



The University of Buckingham

**Annual report & financial statements
For the year ended 31 December 2021**

Registered Charity Number 1141691

Annual Report & Financial Statements For the year ended 31 December 2021

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LEGAL AND ADMINISTRATIVE INFORMATION

Corporate Status

The University of Buckingham (the "University") is incorporated by Royal Charter, number RC000730. The University is a Registered Charity, number 1141691.

Principal place of business

The University of Buckingham
Yeomanry House
Hunter Street
Buckingham
MK18 1EG

Independent auditors

MHA MacIntyre Hudson LLP
6th Floor
2 London Wall Place
London
EC2Y 5AU

Bankers

National Westminster Bank plc
Stony Stratford Branch
80 High Street
Stony Stratford
Milton Keynes
MK11 1AJ

CHAIR'S STATEMENT

As I write this statement at the beginning of 2023 and in only my third month as Chair, a significant amount of time has elapsed since the 2021 accounting year to which these statements refer. As in 2020, the University was still being impacted by the COVID pandemic but had successfully adapted its operations to continue to serve its students with the highest standards of learning. That did not come without challenge, and I pay tribute again to both our staff and our students for how they adapted to them. 1,100 students graduated in the year across 15 subjects which is something to be very proud of under the circumstances.

During all this time, the University continued to welcome students from the UK and all around the world, albeit in many cases digitally, but still managed to nurture and inculcate our core values and principles of independence, free speech, and diversity, of which we are so proud and which we believe make us very different.

The University continued to work through the governance issues referred to in previous financial statements and continued embedding the improved policies and procedures recommended to the governing body. In August 2021, a new Charter and set of Statutes were approved by the Privy Council and came into force together with a comprehensive set of Ordinances and New Schemes of Delegation. All of these have been specifically designed to improve governance, accountability and transparency. We continue to work tirelessly to embed these across all our operations.

As was the case for the 2020 financial year, we are presenting these financial statements much later than we would have liked due to the continued knock-on effect of the issues with the 2019 accounts. That said, we are releasing these accounts just two months after submitting the 2020 accounts, and are now fully compliant with our reporting obligations. I am pleased to point out the continued improvement in financial performance. I must pay tribute here to our Chief Financial Officer who joined the University less than a year ago. He has done a fantastic job to get us to where we are. I must also thank his small team for the considerable efforts they have made. Our Vice Chancellor, James Tooley, who took on his role at a very difficult time continues to lead the institution with real passion and enthusiasm.

I write this statement with real optimism for the future. Over the first few weeks as Chair, I have personally spoken to a number of people across our Council, Senate, the senior team, staff colleagues and student representatives and they are all hugely committed to the success of the University of Buckingham and to delivering world-class learning and a truly memorable student experience. As we emerge from the difficulties of recent times, we now at last can start to turn to the future and develop a strategy worthy of the institution that ensures the sustained success of this unique University.



Mark St John Qualter
Chair of Council

VICE-CHANCELLOR'S STATEMENT

Like my Chair of Council, I acknowledge that these financial statements are delivered much later than we would have liked. This is the inevitable knock-on consequences of the very much delayed accounts of 2019, which led to delays to 2020 and finally to these. However, with the delivery of these financial statements I am delighted that we are now compliant once again with our regulators – and will maintain this when the 2022 financial statements are delivered on time. I would like to express my deep gratitude to our finance team for their dedicated work in getting us to this point, and to our audit team, for their support throughout.

Looking back to 2021, July 19th was the momentous day the British government finally lifted lockdown restrictions, in place since March 2020.

The University of Buckingham energetically and immediately embraced the freedoms this offered. We recommenced our “Tales from the River Bank” public talks for town and gown, held in the garden of the Vice-Chancellor’s residence, adjacent to the River Great Ouse. The first talk featured Dr Tony (now Baron) Sewell, talking about his Commission’s recent report on race and ethnic disparities.

Open Day in July, the first face-to-face one since October 2019, and a second in October were both well received. We resumed face-to-face graduations, the first for over two years, all attended in person by our dedicated Chancellor, Dame Mary Archer. It was also a pleasure to conduct graduation ceremonies in person with some of our collaboration partners, including the Condé Nast College of Fashion & Design in Soho.

The wider community too benefited from the University’s “re-opening”. Buckinghamshire Business First held their open day in the Vinson Building, with the Department of Trade and Industry following with a learning taster day. We also held two well-attended face-to-face alumni events, a colloquium on innovation and the environment, with a panel featuring amongst others our MP, Greg Smith, and a long awaited “Return to Campus” event, in which over 200 alumni, students and staff enjoyed reconnecting in the glitzy setting of the Villiers Ballroom.

With lockdown lifted, I was once again able to take part in events in the Town. These included opening the Buckingham Art for All festival, and the town-versus-gown “University Challenge” quiz event, organised by BACAB, the charity which raises money for the Buckingham Citizens’ Advice Bureau.

With all of this activity, I was proud that we re-opened more quickly than many other British universities. It was so thrilling to see students and staff drifting back onto campus after the long enforced absence. Of course, this is in part because the University of Buckingham does not have a long summer break and has an extra term which makes possible our two-year undergraduate degrees.

We had the advantage that our two major points of entry brought; young people that were reluctant to start courses in Autumn 2021, unsure of how things would unfold vis-à-vis lockdowns, were able to join us in January 2022 once reassured, starting only a few months later rather than waiting a full year.

During 2021, some major building and renovation work took place; including phase I of an extensive refurbishment in the Franciscan Building, providing additional labs for computing students and to update the technology held by the University. The old cellars became state-of-the-art AI and robotics facilities. We also completed a phase I update to our student facilities in the Tanlaw Mill, an investment to improve the student experience. I am now proud to show people around these attractively designed amenities.

2021 was the year the Faculty of Education came in from the cold, as it were, joining us on the Buckingham campus taking up residence in the top floor of the Vinson Building.

Joint working between Senate and Council also led to the successful update of our Charter & Statutes, submitted to the Privy Council in April 2021.

VICE-CHANCELLOR'S STATEMENT (continued)

To conclude, there is now a great feeling of optimism around the University. We have overcome the difficulties that resulted in the late publication of our financial statements, and are looking to the future with renewed confidence.



Professor James Tooley
Vice-Chancellor

TRUSTEES' REPORT

The Trustees' Report represents the strategic review for the Group and University.

Corporate Status, Reference and Administrative Details

The University of Buckingham was incorporated by Royal Charter on 11 February 1983. Prior to that, the University College at Buckingham was founded in 1973 and admitted its first students in 1976.

The University is not-for profit and is a Recognised Body under Statutory Instrument No.2992 (The Education (Recognised Bodies) (England) Order 2013); it is authorised by its Royal Charter to award taught and research degrees in perpetuity.

The University is registered at the Charity Commission for England and Wales, with Charity number: 1141691. The principal place of the University's business, as well as the names and addresses of the University's auditor and bankers, have been presented separately in the Legal and Administrative Information section of this Report.

The University is registered with the Office for Students (OfS) in the Approved provider category. Approved higher education providers (HEPs) differ from Approved (Fee Cap) HEPs in being able to levy uncapped tuition fees for undergraduate degrees but with the caveat that students at Approved providers can only access student loan funding to the lower limit. Since 2018, and through 2021, this has been £6,165 per annum for three-year programmes and £7,400 per annum for two-year programmes. As an Approved provider, the University is unable to access any direct government funding for learning & teaching, research or capital activity; however, the University remains subject to the full suite of OfS Conditions of Registration, with the only exception being it is not required to have an Access and Participation Plan.

The names of all Trustees / council members who served in the period and at the report date, and the name of Vice-Chancellor, have been presented in Members of Council section of this Report.

Structure, Governance and Management

The University's governing document is the Governance Handbook, which includes: the University's Royal Charter and Statutes, upon which our governance structures are based; our academic, management and committee structures; the Standing Orders of the statutory bodies (Council and Senate); and the terms of reference and membership of all committees. In addition, the Ordinances codify the procedures by which the powers articulated in the University's Charter and Statutes are exercised, including the procedures on the recruitment, appointment, induction and training of Trustees.

The University Group financial statements include a subsidiary company and a charity, being Medical Property Management Ltd (MPML) and The University of Buckingham Foundation respectively. MPML is a wholly owned trading subsidiary whose purpose is to further the University's charitable purposes, in particular in the construction and subsequent rental of the Milton Keynes Academic Centre. The latter is a charitable trust whose purpose is to advance education, in particular supporting and promoting the education of students at the University, and to promote research into academic and scientific fields of learning. Financial statements of these entities can be obtained from the University's principal place of business, which is noted on page 1 of these accounts.

TRUSTEES' REPORT (continued)

The Trustees are required to ensure the University is carrying out its purposes for the public benefit, complies with the governing document and law, acts in the University's best interests, manages its resources responsibly and is accountable, through the organisation and conduct of regular meetings for both the Council and its sub-committees. The agreed decisions and actions from the meetings are then appropriately delegated to, and implemented by the University's senior management and functional departments.

With regards to the setting of remuneration, the University, through written commitment provided in the Ordinances, comply with the Higher Education Remuneration Code published by the Committee of University Chairs. In practice, the University's Nominations, Performance and Remuneration Committee consider the comparative information on the emoluments of the employees within its remit; ensure all arrangements are unambiguous and diligently recorded; and determine annually the principles on which merit awards shall be made for all members of staff in the salary review for that year.

University of Buckingham is a member of the Quality Assurance Agency for Higher Education (QAA). The University has also developed a number of important partnerships which are geographically spread and culturally diverse, and has collaborations with key academic institutions such as British University in Georgia, Helsinki Design School, International Business School in Budapest and the Anglo Mexican Foundation.

Details of transactions with the University's related parties during the year are presented in Note 23 of the financial statements.

Objectives and Activities

As codified in the University's statutes, the University's objectives are the advancement of learning and knowledge by teaching and research, and to enable students to obtain the advantages of university education.

The Trustees have had due regard to the Charity Commission's guidance on public benefit during their stewardship of the University's activities. Details of activities to further public benefit are set out in this Report.

In particular, the Trustees have taken care to:

- a. Make strategic decisions that further the charitable objectives;
- b. Maximise public benefit to significant numbers of beneficiaries who are local to Buckingham, as well as more widely;
- c. Manage and mitigate risks to our beneficiaries and to the University itself.

Buckingham's distinctive position

The distinctive position of the University of Buckingham is that it is an early innovator, including pioneering the accelerated two-year honours degree some 40 years ago. This is a cost-effective route for students to spend less on tuition and living costs than if they were taking a three-year degree, and enter employment a year earlier if they wish, or leave after three years with a master's degree. The three-year honours degree option is also available. Our Medicine course is also unique, offering a GMC accredited four-and-a-half-year course with a January start date. Furthermore, the removal of long holidays allows for shorter overall study time meaning graduated students are able to enter the NHS foundation programme in August each year.

TRUSTEES' REPORT (continued)

A suitable motto is "Small is Beautiful": The University of Buckingham prides itself on the close personal attention afforded to its students, with small group tutorials the most important part of its teaching. The small size of the campuses also promotes the sense of personal attention.

The University holds academic and social events open to the public, as well as to our staff and students, at University premises, such as lectures, fireside chats with renowned guest speakers, taster days and musical concerts. It has been a pleasure to welcome members of the local community to these.

Staff

As with any organisation, staff numbers fluctuate through the year, therefore average numbers are used in these financial statements. In 2021 there was an average of 383 full time equivalent members of staff (2020: 388), comprising 132 academic (2020: 127), 9 research (2020: 8), 208 support (2020: 211) and 34 manual staff (2020: 42), who are all committed to supporting our students.

Achievements and Performance on Teaching & Research

The founders of the University were driven by a desire to cultivate an institution that was rigorously independent; this ethos has underpinned three striking features of the University's provision:

1. the pioneering of an eight-term (two-year) accelerated undergraduate degree,
2. an early focus on the student experience, and
3. a resourcing model in which academic staff teach for three out of the four terms, with the remaining term given over to research, external engagement and programme review that ensures the availability of senior and permanent teaching staff throughout the full calendar year.

Whilst keeping a keen eye on affordability, the University sets fee levels that fund a high-quality academic experience, incorporating personalised learning and pastoral support, enabling students to thrive. The University's robust academic and personal tutorial systems have been integral to the University's results in recent league tables. In the Good University Guide (2022) we were ranked 15th in the UK for teaching quality and 6th in the UK for Graduate Prospects, just below Oxford and Cambridge and above Bath and Warwick. In the Complete University Guide (2023), we maintained our top 10 ranking for Student Satisfaction climbing from 8th to 7th in England, also rising significantly on "Graduate Prospects – outcomes" from 61st to 9th.

The University aims to ensure that all students feel as though they are stakeholders in their university and that it revolves around them rather than the other way around. As such, the University places a very high value on the staff-student partnership: students are represented on academic committees at every level and their feedback, both formal (via satisfaction surveys) and informal, is sought on both the University's courses as well as the wider learning environment. Feedback is discussed with the University Executive team and appropriate actions are taken as warranted.

Student numbers

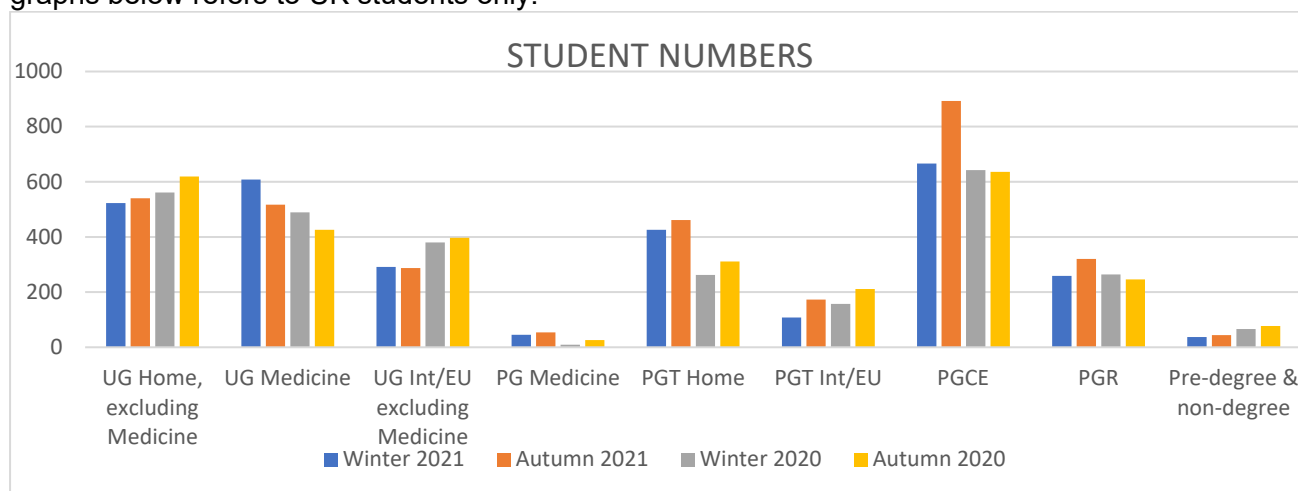
Total student numbers increased to 3,289 in Autumn 2021, up 11.5% from 2020.

Undergraduate (UG) students remained consistent with the previous year and remains the largest level of study across our whole student group. UG Medicine continues to show growth, as cohorts increase year on year.

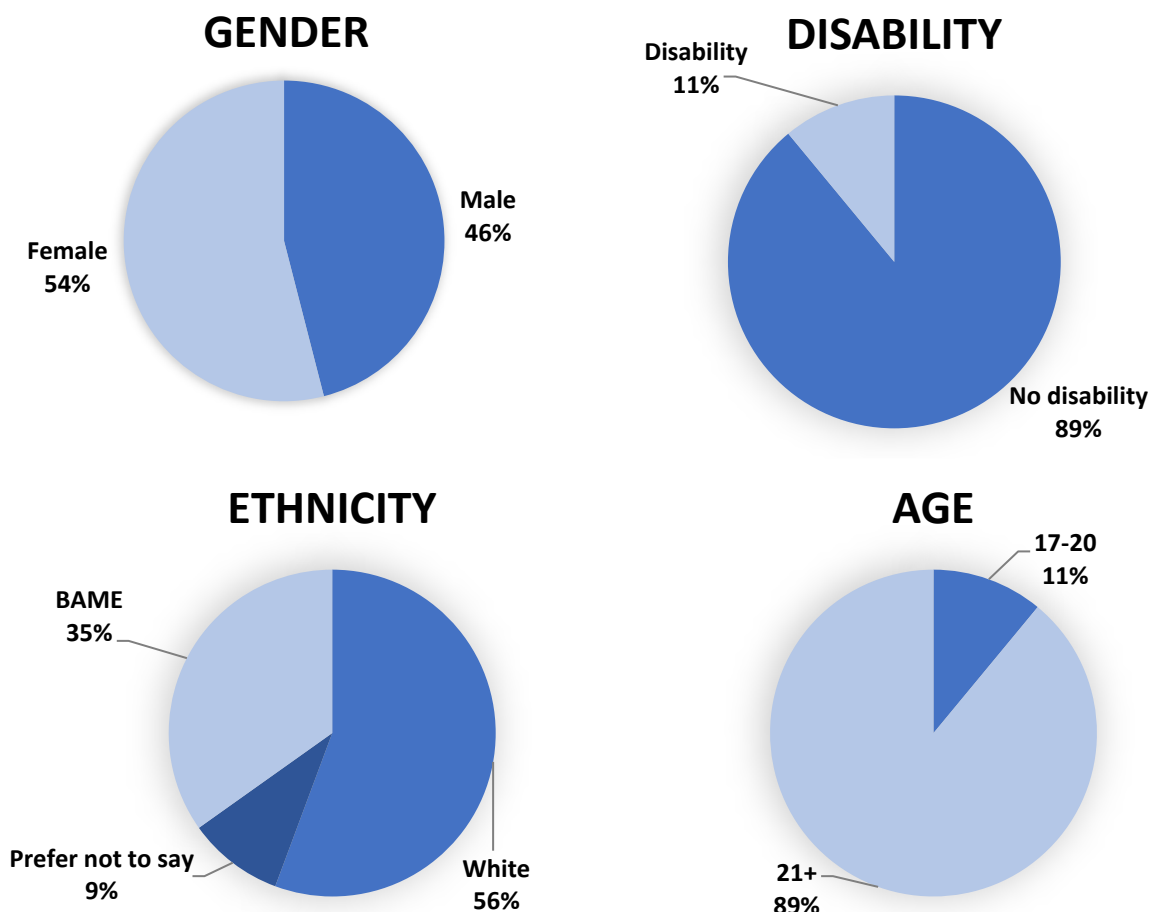
TRUSTEES' REPORT (continued)

Postgraduate taught (PGT) student numbers show an increase of 32.5% in Autumn 2021 from 2020. Postgraduate Certificate in Education (PGCE) student numbers improved by 44%. Postgraduate research student numbers show an increase of 30% in Autumn 2021 from 2020.

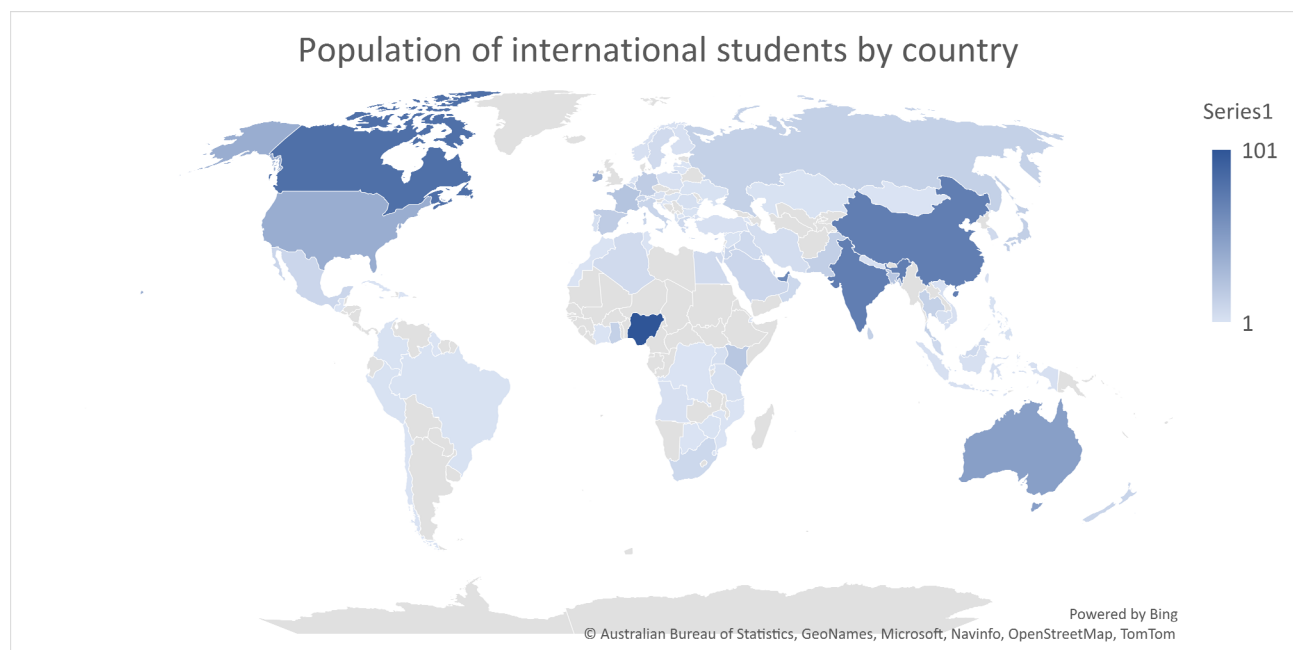
Note there are two main intakes of new students every year. The terminology "Home" within the graphs below refers to UK students only.



The University's student body is diverse, with substantial differentiation across all five standard demographic criteria as shown below:



TRUSTEES' REPORT (continued)



The student body comprises 106 nationalities with the largest number coming from the UK (77%).

Whilst most of our on-site teaching and student activities were affected due to COVID lockdowns which started in March 2020, the University continued with its teaching and daily operations through effective remote working, online lectures, webinars and e-networking with our collaborators, using wide-scale deployment of latest technology applications.

Collaborative Partners

The University validates and in some cases franchises academic programmes and/or the learning and teaching of selected institutions within the UK and overseas. Whilst such activities are increasing, such collaborations create payment and reputational risks for us. Therefore, we apply suitable due diligence and contractual arrangements with prospective new academic partners.

Research

Like other British universities, an important part of our intellectual mission is for our academics and graduate students to contribute to research and scholarship. Areas of growth and investment in Buckingham include Artificial Intelligence, Educational Research, Entrepreneurship, Diabetes Research, Medical Education, Modern History, Public Understanding of Economics and Entrepreneurship and Quantum Biosciences. As an independent university, Buckingham is not required to participate in the Government's Research Excellence Framework. The University's plans include regaining Independent Research Organisation (IRO) status, to allow the University to bid for UK Research and Innovation (UKRI) grants. In principle, we expect research income to cover its related direct costs because we do not receive "core" research funding from UK Research and Innovation (UKRI) or other national research funding bodies.

TRUSTEES' REPORT (continued)

Scholarships and Bursaries

The University's Scholarships and Bursaries programme is an important part of assisting students to benefit from a university education. Our bursary awards are available to all undergraduates and postgraduates who meet the general entry requirements. Awards are made based on need or to relieve hardship.

In making means-tested awards we consider several factors including family income, investments and savings, assets and family circumstances. Students or their sponsors must meet any maintenance costs. However, living near Buckingham and the degree programme being completed in two years rather than three elsewhere, makes studying much more financially viable.

The University of Buckingham Foundation has total assets less liabilities of £4.7m at 31 December 2021 (2020: £4.6m), the vast majority of which are only available for the benefit of the University and are subject to the terms of the Foundation's trust deed. At 31 December 2021, £4.6m (2020: £3.8m) of these funds are available for scholarships and bursaries, grants and other projects.

In the year, the University awarded total scholarships, bursaries, and prizes of £0.6m (2020: £0.9m). These scholarships and bursaries include funded, named scholarships from the Foundation of £0.3m (2020: £0.4m). These are recorded within Curriculum costs, itself within Other operating expenses.

The University is keen to increase participation within higher education in Buckingham and the local area, especially for those potential students who may find that going away to study is too expensive. Two specific methods of student support are offered to potential students: the Buckingham Bursary, aimed at students in receipt of a maintenance loan, and the High Achievers Scholarship, aimed at UK students achieving AAB or above at A-level and who make Buckingham their first choice. A Buckingham Bursary can be combined with a High Achiever Scholarship.

Financial Review

Income

Total income for the Group at £43.5m in 2021 increased by 7% (2020: £40.7m).

Tuition fees remain the principal income source for the Group, and financially support the majority of our day-to-day teaching and research activities. Tuition fees represent 86% of total income in 2021 (2020: 84%).

Residences and catering income on the Buckingham campus totalled £1.8m, £0.3m less than 2020 primarily due to the impact of COVID.

At Group level, donation income in 2021 was £0.6m (2020: £0.3m).

The University of Buckingham Bursary Fund has remained to be the University's fundraising priority during 2021, and the University continued to actively invite our generous alumni and friends to make a gift to support students in need and to help build momentum behind this important initiative. £0.4m was received by the University during 2021 from new and existing donors.

The Group's income was supplemented by a £1.9m gain on the disposal of properties, as well as a £0.8m gain on investments.

TRUSTEES' REPORT (continued)

Expenditure

Group expenditure decreased in 2021 by £2.4m to £40.4m; down 6% compared with the 6% underlying increase in income before endowments and donations. Particular reasons for these movements are:

- Staff costs (excluding additional USS pension provision costs) decreased by £2.3m being 11% lower than 2020. 2021 includes £0.1m of severance and loss of office costs (2020: £1.2m) arising from restructuring to improve the efficiency of departments and Schools as part of the Change Management Plan.
- Other operating expenses increased by £1.3m, largely driven by higher medical student placement fees.
- The University continues to use scholarships and bursaries to improve its student recruitment, and to support students who would otherwise struggle financially to join Buckingham. The University spent £0.6m on this support, (2020: £0.9m).

There were no impairments judged to be necessary in 2021.

Key performance indicators

The University uses key performance indicators (KPIs) to monitor its performance.

KPIs covering academic performance of The University of Buckingham	2021	2020
Student satisfaction: National Student Survey data	82%	88%
Quality of teaching: National Student Survey data	84%	87%

These KPIs have remained relatively static between the two years above.

KPIs covering financial strength of The University of Buckingham group	2021	2020
Cash and cash equivalents	£10.3m	£21.4m
External borrowing as a percentage of total income	11%	44%
Surplus/(deficit) for the year	£5.8	(£2.4m)

The University of Buckingham Foundation

Scholarships and other disbursements made in 2021 by the Foundation, in support of the University's activities, were £0.3m (2020: £0.4m). These funded scholarships and the development of BSc Business Enterprise and Innovation courses. The cost of development of these courses was supported partly by the Klatten fund.

The stock market performance in 2021 resulted in gains in the Foundation's investment valuations of £0.3m, (2020: gains of £0.2m). These gains combined with the lower scholarships and disbursements value noted above, plus higher income from donations and investment at £0.4m contributed to net income of £0.1m (2020 net outgoing resources to £0.2m).

TRUSTEES' REPORT (continued)

University Investments

The University's investments are guided by the University's Financial Regulations, and the University's Finance, Estates and Resource Committee is responsible for approving the Treasury Management Policy statement, which sets out the strategy and policies for cash management, long term investments and borrowings. This requires compliance with the regulatory body's rules for approval for any secured or unsecured loans that go beyond the consent levels set out in regulations.

No investments may be made without the approval of the Finance, Estates and Resource Committee. The priorities for investment are identified by the Vice-Chancellor and University senior management, through business, social and environmental considerations.

Statement of Financial Position

Net assets, when considered at the University level, increased from £11.2m to £17m during the year driven by the operational surplus.

During the year, the Group made additions to tangible assets of £2.6m, which meant that after depreciation in the year of £2.2m and the sale of some outlying properties with a book value of £3.0m, the net book value of tangible fixed assets decreased by £2.6m to £35.2m.

Reserves

The Group aims to maintain an appropriate level of unrestricted reserves and cash resources for the following reasons:

- Market fluctuations may significantly impact the number of students attending University courses, as well as the mix of courses and students. The University gains most of its income from academic programmes and may rely on reserves if there is a reduction in student numbers, whether permanent or temporary.
- The University has substantial ongoing commitments relating to the welfare and education of the students and needs to maintain a level of reserves sufficient to continue to meet these commitments.
- The University has commitments to its lenders to repay capital and interest on its borrowings.

The Group's unrestricted reserves increased to £10m in 2021, (2020: £5.0m) driven by the financial performance in the year as discussed throughout these Financial statements.

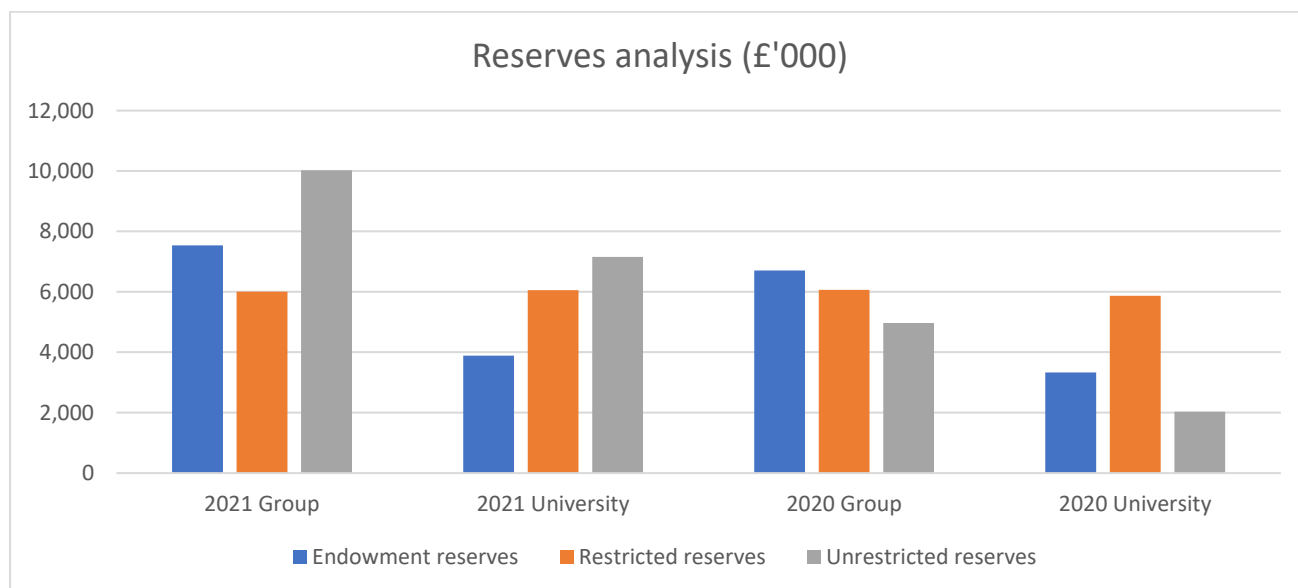
The Group's restricted reserves reduced to £5.8m in 2021 (2020: £6.1m). The Group's total endowment reserves increased to £7.8m (2020: £6.7m) due to investment income and increase in market value of investments.

The timing of expenditure of restricted funds is based on when the costs required to complete the specific purposes of the funds arise, as well as the award of bursaries and scholarships to students in certain degree courses, which are sponsored by specific trust funds.

The Trustees consider the level of reserves at the balance sheet date to be adequate for the purposes outlined above and anticipate that over the course of the next five years unrestricted reserves will increase following pursuit of income growth and cost efficiency.

TRUSTEES' REPORT (continued)

At the date of the signing of these accounts the Trustees were performing but had not yet completed a review of the University's Endowment, Restricted and Unrestricted funds, and the presentation of income and expenditure associated with the University endowment funds.



Cash Flow and Financing

Group cash balances were £10.3m (2020: £21.4m).

The University held liquid cash balances of £7.8m at the year-end (2020: £19.6m), a decrease of £11.8m.

During the year, £17.8m of loans were repaid and a new loan of £5.0m drawn with NatWest. As at the balance sheet data the loan of £5m remained repayable within 5 years, with no capital repayment due within the next 12 months. The University also has a £7m revolving credit facility available to it from NatWest which was not used during 2021.

The University continues to take steps to ensure further improvement in the cash position, which will ensure further funds for future investment to provide high-quality teaching and student experience.

Principal risks

The University considers its principal risks (which include external factors outside of its control) lie in the eight key areas below and has taken active steps to identify and mitigate these as well as other detailed operational risks.

1. Financial

The University has taken steps to contain costs. There was a restructuring in 2020 that also impacted 2021. Also, as the University continues to emerge from the COVID pandemic, there is active promotion of student recruitment and it is encouraging that students have returned to face-to-face tuition. However, there are many higher education providers competing for students and if there were a significant shortfall in our student recruitment, this would create serious financial pressure. The unique proposition the University offers – especially as a private university with its pioneering two-year degrees, four and a half year medical degrees, and one year post graduate courses in Education – will continue to help attract students. The Vice-Chancellor is actively driving advancement and fundraising activities to generate philanthropic donation income.

TRUSTEES' REPORT (continued)

Overall, the Trustees are confident in the University's ability to manage through the uncertainties that may arise through the focus on income generation and cost control, as appropriate, whilst managing the provision of academic delivery and student outcomes and experience.

2. COVID

The University was able to respond quickly to the global COVID pandemic and move teaching online. Overall, the University has proved resilient to the impacts of the global pandemic and the Trustees remain confident in the University's collective ability to successfully navigate another pandemic, should one arise. Once lockdowns ended and travel restrictions were lifted the University largely returned to face-to-face teaching and to providing a high-quality student experience.

3. Staffing

Like many organisations there is a risk of not being able to recruit and retain proficient staff – with a resultant adverse impact on the student experience and the quality of administrative services. Management across the University ensure sufficient staff resources are available at crucial times, such as for exam marking and new student registration. Among the mitigation measures, particular care is taken around staff engagement, well-being, and professional development. The Vice-Chancellor holds regular 'town hall' meetings to discuss current and future issues with staff colleagues, plus there are events to promote staff well-being. As a relatively small organisation there is recognition that the University is reliant on several key individuals but our collegiate approach allows information and expertise to be shared so that absences can be cross-covered where needed and, in some cases, interim staffing brought in.

4. Built Estate

Whilst the academic space and student accommodation is sufficient for current needs, it is important to recognise the need to be aware of and respond to changes in these requirements. In 2021, a major internal refit was performed on the Tanlaw Mill building, which houses the Students' Union; this will provide modern and appealing student facilities. The Hunter Street campus is near the River Great Ouse; whilst there have been problems with flooding in some buildings, these did not impact the University's ability to continue operations, which took place in unaffected buildings with little disruption to services. Plans are in place to prepare a new business continuity plan during 2023, addressing estates issues as well as many other operational areas.

5. Information Systems and Data Security

An information security breach could severely impact our operations, reputation, and possibly lead to regulatory fines. Therefore, IT systems and cybersecurity are under constant review and IT security measures and enhancements are deployed proactively. IT staff keep abreast of new technologies in case these disrupt connectivity, functionality, or lifestyles – with consequent impacts on how best to approach the delivery of teaching, learning, and research.

6. Regulatory Compliance

There is regular correspondence with our regulators, so they are aware of measures that are being taken to deliver regulatory compliance, and the senior management team keep abreast of the changing regulatory landscape. The principal regulatory bodies are:

The University of Buckingham
The University of Buckingham Foundation
Medical Property Management Limited

Office for Students
Charity Commission
Companies House

TRUSTEES' REPORT (continued)

As fully disclosed in the previous financial statements, during 2020 and 2021 the University undertook significant investigations after concerns were raised by the Charity Commission. Whilst all the investigative work concluded that there had been no inappropriate loss of cash from the University or its subsidiaries, such matters are taken very seriously by the Trustees and resulted in improvements and updates being made to governance systems. The University continues to fully cooperate with the regulators by updating them on actions and progress.

A resultant impact has been significant delays to the publication of financial statements. These financial statements are being completed and delivered to regulators significantly later than their due date because of the complexities surrounding and late completion and filing of the 2019 financial statements which has impacted 2020 and in turn 2021 financial statement production. We have informed and made representations to regulators of the reasons for the delay. As a result of late submission of the 2019 financial statements, the University received a financial penalty in 2022. The University is committed to getting all financial statements and Associated filing up to date as quickly as possible and anticipates being fully up to date with all outstanding filings with these 2021 Financial Statements. The Trustees are very cognizant of the continued reputational risk created by being non-compliant with regulatory requirements and actions to correct this are matched by actions and focus to prevent the possibility of recurrence in the future.

The University is also mindful of regulatory compliance relating to immigration, employment law and our academic activities more generally (and particularly within healthcare and education).

7. Joint Venture

The Crewe campus joint venture challenges disclosed and provided for in previous financial statements continue to be systematically resolved and the associated risks managed and reduced by working with the joint venture partner and growing the student numbers on the campus post COVID. The Trustees are confident in the University's ability to manage remaining issues within the financial provisions contained within these financial statements.

8. Pension Scheme Costs

Like other institutions, the University faces significant costs relating to staff who are members of defined benefit pension schemes. At the end of 2021 there were 113 members of the USS pension scheme (2020: 113). The USS pension scheme is not available to new staff. Occupational pension provision for new staff is delivered via an Aviva defined contribution scheme. The continued risk regarding future pension cost increases is discussed further at Note 22.

Financial Risk Management Objectives and Policies

The Group's main financial instruments are cash and quoted investments held by the University and the Foundation. In addition, items such as trade debtors and trade creditors arise directly from its operations. The main purpose of these financial instruments is to fund the Group's operations. The existence of these financial instruments exposes the Group to several financial risks, namely market risk, liquidity risk and credit risk. The Trustees review and agree policies for managing each of these risks and they are summarised below.

TRUSTEES' REPORT (continued)

a. Market risk

This encompasses:

1. Currency risk: The Group is exposed to some translation and transaction foreign exchange risk in respect of cash, cash equivalents, and investments. This risk is not significant to the Group and accordingly there are no hedging provisions in place.
2. Interest rate risk: At the balance sheet date the University had £5m bank loans outstanding. Details of the loans are in Note 14 and 15. Since the loan interest rate is fixed, there is no interest rate risk.
3. Share price risk: The Group's exposure to share price risk consists mainly of movements in the value of the Group's investments in quoted shares.

The University of Buckingham Foundation has engaged investment managers who work within the cautious risk appetite set by the Trustees. Similarly, the University has engaged Trustees or managers of other funds held by the University, again applying a cautious risk appetite. These guidelines include limits on the total investment in any one particular equity instrument, and in any one sector of the market. The aim is to manage price risk, as far as possible. The Trustees of the Foundation and Trustees of other funds keep these guidelines under review and regularly review the performance of the investments and the performance of the investment managers against the agreed guidelines.

b. Liquidity risk

The University has sufficient liquid cash resources partially arising from funds drawn down from the loan. The University manages its liquidity risk through regular cash flow forecasts and other financial management information tools. Also, the University monitors cash resources as a proportion of operating costs through the year, considering peaks and troughs in cash flows and the projected impacts on banking covenants. In addition the University has a £7m revolving credit facility with NatWest available which has been unused since established in January 2021.

c. Credit risk

The Group's principal financial assets are quoted investments held by the University (and via the Foundation), cash and trade debtors. Quoted investments are managed by independent professional advisers, working with a cautious risk appetite set by the University of Buckingham and The University of Buckingham Foundation. The credit risk associated with the investments and cash is limited, as the counterparties are well-established financial institutions. The principal credit risk arises therefore from the Group's receivables. The nature of the Group's client base, being mainly undergraduate and postgraduate students, is such that it is not significantly exposed to any single individual customer, although there are a number of commercial and institutional clients. For example, the University validates other providers' programmes in the UK and internationally. The Trustees therefore concentrate their efforts on ensuring that the processes around credit approval and debt collection are sufficiently robust.

Fraud and error

As with any business, there are potential risks to the integrity of financial assets and financial information. The primary safeguards are the staffing of the finance office and its financial procedures. In addition, the Risk, Audit and Compliance Committee undertakes rolling reviews of risk management, the Finance, Estates & Resources Committee also regularly receive financial reports and information, as does the full council both of which are engaged in all significant financial decisions.

TRUSTEES' REPORT (continued)

Forward outlook and plans for future periods

Like other higher education providers, the University has faced a great deal of challenge and uncertainty in recent years – and will continue to do so in the years to come. During 2020 and 2021, we had to adapt swiftly to the pandemic, in particular by:

- Moving academic delivery online.
- Implementing COVID safety measures on campus, for staff and students (which we continued to keep in place to early 2022).
- Refunding pre-paid accommodation costs for students who were no longer able to attend on campus. This kept their goodwill to ensure their continued studies.

In response to financial challenges, the University set in place a Financial Recovery Plan in mid-2020, the benefits of which have been recognised in these 2021 financial statements:

- The sale of some local residential properties that were not core to the University's activities. The sale of these properties has had no impact on the delivery of teaching and services provided but will improve our financial resilience and provide funds for investment in our estate.
- Renegotiated bank financing arrangements, as explained earlier.
- Renegotiating the agreement with the joint venture partners for our medicine and allied health provision in Crewe. Negotiations are complex but proceeding satisfactorily.

These actions are intended to result in the University maintaining a satisfactory liquidity position, as defined by available cash resources, through to the end of 2024.

As already noted above in regulatory compliance, the University continues to engage proactively with regulators to keep them fully informed on the progress on the filing of these 2021 accounts and other regulatory matters.

Based on the forward forecasts and projections, the University forecasts to be compliant with its debt service covenants for the foreseeable future and able to withstand plausible variations in those forecasts.

Climate change

We recognise climate change as an important matter for the University and the wider community. The University has already taken steps to reduce consumption of energy (such as by installing modern heating and lighting systems, and insulation). Furthermore, we re-use and recycle materials where possible and our vehicles are predominantly electric. The trustees recognise there is more to do over the coming years to assess and respond to climate risks.

Some buildings on the Hunter Street campus are only about 200 feet away from the River Great Ouse, and we have had instances of the basements of some older Hunter Street buildings being flooded due to abnormally high river levels. Some damage has been incurred in such instances, but we were able to continue business operations without significant disruption. Whilst these were acute one-off instances, climate change may result in flooding at Hunter Street becoming a more frequent physical risk.

TRUSTEES' REPORT (continued)

The University, like other organisations, needs to transition to more environmentally friendly means of delivering its objectives. There is desire for this from within the University and our students and we will see increasing demands to make changes to our working practices and our built estate because of societal changes and new legislation.

Risk exposure to Ukraine and Russia

Occasionally, a handful of students from these countries enroll, and the tragic conflict that exists currently in Ukraine is noted. Otherwise, the University does not have business operations connected to these countries, so there is minimal and immaterial risk exposure.

Post balance sheet events

These are detailed in Note 26 to the financial statements.

Perspectives on future direction

The various challenges which have arisen over recent years have been taken as learning experiences and are driving determination to further enhance the University's controls and systems, and improve efficiency over the coming years.

Key plans and actions include the development a robust future strategy for the University plus actions to improve cost efficiency and control, such as the review of end-to-end Finance processes and the IT review, both of which commenced in late 2022 with a view to improvement in automation, control and resilience. Further operational plans will be developed during 2023 as the new strategy evolves.

Going concern

The Group and University's financial statements are prepared on a going concern basis, based on Trustees' assessment of the financial position, operating model, and forecast cash flows. This assumes the Group and University will continue in operation for the foreseeable future including meeting its future obligations as they fall due.

The University experienced financial challenges and a decline in financial operating performance in recent years. As noted above, responses included measures to reduce costs, such as a necessary programme of staff redundancies to help ensure long-term financial sustainability, in addition to negotiations to reduce the costs of the Crewe campus lease. The University will continue to drive improved cost efficiency and control in the future to further improve resilience and enable investment in growth and infrastructure to enhance the student experience.

The University continues to engage proactively with its regulators and work to bring all filings up to date as fast as possible and anticipates being fully up to date within the next few months.

At the balance sheet date the Group is reporting net current liabilities of £1.1m (University: £2.5m), which is a decline of £6.3m (University decline of £6.3m). This is wholly a result of the net repayment of £12m of non-current loan balances, from the restructuring of the loan financing, and an overall improvement in financial position.

The University forecasts to meet all its banking covenant and debt servicing requirements for the foreseeable future.

TRUSTEES' REPORT (continued)

After considering significant potential risks to future plans and forecasts and the potential actions, which could include the sale of additional capital assets and a programme of cost restructuring, the Trustees are satisfied that it remains appropriate to prepare the Group and University financial statements on a going concern basis.

A handwritten signature in purple ink, appearing to read 'J Tooley'.

Professor James Tooley
Vice-Chancellor

A handwritten signature in blue ink, appearing to read 'Mark St John Qualter'.

Mark St John Qualter
Chair of Council

A handwritten signature in brown ink, appearing to read 'D Cole'.

David Cole
Chief Financial Officer

MEMBERS OF COUNCIL

The composition of the Council

Pursuant to Statute 15, the Council shall comprise ex-officio members, independent members and elected members. We acknowledge occasional gaps between resignations and appointments provided potential gaps in governance oversight.

(a) Ex officio members

The Chancellor	Dame Mary Archer
The Chair of Council	Mr Rory Tapner (resigned 30 November 2021) Mr Mark Rawlinson (appointed 1 December 2021 – resigned 4 July 2022) Professor Joe Harrison (an existing appointed Council member, who was appointed as Vice-Chair 22 February 2021, appointed acting Chair 1 March 2022, resigned 10 October 2022) Mrs Camilla Soames (appointed acting Vice-Chair 7 July 2022, appointed acting Chair 10 October 2022, resigned as acting Chair 12 December 2022) Mr Mark St John Qualter (appointed 12 December 2022)
The Vice-Chair of Council	Ms Rachael Shimmin (appointed 19 April 2021, appointed acting Vice-Chair 10 October 2022, resigned 29 November 2022) Mrs Camilla Soames (reappointed 1 January 2023, appointed Vice-Chair 27 February 2023)
The Treasurer	Mr Mohammad Syed (resigned 31 December 2022)
The Vice-Chancellor	Professor James Tooley
Pro Vice-Chancellor	Dr Jane Tapsell (resigned 9 September 2022)
The President of the Students' Union:	
Mr Toby Corbett	(appointed 1 January 2023)
Ms Caitlin Botha	(appointed 1 January 2022, resigned 31 December 2022)
Mr Kristoffer Sheard	(appointed 1 January 2021, resigned 31 December 2021)

(b) Independent members

There shall be independent members who shall be appointed by the Council in accordance with the Ordinances:

Mr Nick Hillman	
Mr Mark Rushton	
Professor Alan Smithers	
Ms Penny Jones	(resigned 10 October 2022)
Mr Stephen Rubin KC	(term ended 23 September 2022)
Dr Keith Bothongo	(appointed 27 April 2021)
Mr Christopher Hollis	(appointed 26 July 2021)
Sir Francis Habgood	(appointed 7 November 2022)
Ms Karen Mitchell	(appointed 7 November 2022)
Professor Timothy Evans	(appointed 21 November 2022)
Lord Peter Lilley	(appointed 21 November 2022)

(c) Elected members

There shall be members of the Senate elected by that body from among its elected members:

Dr Jacqueline O'Dowd	
Professor Adolfo Paolini	
Mr Hongbo Du	(reappointed 21 November 2022)

MEMBERS OF COUNCIL (continued)

(c) Elected members (continued)

There shall be a member of the administrative and support services staff to be elected from among their own number:

Mr Callum Roberts

There shall be an alumnus nominated by Convocation, in accordance with its procedures:

Ms Josephine Mbuya (appointed 10 March 2022)

STATEMENT OF RESPONSIBILITIES OF THE UNIVERSITY'S COUNCIL IN RELATION TO THE FINANCIAL STATEMENTS

Responsibilities and activities of the Council in relation to the financial statements

The Council is responsible for preparing the Annual Report and financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 102 "Financial Reporting Standard applicable in the UK and Republic of Ireland", and applicable law). In accordance with its regulatory responsibilities under section 18 of Schedule 7 of the Education Reform Act 1988, the University's Council presents audited financial statements for each financial year.

The financial statements have also been prepared in accordance with:

- The Statement of Recommended Practice "Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102)"; and
- The Charities Act 2011.

The financial statements have also been prepared in accordance with the provisions of the Statement of Recommended Practice – Accounting for Further and Higher Education 2019 and meet the requirements of the Office for Students accounts direction dated 25 October 2019. During 2020, the University developed the framework for, and commissioned a sub-committee of Council to oversee, an extensive governance review including: reforms to the Charter and Statutes; development of Ordinances and a Scheme of Delegation; reforms to Terms of Reference; development of due diligence frameworks, including both legal and financial services and a raft of related policies and control mechanisms (including but not limited to the Financial Regulations and Conflicts of Interest, Anti-Bribery and Fraud, Expenses, Donations, Reserves and Whistleblowing policies). The review concluded in 2021 with changes made live from 1 July 2021.

The Council is required to keep proper accounting records which: disclose with reasonable accuracy at any time the financial position of the Group and University; which enable it to ensure that the annual financial statements give a true and fair view of the state of affairs of the Group and University and of the income and expenditure for that year; and comply with the Charities Act 2011 and the provisions of its Royal Charter. In causing the financial statements to be prepared, Council has ensured that:

- Judgements and estimates are made that are reasonable and prudent;
- Financial statements are prepared on the going concern basis unless it is inappropriate to presume that the Group and University will continue in operation.

Council is responsible for safeguarding the assets of the Group and University and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Council is also responsible for the maintenance and integrity of the information, charity and financial, included on the University's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

STATEMENT OF RESPONSIBILITIES OF THE UNIVERSITY'S COUNCIL IN RELATION TO THE FINANCIAL STATEMENTS (continued)

Operations of Council

Council's powers are exercised through a number of sub-committees, whose terms of reference were approved by Council:

- Finance, Estates and Resources Committee
- Risk, Audit and Compliance Committee
- Nomination, Performance and Remuneration Committee
- Diversity & Inclusion Committee (re-named Inclusion Committee in 2021 following the governance review)*
- Grievance Committee (abolished in 2021 as part of the governance review)*
- Honorary Appointments and Awards Committee (created in 2021 following the governance review)*

(* Joint Committee of Council and Senate)

Operations of Senate

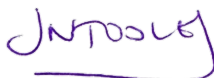
Senate's powers are exercised through a number of sub-committees, whose terms of reference were approved by Senate:

- University Research Committee
- University Learning & Teaching Committee
- University Collaborations Committee
- Diversity & Inclusion Committee (re-named Inclusion Committee in 2021 following the governance review)*
- Grievance Committee (abolished in 2021 as part of the governance review)*
- Honorary Appointments and Awards Committee (created in 2021 following the governance review)*

(* Joint Committee of Council and Senate)



Mark St John Qualter
Chair of Council



Professor James Tooley
Vice-Chancellor

STATEMENT OF CORPORATE GOVERNANCE AND INTERNAL CONTROL

Introduction

This statement of corporate governance and internal control covers the period from 1 January 2021 to the date of approval of these financial statements.

Corporate governance structure

The University of Buckingham was established in 1976 and was incorporated by Royal Charter (number RC000730) on 11 February 1983. The conduct of the University's affairs is governed by the Royal Charter and accompanying Schedule (Statutes), approved by the Privy Council.

The University is registered as an Approved Provider with the Office for Students (UKPRN: 10007787) and is a registered charity (number 1141691). It is authorised by its Royal Charter to award taught and research degrees in perpetuity. The University is a member of Universities UK.

The University has a bicameral constitution comprising the Council and the Senate. Whereas the Council is the governing body and its members are Trustees of the University, the Senate is the governing academic authority, responsible for the setting and maintenance of threshold academic standards and for assuring and enhancing the quality of students' learning opportunities.

The Council of the University has responsibility for the stewardship of the University's assets; its members focus on strategic decision making and ensuring adherence to its charitable objectives whilst delegating day-to-day operational responsibilities to the Vice-Chancellor, the Executive and senior management team. It receives assurances that the University meets all legal and regulatory requirements imposed on it as a corporate body.

The Senate of the University is its governing academic authority. Senate's responsibilities include: the regulation and control of all academic awards as well as the programming and teaching that facilitates students' admission to said academic awards, the management of the formalities associated with making academic awards and the regulation of University discipline. The Senate is responsible for overseeing the development of the University's academic portfolio (including all associated research, learning and teaching and assessment activities), for the admission of students and for all areas pertaining to academic delivery and support.

The principal academic and administrative officer of the University is the Vice-Chancellor, who has a general responsibility to the Council for maintaining and promoting the efficiency and good order of the University and who is the Chair of the Senate. The Vice-Chancellor also chairs the Executive Group, comprising the members of the University's senior management.

The University performed and concluded a detailed review of its governance structures, including the amendment of the charter and statutes, in 2021.

STATEMENT OF CORPORATE GOVERNANCE AND INTERNAL CONTROL (continued)

Oversight of Corporate Governance, Risk Management, Statutory and Regulatory Responsibilities

The Risk, Audit and Compliance Committee of the Council (RACC) provides much of the oversight of the University's corporate governance and risk management. This is through reports to RACC from senior management, the University's auditors, and from the University's risk management lead from whom a report is received at every meeting of RACC. The Council, in turn, considers the minutes of RACC as a standing item. The Council receives updates on matters relating to Corporate Governance from the Vice-Chancellor and approves the Terms of Reference of its Committees on an annual basis.

The Council and its Committees ensure that the University complies with its statutory and regulatory responsibilities. The RACC, together with Senate, provide much of the oversight of compliance with OfS' ongoing conditions of registration. The Finance, Estates and Resources Committee (FERC) oversees compliance with the University's statutory obligations in relation to health and safety.

The University's management accounts are considered by the Council, FERC and RACC on at least a quarterly basis.

Scope of responsibility

The Council has ultimate responsibility for the University's system of internal control and for reviewing its effectiveness. The Council has delegated to RACC and the Vice-Chancellor the day-to-day responsibility for maintaining sound systems of internal control that support the policies, aims and objectives of the University whilst safeguarding the public funds and assets, in accordance with responsibilities set out in the Office for Students' conditions of registration. The Vice-Chancellor is also responsible for reporting to the Council any material weaknesses or breakdowns in internal control.

The purpose of the system of internal control

The system of internal control is an on-going process designed to identify the principal risks to the achievement of the University's plans, policies and objectives; to evaluate the extent of those risks; and to manage them efficiently, effectively, and economically. Such a system is designed to manage and mitigate rather than eliminate the risk of failure to achieve business objectives and can provide only reasonable and not absolute assurance against material misstatement or loss.

The risk and control framework

The Council has taken reasonable steps to ensure:

- There are appropriate financial and management controls in place to safeguard the assets of the Group and University and prevent and detect fraud, with any concerns investigated thoroughly before the financial statements are signed off.
- The economical, efficient and effective management of the Group and University's resources and expenditure.
- Funds from whatever sources and administered by the University for designated purposes have been applied properly for those purposes and managed in accordance with applicable legislation.
- It is in receipt of regular reports and additional meetings are scheduled, where required, to discuss the issues arising from significant matters such as Crewe, financial statements, OfS and regulatory compliance and the Change Management Plan.

STATEMENT OF CORPORATE GOVERNANCE AND INTERNAL CONTROL (continued)

The risk and control framework (continued)

A process is in place for identifying, evaluating, and managing the significant risks facing the University, and ensuring the associated procedures have been in place and operational throughout the year, notably through the regular review and updating of the University's Risk Register. The Risk Register details strategic and recurrent risks and covers governance, management, quality of service, reputational, operational, compliance as well as financial risks together with the range of mitigating controls in place and the early warning indicators for each risk. The Risk Register is under continuous review by senior management and RACC. This enables the University to ensure that it is able to monitor and manage risks in an ever-changing environment. The Registrar oversaw a full consultation exercise in 2021 to ensure management inputs were captured at all levels of the organisation and mapped together such that local level risks feed into the University's overall risk profile. Training in risk profiling and management was also given.

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

- Risk Management, which is led by the Registrar and Director of Professional Services supported by senior managers and reports into RACC;
- A medium and short-term financial planning process, supplemented by detailed annual income, expenditure, capital and cash flow budgets;
- Regular reviews of academic performance and monthly reviews of financial results involving variance reporting and updated of forecast outturns; and
- Clearly defined requirements for approval and control of expenditure - with investment decisions involving capital or revenue expenditure being subject to review according to approval levels set by FERC.

Review of effectiveness

The Council receives periodic reports from RACC (including copies of minutes of their meetings) and arrangements are in place to ensure regular reports from University management on their actions to manage risks in their areas of responsibility. Reviews by Council of the effectiveness of the system of internal control are informed by the reports of Council, committees and Officers of the University.

Nominations, Performance and Remuneration Committee

The Nominations, Performance and Remuneration Committee (NPRC) normally meets bi-annually to monitor the performance of Officers of the University (including the Vice-Chancellor) and members of the University's Executive Committee and to determine their remuneration and conditions of service. The Vice-Chancellor attends all meetings other than those involving consideration of his own salary.

In 2021 NPRC considered a range of matters concerning remuneration, including the Promotions Policy for Academic and Professional Services staff, the Gender Pay gap report and action plan, a report on the Organisational Change programme and a reviewed relevant policies. In addition, NPRC approved a pay and grading framework to review the salaries of all officers and staff of the University (including the Vice-Chancellor).

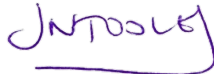
STATEMENT OF CORPORATE GOVERNANCE AND INTERNAL CONTROL (continued)

Nominations, Performance and Remuneration Committee (continued)

NPRC sets the salary of the Vice-Chancellor taking account of the nature of the role, the institution, performance, and in accordance with the Committee of University Chairs' Higher Education Senior Staff Remuneration Code (2018). The Chair of Council undertakes an annual appraisal of the Vice-Chancellor's performance in the previous year, agreeing objectives for the next 12-month period. This takes place at the end of each calendar year.



Mark St John Qualter
Chair of Council



Professor James Tooley
Vice-Chancellor



David Cole
Chief Financial Officer

INDEPENDENT AUDITORS' REPORT TO THE COUNCIL OF THE UNIVERSITY OF BUCKINGHAM

Opinion

We have audited the financial statements of The University of Buckingham (the 'University') and its subsidiaries ('the Group') for the year ended 31 December 2021 which comprise the Group and University Statements of Comprehensive Income, Group and University Statements of Changes in Reserves, Group and University Statements of Financial Position, Group Statement of Cashflows and the related notes, including a Statement of Principal Accounting Policies. 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).

The financial statements have been prepared in accordance with Statement of Recommended Practice Accounting for Further and Higher Education 2019 in preference to the Accounting and Reporting by Charities: Statement of Recommended Practice issued on 1 April 2005 which is referred to in the extant regulations, The Charities (Accounts and Reports) Regulations 2008, but has been withdrawn.

This has been done in order for the accounts to provide a true and fair view in accordance with the Generally Accepted Accounting Practice effective for reporting periods beginning on or after 1 January 2015. In our opinion the financial statements:

- give a true and fair view of the state of the University's affairs as at 31 December 2021 and of its incoming resources and application of resources for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Charities Act 2011.

Basis for opinion

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

Conclusions relating to going concern

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

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

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

INDEPENDENT AUDITORS' REPORT TO THE COUNCIL OF THE UNIVERSITY OF BUCKINGHAM (continued)

Other information

The other information comprises the information included in the Annual Report other than the financial statements and our Auditors' Report thereon. The Council are responsible for the other information contained within the Annual Report. 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. 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 course of 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 this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Responsibilities of the Governing Body

As explained more fully in the Statement of Responsibilities of the University's Council in Relation to the Financial Statements, the Council are responsible for the preparation of the financial statements which give a true and fair view, and for such internal control as the Council 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 Council are responsible for assessing the Group and University's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Council either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

We have been appointed as auditor under section 144 of the Charities Act 2011 and report in accordance with the Act and relevant regulations made or having effect thereunder.

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

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

- Enquiry of management and those charged with governance concerning actual and potential litigation, regulatory actions and claims;
- Enquiry of staff to identify any instances of non-compliance with laws and regulations;
- Performing audit work over the risk of management override of controls, including testing of journal entries and other adjustments for appropriateness;
- Evaluating the business rationale of significant transactions outside the normal course of business and reviewing accounting estimates for bias;
- Reviewing minutes of meetings of those charged with governance;

INDEPENDENT AUDITORS' REPORT TO THE COUNCIL OF THE UNIVERSITY OF BUCKINGHAM (continued)

- Reviewing financial statement disclosures and testing to supporting documentation to assess compliance with applicable laws and regulations.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

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

Report on other legal and regulatory

We are required to report on the following matters by the Accounts Direction dated 25 October 2019 issued by the Office for Students ('the Accounts Direction').

In our opinion, in all material respects:

- funds from whatever source administered by the Academy for specific purposes have been properly applied to those purposes and managed in accordance with relevant legislation; and
- the financial statements meet the requirements of the Accounts Direction dated 25 October 2019 issued by the Office for Students.

We are also required by the Accounts Direction to report where the results of our audit work indicate that the University's grant and fee income, as disclosed in the notes to the financial statements, has been materially misstated. We have nothing to report in these respects.

Use of our report

This report is made solely to the Council, as a body, in accordance with Part 4 of the Charities (Accounts and Reports) Regulations 2008. Our audit work has been undertaken so that we might state to the Governing Body those matters we are required to state to them in an Auditor's Report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Group and University and its Council, as a body, for our audit work, for this report, or for the opinions we have formed.

MHA MacIntyre Hudson

MHA MacIntyre Hudson
Statutory Auditor
London, United Kingdom

Date: 30 March 2023

MHA MacIntyre Hudson is eligible to act as an auditor in terms of section 1212 of the Companies Act

GROUP AND UNIVERSITY STATEMENTS OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 DECEMBER 2021

		Group 2021 £000	University 2021 £000	Group 2020 £000	University 2020 £000
	Note				
Income					
Tuition fees and education contracts	1	37,510	37,510	34,098	34,098
Research grants and contracts	2	1,189	1,189	819	819
Other income	3	4,069	3,544	5,265	4,738
Investment income	4	114	2	153	45
Total income before donations and endowments		42,882	42,245	40,335	39,700
Donations and endowments	5	647	986	325	483
Total income		43,529	43,231	40,660	40,183
Expenditure					
Staff costs	6	17,088	17,085	20,306	20,282
Other operating expenses	7	20,884	20,580	19,617	19,403
Depreciation	11	2,184	1,877	2,257	1,927
Interest and other finance costs	8	259	259	637	637
Total expenditure	9	40,415	39,801	42,817	42,249
Surplus/(deficit) after exceptional items and other gains/(losses)		3,114	3,430	(2,157)	(2,066)
Gain/(loss) on disposal of fixed assets		1,917	1,917	(404)	(404)
Gains/(losses) on investments	12	798	517	132	(58)
Surplus/(deficit) for the year		5,829	5,864	(2,429)	(2,528)
Total comprehensive income/(expenditure) for the year		5,829	5,864	(2,429)	(2,528)
Represented by:					
Endowment income/(expenditure) for the year	17	1,059	798	362	(58)
Restricted income/(expenditure) for the year	18	(303)	(60)	(224)	87
Unrestricted income/(expenditure) for the year		5,073	5,126	(2,567)	(2,557)
Surplus/(deficit) for the year		5,829	5,864	(2,429)	(2,528)

The Group income is attributable to the University and its subsidiaries. There is no non-controlling interest. All income and expenditure of the University and its subsidiaries relates wholly to continuing operations.

GROUP AND UNIVERSITY STATEMENTS OF CHANGES IN RESERVES

FOR THE YEAR ENDED 31 DECEMBER 2021

Group	Endowment £000	Restricted £000	Unrestricted £000	Total £000
Balance at 1 January 2020	6,342	6,287	7,535	20,164
Surplus/ (deficit) for the year	362	(311)	(2,498)	(2,447)
Release of restricted funds spent in year	-	(97)	(69)	(166)
New Donations and reclassifications	-	184	-	184
Surplus (deficit) for the year ended 31 December 2020	362	(224)	(2,567)	(2,429)
Balance at 1 January 2021	6,704	6,063	4,968	17,735
Surplus / (deficit) for the year ended 31 December 2021	261	(243)	5,811	5,829
Release of restricted funds spent in year	-	(31)	(355)	(386)
Transfer of expenditure between reserves	552	(169)	(383)	-
New Donations and reclassifications	246	140	-	386
Surplus/ (deficit) for the year ended 31 December 2021	1,059	(303)	5,073	5,829
Balance at 31 December 2021	7,763	5,760	10,041	23,564

FOR THE YEAR ENDED 31 DECEMBER 2021

University	Endowment £000	Restricted £000	Unrestricted £000	Total £000
Balance at 1 January 2020	3,389	5,779	4,585	13,753
(Deficit) for the year	(58)	-	(2,488)	(2,546)
Release of restricted funds spent in year	-	(97)	(69)	(166)
New donations and reclassifications	-	184	-	184
(Deficit) / surplus for the year ended 31 December 2020	(58)	87	(2,557)	(2,528)
Balance at 1 January 2021	3,331	5,866	2,028	11,225
Surplus for the year ended 31 December 2021	-	-	5,864	5,864
Release of restricted funds spent in year	-	(31)	(355)	(386)
Transfer of expenditure between reserves	552	(169)	(383)	-
New Donations and reclassifications	246	140	-	386
Surplus for the year ended 31 December 2021	798	(60)	5,126	5,864
Balance at 31 December 2021	4,129	5,806	7,154	17,089

GROUP AND UNIVERSITY STATEMENTS OF FINANCIAL POSITION

AT 31 DECEMBER 2021

	Note	Group 2021 £000	University 2021 £000	Group 2020 £000	University 2020 £000
Fixed assets					
Intangible assets	10	-	-	-	-
Tangible assets	11	35,151	27,733	37,751	30,015
Investments	12	6,581	8,064	5,797	7,547
		41,732	35,797	43,548	37,562
Current assets					
Investments	12	84	-	334	-
Trade and other receivables	13	11,777	12,717	9,228	9,780
Cash and cash equivalents		10,289	7,800	21,417	19,585
		22,150	20,517	30,979	29,365
Less Creditors amounts falling due within one year	14	(23,283)	(22,998)	(25,832)	(25,550)
Net current (liabilities)/assets		(1,133)	(2,481)	5,147	3,815
Total assets less current liabilities		40,599	33,316	48,695	41,377
Creditors: amounts falling due after more than one year	15	(5,000)	(5,000)	(17,000)	(17,000)
Pension provisions	16	(2,056)	(2,056)	(3,139)	(3,139)
Other provisions	16	(9,979)	(9,171)	(10,821)	(10,013)
Total net assets		23,564	17,089	17,735	11,225
Restricted reserves					
Income and expenditure reserve – Endowment	17	7,763	4,129	6,704	3,331
Income and expenditure reserve – Restricted	18	5,760	5,806	6,063	5,866
Unrestricted reserves					
Income and expenditure reserve – Unrestricted		10,041	7,154	4,968	2,028
Total reserves	19	23,564	17,089	17,735	11,225

The financial statements on pages 31 to 71 were approved by Council on 27 March 2023 and were signed on its behalf by:



Mark St John Qualter
Chair of Council



Professor James Tooley
Vice-Chancellor



David Cole
Chief Financial Officer

GROUP STATEMENT OF CASHFLOWS

FOR THE YEAR ENDED 31 DECEMBER 2021

	Group 2021 £000	Group 2020 £000
Cash flow from operating activities		
Surplus/(deficit) for the year	5,829	(2,429)
Adjustments for non-cash items		
Depreciation	2,184	2,257
Release of restricted donations	(386)	(166)
Decrease in current investments	250	699
(Increase) in student receivables	(1,554)	(3,856)
(Increase)/decrease in other debtors, prepayments, and accrued income	(995)	1,523
(Decrease)/increase in creditors	(1,761)	6,393
(Decrease)/increase in other provisions	(842)	973
(Decrease) in pension provision, excluding interest of £23,000 (2020: £49,000)	(1,106)	(135)
Adjustments for investing or financial activities		
Interest payable	259	637
Investment gain	(114)	(153)
(Gain)/loss on disposal of assets	(1,917)	404
(Loss)/gain on investments	(798)	(132)
Net cash (outflow)/inflow from operating activities	(951)	6,015
Cash flows from investing activities		
Investment Income	114	153
Gain of investments	798	132
(Purchase) of investments	(784)	(118)
(Payments) to acquire tangible assets	(2,610)	(945)
Proceeds of fixed asset disposals	4,943	-
Net cash inflow/(outflow) from investing activities	2,461	(778)
Cash flows from financing activities		
Interest paid	(274)	(591)
New donations – restricted and endowment	386	184
New secured loans	5,000	-
Repayments of amounts borrowed	(17,750)	(250)
Net cash (outflow) from financing activities	(12,638)	(657)
(Decrease)/increase in cash and cash equivalents in the year	(11,128)	4,580
Cash and cash equivalents at the beginning of the year	21,417	16,837
Cash and cash equivalents at the end of the year	10,289	21,417

Details of the analysis of changes in net debt can be found in Note 20.

STATEMENT OF PRINCIPAL ACCOUNTING POLICIES

1 Basis of Preparation

The financial statements have been prepared in accordance with the Statement of Recommended Practice (SORP 2019): Accounting for Further and Higher Education and in accordance with United Kingdom Accounting Standards, including Financial Reporting Standard 102, "The Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland" (FRS 102)", and the Charities Act 2011.

The University is a public benefit entity and therefore has applied the relevant public benefit requirement of FRS 102. The financial statements are prepared on a going concern basis, under the historical cost convention as modified by the recognition of certain financial assets and liabilities measured at fair value. The accounting policies have been applied consistently over the period.

The financial statements reflect the requirements of the accounts direction dated 25 October 2019 issued by the Office for Students.

The functional currency of the group is UK sterling and all financial statements have been prepared to the nearest thousand pounds.

The financial statements have been prepared and give a 'true and fair' view and have departed from the Charities (Accounts and Reports) Regulations 2008 only to the extent required to provide a 'true and fair' view. This departure is required following Statement of Recommended Practice – Accounting for further and higher education issued on 1 October 2018, since this statement of recommended practice is most relevant to the University, rather than the Accounting and Reporting by Charities: Statement of Recommended Practice effective from 1 January 2019.

The University has taken advantage of exemptions in FRS 102 from:

- a. Preparing a statement of cash flows for the University, on the basis that it is a qualifying entity and the consolidated statement of cash flows included in these financial statements includes the University's cash flows.
- b. The financial instrument disclosures, required under FRS 102 paragraphs 11.39 to 11.48A and paragraphs 12.26 to 12.29, as the information is provided in the consolidated financial statement disclosures.

Basis of preparation - Going concern

The Group and University's financial statements are prepared on a going concern basis, based on Trustees' assessment of the financial position, operating model, and forecast cash flows. This assumes the Group and University will continue in operation for the foreseeable future including meeting its future obligations as they fall due.

The University experienced financial challenges and a decline in financial operating performance in recent years. As noted above, responses included measures to reduce costs, such as a necessary programme of staff redundancies to help ensure long-term financial sustainability, in addition to negotiations to reduce the costs of the Crewe campus lease. The University will continue to drive improved cost efficiency and control in the future to further improve resilience and enable investment in growth and infrastructure to enhance the student experience.

STATEMENT OF PRINCIPAL ACCOUNTING POLICIES (continued)

Basis of preparation - Going concern (continued)

The University continues to engage proactively with its regulators and work to bring all filings up to date as fast as possible and anticipates being fully up to date within the next few months.

At the balance sheet date the Group is reporting net current liabilities of £1.1m (University: £2.5m), which is a decline of £6.3m (University decline of £6.3m). This is wholly a result of the net repayment of £12m of non-current loan balances, from the restructuring of the loan financing, and an overall improvement in financial position.

The University forecasts to meet all its banking covenant and debt servicing requirements for the foreseeable future.

After considering significant potential risks to future plans and forecasts and the potential actions, which could include the sale of additional capital assets and a programme of cost restructuring, the Trustees are satisfied that it remains appropriate to prepare the Group and University financial statements on a going concern basis.

2 Basis of Consolidation

The financial statements for the Group are the consolidation of the financial statements of the University of Buckingham (the "University"), the University of Buckingham Foundation ('the Foundation') and Medical Property Management Ltd. The University has not consolidated its other subsidiaries, being:

- a. Buckingham Business Enterprises Ltd, whose net assets and financial performance are immaterial for the purpose of giving a true and fair view.
- b. University of Buckingham Medical Sciences North Ltd, a dormant company whose net assets and financial performance are immaterial for the purpose of giving a true and fair view.

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.

The close relationship between the University and the Foundation is a determining factor in the University exercising effective control. The Trustee board, including the Chair of Trustees, agree that the primary intent of the Foundation is to support the University and are guided by the University in decisions relating to the distribution of funds.

The makeup of the Foundation board is an important, but not the only, factor. Trustees are appointed by the trustee board and the University has a specified minimum number set out in the Foundation trust deed. At the financial year end the Foundation Board comprises four Trustees appointed by the University and three independent of the University.

Membership of the Board fluctuates over time, but the Trustees are clear that their intent is to manage and invest endowments and thereby provide funds for the University in support of its students and staff. They are strongly guided by the University in where funds should be directed, such guidance contributing to the decision to consolidate the results of the Foundation.

Associated companies are accounted for using the equity method. Investment in an associate is held at cost less accumulated impairment losses.

An investment in a subsidiary company is held at cost less accumulated impairment losses in the University's financial statements.

STATEMENT OF PRINCIPAL ACCOUNTING POLICIES (continued)

3 Income Recognition

This accounting policy covers: Tuition fees and education contracts, Research grants and contracts, Other income, Investment income, and Donations and endowments.

In general, income from the sale of goods or services (including student accommodation and catering) is recognised and credited to the Group Statement of Comprehensive Income when they are supplied to the external customers or the terms of the contract have been satisfied fully in the view of the University.

Tuition fee income is stated gross of any expenditure which is not a discount. Tuition fee income is credited to the Group Statement of Comprehensive Income over the period in which students are studying.

Bursaries and scholarships are accounted for as expenditure and not deducted from income, unless a restricted donation has been received for the scholarship. This reflects these are a cost to the University, as part of its delivery of student support.

Validation fee income is recognised when the University is satisfied that its contractual services including academic due diligence have been delivered/satisfied and the collection of the fees will occur with reasonable certainty. (Validation involves the University reviewing the educational offerings of third-party providers of being a suitable standard for those providers' students to receive University of Buckingham degrees.)

Franchise fee income is recognised when the associated student fee income has been billed to students and the collection of these fees will occur with reasonable certainty in the periods in which the students are studying. (Franchising involves a third-party provider delivering the University of Buckingham's curriculum to students, who are students of The University of Buckingham, at an external location.)

Both Validation and Franchise fee income are shown within Other income at Note 3.

Investment income is credited to the Group Statement of Comprehensive Income on a receivable basis.

Income received in advance of performance related conditions being met is recognised as deferred income within Creditors on the Statement of Financial Position and released to income as or when any conditions are met.

Grant Funding:

Grant funding from government sources including the Coronavirus Job Retention Scheme and 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.

Donations and Endowments

Non-exchangeable transactions without performance related conditions are donations and endowments. Donations and endowments with donor-imposed restrictions are recognised as 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 as income once the University is entitled to the funds.

STATEMENT OF PRINCIPAL ACCOUNTING POLICIES (continued)

3 Income Recognition (continued)

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

There are five 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 donations – the donor has not specified the use of the donation and so it is to be used for the general benefit of the University.
3. 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.
4. Restricted expendable endowments – the donor has specified a particular objective other than the purchase or construction of tangible fixed assets, and the University has the power to use the capital.
5. Restricted permanent endowments – the donor has specified that the fund is to be permanently invested to generate an income stream to be applied to a particular objective.

4 Pension Schemes

The Aviva Group Personal Pension Plan (GPP) is a defined contribution scheme, established by contract. The employer's contributions payable for each accounting period are accounted for as expenditure in the period in which they are incurred.

The NEST Auto Enrolment Scheme (NEST-AES) is a defined contribution scheme, established by contract. The employer's contributions payable for each accounting period are accounted for as expenditure in the period in which they are incurred.

The Universities Superannuation Scheme (USS) is a defined benefit scheme, established by trust deed with assets held in a separate fund. The employer's contributions payable for each accounting period are accounted for as expenditure in the period in which they are incurred. In addition, the University is required to provide for the future liability of the deficit recovery plan implemented by the USS.

The University of Buckingham Employee Benefits Plan (EBP), established as a defined contribution scheme by trust deed was closed to further contributions on 31 December 2007. However, the scheme provides a Guaranteed Minimum Pension in respect of periods of membership prior to 6 April 1997. The University accounts for any funding deficit, based on the actuary's reports to the scheme's Trustees on the funding of the scheme at the schemes most recent valuation date, April 2020.

5 Taxation and Charitable status

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

Charitable status provides no similar exemption from VAT, but the University is defined as an Eligible Body by Schedule 9 Group 6 of the VAT Act 1994. This means that the education provided is exempt from VAT but that VAT cannot be recovered on education related purchases. Irrecoverable VAT is therefore included in both revenue and capital expenditure.

STATEMENT OF PRINCIPAL ACCOUNTING POLICIES (continued)

6 Tangible Fixed Assets and Depreciation

Tangible fixed assets are stated at historic purchase cost less accumulated depreciation. Cost includes the original purchase price of the asset and the costs attributable to bringing the asset to its working condition for its intended use.

Equipment and property costing more than £3,000 per item or project is capitalised. Other equipment is written off in the year of purchase. Land is not depreciated. Depreciation is provided on a straight-line basis on other assets at the following annual rates so as to write off the cost/valuation:

Buildings:	2%
Equipment:	
Furniture, furnishings, equipment	10% - 20%
Office equipment	10% - 20%
Science laboratory equipment	20% - 25%
Motor vehicles	20%
Computing equipment & software	25%
Specialist laboratory equipment	33%

On the grounds of materiality, the above six categories have been aggregated as equipment.

The carrying amount of fixed assets is tested for impairment in accordance with the policy described below.

7 Intangible Assets

Intangible assets are stated at cost less accumulated amortisation and any impairment losses. Cost includes the original purchase price of the asset and costs attributable to bringing the asset to its working condition for intended use.

Amortisation is provided on a straight-line basis over the estimated useful life of the asset.

The carrying amount of intangible assets is tested for impairment in accordance with the policy described below.

8 Investments and joint ventures

Investments

Investments in listed shares are re-measured to fair value at each year-end date. Gains and losses on re-measurement are recognised in surplus or loss for the period. Gains or losses on disposal are recognised within Gains / (losses) on investments within the Statement of Comprehensive Income.

Investments in subsidiaries are carried as cost less impairment.

Joint ventures

Interests in joint ventures are accounted for using the equity method, after being recognised initially at cost in the consolidated Statement of Financial Position.

Under the equity method of accounting, the investments are initially recognised at cost and adjusted thereafter to recognise the Group's share of the post-acquisition profits or losses of the investee in the Group Statement of Comprehensive Income. Dividends received or receivable from associates and joint ventures are recognised as a reduction in the carrying amount of the investment.

8 Investments and joint ventures (continued)

STATEMENT OF PRINCIPAL ACCOUNTING POLICIES (continued)

Where the Group's share of losses in an equity-accounted investment equals or exceeds its interest in the entity, including any other unsecured long-term receivables, the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the other entity.

Unrealised gains on transactions between the Group and its associates and joint ventures are eliminated to the extent of the Group's interest in these entities. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of equity-accounted investees have been changed where necessary to ensure consistency with the policies adopted by the group.

The carrying amount of equity-accounted investments is tested for impairment in accordance with the policy described below.

9 Impairment of assets

Assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount might not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or groups of assets (cash-generating units). Non-financial assets other than goodwill that suffered an impairment are reviewed for possible reversal of the impairment at the end of each reporting period.

10 Cash and cash equivalents

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

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

11 Provisions

Provisions are recognised in the financial statements when:

- (a) The University has a present obligation (legal or constructive) as a result of a past event;
- (b) It is probable that an outflow of economic benefit will be required to settle the obligation; and
- (c) A reliable estimate can be made of the amount of the obligation.

12 Reserves

Reserves are classified as restricted or unrestricted. There are two types of restricted reserves:

- a. The first type of restricted reserve, "Endowment reserves", include balances which, through endowment to the University, are held as a permanently restricted fund which the University must hold in perpetuity.

STATEMENT OF PRINCIPAL ACCOUNTING POLICIES (continued)

12 Reserves (continued)

- b. The second type of restricted reserve, called "Restricted reserves", includes balances where the donor has designated a specific purpose and therefore the University is restricted in the use of these funds, and unspent balances of restricted donations in line with the British Universities Finance Directors Group (BUFDG) Implementation Guidance to the SORP. Reserve transfers are made between Restricted and Unrestricted reserves for the depreciation on assets that were funded by grants or donations with restrictions on those underlying assets.

13 Leases

The Group and the University are lessees of property and whether an arrangement is or contains a lease depends on the substance of that arrangement. Leases in which substantially all the risk and rewards incidental to the ownership of an asset are transferred to the lessee by the lessor are classed as finance leases. Leases which are not finance leases are classified as operating leases. Gross rental expenditure in respect of operating leases is recognised on a straight-line basis over the term of the leases, unless another systemic basis is representative of the time pattern of the lessee's benefit from the use of the leased asset. Rent free periods are accounted for within the Statement of Financial Position as Accruals and deferred income.

14 Financial instruments

The group has chosen to adopt Sections 11 and 12 of FRS 102 in respect of financial instruments.

i) Financial assets

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

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

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

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

Other financial assets, including investments in equity instruments which are not subsidiaries, associates or joint ventures, are initially measured at fair value, which is normally the transaction price.

Such assets are subsequently carried at fair value and the changes in fair value are recognised in the Statement of Comprehensive Income, except that investments in equity instruments that are not publicly traded and whose fair values cannot be measured reliably are measured at cost less impairment.

STATEMENT OF PRINCIPAL ACCOUNTING POLICIES (continued)

14 Financial instruments (continued)

Financial assets are derecognised when:

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

ii) Financial liabilities

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

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

Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw-down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a pre-payment for liquidity services and amortised over the period of the facility to which it relates.

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers.

Accounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities.

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

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

iii) Offsetting

Financial assets and liabilities are offset and the net amounts presented in the financial statements when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

iv) Financial guarantee contracts

A financial guarantee contract is a contract that requires the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payments when due in accordance with the original or modified terms of a debt instrument. These are accounted for under Section 21 of FRS 102. Where appropriate, a provision has been made and/or a contingent liability disclosed.

STATEMENT OF PRINCIPAL ACCOUNTING POLICIES (continued)

15 Critical Accounting Judgements and Estimates

The preparation of financial statements requires management to make judgements and adopt estimates that affect the financial statements during the reporting period. These estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

a) Critical judgements in applying the Group and University's accounting policies

(i) Evaluation of the Universities Superannuation Scheme as a multi-employer scheme

The University has judged that the USS meets the definition of a multi-employer scheme for the reasons set out in Note 22.

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 University is therefore exposed to actuarial risks associated with other institutions' employees and is unable to identify its share of the underlying assets and liabilities of the scheme on a consistent and reasonable basis. Therefore, as required by Section 28 of FRS 102 "Employee benefits", the University accounts for the scheme as if it were a defined contribution scheme.

(ii) Effective control of the University of Buckingham Foundation

The University has judged that it is in a position of effective control arising from a number of factors, notwithstanding that the Foundation is a distinct charitable trust, therefore the results of the Foundation have been consolidated in the Group financial statements.

The trust deed for the Foundation declares that its primary purpose is to advance the education of the public by, in particular, supporting and promoting the education of students attending the University and by benefiting the wider academic community and purposes of the University as a whole.

The close relationship between the University and the Foundation is a determining factor in the University exercising effective control. The Trustee board, a number of whom are officers of the University, agree that the primary intent of the Foundation is to support the University and are guided by the University in decisions relating the distribution of funds.

(iii) The extent of control over a joint venture, Apollo Buckingham Health Sciences Campus Ltd (ABHSC)

The University has a 40% shareholding in ABHSC during 2021. It has judged that this should be accounted for as a joint venture and as a jointly controlled entity. ABHSC is governed by a joint venture agreement (JVA) between the University and the other two parties holding the remaining shareholding, with no single party having majority control. The JVA sets out the contractual terms governing the joint venture and as such the University has judged that it will account for its shareholding and the results of ABHSC in accordance with the equity method.

STATEMENT OF PRINCIPAL ACCOUNTING POLICIES (continued)

15 Critical Accounting Judgements and Estimates (continued)

a) Critical judgements in applying the Group and University's accounting policies (continued)

(iv) Estimate of financial guarantee contract

The University has provided a commitment to make good up to 50% of any lease payment shortfall for the Booth Hall student residences in Crewe. The lease of Booth Hall was taken out by the JV (ABHSC) from Manchester Metropolitan University. The full value of the guarantee is maintained in a separate Escrow bank account in favour of Manchester Metropolitan University. The Council of the University of Buckingham considers that due to the level of uncertainty of the level of student accommodation income in the JV the full amount of the financial guarantee may need to be invoked, and have maintained appropriate provision for this.

b) Critical estimates in applying the Group and University's accounting policies

In the preparation of the Group financial statements, management (in conjunction with third-party independent experts regarding property valuations) has made estimates and assumptions that affect the amounts reported for assets and liabilities as at the Statement of Financial Position date and the amounts reported for income and expenses during the year. Actual results could differ from these estimates.

(i) Depreciation and impairment of fixed assets

Assets are depreciated as set out in Note 6, Principal Accounting Policies, which are judged to be an appropriate assessment of the useful life of assets, and assuming that the University is operating as a going concern on the Buckingham campus for the foreseeable future.

The University's material fixed assets are reviewed annually to determine whether their book value should be reduced due to their value being impaired. Estimates are made of the extent of any impairment on individual assets or related groups of assets.

(ii) Onerous contract provisions

The University has a liability under non-cancellable operating lease for its Crewe campus. The lease is effective for 10 years from 2019, with a rent review from 1 January 2025 and an option to renew beyond 10 years. More details are set out in Note 27.

The financial viability of the Crewe campus is dependent on income from Medical and Allied Health students, generated through their teaching and learning at Crewe and on the Joint venture agreement with the Crewe partners

The Crewe campus operating lease is considered to be an onerous lease as the expected net revenues to the University from all relevant activities at Crewe is materially less than the operating lease costs over the lease period, both on a net present value basis. The University uses internal assumptions on forecast student numbers and income and discount rates, and assesses the net revenue due to the University in accordance with the profit share arrangements set out in the Crewe joint venture agreement. Whilst negotiations are ongoing to make new arrangements including a new replacement lease, council considers it prudent to maintain the full provision for the onerous lease made in previous financial statements until the outcome is more certain.

STATEMENT OF PRINCIPAL ACCOUNTING POLICIES (continued)

15 Critical Accounting Judgements and Estimates (continued)

b) Critical estimates in applying the Group and University's accounting policies (continued)

(iii) Impairment of receivables

Student and commercial/trade receivables are reviewed at least annually to determine the extent to which a provision is required against debts that have a reasonable risk of non-payment. The risk reflects the length of time for which the debt has been unpaid and the reason for non-payment.

The University assesses such debts on an individual student or customer basis and does not include general provisions. The University continues to seek payment of such debts until all reasonable efforts have been exhausted.

(iv) USS provision

Management, aided by external third-party advisers, has made estimates, as set out in Note 23, on economic and mortality assumptions, including pay awards, as well as estimates of changes to the future membership of the scheme as the scheme is closed to new entrants to the University, unless new staff are transferring benefits.

A key assumption is that future contribution rates will not change, apart from the unwinding of the deficit recovery plan.

16 Related party transactions

The Group and University discloses transactions with related parties which are not wholly owned within the same group. Where appropriate, transactions of a similar nature, such as regular payments, are aggregated unless, in the opinion of the Council, separate disclosure is necessary to understand the effect of the transactions on the Group financial statements.

17 Termination benefits

Termination benefits of any kind relating to staff are based upon the relevant employment contracts, length of service, discretionary awards, and any statutory requirements.

18 Exceptional items

Exceptional items are disclosed separately in the financial statements where it is necessary to do so to provide further understanding of the financial performance of the company. They are items that are material either because of their size or their nature, or that are non-recurring and are considered as exceptional items.

NOTES TO THE FINANCIAL STATEMENTS

1 Tuition fees and education contract:	Group	University	Group	University
	2021	2021	2020	2020
	£000	£000	£000	£000
Full-time undergraduates – Home & EU	14,616	14,616	14,489	14,489
Full-time undergraduates – International	14,411	14,411	12,034	12,034
Part-time undergraduates	167	167	302	302
Postgraduates – Home & EU	5,238	5,238	4,462	4,462
Postgraduates – International	2,048	2,048	1,648	1,648
Pre and non-degree courses	1,030	1,030	1,163	1,163
	37,510	37,510	34,098	34,098
2 Research grants and contracts	Group	University	Group	University
	2021	2021	2020	2020
	£000	£000	£000	£000
Research charities	292	292	819	819
Industry and commerce	897	897	-	-
	1,189	1,189	819	819
3 Other income	Group	University	Group	University
	2021	2021	2020	2020
	£000	£000	£000	£000
Residences	1,766	1,766	1,960	1,960
Catering and bar	76	76	141	141
Validation and franchise fees	1,196	1,196	1,304	1,304
Other income *	999	474	906	379
Government **	32	32	954	954
	4,069	3,544	5,265	4,738

* Other income comprises, in particular: registration fees, medical school materials, credit card commissions earned, and (at the Group level) rental income from parties outside The University of Buckingham.

**Figure comprised entirely of the payments received from the Coronavirus Job Retention Scheme. Amounts are recognised in the period to which claims under the CJRS relate, having met all the conditions of the scheme.

4 Investment income	Group	University	Group	University
	2021	2021	2020	2020
	£000	£000	£000	£000
Investment income on endowments	112	-	104	-
Other investment income	2	2	49	45
	114	2	153	45

NOTES TO THE FINANCIAL STATEMENTS (continued)**5 Donations and endowments**

	Group	University	Group	University
	2021	2021	2020	2020
	£000	£000	£000	£000
Donations with restrictions	647	647	303	145
University of Buckingham Foundation donations with restrictions	-	339	16	332
Unrestricted donations	-	-	6	6
	647	986	325	483

Details of endowment funds held by the group are provided at Note 18.

6 Staff costs

	Group	University	Group	University
	2021	2021	2020	2020
	£000	£000	£000	£000
Salaries *	14,963	14,960	16,772	16,748
Social security costs	1,493	1,493	1,613	1,613
Pension costs, excluding USS	1,678	1,678	1,997	1,997
USS exceptional provisions	(1,106)	(1,106)	(140)	(140)
Apprenticeship Levy	60	60	64	64
Total	17,088	17,085	20,306	20,282

* Within salaries, compensation for loss of office (including voluntary severance) of £120,335 was paid in 2021 (2020: £1,239,803) which relates to 5 employees (2020: 38 employees). Within these figures, no payments were made in 2021 in respect of compensation for loss of office to members of the key management personnel (2020: £362,495 for 5 individuals).

	Group	University	Group	University
	2021	2021	2020	2020
	Number	Number	Number	Number
Average number of equivalent full time members of staff				
Academic	132	132	127	127
Research	9	9	8	8
Support	208	207	211	206
Manual	34	34	42	42
	383	382	388	383

	Group	University	Group	University
	2021	2021	2020	2020
	Number	Number	Number	Number
Average headcount of members of staff				
Academic	140	140	146	146
Research	10	10	9	9
Support	220	219	242	238
Manual	36	36	49	49
	406	405	446	442

NOTES TO THE FINANCIAL STATEMENTS (continued)**6 Staff costs (continued)****Remuneration of the Vice-Chancellor**

Emoluments of the Vice-Chancellor:	2021	2020
James Tooley	£	£
Basic salary	170,638	42,500
Non-taxable benefits – living accommodation	18,000	4,500
Bonus	37,735	-
Pension contribution to USS	36,134	8,968
	262,507	55,968

No other forms of remuneration were provided to the Vice-Chancellor.

Emoluments of the Vice-Chancellor:	2021	2020
Sir Anthony Seldon	£	£
Basic Salary	-	133,219
Non-taxable Benefits – living accommodation	-	13,500
	-	146,719

Sir Anthony Seldon held the office of Vice-Chancellor until September 2020. James Tooley was appointed Vice-Chancellor effective from 1 October 2020.

As a requirement of the contract of employment, the Vice-Chancellor is required to reside at Ondaatje Hall in order to discharge their duties fully. There is considerable value to the University in the Vice-Chancellor residing on the University campus. The University, and not the Vice-Chancellor, has first call on the use of the ground floor and garden of Ondaatje Hall, which is used for hosting University seminars and events during the working week plus evenings and weekends. The annual rental value of Ondaatje Hall, a two-storey house, has been assessed by a local estate agent to be £36,000 per annum. The Vice-Chancellor has exclusive use of the first floor only, so £18,000 per annum is considered an appropriate value of the benefit to the Vice-Chancellor. In these financial statements this has been treated as a non-taxable benefit in kind.

The benefit is considered exempt from tax as it is provided for the better performance of the employee's duties and the employment is one of the kinds for which it's customary for employers to provide accommodation for the employee.

Performance-related payments are not contractually a part of the Vice-Chancellor's salary package. During 2021 an ex-gratia bonus of £37,735 was made to the Vice-Chancellor in recognition of the work achieved in difficult circumstances (2020: nil).

The Vice-Chancellor's salary is 5 times the median salary of staff (2020: 5), where the median pay is calculated on a full-time equivalent basis for the salaries paid by the University to its staff. The Vice-Chancellor's remuneration is 7.5 times (2020: 5.7) 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 University of its staff.

The Vice-Chancellor has the overall responsibility for ensuring the effective and efficient management of the University. The Vice-Chancellor is the Accountable Officer as per OfS Regulatory Advice 10 and as such, bears the responsibility of effective governance and financial stewardship of the University.

NOTES TO THE FINANCIAL STATEMENTS (continued)

6 Staff costs (continued)

Remuneration of the Vice-Chancellor (continued)

The University undertakes collaborations with other institutions around the world and its undergraduate and postgraduate students come from various parts of the world. The Vice-Chancellor is responsible for promoting the University's interests at home and overseas, as well as developing good business relationships between the University and its Collaboration Partners and all other stakeholders including Government representatives, the Office for Students and the Charity Commission.

The Vice-Chancellor works closely with both Council and Senate bodies and leads the Executive Board of the University in all matters relating to governing and running the operations of the University and to ensure appropriate strategic development to deliver the University's academic and financial sustainability.

Assessment of the Vice-Chancellor's performance is conducted on an annual basis.

The Chair of Council conducts an appraisal of the Vice-Chancellor's performance, in consultation with the Remuneration Committee which is based on achievements against the set objectives and the overall performance of the University including student recruitment and completion, student satisfaction, staff satisfaction and overall financial performance.

The Remuneration Committee is responsible for ensuring the right remuneration is set for the Vice-Chancellor to reflect the strategic workload, achievement of performance targets and the general remuneration for Higher Education Heads in the United Kingdom.

Remuneration of higher paid staff excluding employer pension contributions

£	31 Dec 2021 Number	31 Dec 2020 Number
100,000 - 104,999	-	1
105,000 - 109,999	-	-
110,000 - 114,999	-	-
115,000 - 119,999	-	-
120,000 - 124,999	1	-
125,000 - 129,999	1	-
130,000 - 134,999	1	1
135,000 - 139,999	2	2
140,000 - 144,999	-	2
145,000 - 149,999	-	1
150,000 - 154,999	-	-
155,000 - 159,999	-	-
160,000 - 164,999	-	-
165,000 - 169,999	-	-
225,000 - 229,999	1	-
	6	7

NOTES TO THE FINANCIAL STATEMENTS (continued)

6 Staff costs (continued)

Key management personnel

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the University and are represented at the University's Executive Committee. Staff costs include salaries paid to key management personnel, plus employer's pension contributions.

	Group / University 2021 £000	Group / University 2020 £000
Key management personnel compensation	1,170	2,208
	1,170	2,208

	Group / University 2021 £000	Group / University 2020 £000
Key management personnel numbers	11	17
	11	17

The reduction in the number and cost of key management personnel is a result of the cost management programme implemented in 2020.

Council members

Council members are the Trustees for charitable law purposes.

A list of Council members who served at any time during the financial year and until the date these financial statements were formally approved is contained in the "Members of Council" section on page 20.

Due to the nature of the University's operations and the composition of the Council, drawn from local public and private sector organisations, it is inevitable that transactions may take place with organisations in which a member of Council may have an interest. All transactions involving organisations in which a member of Council 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. Note 23 contains details of related party transactions in the year.

No members of Council received honoraria from the University during the year (2020: Nil).

The total expenses paid to or on behalf of the Council members in the year was £1,980 (2020: £1,462 restated), representing travel and subsistence expenses incurred in attending Council, Committee meetings and Charity events including fundraising in their official capacity.

NOTES TO THE FINANCIAL STATEMENTS (continued)**7 Other operating expenses**

Other operating expenses include:

	Group 2021 £000	University 2021 £000	Group 2020 £000	University 2020 £000
External auditors' remuneration in respect of audit services	148	138	131	125
Accountancy services from firms other than the external auditor	32	32	-	-
Other costs (see below for further analysis)	20,704	20,410	19,486	19,278
	20,884	20,580	19,617	19,403

Further analysis of other costs

Significant cost categories included within other costs:

	Group 2021 £000	University 2021 £000	Group 2020 £000	University 2020 £000
Curriculum costs	3,377	3,377	2,677	2,677
Medical student placement fees	6,385	6,385	4,923	4,923
Staff and student travel	730	730	777	777
Premises costs	2,232	2,084	3,230	3,044
Residence costs	479	479	1,098	1,098
General administrative expenses *	7,362	7,216	6,702	6,680
Catering and merchandising costs	139	139	79	79
	20,704	20,410	19,486	19,278

* General administrative expenses include the movements in provisions disclosed in Note 16, plus an increase in the bad debt provision by £1m and other general accruals increases.

8 Interest and other finance costs

	Group 2021 £000	University 2021 £000	Group 2020 £000	University 2020 £000
Bank loans	236	236	588	588
Pension finance interest	23	23	49	49
	259	259	637	637

The Pension finance interest relates to interest charges, incurred by the University of Buckingham, relating to the USS scheme.

9 Total expenditure

	Group 2021 £000	University 2021 £000	Group 2020 £000	University 2020 £000
Academic and related expenditure	19,713	19,713	19,740	19,740
Administration and central services	15,424	14,810	18,200	17,818
Premises	3,062	3,062	1,730	1,544
Residences	1,148	1,148	2,598	2,598
Catering and bar	148	148	79	79
Research grants and contracts	920	920	470	470
	40,415	39,801	42,817	42,249

NOTES TO THE FINANCIAL STATEMENTS (continued)

9 Total expenditure (continued)

The University has two classes of business being the provision of education and the delivery of research. The provision of residences, catering, bar plus administration and central services are ancillary activities.

Group Academic and central services expenditure does not include (primarily) £525,000 (2020: £525,000) of rent charged by MPML to the University, as this is eliminated upon consolidation.

10 Intangible assets

The Group holds one written down intangible asset, relating to a podiatry programme curriculum, acquired by MPML in 2019 at a cost of £246k (2020: £246k), fully amortised and therefore carrying a net book value of £nil (2020: £nil).

11 Tangible assets

GROUP	Freehold land £000	Freehold buildings £000	Equipment £000	Assets in course of construction £000	Total £000
Cost:					
At 1 January 2021	5,345	38,584	17,192	-	61,121
Additions	-	-	2,356	230	2,586
Disposal	(1,123)	(2,405)	(38)	-	(3,566)
At 31 December 2021	4,222	36,179	19,510	230	60,141
Accumulated depreciation:					
At 1 January 2021	403	11,464	11,503	-	23,370
Charge for the year	-	762	1,422	-	2,184
Disposal	-	(511)	(53)	-	(564)
At 31 December 2021	403	11,715	12,872	-	24,990
Net book amount:					
At 31 December 2021	3,819	24,464	6,638	230	35,151
At 31 December 2020	4,942	27,120	5,689	-	37,751

NOTES TO THE FINANCIAL STATEMENTS (continued)**11 Tangible assets (continued)**

<u>UNIVERSITY</u>	Freehold land £000	Freehold Buildings £000	Equipment £000	Assets in course of construction £000	Total £000
Cost:					
At 1 January 2021	5,345	31,670	15,445	-	52,460
Additions	-	-	2,356	230	2,586
Disposal	(1,123)	(2,405)	(27)	-	(3,555)
Transfer					
At 31 December 2021	4,222	29,265	17,774	230	51,491
Accumulated depreciation:					
At 1 January 2021	403	10,973	11,069	-	22,445
Charge for the year	-	641	1,236	-	1,877
Disposal	-	(511)	(53)	-	(564)
At 31 December 2021	403	11,103	12,252	-	23,758
Net book amount:					
At 31 December 2021	3,819	18,162	5,522	230	27,733
At 31 December 2020	4,942	20,697	4,376	-	30,015

The market value of land and buildings is considered to be in excess of the carrying value. Neither the Group nor University held assets under finance leases during or at the year-end.

12 Investments

Group	Note	Group 2021 £000	University 2021 £000	Group 2020 £000	University 2020 £000
Investments in subsidiary undertaking		(53)	3,946	-	4,001
Shares in ABHSC (a joint venture)	24	-	-	-	-
Shares in CVCP Properties Plc		23	23	23	23
Other listed investments		6,496	3,980	5,659	3,408
Cash investment deposits: Non-current		115	115	115	115
Cash investment deposits: Current		84	-	334	-
		6,665	8,064	6,131	7,547

The University owns 0.54% of the issued ordinary share capital in CVCP Properties plc, the company that owns the offices of Universities UK.

The University owns a non-controlling interest of 40% (80 x £1 ordinary shares) in a joint venture, Apollo Buckingham Health Sciences Campus Ltd (ABHSC), being the company that acquired the Crewe campus from Manchester Metropolitan University.

Other listed investments represent equity shares, principally UK equities, managed by external independent professional fund managers. These are recognised as non-current asset investments, as they are held with a long-term intention to earn recurring income that pays for expenditure connected with Restricted and Endowment Funds.

NOTES TO THE FINANCIAL STATEMENTS (continued)**12 Investments (continued)**

	Group £000	University £000
At 1 January 2021	6,131	7,547
Net movement within the year *	534	517
At 31 December 2021	6,665	8,064

* The net movement in the year consists of:

	Group 2021 £000
Gains on investments as per University	517
Gains on investment as per Foundation	281
	798
Net disposal of investments	(264)
	534

	University 2021 £000
Gains on investments as per University	517
	517
	517

The University has an immaterial dormant subsidiary as detailed in Note 24.

13 Trade and other receivables

	Group 2021 £000	University 2021 £000	Group 2020 £000	University 2020 £000
Amounts falling due within one year:				
Escrow funds	2,507	2,507	2,507	2,507
Student receivables	7,224	7,224	5,670	5,670
Other trade receivables	291	6	47	4
Prepayments and accrued income	1,337	1,333	710	710
Amounts due from subsidiary undertakings	-	1,229	-	595
Other debtors	418	418	294	294
	11,777	12,717	9,228	9,780

The amounts due from subsidiary undertakings are unsecured interest free loans and repayable on demand.

The Group holds £2,507k of funds in an escrow account relating to the financial guarantee contract connected with Booth Hall student accommodation. The funds were placed in escrow to cover a financial guarantee contract, the liability, £2,126k as at 31 December 2021 (2020: £2,461k) is held within Provisions in these financial statements. The University was required to place these funds in escrow as part of the arrangement made by ABHSC to lease the Booth Hall student accommodation.

NOTES TO THE FINANCIAL STATEMENTS (continued)**13 Trade and other receivables (continued)**

The University has judged that this should be treated in the financial statements as a receivable rather than cash and cash equivalents. The restricted cash is contained in a bank account held jointly in escrow with Manchester Metropolitan University and, whilst this does represent cash funds, it is freely available only to the extent released by both parties following payment of rents due.

14 Creditors: amounts falling due within one year

	Group	University	Restated	Restated
	2021	2021	Group	University
	£000	£000	2020	2020
			£000	£000
Bank loans	-	-	750	750
Student fees received in advance	12,156	12,156	12,302	12,302
Trade payables	3,362	3,103	3,522	3,400
Social security and other taxation payable	300	299	493	493
Other payables	1,464	1,464	1,791	1,797
Accruals and deferred income	6,001	5,976	6,974	6,808
	23,283	22,998	25,832	25,550

Any amounts owing to group companies are unsecured, interest free and repayable on demand.

15 Creditors: amounts falling due after more than one year

	Group	University	Group	University
	2021	2021	2020	2020
	£000	£000	£000	£000
Bank loans	5,000	5,000	17,000	17,000
	5,000	5,000	17,000	17,000

Analysis of loan repayments

	University / Group	University / Group
	2021	2020
	£000	£000
Due within one year, as shown at Note 14	-	750
Due between two and five years, as shown above	5,000	12,000
Due after five years, as shown above	-	5,000
	5,000	17,750

Two separate loans outstanding at 31st December 2010 were refinanced by agreement with NatWest at the beginning of 2021. Both the original loans totalling £17.8m were repaid in full and a new unsecured loan of £5m was drawn. The new £5m term loan is repayable in 5 years and bears fixed rate interest at 2.15%. The terms include financial covenants similar to the old loan arrangements. In 2022 the University further agreed with NatWest that the covenants would not be measured until the full year to December 2022 draft numbers are available. Concurrently with the loan refinancing, a £7.0m revolving credit facility for five years, reducing to £5m after 2 years was also put in place. As of the date these financial statements are signed this facility has remained unused.

NOTES TO THE FINANCIAL STATEMENTS (continued)**16 Provisions**

Group	Financial guarantee contract provision £000	Pension: Employee Benefit Plan £000	Pension: USS £000	VAT provision £000	Crewe Lease £000	Total £000
At 1 January 2021	2,461	134	3,005	808	7,552	13,960
Utilised in the year	(335)	-	(1,083)	-	(507)	(1,925)
At 31 December 2021	2,126	134	1,922	808	7,045	12,035

Financial guarantee contract provision

The Group holds £2,507k of funds in escrow relating to the financial guarantee contract on behalf of ABHSC connected with Booth Hall student accommodation. The funds are placed in escrow to cover a financial guarantee contract. The guarantee value as at 31 December 2021 is £2,126k and as such the provision has been reduced to that value.

Employee Benefit Plan

The Employee Benefit Plan is an in-house pension scheme that is in the process of being wound up. Provisions relate to guaranteed minimum payment equalisation and legal and professional costs relating to the wind-up.

USS

Figures recorded in the tables above for the USS pension represent the University's share of the scheme's liabilities and past deficits. USS will adjust its scheme contribution rates from time-to-time, in order to address the deficit in this multi-employer pension scheme. Note 22 provides further details of pensions.

Adjustment for VAT repayable by the MPML subsidiary

The VAT provision relates to the Medical Property Management Ltd (MPML) subsidiary which is expected to repay £808,000 to HM Revenue and Customs (HMRC) relating to the correction of an over-claim of VAT in previous years.

MPML has contacted HM Revenue and Customs to make disclosure that there has been a material error with its previous VAT reclaims and has been working with independent professional taxation advisers to finalise the quantum of monies repayable and the chronology for repayment. The company expects the repayment may need to be made in calendar year 2023 and is awaiting a response from HMRC.

Regarding penalties, the taxation advisers considered the most likely outcome is that any penalties in relation to the VAT error will be suspended. Therefore, no specific provision for penalties has been included within the £808,000 provision. However, should HMRC impose penalties, these could range between 0 – 70% of VAT due. At worst case, this would result in an additional liability of £522,000.

Crewe campus lease

Where anticipated costs in relation to a leasehold property exceed anticipated income, a provision is made for the future shortfall to the end of the lease. This provision relates to the Crewe campus lease. Discussions on new arrangements with lower cost are ongoing at the current time and it is therefore considered prudent to maintain a provision until the results of those discussions are more certain. Movement in provision in the year is the result of the review and update of the discounted cashflow model assumptions.

NOTES TO THE FINANCIAL STATEMENTS (continued)**16 Provisions (continued)**

	Financial guarantee contract provision	Pension: Employee Benefit Plan	Pension: USS	Crewe Lease	Total
University	£000	£000	£000	£000	£000
At 1 January 2021	2,461	134	3,005	7,552	13,152
Utilised in the year	(335)	-	(1,083)	(507)	(1,925)
At 31 December 2021	2,126	134	1,922	7,045	11,227

17 Endowment reserves

2021	Group Restricted Permanent £000	Group Restricted Expendable £000	Group Total £000	University Restricted Permanent	University Restricted Expendable	University Total £000
Capital						
As at 1 January 2021	4,579	841	5,420	2,658	22	2,650
New Donations	246	-	246	246	-	246
Increase in market value of investments	784	69	853	573	-	573
Capital expenditure	(19)	-	(19)	-	-	-
As at 31 December 2021	5,590	910	6,500	3,447	22	3,469
Accumulated Income						
As at 1 January 2021	1,149	135	1,284	681	-	681
Investment income	40	-	40	40	-	40
Expenditure	(61)	-	(61)	(61)	-	(61)
As at 31 December 2021	1,128	135	1,263	660	-	660
Total Funds						
As at 1 January 2021	5,728	976	6,704	3,309	22	3,331
As at 31 December 2021	6,718	1,045	7,763	4,107	22	4,129
Analysis by Fund Type						
Scholarships and bursaries	2,311	1,023	3,334	-	-	-
Development funds	4,407	22	4,429	4,107	22	4,129
As at 31 December 2021	6,718	1,045	7,763	4,107	22	4,129

Analysis by Asset Type

	Group Total £000	University Total £000
Fixed assets	888	-
Investments	6,611	4,095
Other current assets	264	34
As at 31 December 2021	7,763	4,129

NOTES TO THE FINANCIAL STATEMENTS (continued)

17 Endowment reserves (continued)

2020	Group Restricted Permanent £000	Group Restricted Expendable £000	Group Total £000	University Restricted Permanent	University Restricted Expendable	University Total £000
Capital						
As at 1 January 2020	4,256	733	4,989	2,570	22	2,592
New Donations	202	-	202	-	-	-
Increase in market value of investments	140	108	248	58	-	58
Capital expenditure	(19)	-	(19)	-	-	-
As at 31 December 2020	4,579	841	5,420	2,628	22	2,650
Accumulated Income						
As at 1 January 2020	1,157	196	1,353	797	-	797
Investment income	152	11	163	77	-	77
Expenditure	(160)	(72)	(232)	(193)	-	(193)
As at 31 December 2020	1,149	135	1,284	681	-	681
Total Funds						
As at 1 January 2020	5,413	929	6,342	3,367	22	3,389
As at 31 December 2020	5,728	976	6,704	3,309	22	3,331
Analysis by Fund Type						
Scholarships and bursaries	2,121	954	3,075	-	-	-
Development funds	3,607	22	3,629	3,309	22	3,331
As at 31 December 2020	5,728	976	6,704	3,309	22	3,331

Analysis by Asset Type	Group Total £000	University Total £000
Fixed assets	907	-
Investments	6,108	3,523
Other current liabilities	(311)	(192)
As at 31 December 2020	6,704	3,331

Details of the material funds (balances over £500,000) are as follows:

Fund Name	Type	Purpose	As at 1 st January 2021 £000	Income & New Donations £000	Expenditure £000	Gains £000	As at 31 st December 2021 £000
Vinson	Permanent	Economics & Entrepreneurship	3,309	-	-	572	3,881
Gregory	Permanent	Scholarships & Bursaries	1,685	84	(42)	125	1,852
Desborough	Expendable	Scholarships & Bursaries	607	8	(3)	45	657

Each of the individually material endowment funds detailed above represent other listed investments and cash investment deposits only, and each are of sufficient value and liquidity to enable them to be applied in accordance with their associated restrictions.

NOTES TO THE FINANCIAL STATEMENTS (continued)

18 Restricted reserves

Reserves with restrictions are as follows:

2021	Donations / Grants		Total	
	Group £000	University £000	Group £000	University £000
At 1 January 2021	6,063	5,866	6,063	5,866
Other restricted income	112	-	112	-
New donations and reclassifications	140	140	140	140
Expenditure	(386)	(31)	(386)	(31)
Transfer to unrestricted reserves	(169)	(169)	(169)	(169)
Total restricted reserve comprehensive (expenditure) for the year	(303)	(60)	(303)	(60)
At 31 December 2021	5,760	5,806	5,760	5,806

2020	Donations / Grants		Total	
	Group £000	University £000	Group £000	University £000
At 1 January 2020	6,287	5,779	6,287	5,779
Other restricted income	5	-	5	-
New donations and reclassifications	184	184	184	184
Expenditure	(413)	(97)	(413)	(97)
Total restricted reserve comprehensive (expenditure) for the year	(224)	87	(224)	87
At 31 December 2020	6,063	5,866	6,063	5,866

19 Total reserves

	Group 2021 £000	University 2021 £000	Group 2020 £000	University 2020 £000
At 1 January	17,735	11,225	20,164	13,753
Surplus/ (deficit) for the year	5,829	5,864	(2,447)	(2,546)
Release of restricted funds spent in year	(386)	(386)	(166)	(166)
New Donations and reclassifications	386	386	184	184
At 31 December	23,564	17,089	17,735	11,225

NOTES TO THE FINANCIAL STATEMENTS (continued)**19 Total reserves (continued)****Analysis of donations and new grants in the year by type of purpose:**

	Group	University	Group	University
	2021	2021	2020	2020
	£000	£000	£000	£000
Scholarships and bursaries	647	647	302	145
Research support	-	339	17	332
Unrestricted donations	-	-	6	6
	647	986	325	483

	Group	University	Group	University
	2021	2021	2020	2020
	£000	£000	£000	£000
Restricted donations	647	986	319	477
Unrestricted donations	-	-	6	6
	647	986	325	483

At the date of the signing of these accounts the Trustees were performing but had not yet completed a review of the University's Endowment, Restricted and Unrestricted funds, and the presentation of income and expenditure associated with the University endowment funds.

20 Consolidated reconciliation of net debt

	2021
	£'000
Net debt 1 January	(3,667)
Movement in cash and cash equivalents	(11,128)
Other non-cash changes	9,506
Net debt 31 December	(5,289)
Change in net debt	(1,622)

Analysis of net debt:	2021	2020
	£'000	£'000
Cash and cash equivalents	10,289	21,417
Borrowings: amounts falling due within one year		
Unsecured loans	-	(750)
Borrowings: amounts falling due after more than one year		
Unsecured loans	(5,000)	(17,000)
Net debt	5,289	3,667

NOTES TO THE FINANCIAL STATEMENTS (continued)

21 Capital commitments

At the year-end there were no capital commitments outstanding in respect of contracts for future capital expenditure entered into by the Group and the University (2020: £nil).

Capital expenditure authorised but not committed for both the Group and the University was £nil (2020: £nil).

22 Pension commitments

The University participates in the following pension schemes:

- The Aviva Group Personal Pension Plan (GPP) and the NEST Auto Enrolment Scheme (NEST-AES) are defined contribution schemes, so no commitment exists beyond the employer's contractual contributions for each accounting period. The NEST-AES is a money purchase scheme contracted into the State Second Pension (S2P), which covers a small number of staff under auto enrolment.
- The University of Buckingham Employee Benefits Plan (EBP) has defined benefits for those members with Guaranteed Minimum Pension rights and the University accounts for the deficit of EBP's liabilities over assets.
- The Universities Superannuation Scheme (USS) provides defined benefits, which entail long term liabilities, for which the University is ultimately responsible and accounts for its share of USS's deficit. The fund is valued every three years by professionally qualified independent actuaries. Membership of the fund is closed to new members of staff unless they are already members of the scheme through previous employments.

The Universities Superannuation Scheme

Basis of the scheme

USS is the main scheme covering academic and academic-related staff which provides pensions based in part on defined benefit career average and part defined contribution. 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 University is therefore exposed to actuarial risks associated with other institutions' employees and is unable to identify its share of the underlying assets and liabilities of the scheme on a consistent and reasonable basis.

As required by Section 28 of FRS 102 "Employee benefits", the University accounts for the scheme as if it were a defined contribution scheme. As a result, the amount charged to the Statement of Income represents the contributions payable to the scheme. Since the University has entered into an agreement (the Recovery Plan) that determines how each employer within the scheme will fund the overall deficit, the University recognises a liability for the contributions payable that arise from the agreement (to the extent that they relate to the deficit) and an expense is recognised.

FRS 102 makes the distinction between a group plan and a multi-employer scheme. A group plan consists of a collection of entities under common control typically with a sponsoring employer. A multi-employer scheme is a scheme for entities not under common control and represents (typically) an industry-wide scheme such as USS.

NOTES TO THE FINANCIAL STATEMENTS (continued)

22 Pension commitments (continued)

The Universities Superannuation Scheme (continued)

In a multi-employer scheme, where the employer has entered into an agreement with the scheme that determines how the employer will fund a deficit, this results in the recognition of a liability for the contributions payable, (to the extent that they relate to the deficit) and the resulting expense is reflected in profit or loss in accordance with section 28 of FRS 102. The University is satisfied that the USS meets the definition of a multi-employer scheme and has therefore recognised the discounted fair value of the contractual contributions under the latest available recovery plan at the year end.

Financial impact of the scheme valuation

A schedule of contributions based on the 31 March 2018 valuation has been agreed as:

	Employer	Employee
1 January 2019 to 31 March 2019	18.0%	8.0%
1 April 2019 to 30 September 2019	19.5%	8.8%
1 October 2019 to 30 September 2021	21.1%	9.6%
1 October 2021 onwards	23.7%	11.0%

These contributions include a provision for the costs of future accrual of defined benefits and contributions towards the correction of the deficit in the defined benefit section.

The University's provision for future liabilities decreased by £1.08 during the year to £1.92m at 31 December 2021 (2020: £3.01 m).

Actuarial information and assumptions

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

The University has 113 active members as at 31 December 2021 (2020: 113 active members).

Discount rate: 0.73% at 31 December 2020, based on the discount rate provided by the British Universities Finance Directors Group (BUFDG) as at 31 July 2020.

Discount rate (forward rates)

Years 1-10: CPI + 0.14% reducing linearly to CPI – 0.73%

Years 11-20: CPI + 2.52% reducing linearly to CPI + 1.55%

Years 21+: CPI + 1.55%

Pension increases (CPI): term dependent rates in line with the difference between the fixed interest and index linked yield curves less 1.3%

Pay increases: Future salaries increase rate 2%, no change in staff membership.

NOTES TO THE FINANCIAL STATEMENTS (continued)

22 Pension commitments (continued)

The Universities Superannuation Scheme (continued)

Mortality base table

The main demographic assumption relates to the mortality assumptions. These assumptions are based on analysis of the scheme's experience carried out as part of the 31 March 2018 actuarial valuation.

The current life expectancies on retirement at age 65 are:

	2021	2020
Males currently aged 65 years	24.4 years	24.4 years
Females currently aged 65 years	25.9 years	25.9 years
Males currently aged 45 years	26.3 years	26.3 years
Females currently aged 45 years	27.7 years	27.7 years

Figures in the table above are identical for 2020 and 2021; they are taken from the scheme valuation dated 31 March 2018 and there was no scheme valuation performed between 2020 or 2021.

Cost to the University	Group / University	Group / University
	2021	2020
	£000	£000
Contributions to USS	1,081	1,369
Contributions to GPP	589	621
Contributions to AES	7	8
(Decrease) / increase in provision for USS liabilities	(1,106)	(140)
Total pension cost for the year (Note 6)	571	1,858

Contributions outstanding at 31 December	Group / University	Group / University
	2021	2020
	£000	£000
To USS	117	-
To GPP	80	35
To AES	2	3
Total outstanding	199	38

Most recent actuarial valuations

A triennial actuarial valuation of the USS Retirement Income Builder was carried out at 31 March 2020 (the valuation date), using the projected unit method. This was performed for USS under the scheme-specific funding regime introduced by the Pensions Act 2004, which requires schemes to adopt a statutory funding objective, which is to have sufficient and appropriate assets to cover their technical provisions.

At the valuation date of 31 March 2020, the value of the assets of the scheme was £66.5 billion and the value of the scheme's technical provisions was £80.6 billion indicating a deficit of £14.1 billion and a funding ratio of 82.5%.

NOTES TO THE FINANCIAL STATEMENTS (continued)

22 Pension commitments (continued)

The Universities Superannuation Scheme (continued)

Following a consultation with Universities UK, University & College Union (UCU), and the Chair of the Joint Negotiating Committee (JNCC), it was agreed that employer and employee contributions of 21.4% and 9.8%, respectively, would be fixed until 30 September 2021. The USS Trustees issued an actuarial recovery plan in September 2019, alongside a revised schedule of contributions.

In accordance with the requirements of FRS 102, the University currently recognises a provision for its obligation to fund past deficits arising within USS. The recovery plan in the 2018 actuarial valuation required employers to contribute 2.0% of salaries over the period 1 October 2019 to 30 September 2021, at which point the rate would increase to 6.0%. If the deficit contributions are made at this level and experiences follow the assumptions made in the recovery plan, the deficit is expected to be resolved by 31 March 2028.

It was agreed that by 30 September 2021 either an updated schedule of contributions from the 2020 valuation or a combined contribution rate of a minimum of 34.7% would be introduced. This option includes three main conditions imposed by the USS Trustee, in that universities will be subject to debt monitoring, a moratorium on leaving the scheme until completion of the 2020 valuation and that the USS Trustee would request *pari passu* security for Section 75 debt should an institution look to raise secured debt. The work of the USS Joint Expert Panel continues, and Universities have asked that USS consider their recommendations whilst carrying out the 2020 valuation.

A new Schedule of Contributions has been signed and filed with The Pensions Regulator based on the 2020 Valuation with an effective date of 1 October 2021. This represents a significant deterioration compared with the 2018 valuation that was used in these financial statements. As the effective date occurred after 31 December 2020 but before the financial statements are signed this constitutes a non-adjusting balance sheet event.

The USS Trustee board has agreed the future contribution rates effective from 1 October 2021, with employer contributions at 21.4% and member contributions at 9.8%. This replaces the employer and member contributions in place to 30 September 2021 of 21.1% and 9.6% respectively. In February 2022 the board confirmed they will pursue their initial proposal to instigate a small increase in contribution rates from the 2018 valuation but extend the deficit recovery period as a result of the decision to proceed with benefit change by the Joint Negotiating Committee (JNC).

Management are assessing the impact of this revised schedule of contributions on the reported deficit provision.

The University of Buckingham Employee Benefits Plan (EBP)

The EBP is a defined contribution (money purchase) scheme which includes guaranteed minimum pension (GMP) benefits. The scheme started to wind up on 31 January 2008 when it operated on a contracted in basis. The scheme was contracted out on a GMP basis prior to 6 April 1997.

Those members with GMP benefits in respect of contracted out service prior to April 1997 have pensions payable from the scheme which must not be less than the GMPs specified in legislation. The GMP rights mean the scheme provides a defined benefit. On retirement the full proceeds of each member's individual account with Royal London are used to secure benefits in terms of the rules of the scheme, via the purchase of an annuity policy.

The net assets of the fund as at 5 April 2020 (the plan's financial year-end) were £65,000 with the value of investments designated to members valued on this date as £65,000. The assets of the plan are invested in units of various funds with Royal London.

NOTES TO THE FINANCIAL STATEMENTS (continued)**22 Pension commitments (continued)****The University of Buckingham Employee Benefits Plan (EBP) (continued)**

The latest actuarial valuation of the scheme in place at the year-end was prepared as at 6 April 2020. The valuation results indicated the scheme was 75% funded with a calculated shortfall of £152,000. It was agreed that no further contributions will be made but UOB will continue to pay the cost of Pensions Protection Fund levies and the cost of any expenses other than those paid by Royal London.

The assumptions underlying the contributions required to address the valuation shortfall allow for changes since the valuation date. The purchase of immediate annuities for 3 members and deferred annuities for the remaining two members match the members' benefits. The assets at the valuation date are slightly in excess of the purchase price of the deferred annuities, leading to no shortfall in the scheme and no recovery plan contributions were required, despite a shortfall being shown at the valuation date.

Most recent valuations and actuarial information and assumptions

There are 5 members of the scheme.

Funding Position	6 April 2020 Valuation £000	6 April 2017 Valuation £000	6 April 2014 Valuation £000
Total GMP member liabilities	153	201	164
Assets			
GMP accounts	-	113	113
Contingency account	7	43	39
Net current assets	(6)	(6)	(1)
Total Assets	1	150	151
(Deficit)	(152)	(51)	(13)
Funding ratio	1%	75%	92%
Discount rate:			
Before retirement 0.6% p.a. (10 year gilts -0.95%)			
After retirement 0.2% p.a. (10 year gilts -0.55%)			
	2021	2020	
RPI inflation:	3.1% p.a.	3.1% p.a.	
CPI inflation:	2.3% p.a.	2.3% p.a.	
GMP increases in deferment:	Fixed rates	Fixed rates	
Increases in payment:	2021	2020	
GMP earned before 6/4/88 level	0.0% p.a.	0.0% p.a.	
GMP earned on or after 6/4/88 (CPI max 3% p.a.)	2.3% p.a.	2.3% p.a.	

NOTES TO THE FINANCIAL STATEMENTS (continued)

22 Pension commitments (continued)

The University of Buckingham Employee Benefits Plan (EBP) (continued)

Mortality base table:

The main demographic assumption relates to the mortality assumptions. These assumptions are based on analysis of the scheme's experience carried out as part of the 6 April 2020 actuarial valuation. The mortality assumptions used in these figures are as follows:

	Male	Female
Current pensioner aged 65 - cohort	87.5	89.1
Current pensioner aged 65 – period	86.1	87.8
Future pensioner aged 65 – 20 year in future	89.2	90.7
Future improvement rate	1.5%	1.25%

The EBP pension provision of £134,000 in the University relates to potential payments to encourage a reduction in Scheme membership by way of transfer values or the purchase of annuities, where possible. The provisions are required for GMP equalisation costs and legal advice, together with wind up costs. If a member, after taking financial advice, decides that he/she wishes to transfer his/her benefits to a new provider, then the employer will need to provide this enhancement. The aim has been for the benefits of the GMP members to be bought and replaced with a deferred annuity. The intention is to wind up the scheme and distribute assets to remaining members.

NOTES TO THE FINANCIAL STATEMENTS (continued)

23 Related party transactions

Related party transactions for the year ended 31 December 2021 are as follows:

Name	University Role	Related Party and Relationship	Transaction	2021	2021	2021	2021	2020	2020	2020	2020
				Receipts	Payments	Debtors	Creditors	Receipts	Payments	Debtors	Creditors
						Outstanding balances				Outstanding balances	
Mr Mark Rushton	Council Member	Trustee of Swanbourne House School Trust Ltd	Fees for training provided to teachers	-	-	-	-	£2,250	-	-	-
Professor Joe Harrison	Council Member	Chief Executive Officer of Milton Keynes University Hospital NHS Foundation Trust	Operating Costs of the University	-	£2,932,547 (Payments were made to the NHS Trust and not to Professor Harrison personally)	-	-	-	£2,121,805 (Payments were made to the NHS Trust and not to Professor Harrison personally)	-	-
Mr Paul Jennings	Finance director and Executive Team member	Secretary of Medical Property Management Ltd	Salary from a wholly-owned subsidiary	-	-	-	-	-	£5,000	-	-
Mr Colin Stocker	Estates Bursar and Executive Team member	Director of Medical Property Management Ltd	Salary from a wholly-owned subsidiary	-	-	-	-	-	£13,220	-	-
Ms Misty McCrory	Head of Human Resources and Executive Team member	Director of Medical Property Management Ltd	Salary from a wholly-owned subsidiary	-	£2,629	-	-	-	£5,000	-	-
Caitlin Botha	Council Member	Member of The University of Buckingham Council	Tuition fees for University course	£11,874	-	£2,950	-	£16,869	-	£534	-
Nicholas Hillman	Council Member	Director of HEPI	The University pays an annual membership to HEPI	-	£2,400	-	-	-	£2,400	-	-
Debarpita Bardhan-Corriea	Executive Team Member	Spouse was a visiting lecturer of the University during 2021	The University paid salary to the visiting lecturer	-	£3,000	-	-	-	-	-	-

Related party transactions with the University's two subsidiaries for the year ended 31 December 2021 are as follows:

Medical Property Management Ltd (MPML)

Transaction	2021	2021	2021	2021	2020	2020	2020	2020
	Receipts	Payments	Debtors	Creditors	Receipts	Payments	Debtors	Creditors
				Outstanding balances				
Rental payments made by the University to MPML for the former's use of the Milton Keynes Academic Centre	-	£412,500	-	£150,000	-	£262,500	-	£37,500
Payments made by the University on behalf of MPML	-	£83,006	-	-	-	-	-	-
Amounts owed by MPML to the University	-	-	£630,695	-	-	£86,567	£547,689	-

NOTES TO THE FINANCIAL STATEMENTS (continued)**23 Related party transactions (continued)****The University of Buckingham Foundation (UoBF)**

Transaction	2021	2021	2021	2021	2020	2020	2020	2020
	Receipts	Payments	Debtors	Creditors	Receipts	Payments	Debtors	Creditors
			Outstanding balances					
Donations from UoBF to the University	£354,083	-	-	-	£362,292	-	-	-
Rent paid by the University regarding student accommodation properties owned by UoBF	-	£61,200	-	-	-	£61,200	-	-
Donations from UoBF to the University that were due for payment but not received at the year-end date	-	-	£493,207	-	-	-	£139,121	-

Other related party transactions and disclosures are as follows:

- Apollo Buckingham Health Sciences Campus Ltd (ABHSC) is a related party of the University of Buckingham. Two of the four Board of Directors of ABHSC are University employees and the University is not considered to have control.

The University provides a financial guarantee contract for 50% of the lease payments between ABHSC and Manchester Metropolitan University as per note 13.

In 2019 the University entered into lease arrangements with ABHSC in respect of the campus at Crewe. The lease is currently being renegotiated, an update on which is provided in Note 26.

- Mr Mohammed Syed, Council member and Chair of the University's Finance, Estates and Resources committee, is a senior executive of a bank which is a member of National Westminster Bank plc (NatWest). NatWest are the University's main bankers and have provided loans to the University, as set out in Note 15.

NOTES TO THE FINANCIAL STATEMENTS (continued)**24 Subsidiary, joint venture, and associate undertakings**

Company	Principal activity	Status	Holding of ordinary shares	Registered office
Medical Property Management Ltd	Property holding and management, acquisition of academic curriculum	Subsidiary	100%	Yeomanry House Hunter Street Buckingham MK18 1EG
Buckingham Business Enterprise Ltd	Used as academic support for business, enterprise, and innovation students	Subsidiary	100%	Yeomanry House Hunter Street Buckingham MK18 1EG
The University of Buckingham Foundation	Receives, holds, and distributes donations, primarily in support of the University	A separately constituted unincorporated charity, under the effective control of the University	Not applicable	Yeomanry House Hunter Street Buckingham MK18 1EG
Apollo Buckingham Health Sciences Campus Ltd	Provides facilities management and student support services for medical and other Allied Health students on the Crewe campus	Joint venture	40%	College House The Campus Crewe Green Road Crewe Cheshire CW1 5DU
University of Buckingham Press Ltd	Publishers	Associate	25%	9 The Fairway Northwood HA6 3DZ
University of Buckingham Medical Sciences North Ltd	Dormant company	Subsidiary	N/A Company limited by guarantee	Yeomanry House Hunter Street Buckingham MK18 1EG

NOTES TO THE FINANCIAL STATEMENTS (continued)

24 **Subsidiary, joint venture, and associate undertakings (continued)**

Medical Property Management Ltd

This wholly owned subsidiary has been consolidated in the University financial statements.

Buckingham Business Enterprise Ltd

The results of this wholly owned subsidiary are deemed to be immaterial to the results of the University so have not been consolidated.

The University of Buckingham Foundation (the Foundation)

The University is in a position of effective control arising from a number of factors, notwithstanding that the Foundation is a distinct charitable trust and therefore the results of the Foundation have been consolidated in the Group financial statements.

The trust deed for the Foundation declares that its purpose is to advance education, in particular supporting and promoting the education of students at the University, and to promote research into academic and scientific fields of learning.

The close relationship between the University and the Foundation is a determining factor in the University exercising effective control. The Foundation's Board of Trustees agrees that the primary intent of the Foundation is to support the University and the Trustees are guided by the University in decisions relating to the distribution of funds.

Apollo Buckingham Health Sciences Campus Ltd (ABHSC)

The University has a 40% shareholding in the company, ABHSC, which started to trade in 2019.

The University has no contractual commitment to cover any losses of ABHSC but is committed to its occupational damages payments reflecting an economic rental for the utilised campus whilst contractual lease arrangements are renegotiated.

The unaudited ABHSC financial statements for the year ended 31 March 2021 show retained losses of £2,528,000 from incorporation on 24 March 2017 to 31 March 2021. Accordingly, the University's shares in ABHSC are held at 31 December 2021 at a value of £nil (2020: £nil).

University of Buckingham Press Ltd

The results of the University's minority investment in this company are immaterial to the results of the University and have not been consolidated.

University of Buckingham Medical Sciences North Ltd

This subsidiary was registered on 29 January 2020. This company has remained dormant since its incorporation.

25 **Lease commitments**

The University entered into a joint venture agreement in October 2018 with Apollo Education UK Ltd and Unique Children's Community Interest Company, including a 10 year lease with Apollo Buckingham Health Sciences Ltd for the University's campus in Crewe, under which the University would be committed to lease payments estimated at £40.1 m in total over 10 years, after the benefit of an initial £4.0 m rent-free amount. Lease payments are fixed amounts payable in accordance with the terms of the operating lease until 31 December 2024, following which there is a rent review option. There is an option to renew the lease after 10 years. These arrangements are all subject to the post balance sheet event per note 26 and as such in the process of being renegotiated. The commitments disclosed here are as per the original lease as at the balance sheet date.

NOTES TO THE FINANCIAL STATEMENTS (continued)

25 Lease commitments (continued)

Total minimum lease payments under non-cancellable operating leases under the lease for the Crewe campus are as follows, after taking into account the £4 m rent-free amount:

	Land and buildings	Other leases	Total	Land and buildings	Other leases	Total
	2021	2021	2021	2020	2020	2020
	£000	£000	£000	£000	£000	£000
Group and University						
Not later than one year	3,913	31	3,944	3,334	32	3,366
Later than one year and not later than five years	18,950	73	19,023	17,924	106	18,030
Later than five years	15,384	-	15,384	20,322	-	20,322
	38,247	104	38,351	41,580	138	41,718

Onerous lease provisions have been disclosed in Note 17.

Lease payments in the year amounted to £1,525k (2020: £6k) for land and buildings leases and £36k (2020: £92k) for other leases.

26 Post balance sheet events

a. Apollo Buckingham Health Sciences Campus Ltd (ABHSC)

In 2021 the University has entered into negotiations with ABHSC, the joint venture company for the Crewe campus. The University wishes to review and revise the commercial arrangements, as set out in the joint venture agreement, plus the University's arrangements to occupy certain buildings on campus. On 24 December 2021, the University and Apollo Education UK Ltd (one of the two other joint venture partners) signed an agreement covering:

- The intended rescission of the extant joint venture agreement;
- The intended rescission of the arrangement to occupy certain buildings;
- The creation of a new memorandum of understanding as a precursor to a new joint venture agreement regarding operations at the Crewe campus.

The 24 December 2021 agreement potentially required the University to pay sums to Apollo Education UK Ltd if the University and Apollo Education UK Ltd did not reach agreement on a new memorandum of understanding by 24 July 2022. In August 2022 £1.3m became payable under that agreement and was duly paid. Discussions are continuing and even though the sum has been paid, the University has a reasonable expectation that its financial commitments overall will be lower than current commitments (per Note 25) as a result of a new agreement.

In addition a settlement agreement signed in October 2022 concluding various issues between all the joint venture partners without cash payments being made between the parties, whereby the share in the joint venture held by Unique CIC were transferred in agreed proportions to the University and Apollo Education UK Ltd, "increasing the University's shareholding in the JV to 48%. Since this date there have not been any further changes to the arrangements between the parties concerned.