Governance Framework) is as follows: