



**AECC  
University College**

*Transforming lives  
through Health Sciences*

**Annual Report and  
Financial Statements**

*Year Ended 31 July 2021*

## Legal and Administrative Information

### Company Number

00653859

### Charity Number

306289

### Governors

J Bremner (Chair)  
L Haig (Vice-Chancellor)  
C Stephens (resigned 31/08/2021)  
J Worthington (resigned 31/12/2020)  
M Copp (deceased 05/07/2021)  
M Gurden  
P Dingley  
P Roberts  
P Hume  
D Tarrant  
G Briscoe (resigned 23/06/2021)  
K Wilkes  
C Pett  
M Gibson  
M Stannard  
C Wallis  
P Vandervelde (appointed 06/09/2021)  
K Frost (appointed 06/09/21)  
M Barnes (appointed 06/09/2021)

### Registered Office

Parkwood Campus  
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Bournemouth  
BH5 2DF

### Key Management Personnel / Executive Team

L Haig (Vice-Chancellor)  
J Currin  
K McGhee (appointed 22/02/2021)

### Company Secretary

G Sanger-Stevens

### Subsidiary

AECC Enterprises Limited  
13-15 Parkwood Road  
Bournemouth  
Dorset  
BH5 2DF  
Company Number: 03736325

### Auditor

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Bristol  
BS1 4BE

### Internal Auditors

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Arcadia House  
Maritime Walk  
Ocean Village  
Southampton  
SO14 3TL

### Bankers

HSBC Bank Plc  
15 High Street  
Christchurch  
Dorset  
BH23 1AF

### Solicitors

Frettons LLP  
The Saxon Centre  
11 Bargates  
Christchurch  
BH23 1PZ

Shakespeare Martineau  
No.1 Colmore Square  
Birmingham  
B4 6AA

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**Picture: Aerial view of AECC University College**

## Welcome from the Chair

AECC University College was founded in 1965 as a pioneer of chiropractic education and training and since this time has maintained its strong focus on evidence-based healthcare education, training and delivery. Our students thrive in our small and supportive community, and achieve excellent graduate outcomes which form the basis for fulfilling future careers and lives.

Our mission to create 'a healthier society through education, research and clinical care' is as relevant today as it was 57 years ago and is especially pertinent as we emerge from the Covid pandemic to face significant challenges and uncertainties.

All of our lives have been touched by the pandemic and the dedication, resilience and determination shown by our staff and students has been and is exceptional. Our caring community and shared values have allowed us to continue to provide a highly supportive environment for our students and continued face to face practical delivery throughout the year.

Our drive to make a difference as an institution, working closely with our communities and partners, has meant that we reopened our facilities and recommenced our activities as soon as we were able according to Government guidance. We reopened our clinical services post-lockdown to provide much-needed care for our patients, and diagnostic imaging capacity to support our NHS partners.

We have also developed our new Strategic Plan 2021-2026, 'Fit for the Future' following a period of strategic review which involved a large number of our staff, students, governors and external stakeholders in an iterative process over several months. On behalf of the Board of Governors, I extend our sincere thanks to all those who took the time to help shape and refine this work. The process allowed us to re-examine our founding commitments, to reflect on and restate our shared values, and to renew and expand our purpose.

The University College is a unique institution based in a relatively deprived area encased within a relatively wealthy conurbation. Our sense of 'Place' is a key part of our new strategy; in particular we will seek to understand our role as a civic university and will maximise the possibilities to support and strengthen the communities we live and work in.

We are committed to looking outwards, building partnerships with our local community, our NHS colleagues, other education providers and local employers. Our small size gives us a tangible advantage, in the speed of our decision making and our ability to respond flexibly and creatively to our partners' requirements.

We have a clear direction of travel that will ensure our future success as a health sciences university which is proud to support its people, partners and local communities. This will require a responsive and flexible approach so that we continually evolve in response to the needs of our stakeholders in an uncertain higher education environment.

**Jeni Bremner**  
**Chair of Board of Governors**  
**09 December 2021**



## **Vice-Chancellor's Foreword**

### **A Brief Synopsis of our Achievements in 2020-21**

On behalf of AECC University College, I am pleased to present our Annual Report and Financial Statements for the year ended 31 July 2021.

The University College is a small and specialist higher education provider, operating across health, rehabilitation and sport science disciplines. Our historic foundation in chiropractic remains a strong part of our heritage and identity, with a positive national and global reputation, and is the primary base for chiropractic research in the UK. The combination of our small size, quality of provision and specialism identifies us as a world-leading specialist provider in this field. We have well-established clinical imaging courses and services, with a centre of excellence in medical ultrasound education. New courses have been developed in allied health, rehabilitation and sports and exercise sciences with further expansion planned into new disciplines based on workforce demand and with the support of key sector partners.

The Covid pandemic has led to unprecedented challenges across the country. All aspects of life and work for our staff, students, patients and service users and have been impacted. Over the past year, intensive cross-institutional operational planning was ongoing to ensure we were able to provide a Covid-safe environment for our educational and clinical activity, and respond in a timely way to changing Government guidance as the pandemic progressed. Although we were able to continue onsite delivery of practical sessions for students on all courses, and our students were able to graduate as expected, the final year clinical experience for our chiropractic students was necessarily quite different from student expectation. This resulted in a substantial drop in our NSS scores for the cohort.

Despite the adversity and tragedy of Covid globally and nationally, the efforts of our staff, students and partners have been exceptional. As a result of their resilience and ongoing commitment to excellence, we have seen many positive developments which will enhance our progress and standing as a high-quality specialist health sciences provider. We have demonstrated collaborative team working, outstanding spirit and have been able to progress required changes quickly, including the successful expansion of online teaching, learning and assessment across our taught portfolio.

During this challenging period, we paid particular attention to our relationships with students, developing a staff-student Planning in Partnership Group which was a forum for Covid related discussion and planning. This initiative has been acknowledged by the sector as innovative, leading to publications and presentations at JISC and QAA conferences. This Group ensured that students were at the centre of our planning as we reopened the clinic in August 2021 and recommenced face to face practical teaching to all students from September 2020.

The additional space provided by our newly acquired Garnet Campus allowed us to deliver our practical teaching onsite from September 2020 with appropriate levels of physical-distancing. With the support of Dorset Local Enterprise Partnership (LEP) funding, building has started on our new state-of-the-art community integrated rehabilitation facility. Additional courses and patient services will also be developed which will expand our inter-professional learning environment and multi-disciplinary practice team, delivering excellent education and care, and providing opportunities for service improvement and applied research projects.

Over the past year we carried out an institutional strategic review and in July 2021 our new AECC University College Strategic Plan 2021-2026, entitled 'Fit for the Future' was approved by our Board of Governors. During the process of strategic review, we reached out to a wide range of internal and external stakeholders, refreshed and reset our institutional values, and clarified the behaviours all community members can expect of each other. The new strategic plan is defined by our ambitions for continued excellence, growth and partnership. We have exceptional graduate outcomes and will protect these; however, we will build on our successes to date to ensure our relevance as a specialist health sciences University by supporting local and regional workforce expansion as the NHS delivers its Long-Term Plan. We will work closely with our community groups, and support the delivery of the regeneration of Boscombe as its local university and anchor institution.

The latest Strategic Plan builds upon key institutional milestones achieved over the past five years, including the gaining of Taught Degree Awarding Powers and Office for Students registration. In March 2021 we made an institutional submission to the national research assessment exercise (REF 2021) for the first time in our history. All of these successes have been developed, driven and supported by our talented and close-knit

community of staff and students. Their unwavering commitment and collective efforts have ensured the continued progress of the University College in a highly changeable external environment.

The higher education sector awaits the outcomes of major consultations on academic quality and standards, confirmation of a new Teaching Excellence and Student Outcomes Framework (TEF); the response to the Augar Review of post-18 education and funding; the impact of the introduction of T-levels; the outcome of the review of the National Student Survey; and, of course, Brexit. However, the sector is resilient and adaptable and the focus on healthcare education is more intense than ever in the light of the Covid pandemic and in the delivery of the NHS Long-Term Plan. There is firm commitment from the Government to expand the number of healthcare professionals.

I would like to thank everyone associated with the University College for their substantial efforts in overcoming such adversity to make this year a positive and successful one. While the coming year will no doubt pose some challenges as we continue to emerge from the pandemic, I am confident that we have the collective commitment, talent and sense of purpose to face up to these positively, and look forward to an exciting year ahead.



**Professor Lesley Haig**  
**Vice Chancellor**  
**09 December 2021**

## **Strategic Report**

### **1. Statement of Public Benefit**

AECC University College is a company limited by guarantee registered with Companies House in England and Wales under number 00653859 and registered with the Charity Commission under charity number 306289. As such, it is required to demonstrate how its work is of 'public benefit'. It is governed by its Articles of Association and is directed by its Board of Governors acting under these Articles of Association. The Board has ultimate responsibility for the strategy, performance and sustainability of the institution. It approves the University College's mission and strategy, monitors institutional performance and ensures its effective management.

The University College's vision and mission reflect its commitment to public benefit. The objects, as set out in its Articles of Association, are:

- To provide education and undertake research in health sciences, including chiropractic and / or other allied, related or ancillary disciplines;
- To establish treatment centres for the treatment of disease and maintenance of health by the application of any health sciences discipline, including chiropractic and / or other allied, related or ancillary treatments;
- To promote the study and advancement of health sciences, including chiropractic and / or other allied, related or ancillary disciplines.

The University College's mission, vision and aims as articulated in its Strategic Plan 2021-2026 have been developed in support of the institution's primary purpose.

The main beneficiaries are current and prospective students for whom AECC University College provides access, foundation, undergraduate and postgraduate programmes of study and continuing professional development in the subject areas of chiropractic, radiology, physiotherapy, rehabilitation and sports and exercise sciences.

The Board of Governors has had due regard to the Charity Commission's guidance on the reporting of public benefit and its supplementary public benefit guidance on the advancement of education. Through its range of activities, AECC University College provides benefits to different sections of the public as follows:

### **Teaching and Learning**

Across our three Academic Schools of Chiropractic; Radiology; and Rehabilitation, Sport and Psychology; the University College enrolled a total of 740 (710.8 FTE) undergraduates and 216 (104.5 FTE) taught postgraduates from the UK, EU and overseas and an additional 22 (10.5 FTE) further education students on the access programme. This is a 17% increase in total student headcount (22% increase in FTE), demonstrating our commitment to expanding and diversifying our curriculum offer to meet post-Covid health service needs.

The School of Chiropractic provides innovative and globally-respected education and training in chiropractic. With a focus on evidence-informed care, the School is the largest and most highly regarded in Europe and leads the way in terms of applied research and clinical education in the field. In addition to credit-bearing courses, the School offers a wide range of musculoskeletally-focused continuing professional development (CPD) courses and workshops delivered by world-leading experts. Students are supported to participate as members of the World Congress of Chiropractic Students and AECC University College is recognised as the world-leading hub for chiropractic paediatric education.

The School of Radiology hosts a centre of excellence in ultrasound education with postgraduate accredited courses including advanced practice, CPD and short courses up to full Masters multi-professional courses in Medical Ultrasound. All academic staff in this School are practising healthcare professionals in radiography, radiology and sport and exercise medicine.

The School of Rehabilitation, Sport and Psychology provides excellent education, delivered by experts practising and researching in their respective fields. An annual programme of specialist expert lectures complements a growing portfolio of undergraduate and postgraduate courses in psychology and sport and exercise sciences, and a growing body of research.



*Picture: Human Performance Laboratory*

### **Enabling Access and Participation**

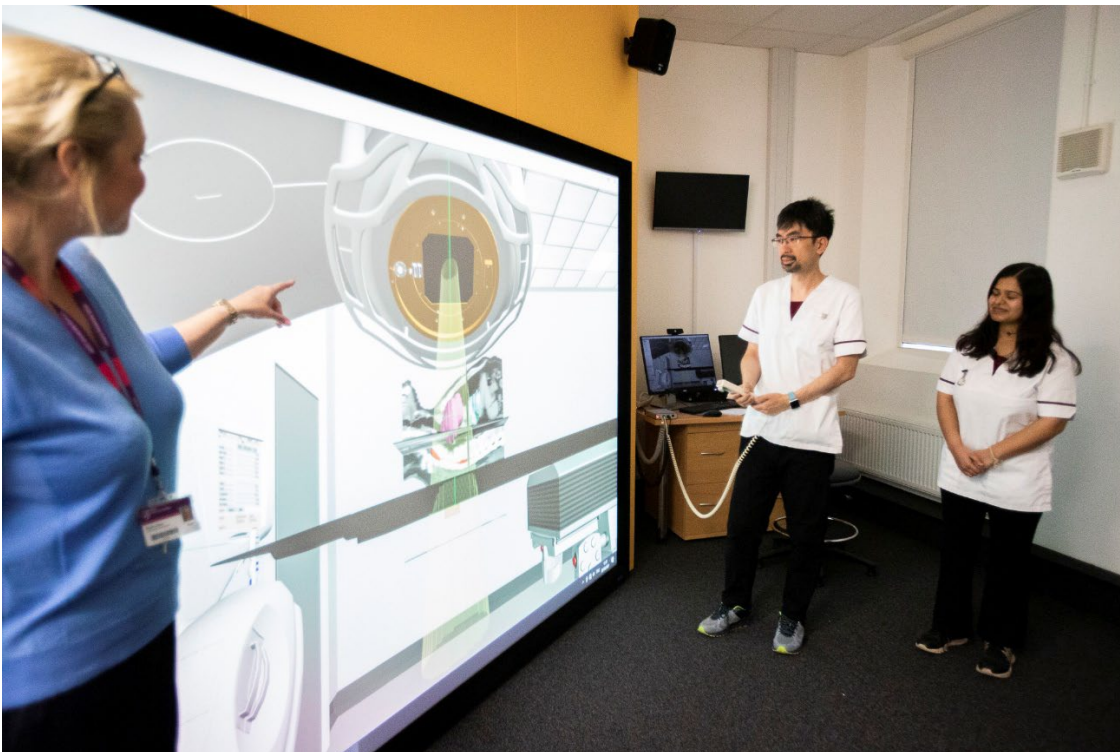
This was the first year of our 2020-25 Access and Participation Plan and we held a launch week in January 2021 to raise awareness and engage staff and students across the institution. This plan sets ambitious targets to be delivered through longer term initiatives and projects. We continue to focus primarily on: access for a number of groups under-represented in the University College; continuation of studies for students from Low Participation Neighbourhoods (LPN's), low income backgrounds and students with a disability; and progression after university for Black and Ethnic Minority students. We review our bursary offer in line with the annual evaluation of financial support and tailor this to our students' needs. Over the past year we continued to apply a Bursaries and a Scholarship Policy to support the financial burden of higher education and widen access to disadvantaged students. With effect from the 2021-22 academic year we are also increasing our international scholarships to support increasing numbers of international students applying to the University College following the UK's departure from the EU.



Due to Government guidance around Covid, our outreach activities continued to be provided primarily online this year, although we did run some face to face activities in schools in July 2021. Despite the challenges in delivering mainly virtual outreach during the 2020-21 academic year, we worked with almost 700 pre-16 students and 600 post-16 students through a range of activities including our popular psychology seminar club, virtual summer schools, careers week talks, peer tutoring for GCSE students and British Science Week workshops. We continue to be a member of the Southern Universities Network and work collaboratively with their team.

In addition, we developed resources and initiatives to support our students to reach their potential during their studies. In September 2021, we delivered a transition programme for the first time for new students from under-represented groups in the University College to help them hit the ground running. We also formed a working group of staff and students to look at and address the progression gap experienced by some Black and Ethnic Minority students entering the Chiropractic profession. We continued with our Student Support Funds which were put into place last year for students requiring additional support during the period of the Covid pandemic, which included distribution of the OfS hardship funding allocation.

Access and Participation expenditure is disclosed in note 22 of the financial statements.



**Picture: Virtual Environment for Radiotherapy Teaching (VERT)**

### **Research and Knowledge Transfer**

Despite the ongoing challenges of the pandemic, the University College has continued to progress its research activities. We made our first submission to the Research Excellence Framework (REF 2021) in March 2021. The submission was small, focused on a single Unit of Assessment (UoA 3) and consisted of 7.6 FTE (9 heads), 19 papers and two case studies on 'Advancing the practice of reporting clinical outcomes in the chiropractic profession', and 'Dynamic biomechanical imaging assessment of spinal joints'.

Our ongoing area of expertise and outputs is situated in practice-based research, including documentation of patient outcomes, predictors of outcomes and the quantification of spinal biomechanics. Whilst the majority of research activity includes national and international representation at chiropractic professional and interdisciplinary conferences, the research is becoming increasingly diverse as a result of the recruitment of new academic staff to support the delivery of our expanding academic portfolio. As at the end of July 2021, there were 12 staff with dedicated research time on AECC University College Research Pathways, equivalent to approximately 4FTE dedicated research time.

In the year ended 31 July 2021, we recognised £36k research grant and contract income, although we have ongoing or newly funded research activity across 4 distinct projects totaling £100k with 90% of this funded by chiropractic organisations (CRC, GCC, RCC).

We have a portfolio of successful multidisciplinary research collaborations and PhD studentships in musculoskeletal care, patient-related outcome measures, and in research and technology development. Our research student environment continues to develop as we co-sponsor and supervise PhD students in collaboration with a wide range of UK Universities, with AECC University College's academic staff as directors of studies or supervision team members. Across the University College 13 PhD students were being supervised in some capacity by 6 staff, 3 of whom are professors. There have been 2 International PhDs examined by University staff over the last year.

In collaboration with the School of Primary Care, Population Sciences and Medical Education at the University of Southampton and the UK's Chiropractic Research Council, a Senior Research Fellow and a post-doctoral Research Fellow are in post and a PhD Student is currently enrolled. A professorial post has been shared with the Faculty of Science and Technology at Bournemouth University with the aim of securing collaborative Research Council grants and to support our co-sponsored doctoral students.

### **Wider Community**

Our chiropractic training clinic provides patient care at a reduced cost, and free to certain groups, who may otherwise be unable or unlikely to access it. Prior to Covid, the service was delivering around 1,000 patient sessions per week and, having closed during lockdown from March 2020, the clinic re-opened in July 2020 in line with the Government's guidance for England. We offer a range of other private clinical services delivered by fully-qualified professionals in chiropractic, sport therapy, massage and shock wave treatment.

We continue to host a free breastfeeding clinic in collaboration with midwifery colleagues from Bournemouth University, providing free care for babies and mothers.

We are providing community health services in association with colleagues across NHS acute, community and primary care. In partnership with the Bournemouth East Collaborative Primary Care Network, we are delivering a First Contact Practitioner service in local GP surgeries as well as our onsite clinic. We are hosting the Dorset MSK Service in partnership with Dorset Healthcare University NHS Foundation Trust in our onsite clinic, where patients may also be referred to our MRI scanner.

The on-site open upright MRI scanner, one of only seven in the UK, is a specialist regional facility which receives referrals from numerous NHS and private healthcare providers across the South of England. Our diagnostic ultrasound clinic has been providing a waiting list initiative (WLI) service to support our local acute trust, University Hospitals Dorset NHS Foundation Trust. Our X-ray and diagnostic ultrasound clinics also cater for patients referred from our onsite clinic as well as referrals from chiropractors, physiotherapists and podiatrists in the local community.

The University College is fully committed to further developing its role as an anchor institution and contributing to the levelling up agenda, particularly within Bournemouth East. We aspire to improve local leadership, living standards, public services and civic pride. We are working with colleagues from the Dorset LEP in the delivery of the Local Industrial Strategy, with Bournemouth, Poole and Christchurch Council and other local leaders on the delivery of the Bournemouth Boscombe Towns Fund 'Town Deal'. We support local groups such as the Dorset Race Equality Council and the Boscombe and Pokesdown community fora. We are also connected to other local voluntary groups as a member of the Community Action Network and the Dorset Chamber of Commerce.

We continue to expand our community outreach work with local schools and colleges as we implement our work to widen access and increase participation in higher education with under-represented groups. Over the past year we have been participating in virtual events designed to raise the profile of Allied Health Professions (AHPs) careers including a Virtual Medlink Event and a Radiography focused Virtual Work Experience Event in collaboration with our partners at Dorset Clinical Commissioning Group.

## **Strategic Plan**

### **Our Vision**

To be a leading higher education institution in the University sector, specialising in chiropractic and other healthcare disciplines, nationally and internationally recognised for quality and excellence.

### **Our Mission**

A healthier society through education, research and clinical care.

### **Our Values**

We are a caring institution, ethical in everything we do, inclusive in our relationships with staff and students, eager to collaborate with others in partnership, and innovative in our approach.

### **Education**

Our core business is centred on the education and training of healthcare and related professionals, with a strong emphasis on professional qualifications and employability.

We support our students not only to acquire or further develop the knowledge and skills necessary to practise as professionals in their chosen fields, but to adopt the attitudes of reflective practice, lifelong learning and critical thinking. We have a strong sense of community and provide an environment in which staff, students and patients work together with a common purpose and understanding. We are committed to providing courses with high levels of excellence delivered by experts in their fields so that students are well placed to enjoy success in their chosen profession at the highest level.

### **Research**

Although our educational provision is at the heart of our activity, it is underpinned by the scholarly activity of our teaching staff and nationally and internationally recognised research activity in relevant and focussed areas.

All our courses are informed by the latest evidence (basing practice on well-reasoned arguments supported by empirical and experiential evidence); as such, a central thread of our teaching includes instruction on the ability to search, understand, critically evaluate and apply clinical research in practice. Our aim is to produce graduates who are comfortable with and committed to these attitudes, approaches, and intellectual positions in their approach to clinical practice.

### **Clinical Care**

Our excellent clinical and diagnostic services provide affordable healthcare tailored to our patients' needs. Chiropractic services are offered by our interns, and clinical chiropractic staff. Notable collaborations exist with AFC Bournemouth, the Royal Marines in providing free treatment to personnel and veterans, and with Bournemouth University with whom we run a mid-wife led feeding clinic at no charge to the mother.

Our Exercise Rehabilitation and High-Performance Centres help our patients to lead more active lives and enable us to assess and manage more complex athletic conditions. We are the official Sport Science Partner to the Armed Forces Para Snowsport Team and we deliver consultancy in sport physiology and sport psychology to teams including Bournemouth Rugby Club, AFC Bournemouth and local sports academies.

Our Ultrasound clinic is a centre of excellence in ultrasound education, training and diagnosis. With state-of-the-art equipment and a team of highly qualified sonographers and visiting specialists at hand, we have developed a national reputation particularly within the area of musculoskeletal diagnostic ultrasound.

Our Clinical services are further enhanced by having the only regional open upright MRI scanner on site. This provides not only for a highly specialised diagnostic facility for patient referral from the local and wider health care community, but also a unique research tool. The latter is evidenced by research activity undertaken and commissioned by the European Space Agency as well as our collaborations with other national and international research centres and groups.

## Environment and Sustainability

The University College recognises its obligations in respect of the climate change agenda. In line with our new strategic plan, we will articulate our environmental sustainability strategy. As we improve our estate we will strive to reduce our carbon footprint and enhance opportunities for environmental sustainability and biodiversity across our campus.



**Picture: AECC University College Clinic**

### Review of Progress Against Objectives to Achieve Strategic Aims

2020-21 was the final year of delivery for the current Corporate Strategic Plan for 2016-2021. The aims and progress outlined below therefore relate to the delivery of this plan.

Building on our heritage, strong brand and positive reputation in chiropractic and imaging education, the focus has been to invest in the expansion and diversification of our academic offer and services to ensure the sustainability of the institution. Our approach to achieving our strategic goals was shaped by four strategic aims:

- To strengthen our reputation and profile through effective engagement with our communities in the HE sector and wider world;
- To deliver a diverse portfolio of quality education and clinical training programmes reflecting our distinctive place in the HE sector;
- To deliver an outstanding student experience throughout the student lifecycle;
- To underpin our teaching and clinical training with focused research and scholarly activity

The following table sets out progress during the 2020-21 academic year against the specific targets to be achieved in support of our objectives to deliver the four strategic aims and as set out in the original timescale.

In relation to the objectives which were not yet achieved or started, both the TEF Action Plan and Data Futures are currently under development and will be informed by the Office for Students guidance once published. The number of research outputs was reduced as a result of an inability to conduct 'in-person' research and generate data during the Covid pandemic.

Strategic aim	Progress against objectives to deliver strategic aims 2020-21	Progress
<b>Strategic aim 1:</b> <i>Strengthen our reputation and profile through effective engagement with our communities in the HE sector and wider world</i>	Develop TEF action plan	
	Ensuring a fit for purpose Student Record System for Data Futures	
	Widen Access and Participation	
	Review and deliver 'international' recruitment strategy post leaving the EU	
	Develop one external academic partnership to approval	
	Achieve increased external grant funding	
	Generate two enterprise / knowledge exchange projects with external funding	
	Develop 2 outreach activities with community partners to involve staff and /or students	
	Enhance University College reputation at local, regional and national level	
<b>Strategic aim 2:</b> <i>deliver a diverse and multidisciplinary portfolio of quality education and clinical training programmes reflecting our distinctive place in the HE sector</i>	Validate new PG Framework and suite PG and advanced practice courses	
	Expand pre-registration provision at UG and PG level	
	Develop CPD offer in areas of demand	
	Complete Electronic Marking and Assessment Project	
	Diversify and expand clinical services provision against a model of a new Integrated Rehabilitation Centre	
<b>Strategic aim 3:</b> <i>deliver an outstanding student experience throughout the student lifecycle</i>	Maintain a safe and secure learning environment during the Covid Pandemic	
	Develop Student Engagement Strategy	
	Create new Estates Strategy and Plan	
	Graduate outcome of >95% employment or further study	
	Achieving and maintaining NSS satisfaction rates of >85%	
	Develop Education Strategy Implementation Plan	
	Embed cross-institutional personal tutor system	
<b>Strategic aim 4:</b> <i>underpin our teaching and clinical training with focused research and scholarship</i>	Increase research supervision experience and capacity - PhD studentship with collaborative partner	
	Increasing annual output of research papers across institution to a minimum of 25	
	Ensuring all new members of teaching staff have a HESA-eligible academic teaching qualification within 3 years	
	Develop a cross-institutional staff development programme	
	Increase research income - target £60k	
	Complete REF 2021 submission	
	Confirm validating partner for research degree programmes and progress to validation	
	Roll out data collection processes in clinic	
	Publish a Framework for Academic Career Progression	
= achieved	= partially achieved or in progress	= not yet achieved or started or data not yet known

## Understanding and Managing our Risks

Any organisation needs to know what it does well and where any potential risks lie that may prevent it from continuing to do so in the future. Understanding the importance of active risk management is vital at all levels of the institution and effective risk management increases the probability of successful outcomes while protecting the reputation and sustainability of AECC University College.

The University College's strategic risk management process continues to provide effective systems for the identification of the major strategic and financial risks within a framework of governance, a defined risk management policy and an underlying control environment.

Individual risk owners assess gross and net risks at departmental and team level within their individual risk registers and they report emerging and changing risks to the Senior Management Group on a regular basis. Any significant new risks are reported to the Audit and Risk Assurance Committee which formally reviews and updates the Corporate Risk Register and makes recommendations for approval by the Board of Governors. A target risk is set by the Board linked to the risk appetite, which directs the urgency with which mitigating actions should be taken.

Internal Audit supports this process and undertakes reviews of key areas throughout the year as part of a rolling audit plan.

### Risk Register

Below are the main risks and uncertainties that could adversely affect the University College, impacting on reputation, staff, students, estate, operations and finances. This list is not exhaustive, as there are other risk events that could trigger additional mitigating actions. This register of risks reflects those that are considered to be the most important ones and they are featured within the institution's Corporate Risk Register. They are not presented in rank order. Continuing uncertainty in relation to staff and student recruitment and retention exists as a result of the UK leaving the European Union.

In addition, any actions likely to be taken as a result of the Post-18 Review of Education and Funding and also the potential changes in student behaviour arising from the Covid pandemic, which may, or may not be enacted by a future Government through legislative changes and impacts are yet to be determined. Set out below are the key risks as at the date of signing the report:

Ref	Risk	Mitigating actions / Controls
1	<b>Risks relating to governance:</b> Failure of Board of Governors to discharge responsibilities in respect of Companies Act, Charity Commission and Higher Education (HE) Code of Governance	Appropriate skills mix and appointment of governors with relevant experience. Regular development and training seminars. Compliance with Committee of University Chairs (CUC) guidelines and Office for Students (OfS) Memorandum.
2	<b>Risks relating to statutory reporting:</b> Failure to meet statutory reporting requirements in relation to student, staff and estates data, including obligations under the Prevent duty, and financial data	Allocate resources and monitor development and functionality of student record system (SRS). Development of human resources (HR) reporting systems to submit regulatory returns. Staff training. Data validation and reporting policies and procedures in place. Prevent duty risk assessment action plan.  Appropriate skills mix of qualified and experienced staff. Continuous and detailed review of information produced. Operation of key accounting controls. Continuous review of changing reporting requirements.

**3 Risks relating to Data Management and IT:**

Failure to comply with Data Protection Act, General Data Protection Regulations (2018) and failure to comply with copyright law in the appropriate production and use of teaching and learning resources. Failure to provide adequate information technology (IT) security.

Develop and monitor IT security and user access policies and procedures. Robust information governance systems in place reinforced by staff and student training on the General Data Protection Regulation (GDPR). Allocation of sufficient resources to maintain network security. Copyright policy published and guidelines in place for staff and students. Training for staff and students. Close monitoring of access by IT and provide separate and secure magnetic resonance imaging (MRI) picture archiving and communication system (PACS). Data Protection Officer identified from within current staff. Role clearly defined to ensure impartiality.

**4 Risks relating to financial sustainability:**

Failure to meet financial targets.

Effective marketing strategy and implementation. Monitoring competition and meeting market need. Ensuring value for money by regular review and increased awareness of the need to demonstrate economy, efficiency and effectiveness. Budgetary control over capital and revenue expenditure. Production and review of regular financial management information.

**5 Risks relating to estates maintenance and development:**

Failure to maintain and secure buildings and services, and comply with legislation / regulations.

Allocation of resources. Annual maintenance and refurbishment schedules. Accessibility audit undertaken. Health and Safety policies in place. Staff training. External security company. Alarm systems and secure access system. Internal maintenance team.

Failure to adequately develop existing campus or acquire alternative facilities to accommodate planned new provisions.

Acquisition of additional land and building located directly opposite existing campus. Review of use of all spaces underway with the intention of re-articulating our Estates Strategy to align to our new Strategic Plan.

**6 Risks relating to development and delivery of academic provision:**

Failure to expand and diversify education provision.

Establish expansion as a strategic priority through investment in personnel and resources.

Failure to recruit and retain undergraduate (UG) and postgraduate (PG) students.

Put in place marketing strategy and implementation, and robust admissions policies and procedures. Employ recruitment agent for overseas students. Maintain academic support systems and resources, and non-academic resources e.g. counselling, financial advice, hardship scheme, student union (SU) support. Study skills and language support. Implementation of Process Fix recommendations. Adherence to Competition and Markets Authority (CMA) guidelines. Established Chiropractic Stakeholders Forum.

- 7 Risks relating to quality of academic activity, standards and student experience:**
- External review including Quality Assurance Agency for Higher Education (QAA), external examiners, professional statutory and regulatory body (PSRB) accreditations. Robust quality assurance framework in place. Internal review and monitoring by academic committees. Investment in staff development.
- Investment in estates, resources, staff and SU. Inclusion of students in academic committee membership, regular meetings with students and SU, student representation at Board level. Formal and informal student feedback. Established on-site student services. Established Student Health & Wellbeing Group. Staff development. Involvement of students in student gym investment decisions.
- Failure to grow levels of research and scholarship activity. Collaborate with other researchers. Support staff development in attaining research degrees. Invest in post-doctoral positions to support grant writing and applications.
- 8 Risks relating to people:**
- Failure to recruit and maintain well qualified staff and plan for succession. Staff appraisal, salary review and promotion pathways. Range of pension schemes. Maintain competitive status in sector. Support staff development. Compliance with Equality Act / HR policies / other employment law. Employee support system in place including access to counselling.
- 9 Risks relating to clinical provision:**
- Clinical negligence / significant adverse events and injury. Staff training. Regular maintenance schedules in place. Incident reporting system and analysis. Clinic Manuals and Handbooks, Policies and Procedures in place.
- Failure to comply with legislative and regulatory requirements, and quality and safety standards in clinical service provisions. External review by Care Quality Commission (CQC) and PSRBs. Regular clinical audits. Clinic Manuals and Handbooks, Policies and Procedures in place. Regular maintenance of equipment. Training of staff. Clinical governance framework, which has oversight of policies and procedures. Clinical Governance Group meets 3 times per year to consider risk, audit, governance controls and domains.
- 10 Risks relating to the development and delivery of strategic, financial and operational plans:**
- Failure to adequately develop a project management ethos and appropriate training plan to ensure proper control of current and future projects to agreed timescales and budgets. Project management methodology has been developed. This is being embedded into business as usual.
- Failure to have robust, aligned plans which ensure the organisational and financial sustainability of the institution. Develop and maintain oversight of departmental and service plans which align to the operational plan and critical review to understand current situation.
- Failure to effectively performance manage the delivery of strategic, financial and operational plans. Identify those with accountability and responsibility and empower them to manage their areas appropriately.



**11. Risks relating to the management of the Covid pandemic**

Failure to protect the University College community and the organisation from the personal, operational, reputational and financial risks arising from risks associated with the Covid pandemic

Failure to effectively protect the welfare of staff and students.

A Covid specific Risk Register was developed to consider the impact of the pandemic on our material risks and this was regularly considered by governors with additional mitigations put in place where necessary.

Business Continuity Plan action plan developed and implemented. Covid Response Group formed. Risk assessments conducted. Response aligned with local networks and government agencies, through engagement. Future planning modelled to offset impact on student and staff wellbeing, student success, and to understand the financial impact of the crisis. Well-developed communications strategy

**Future Developments**

A refreshed and updated Corporate Strategic Plan 2021-2026 has been developed during 2020-21 for delivery from the start of the 2021-22 academic year.

We will continue to expand and develop our educational portfolio at undergraduate and postgraduate level, and to develop a post-registration training offer including CPD and short courses. Our developments will be informed by discussions with Health Education England, professional bodies, Integrated Care System / CCG colleagues, and regional and local health and care providers to ensure that they are highly relevant and demand-led courses. Priority areas will include advanced clinical practice, therapies and rehabilitation, and mental health and wellbeing. We will work with system partners to enhance population health management approaches and reduce health inequalities through our clinical work and research. There will be an increasing focus on digital, with the development of a new Digital Strategy to guide our digitally-supported teaching and learning, digital health education and care, and research. This will require adaptation of our wider support and information technology systems and infrastructure.



**Picture: Diagnostic Radiography Clinical Skills Suite**

We will develop a new approach to research and enterprise development to ensure that we are growing capacity in this area, providing greater opportunities for student involvement, optimising use of our expertise and estate and increasing income generation to support ongoing projects. We also be a partner in the Dorset Innovation Hub, a project funded by the Health Foundation to support proven innovations and understand their impact in the local context before they are scaled up.

Our new developments also will be enabled by a new Estates Strategy considering existing and planned campus and facility requirements. A Grant Funding Agreement signed with Dorset Local Enterprise Partnership in November 2020, providing capital investment from the UK Government's Getting Building Fund, will accelerate the development of a planned rehabilitation facility, which is a key component of our Integrated Rehabilitation Centre programme of work. Construction of this building on the recently acquired Garnet Campus commenced during the summer of 2021 and is on target to be opened in September 2022.



***Picture: Integrated Rehabilitation Centre – Asset in the course of construction***

## 2. Financial Review

The consolidated surplus after tax for the year ended 31 July 2021 was £1,147k (2020: £632k), with total comprehensive income, after provision for the actuarial gain relating to our pension scheme, of £1,504k (2020: £802k total comprehensive loss)

The following table summarises the financial results for the current and previous year as set out in the Statement of Comprehensive Income and Expenditure:

	<b>Year Ended 31 July 2021 £'000</b>	Year Ended 31 July 2020 £'000
<b>Income:</b>		
Tuition fees and education contracts	<b>8,358</b>	7,387
Funding body grants	<b>857</b>	656
Other grant income	<b>115</b>	387
Other income (exc. investment / research income and donations)	<b>1,064</b>	930
Investment income	<b>3</b>	32
Donations and endowments	<b>38</b>	88
<b>Total Income</b>	<b>10,435</b>	9,480
<b>Expenditure:</b>		
Staff costs	<b>6,192</b>	5,905
Other operating expenses	<b>2,496</b>	2,333
Depreciation	<b>509</b>	491
Interest and other finance costs	<b>90</b>	119
<b>Total Expenditure:</b>	<b>9,287</b>	8,848
<b>Surplus before tax</b>	<b>1,148</b>	632
Taxation	<b>1</b>	-
<b>Surplus for the year</b>	<b>1,147</b>	632

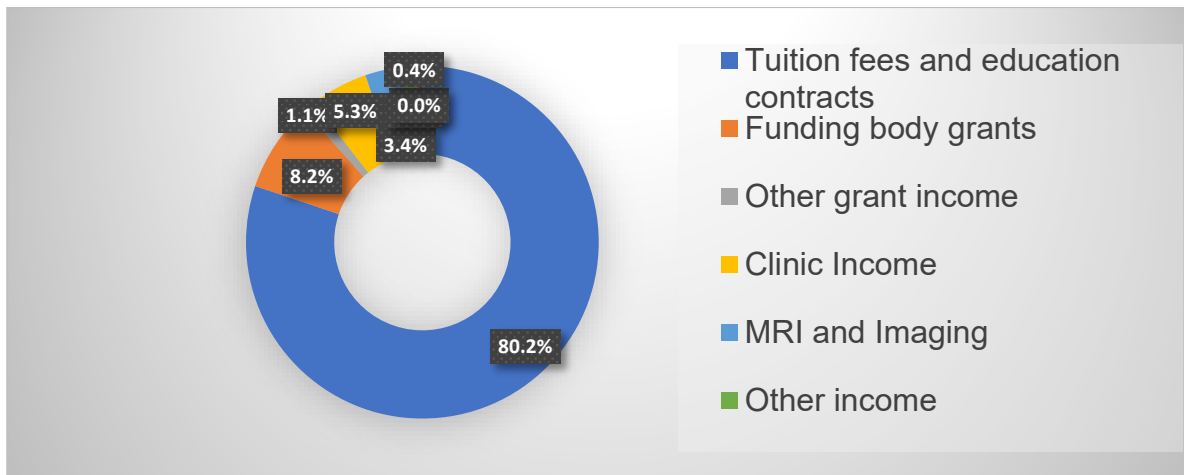
### Income

Total income has increased by £954k (10.0%) to £10.43m (2020: £9.48m), despite the constraints on activities during a proportion of the year resulting from Covid restrictions.

Tuition fee income and educational grants both increased, driven by increased student numbers. The increase in tuition fee income and educational grants between 2019-20 and 2020-21 was £1,172k (15%).

The University College also had a significant increase in income from MRI services, rising from £219k to £352k (61%) This was partly due to the prior year income having been restricted during the first Covid Lockdown and partly due to a new contract with a local NHS Trust which commenced during the year. Other clinical activity remained constant but is still below the levels seen before Covid restrictions were introduced in the spring of 2020.

Other areas of income did however suffer with decreases in Continuing Professional Development (CPD) courses and catering income due to travel restrictions during the year and the resulting fewer numbers of students and staff on site. Despite the healthy cash balances held by the University College interest receivable was very low due to the current poor rates of return.



**Chart: Breakdown of income**

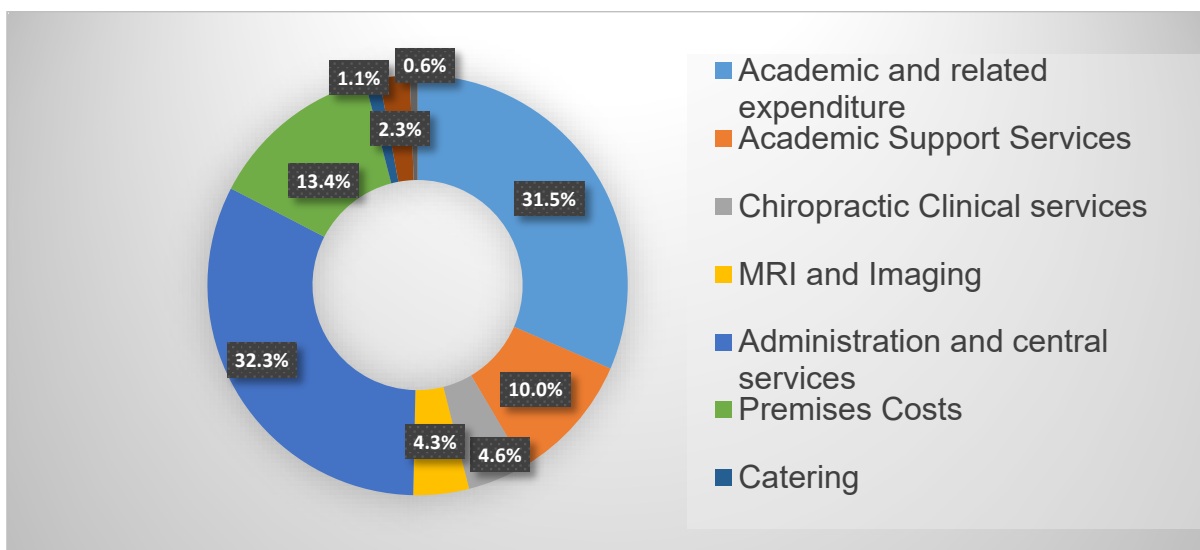
**Expenditure**

Overall consolidated expenditure increased by £439k (5.0%) to £9.29m (2020: £8.85m).

Staff costs totalled £6.19m in 2021, which amounted to 59.3% of total consolidated income (2020: £5.90m, 62.3%). The increase in staff costs reflects an increase in staff numbers, principally academic and casual staff. The average number of full time equivalent permanent employees remained constant with the prior year at 110. The average headcount of permanent employees also remained constant at 143 (2020: 143) and the total average headcount for all staff, i.e. including casual employees and IR35 workers, increased by 7.0% to 204 (2020: 191).

Consolidated other operating expenses totalled £2.50m (2020: £2.33m), an increase of £163k (7.0%) against the prior year. The main areas of increased expenditure included Insurance (especially Medical Malpractice), Security, Staff recruitment & training costs and bursaries paid to students. Property maintenance costs were reduced with staff being reassigned to capital projects and staff travel costs lower as a result of most meetings and training being done “on-line” rather than in person.

The depreciation charge increased by 3.7% (£18k) from £491k to £509k. This reflects the ongoing investment being made in infrastructure and equipment by the University College as part of a long-term strategy to bring all areas of the Campus up to the highest possible standard within the constraints of working with a grade II listed building.



**Chart: Breakdown of expenditure**

## Statement of Financial Position as at 31 July 2021

The following table summarises the financial position for the current and previous years as set out in the Consolidated Statement of Financial Position:

	<b>As at 31 July 2021</b>	As at 31 July 2020
	<b>£'000</b>	£'000
Tangible assets	<b>6,390</b>	5,882
Net current assets	<b>4,461</b>	3,684
<i>of which 'Cash or cash equivalents'</i>	<b>5,987</b>	4,642
Pension provisions	<b>(3,945)</b>	(4,164)
<b>Total net assets</b>	<b>6,906</b>	5,402
Income and expenditure reserve - restricted reserve	<b>266</b>	279
Income and expenditure reserve – unrestricted	<b>6,640</b>	5,123
<b>Total reserves</b>	<b>6,906</b>	5,402

### Tangible assets

The tangible asset additions during the year (£1.017m) were greater than depreciation (£509k), increasing the balance sheet total by £508k to £6.39m (2020: £5.88m).

During the year planning and construction costs of the new Integrated Rehabilitation Centre based on the Garnet Campus were incurred and are reported as fixed assets in the course of construction. It is anticipated that this new building will be completed and brought into operational use by September 2022.

Dorset Local Enterprise Partnership (LEP) have agreed to provide grant funding totalling £2.673m towards the total capital budget of £4.475m. As at our financial year end, we had received or accrued £473k, which is recognised as deferred income to be released and matched to depreciation charges once the building is brought into operational use.

### Cash and cash equivalents

The University College has maintained a strong cash position, with consolidated cash and cash equivalents increasing by £1.35m to £5.99m (2020: £4.64m).

The University College has ambitions for growth and has plans for investment in its educational offering, clinical services provision and to improve the facilities on campus. In addition to infrastructure investment, cash balances are required to provide working capital as cash receipts and payments are not aligned throughout a yearly cycle; and to manage financial risks which might give rise to an income and expenditure deficit. It is a key strength that the University College has the financial liquidity to respond to challenges and opportunities.

### Pension provisions

The pension provision, which relates to the Dorset Local Government Pension Scheme, decreased by 5.3% (£219k) to £3.95m (2020: £4.16m) following the annual actuarial review. This £219k reduction in the value of the pension provision comprised two elements – an actuarial gain of £357k, which is disclosed as Other Comprehensive Income, and a £138k charge to expenditure.

### Reserves

Overall consolidated reserves increased by 27.8% (£1.51m) to £6.91m (2020: £5.40m).

## Key Performance Indicators

The University College monitors many financial Key Performance Indicators (KPIs) on a monthly basis, including:

KPI	Description	2021	2020
Profitability	Surplus / (deficit) as a percentage of total income	11.00%	6.67%
Current ratio	Current Assets : Current Liabilities	3.27 : 1	3.55 : 1
Total reserves	Total Reserves held on the balance sheet	£6.91m	£5.40m
Cash	Level of cash at bank or in hand	£5.99m	£4.64m

Financial KPIs, although important, represent only one aspect of the University College's business. Therefore, we also monitor the following:

KPI	2021	2021 Target	2020
Overall student satisfaction (%) - NSS 2020/21 'overall satisfaction' score for undergraduate students	54	85	82
Completion rate - For undergraduate students (end of final year)	97	97	97
Staff : Student Ratio - For undergraduate students (as of 1 December)	1:19.5	1:19	1:19
Non-UK students (%) - For undergraduate students (EU & overseas students (as of 1 Dec)	37	35	40
Total student numbers (FTE) - Undergraduate, Postgraduate and Further Education students	825.8	750	678.5
Total new Undergraduate entrants - Undergraduate & Further Education Students (as of 1 Dec)	210	208	189
Total new Postgraduate entrants - Postgraduate students (as of 1 Dec)	69	84	69
Academic staff with teaching qualification and/or FHEA (%FTE) - Academic staff with HESA recordable teaching qualification	59	60	58
Number of peer reviewed papers	19	25	31

The KPIs will be updated and aligned to the updated Strategic Plan 2021-2026 for the coming year.

## Treasury Management

Treasury Management encompasses the management of the University College's cash flows, banking, money and capital market transactions and the effective control of the risks associated with those activities. The policy of the University College is to safeguard its assets whilst at the same time aiming to achieve the best possible return on its investments. The overriding principle however is to minimise risk rather than maximise returns.

As part of its five-year forecast, the University College has assessed the minimum liquidity levels needed to ensure that financial and operational control is maintained, including the identification of any future borrowing requirement.

**This report was approved by the Board of Governors on 09 December 2021 and signed on its behalf by:**

**J Bremner**  
Chair of the Board of Governors

**L Haig**  
Vice-Chancellor and Governor

## **Corporate Governance and Internal Control Statement**

The Board of Governors present their annual report and audited financial statements for the year ended 31 July 2021. This report also covers the Trustees' Report as required by Chapter 4 Section 162 of the Charities Act 2011 ("Charities Act").

### **Legal status**

AECC University College is a company limited by guarantee registered with Companies House under number 00653859 and registered with the Charity Commission under charity number 306289. It is governed by its Articles of Association. The University College is directed by its Board of Governors ("the Board") acting under these Articles of Association. The Board has ultimate responsibility for the strategy, performance and sustainability of the institution. It approves the University College's mission and strategy, monitors institutional performance and ensures its effective management. The current Chair of the Board is Jennifer Bremner and Peter Dingley is Deputy Chair.

The University College provides indemnity insurance for the governors in accordance with, and subject to the conditions in, Chapter 9 Section 189 of the Charities Act 2011.

### **Composition of the Board**

The articles dictate that the number of governors which make up the Board (who fulfil the role of directors for company law purposes) shall be a minimum of 12 and a maximum of 25. The majority of governors appointed by the Board are independent governors but also include the Vice-Chancellor, ex officio, one member of the staff of the University College ("Staff Governor") elected by the staff, and one member of the student body of the institution ("Student Governor") elected annually by the students.

The Board agreed that an additional Student Governor should be appointed to share the workload and ensure a strong student voice.

There are currently 12 governors and they are appointed for a term of four years (with the exception of the Student Governors, who are appointed for one year). Terms are extendable, normally to a maximum of eight years but may be extended further in exceptional circumstances upon the recommendation of the Nominations Committee and with the agreement of the Board of Governors.

With the exception of employees of AECC University College, the governors are not paid any remuneration. However, they are entitled to claim reasonable travel and subsistence expenses.

### **Organisational structure**

The Vice-Chancellor is chief executive of the University College and the rest of the Executive team (the Deputy Vice-Chancellor and the Chief Operating Officer) attend Board meetings. This enables the Board to have a close working relationship with the Executive and to focus on important strategic issues in a complex higher education market, in both the UK, Continental Europe and internationally.

The Board of Governors is legally responsible for the overall management of AECC University College. Operational implementation of the 2021-26 Strategy, approved by the Board, is the responsibility of the Vice-Chancellor and the Executive team.

## **Committees of the Board**

The Board meets four times each academic year with much of the detailed work dealt with by formally constituted Committees, each with their own terms of reference that are reviewed annually.

Committees are chaired by independent governors and report directly to the Board. Committee minutes are included in the agenda pack of the Board meetings and the Committee Chairs provide a verbal update at the meeting.

***Audit & Risk Assurance Committee*** This Committee provides assurance to the Board on internal controls, compliance and corporate governance including, risk management, value for money, the adequacy of systems generating data for regulators and advising on the appointment of the external and internal auditors. It is responsible for overseeing the internal audit programme and monitoring the implementation of recommendations arising. It recommends the external auditor's management letter and the annual financial statements (having received input from the Finance and General Purposes Committee) to the Board. The Committee specifically monitors and reviews the effectiveness of controls for fraud, bribery, money laundering and whistleblowing. Both internal and external auditors attend Audit & Risk Assurance Committee meetings.

***Finance & General Purposes Committee*** This Committee has responsibility for advising the Board on the financial, estates and IT strategies to support the Strategic Plan together with treasury management activities. It undertakes detailed scrutiny of the proposed income and expenditure budget and capital programme and their subsequent management, receiving updated forecasts throughout the year. It advises the Audit & Risk Assurance Committee on its scrutiny of the annual accounts. The Committee reviews the financial regulations of AECC University College. It oversees the effectiveness and efficiency of the estate within AECC University College.

In recognition of the strategic importance of the Dorset LEP funding grant agreement to the University College, an ***Integrated Rehabilitation Centre (IRC) Programme Board*** has been established to oversee the projects, including the refurbishment and new build project, which make up the IRC programme of work. The IRC Programme Board includes members of Finance & General Purposes Committee and reports regularly to it.

***Remuneration & Human Resources Committee*** This Committee oversees the recruitment, performance and remuneration and considers the salary and conditions of service of the Vice-Chancellor and of other Executive team members. It also regularly reviews staff pay and service conditions and considers HR policies as well as regular reports on HR performance.

***Nominations Committee*** This Committee keeps under review the composition of the Governing Body, informed by the skills matrix and the outcome of individual appraisals to address succession. It oversees the arrangements for the recruitment of governors and recommends appointments and re-appointments to the Board as well as arrangements for Board effectiveness and individual appraisals. It reviews the induction arrangements for Board Governors and receives reports on allegations of improper governor conduct, recommending action to the Board. The Committee also maintains an oversight of the Honorary Awards process.

The Chair of the Board and the Chairs of Committees have delegated authority to take urgent decisions within their Committee's remit on the advice of the Vice-Chancellor. A Register of Chairs' decisions is maintained and these are reported to the Board / Committee at its next meeting.

## **Members of the Board**

The table below contains the members of the Board during 2020-21 together with their Board attendance and membership of Committees. The '% Attended' reflects the percentage of expected attendance for each individual, taking into account those meetings for which they were eligible and invited to attend, and start and finish dates within specific Committees.



**Board & Committee Attendance 2020-21**

Total Number of Meetings held:					6	5	7	3	5
Governors	Type of Governor	Start of term of office	End of term of office / date of resignation	% of all meetings attended *	Board	Audit & Risk Assurance	Finance & General Purposes	Nominations	Remuneration & HR
Jeni Bremner	Independent	01.10.19	30.09.23	94%	6	N/A	5	3	N/A
Graham Briscoe	Independent	01.10.19	23.06.21	100%	5	4	N/A	2	N/A
Martin Copp	Independent	20.11.10	05.07.21	83%	4	N/A	5	2	1
Peter Dingley	Independent	05.07.14	08.07.25	100%	6	N/A	6	1	2
Mike Gibson	Independent	01.11.19	31.10.23	100%	6	N/A	6	N/A	N/A
Mark Gurden	Independent	19.11.11	08.07.25	90%	6	N/A	N/A	N/A	4
Lesley Haig	Vice-Chancellor	03.01.19	n/a	100%	6	N/A	6	3	N/A
Philip Hume	Staff	08.04.17	08.07.25	83%	6	N/A	5	N/A	2
Colin Pett	Independent	04.10.19	03.10.23	90%	6	4	N/A	N/A	N/A
Peter Roberts	Independent	22.11.14	21.11.22	100%	6	N/A	N/A	N/A	5
Mollie Stannard	Student	01.06.20	31.05.22	83%	4	N/A	5	3	N/A
Chris Stephens	Independent	23.11.13	31.08.21	75%	3	N/A	N/A	3	N/A
Denise Tarrant	Independent	01.09.19	30.09.23	92%	5	5	N/A	N/A	N/A
Claudia Wallis	Student	01.06.20	31.05.22	67%	6	N/A	4	1	N/A
Keith Wilkes	Independent	01.10.19	30.09.23	83%	4	N/A	N/A	N/A	5
Judith Worthington	Independent	17.11.12	31.12.20	83%	2	3	N/A	N/A	N/A

External Advisors to Audit & Risk Assurance Committee:			
Adrian Simpson		75%	3
Greg Thornton		100%	2

Staff Representatives on Nominations Committee:			
Daniel Heritage		33%	1
Karen Pichlmann		67%	2

Subsidiary: AECC Enterprises Ltd	Meetings held	
Neil Andrews	67%	2
Mark Gurden	100%	3
Lesley Haig	100%	3
Brenda van der Vossen	100%	3

\* % attendance is based on the number of meetings which the individual was called to attend.

## **Governance**

The University College is committed to exhibiting best practice in all aspects of corporate governance and has adopted the Committee of University Chairs (CUC) Higher Education Code of Governance. During the year, the Board reviewed compliance with the new CUC Code of Governance published in September 2020. These revisions have been incorporated in the University College Compliance statement and are being addressed accordingly. The Board was satisfied with the updates on the levels of compliance sustained and improvements implemented.

The University College has also mapped its compliance against the Office for Students Registration Requirements and confirmed that these are met.

The institution is audited both externally and internally by outside providers. The A&RA Committee decide on the areas of risk for internal audit based on the risk register and the internal audit cycle of review. Financial controls are included in every annual internal audit cycle.

The Executive report on Value for Money to the A&RA Committee at each meeting and provide an annual report. Widening access and participation are addressed through the Access & Participation Plan reporting from Academic Registry. Civic engagement is reported to the Board by regular updates from the Executive.

Commercial activities are conducted through a separate entity, AECC Enterprises Ltd, and conform to the requirements of the Charity Commission.

There is an effective and proactive system of risk management in place by which risks are rigorously assessed, understood and effectively managed across the organisation. Risk Management and the risk register are reviewed by the A&RA Committee and input is also received from both Remuneration & HR and F&GP Committees relating those risks which fall within their remit. The risk register is an agenda item for all Board meetings.

High-quality and robust data is produced and managed to meet all relevant legal and regulatory requirements. Reports are made to the A&RA Committee by the Academic Registrar regularly on data returns. Financial management information is presented at every F&GP Committee meeting and in summary to the Board.

## **Governance Effectiveness Review**

The Board of Governors commissioned a formal external governance review undertaken by The Halpin Partnership to determine key governance changes to support the Board's effectiveness. The review took place between January and July 2021 and the results measured against the Halpin Governance Maturity Framework showed most categories sitting between 'Improving' and 'Good' with the exception of the 'relationship between the Chair, VC and Clerk' which was graded as 'Leading Edge'.

## **Skills of the Board and Recruitment**

The governor skills matrices support the Board in its succession planning to maintain the skills mix required for an effective Board. In recruiting new governors, applications are sought in a variety of ways, including advertising in the press and within the Higher Education sector, with the National Associations, and publicising vacancies to staff and graduates of the University College.

All applications for independent governors are reviewed by the Nominations Committee and selected candidates are invited for interview and a tour of the campus. The Nominations interview panel then makes its recommendation to the Nominations Committee who consider the proposal and recommend to the Board as appropriate. Appointments are for four years and may be renewed for a second term of office and under exceptional circumstances for a third term. The Board may appoint advisors or co-opted members to Committees as required when a skills gap is identified.

## **Training of Governors**

All new governors receive an induction.

On appointment new governors are asked to sign a copy of the letter of appointment that requires them, when acting as an AECC UC director, to conduct themselves in accordance with the Nolan Principles of Public Life and AECC University College's adopted policies and procedures. The information supplied to new governors includes the Code of Conduct for AECC University College Governors which provides guidance on the standards of behaviour and conduct expected by the University College.

Board development is provided in a variety of ways from briefings and seminars from Advance HE and the Office for Students, presentations by the Executive and attendance at seminars and breakfast meetings at Guild HE to briefings from BDO the internal auditors, either for the whole Board or for individual governors.

## **Board of Governor Appraisals**

The Chair of the Board has instigated a revised appraisal process for all governors commencing during the year. These appraisals help to ensure that existing governors continue to have the skills needed on the Board; that learning and development opportunities are identified; and to ascertain where there may be skills gaps.

## **Register of Business Interests**

A register of interests is held by the Clerk to the Board and Company Secretary and details the interests of members of the Board; this is reviewed annually. In addition, at the start of all Board or committee meetings the attendees are asked to formally declare any particular interest in the items on the agenda and these are recorded in the minutes of that meeting.

## **Fit and Proper Person Declarations**

All governors and senior staff are required to make a fit and proper person declaration. These forms are reviewed and maintained by the Clerk. Governors are required to confirm the continuation of their fit and proper status during the appraisal process with the Chair of Governors.

## **Automatic Disqualification Declarations**

AECC University College must ensure that governors and senior officers of the institution are not disqualified from acting as trustees and senior officers of a registered charity. All governors and senior officers are required annually to make and maintain a declaration to this effect. A register of declarations is held by the Clerk to the Board of Governors.

## **Risk Register**

The risk management policy and supporting procedures support the implementation and monitoring of risk management through the Corporate Risk Register and the departmental risk registers. The Clerk to the Board and Company Secretary is responsible for ensuring that risk management processes run efficiently and effectively at AECC University College.

The Board confirms that it has reviewed and considered the major risks to which AECC University College is exposed and that they are satisfied that systems have been established to manage those risks. The Board regularly reviews and determines its approach to risk appetite. It is ultimately responsible for the identification and management of risks that the AECC University College may face. It is informed in this task through the work undertaken by the Audit & Risk Assurance Committee at each of its meetings and its evaluation by the Vice-Chancellor and senior managers. Revisions are made by the Board of Governors or the Audit & Risk Assurance Committee, if appropriate, to reflect discussions / developments reported at the meetings.

Identification, evaluation and management of risk is an important part of the annual planning cycle and review of strategy. A formal review of the effectiveness of this process is considered annually by the Board. The Board will then review only the more strategic/higher impact risks.

### **Clerk to the Board and Company Secretary ('the Clerk')**

The Board appoints the Clerk to the Board and Company Secretary; the Chair, in liaison with the Vice-Chancellor reviews their performance annually. Appointment and termination of the appointment ultimately rests with the Board. The Clerk is responsible for coordinating legal advice to the Governing Body and advice on all matters of procedure and its responsibilities. The Chair of the Governing Body, the Vice-Chancellor and the Clerk work closely together to expedite business. The Clerk has a duty to advise the Chair in respect of any matters where conflict, potential or real, may occur between the Governing Body and the Vice-Chancellor.

### **Academic Governance**

The management and academic committee structure is overseen by the Board of Governors through the Academic Board. The Academic Board is AECC University College's ultimate decision-making authority for all academic matters including oversight of the maintenance of standards and quality enhancement, and academic regulations, policies and procedures. The Academic Board discharges its responsibilities in part through standing committees and sub-committees, and it delegates authority to Assessment Boards for decisions on individual students in terms of their internal progression and award of qualifications. The Academic Board reports directly to the Board of Governors through the Executive.

### **Institutional Management and Structure**

Implementation of the strategy and policies approved by the Board is the executive responsibility of the Vice-Chancellor and the Executive team. The Vice-Chancellor is Chief Executive of the University College with powers delegated by the Board to lead and manage the institution aligned to the University College's strategic plan. The Vice-Chancellor is supported by the Executive team and a number of Management Groups:

- Access and Participation Steering Group
- Clinical Governance Group
- Health and Safety Group
- Radiation Protection Group
- Recruitment, Selection and Admissions Steering Group
- Senior Management Group



**Picture: Medical Ultrasound Clinic**

## **Statement of Internal Control**

The University's system of internal controls and governance structures ensure regularity and propriety in the use of funds, including all public funds, via the following.

- The University College is responsible for maintaining a sound system of internal control that safeguards the public and other funds and assets for which it has responsibility.
- The University College maintains a comprehensive suite of Financial Regulations and Procedures, giving control over the totality of the University College's resources and providing an appropriate financial regulatory framework which ensures that resources are used with due regard to propriety, regularity and value for money, in the context of the achievement of the University College's strategic plan. Anyone with a contractual relationship with the University (including all employees and honorary staff) is required to abide by the Financial Regulations and Procedures.
- The University College is required to adhere to key funder rules, in addition to the requirements of its own Financial Regulations and Procedures, and operates various controls to do this.
- The University College's Internal Auditors provide assurance to management and the Audit & Risk Assurance Committee. Internal Audit makes recommendations for improvement in key management processes. It particularly aims to ensure that key risks are being appropriately managed, including those in relation to the use of funds and value for money

External audit is carried out in accordance with International Standards on Auditing (ISAs) UK, and provides a report to the Board of Governors which expresses the auditor's (KPMG) opinion on whether the financial statements:

- Give a true and fair view of the state of the affairs of the University College as at 31 July 2021 and of the Group and University College's income and expenditure, gains and losses, changes in reserves and of the Group's cash flows for the year then ended;
- Have been properly prepared in accordance with UK accounting standards (including FRS102) and with the Statement of Recommended Practice (SORP): Accounting for Further & Higher Education and the Companies Act 2006
- Meet the requirements of Accounts Direction to higher education institutions for 2020/21 financial statements issued by the Office for Students

The external auditor's opinion on other matters prescribed by the Office for Students Accounts Direction states:

- In all material respects, funds from whatever source, administered by the Group and AECC UC for specific purposes have been properly applied to those purposes and managed in accordance with relevant legislation;
- Income has been applied in accordance with the University College's Articles of Governance; and
- Funds provided by the Office for Students, UK Research and Innovation (including Research England), the Education and Skills Funding Agency and the Department for Education have been applied in accordance with the relevant terms and conditions
- Grant and fee income are fully documented in the note to accounts
- University College's expenditure on Access and Participation activities have not been materially misstated.

The internal auditors' (BDO) opinion below, based on the reviews undertaken, the follow up audits completed during the period, and in the context of materiality contained in their annual report for 2020-21 confirms the adequacy of AECC University College's internal controls:

### *Design and effectiveness of risk management, control and governance arrangements*

- The risk management activities and controls in the areas which we examined were found to be suitably designed to achieve the specific risk management, control and governance arrangements.
- Based on our sample testing, risk management, control and governance arrangements were operating with sufficient effectiveness to provide reasonable assurance that the related risk management, control and governance objectives were achieved throughout the period under review.

### *Design and effectiveness of value for money arrangements*

- The arrangements we examined to promote economy, efficiency and effectiveness were suitably designed to achieve the objectives required by management.

- Those arrangements were operating with sufficient effectiveness to provide reasonable, but not absolute, assurance that the related objectives were achieved during the period under review.

*Confirmation that coverage is sufficient to draw a reasonable conclusion on the above*

- We are satisfied that sufficient internal audit work has been undertaken to allow us to draw a reasonable conclusion as to the adequacy and effectiveness of the College's risk management, control and governance processes and its arrangement for economy, efficiency and effectiveness.

The Board is ultimately responsible for AECC University College's system of internal control and for reviewing its effectiveness. However, such a system is designed to manage 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 system of internal control is integrated with the strategic planning process and designed to identify the principal risks to the achievement of policies, aims and objectives; to evaluate the nature and extent of those risks; and to manage them efficiently, effectively and economically. To enable this there is:

- An approved risk appetite statement and risk tolerance framework
- An approved Risk Management Policy
- A Corporate Risk Register with departmental risk registers and a process to escalate and de-escalate risks to/from the Corporate Risk Register
- An Audit & Risk Assurance Committee, with appropriate terms of reference, which meets a minimum of three times a year providing oversight of the process of internal control. The Board receives reports from the Audit & Risk Assurance Committee at every meeting.
- An annual assurance report from the Internal Auditors of their independent opinion on the adequacy and effectiveness of specific systems of internal control together with recommendations for improvement
- The Internal Auditors' review of Risk Management
- Comment made by the External Auditor in its management letter and other reports
- The work of AECC University College managers with responsibility for the development and maintenance of the internal control framework, and by comments made by other external review agencies and stakeholders, e.g. QAA, OfS.
- A Covid specific Risk Register was developed to consider the impact of the pandemic on our key risks and this was regularly considered by governors with additional mitigations put in place where necessary.

The Board of Governors is satisfied that internal control processes have been in place throughout the year to 31 July 2021 and up to the date of signing these accounts.

**Statement of Board of Governors' Responsibilities in Respect of the Governors' Report and Financial Statements**

The Board of Governors is responsible for preparing the Annual Report and the financial statements in accordance with the requirements of the Office for Students' Terms and Conditions of Funding for Higher Education Institutions and Research England's Terms and Conditions of Research England Grant and applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law they have elected to prepare the group and parent University financial statements in accordance with UK accounting standards and applicable law (UK Generally Accepted Accounting Practice), including FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland. The terms and conditions of funding further require the financial statements to be prepared in accordance with the 2019 Statement of Recommended Practice – Accounting for Further and Higher Education, in accordance with the requirements of the Accounts Direction issued by the Office for Students.

Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the group and parent University and of their income and

expenditure, gains and losses and changes in reserves for that period. In preparing each of the group and parent University financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- assess the group and parent University College's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- use the going concern basis of accounting unless they either intend to liquidate the group or the parent University College or to cease operations, or have no realistic alternative but to do so.

The Board of Governors is responsible for keeping adequate accounting records that are sufficient to show and explain the parent University College's transactions and disclose with reasonable accuracy at any time the financial position of the parent University College and enable them to ensure that its financial statements comply with the Companies Act 2006. They are responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the group and to prevent and detect fraud and other irregularities.

The Board of Governors are also responsible for ensuring that:

- funds from whatever source administered by the Group or the University College for specific purposes have been properly applied to those purposes and managed in accordance with relevant legislation;
- funds provided by the Office for Students and Research England have been applied in accordance with the terms and conditions attached to them;
- ensuring that there are appropriate financial and management controls in place to safeguard public funds and funds from other sources; and
- securing the economical, efficient and effective management of the University College's resources and expenditure.

The Board of Governors is responsible for the maintenance and integrity of the corporate and financial information included on the University College's website. Legislation in the UK governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.



**Picture: Parkwood Campus Orchard View**

## **Independent Auditor's Report to the Board of Governors of AECC University College**

### **REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS**

#### **Opinion**

We have audited the financial statements of AECC University College ("the University College") for the year ended 31 July 2021 which comprise the Consolidated and University College Statement of Comprehensive Income and Expenditure, Consolidated and University College Statement of Changes in Reserves, Consolidated and University College Statement of Financial Position, Consolidated Cash Flow Statement and related notes, including the accounting policies.

In our opinion the financial statements:

- give a true and fair view of the state of the Group's and the University College's affairs as at 31 July 2021, and of the Group's and the University College's income and expenditure, gains and losses and changes in reserves, and of the Group's cash flows, for the year then ended; and
- have been properly prepared in accordance with UK accounting standards, including FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland.
- have been properly prepared in accordance with the Companies Act 2006.

#### **Basis for Opinion**

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities are described below. We have fulfilled our ethical responsibilities under, and are independent of the group in accordance with, UK ethical requirements including the FRC Ethical Standard. We believe that the audit evidence we have obtained is a sufficient and appropriate basis for our opinion.

#### **Going Concern**

The Board of Governors has prepared the financial statements on the going concern basis as they do not intend to liquidate the Group or the University College or to cease their operations, and as they have concluded that the Group and the University College's financial position means that this is realistic. They have also concluded that there are no material uncertainties that could have cast significant doubt over their ability to continue as a going concern for at least a year from the date of approval of the financial statements ("the going concern period").

In our evaluation of the Board of Governors' conclusions, we considered the inherent risks to the group's business model and analysed how those risks might affect the Group and University College's financial resources or ability to continue operations over the going concern period.

Our conclusions based on this work:

- we consider that the Board of Governors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate;
- we have not identified, and concur with the Board of Governors' assessment that there is not, a material uncertainty related to events or conditions that, individually or collectively, may cast significant doubt on the Group or the University College's ability to continue as a going concern for the going concern period.

However, as we cannot predict all future events or conditions and as subsequent events may result in outcomes that are inconsistent with judgements that were reasonable at the time they were made, the above conclusions are not a guarantee that the Group or the University College will continue in operation.



## **Fraud and breaches of laws and regulations – ability to detect**

### *Identifying and responding to risks of material misstatement due to fraud*

To identify risks of material misstatement due to fraud (“fraud risks”) we assessed events or conditions that could indicate an incentive or pressure to commit fraud or provide an opportunity to commit fraud. Our risk assessment procedures included:

- Enquiring of Governors, the Audit, Risk and Assurance Committee, as well as whether they have knowledge of any actual, suspected or alleged fraud.
- Reading Board of Governor and Audit, Risk and Assurance Committee meeting minutes.
- Using analytical procedures to identify any unusual or unexpected relationships.

We communicated identified fraud risks throughout the audit team and remained alert to any indications of fraud throughout the audit.

As required by auditing standards, we perform procedures to address the risk of management override of controls and the risk of fraudulent revenue recognition, in particular the risk that Group management may be in a position to make inappropriate accounting entries.

On this audit we do not believe there is a fraud risk related to revenue recognition as there is limited opportunity for fraud because of the simplistic nature of the revenue generated by the Group and recognition criteria.

We did not identify any additional fraud risks.

In determining the audit procedures we took into account the results of our evaluation and testing of the operating effectiveness of the Group-wide fraud risk management controls.

We performed procedures including:

- Identifying journal entries to test based on risk criteria and comparing the identified entries to supporting documentation. These included revenue journal made to unrelated accounts and unusual journal entries in relation to cash and borrowings.

### *Identifying and responding to risks of material misstatement due to non-compliance with laws and regulations*

We identified areas of laws and regulations that could reasonably be expected to have a material effect on the financial statements from our general commercial and sector experience and through discussion with the management (as required by auditing standards), and discussed with management the policies and procedures regarding compliance with laws and regulations.

As the Group is regulated, our assessment of risks involved gaining an understanding of the control environment including the entity’s procedures for complying with regulatory requirements.

We communicated identified laws and regulations throughout our team and remained alert to any indications of non-compliance throughout the audit.

The potential effect of these laws and regulations on the financial statements varies considerably.

Firstly, the Group is subject to laws and regulations that directly affect the financial statements including financial reporting legislation (including related companies legislation), distributable profits legislation, pensions legislation and specific disclosures required by higher education related legislation, including the Accounts Direction issued by the Office for Students on 25 October 2019 and we assessed the extent of compliance with these laws and regulations as part of our procedures on the related financial statement items.

Secondly, the Group is subject to many other laws and regulations where the consequences of non-compliance could have a material effect on amounts or disclosures in the financial statements, for instance through the imposition of fines or litigation or the need to include significant provisions. We identified the following areas as those most likely to have such an effect: compliance with higher education regulatory requirements of the Office for Students, recognising the regulated nature of the Group’s activities. Auditing standards limit the required audit procedures to identify non-compliance with these laws and regulations to enquiry of the directors and other

management and inspection of regulatory and legal correspondence, if any. Therefore, if a breach of operational regulations is not disclosed to us or evident from relevant correspondence, an audit will not detect that breach.

#### *Context of the ability of the audit to detect fraud or breaches of law or regulation*

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely the inherently limited procedures required by auditing standards would identify it.

In addition, as with any audit, there remained a higher risk of non-detection of fraud, as these may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. Our audit procedures are designed to detect material misstatement. We are not responsible for preventing non-compliance or fraud and cannot be expected to detect non-compliance with all laws and regulations.

#### **Other Information**

The Board of Governors is responsible for the other information, which comprises the Strategic Report and Corporate Governance and Internal Control Statement. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except as explicitly stated below, any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether, based on our financial statements audit work, the information therein is materially misstated or inconsistent with the financial statements or our audit knowledge. Based solely on that work:

- we have not identified material misstatements in the other information;
- in our opinion the information given in Strategic Report and Corporate Governance and Internal Control Statement is consistent with the financial statements; and
- in our opinion those reports have been prepared in accordance with the Companies Act 2006.

#### **Matters on which we are required to report by exception**

Under the Companies Act 2006, we are required to report to you if, in our opinion:

- adequate accounting records have not been kept by the parent University, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent University's financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.
- 

We have nothing to report in these respects.

#### **Board of Governors Responsibilities**

As explained more fully in their statement set out on page 29, the Board of Governors (who are the Directors of the University College company for the purposes of company law) is responsible for: the preparation of the financial statements and for being satisfied that they give a true and fair view; such internal control as it determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error; assessing the Group and parent University College'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 it either intends to liquidate the Group or the parent University College or to cease operations, or has no realistic alternative but to do so.

## **Auditor's Responsibilities**

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 our opinion in an auditor's report. Reasonable assurance is a high level of assurance, but does not 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 aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

A fuller description of our responsibilities is provided on the FRC's website at:  
[www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities).

## **REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS**

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 Group or the University College for specific purposes have been properly applied to those purposes and managed in accordance with relevant legislation;
- funds provided by the Office for Students, UK Research and Innovation (including Research England), the Education and Skills Funding Agency and the Department for Education have been applied in accordance with the relevant terms and conditions; and
- the financial statements meet the requirements of the Accounts Direction dated 25 October 2019 issued by the Office for Students.

## **Matters on which we are required to report by exception**

We are required by the Accounts Direction to report to you where the University College has an access and participation plan that has been approved by the Office for Students' director of fair access and participation and the results of our audit work indicate that the Group's and the University College's expenditure on access and participation activities for the financial year disclosed in note 22 has been materially misstated.

We are also required by the Accounts Direction to report to you where the results of our audit work indicate that the Group's and the University College's grant and fee income, as disclosed in note 3 to the financial statements has been materially misstated.

We have nothing to report in these respects.

## **THE PURPOSE OF OUR AUDIT WORK AND TO WHOM WE OWE OUR RESPONSIBILITIES**

This report is made solely to the Board of Governors and in accordance with Chapter 3 of Part 16 of the Companies Act 2002 and paragraph 38.1 of the University College's Articles of Government and section 124B of the Education Reform Act 1988. Our audit work has been undertaken so that we might state to the Board of Governors those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the University College and the Board of Governors for our audit work, for this report, or for the opinions we have formed.

Rees Batley  
for and on behalf of KPMG LLP, Statutory Auditor, Chartered Accountants  
66 Queen Square, Bristol, BS1 4BE

December 2021

## Consolidated Statement of Comprehensive Income and Expenditure Year Ended 31 July 2021

	Notes	Year ended 31 July 2021		Year ended 31 July 2020	
		Consolidated	Institution	Consolidated	Institution
		£'000	£'000	£'000	£'000
<b>Income</b>					
Tuition fees and education contracts	1	8,358	8,358	7,387	7,387
Funding body grants	2	857	857	656	656
Other grant income	2	115	115	387	387
Other income	4	1,064	1,056	930	914
Interest Received	5	3	3	32	26
Donations and endowments	6	38	38	88	88
<b>Total income</b>		<b>10,435</b>	<b>10,427</b>	9,480	9,458
<b>Expenditure</b>					
Staff costs	7	6,192	6,192	5,905	5,905
Other operating expenses		2,496	2,496	2,333	2,324
Depreciation and amortisation	11	509	509	491	491
Interest and other finance costs	8	90	90	119	102
<b>Total expenditure</b>	9	<b>9,287</b>	<b>9,287</b>	8,848	8,822
<b>Surplus before other tax</b>		<b>1,148</b>	<b>1,140</b>	632	636
Taxation	10	1	-	-	-
<b>Surplus for the year</b>		<b>1,147</b>	<b>1,140</b>	632	636
<b>Other comprehensive income</b>					
Actuarial gain / (loss) in respect of pension schemes	17	357	357	(1,434)	(1,434)
<b>Total comprehensive gain / (loss) for the year</b>		<b>1,504</b>	<b>1,497</b>	(802)	(798)
Represented by:					
Restricted comprehensive loss for the year		(13)	(13)	(13)	(13)
Unrestricted comprehensive gain / (loss) for the year		1,517	1,510	(789)	(785)
Attributable to the Institution		<b>1,504</b>	<b>1,497</b>	(802)	(798)
<b>Surplus for the year attributable to:</b>					
Institution		<b>1,147</b>	<b>1,140</b>	632	636

All items of income and expenditure relate to continuing activities.

The accompanying notes and policies on pages 39 to 57 form part of these financial statements.

## Consolidated and University College Statement of Changes in Reserves

Year Ended 31 July 2021

### Consolidated

	Income and expenditure reserve		
	Restricted £'000	Unrestricted £'000	Total £'000
<b>Balance at 1 August 2019</b>	<b>292</b>	<b>5,912</b>	<b>6,204</b>
Surplus for the year	-	632	632
Other comprehensive loss	-	(1,434)	(1,434)
Release of restricted funds spent in year	(13)	13	-
<b>Total comprehensive loss for the year</b>	<b>(13)</b>	<b>(789)</b>	<b>(802)</b>
<b>Balance at 1 August 2020</b>	<b>279</b>	<b>5,123</b>	<b>5,402</b>
Surplus for the year	-	1,147	1,147
Other comprehensive gain	-	357	357
Release of restricted funds spent in year	(13)	13	-
<b>Total comprehensive (loss) / gain for the year</b>	<b>(13)</b>	<b>1,517</b>	<b>1,504</b>
<b>Balance at 31 July 2021</b>	<b>266</b>	<b>6,640</b>	<b>6,906</b>

### Institution

	Income and expenditure reserve		
	Restricted £'000	Unrestricted £'000	Total £'000
<b>Balance at 1 August 2019</b>	<b>292</b>	<b>5,900</b>	<b>6,192</b>
Surplus for the year	-	636	636
Other comprehensive loss	-	(1,434)	(1,434)
Release of restricted funds spent in year	(13)	13	-
<b>Total comprehensive loss for the year</b>	<b>(13)</b>	<b>(785)</b>	<b>(798)</b>
<b>Balance at 1 August 2020</b>	<b>279</b>	<b>5,115</b>	<b>5,394</b>
Surplus for the year	-	1,140	1,140
Other comprehensive gain	-	357	357
Release of restricted funds spent in year	(13)	13	-
<b>Total comprehensive (loss) / gain for the year</b>	<b>(13)</b>	<b>1,510</b>	<b>1,497</b>
<b>Balance at 31 July 2021</b>	<b>266</b>	<b>6,625</b>	<b>6,891</b>

## Consolidated and University College Statement of Financial Position

As at Year Ended 31 July 2021

	Notes	As at 31 July 2021		As at 31 July 2020	
		Consolidated £'000	Institution £'000	Consolidated £'000	Institution £'000
<b>Non-current assets</b>					
Tangible assets	11	6,390	6,390	5,882	5,882
		<b>6,390</b>	<b>6,390</b>	5,882	5,882
<b>Current assets</b>					
Stock	12	5	5	5	5
Trade and other receivables	13	432	432	483	483
Cash and cash equivalents	14	5,987	5,965	4,642	4,627
		<b>6,424</b>	<b>6,402</b>	5,130	5,115
Less Creditors: amounts falling due within one year	15	(1,963)	(1,956)	(1,446)	(1,439)
<b>Net current assets</b>		<b>4,461</b>	<b>4,446</b>	3,684	3,676
<b>Total assets less current liabilities</b>		<b>10,851</b>	<b>10,836</b>	9,566	9,558
<b>Provisions</b>					
Pension provisions	16	(3,945)	(3,945)	(4,164)	(4,164)
<b>Total net assets</b>		<b>6,906</b>	<b>6,891</b>	5,402	5,394
<b>Restricted Reserves</b>					
Income and expenditure reserve - restricted reserve	18	266	266	279	279
<b>Unrestricted Reserves</b>					
Income and expenditure reserve - unrestricted		6,640	6,625	5,123	5,115
<b>Total Reserves</b>		<b>6,906</b>	<b>6,891</b>	5,402	5,394

The accompanying notes and policies on pages 39 to 57 form part of these financial statements, which were approved by the Governing Body on 09 December 2021 and signed on its behalf on that date by:

**Jeni Bremner, Chair of the Board of Governors**

**Lesley Haig, Vice-Chancellor**

## Consolidated and University College Statement of Cash Flows

Year Ended 31 July 2021

	Notes	As at 31 July 2021		As at 31 July 2020	
		Consolidated £'000	Institution £'000	Consolidated £'000	Institution £'000
<b>Cash flow from operating activities</b>					
Surplus for the year after tax		1,147	1,140	632	636
<b>Adjustment for non-cash items</b>					
Depreciation	11	509	509	491	491
Decrease in stock	12	-	-	4	4
Decrease / (Increase) in debtors	13	51	51	(171)	(171)
Increase in creditors	15	517	517	405	406
Difference between pensions charges and cash contributions		138	138	274	274
<b>Adjustment for investing or financing activities</b>					
Investment income	5	(3)	(3)	(32)	(26)
Interest and other finance costs	8	90	90	119	102
Capital grant income	2	(75)	(75)	(39)	(39)
<b>Net cash inflow from operating activities</b>		<b>2,374</b>	<b>2,367</b>	<b>1,683</b>	<b>1,677</b>
<b>Cash flows from investing activities</b>					
Capital grants receipts		75	75	39	39
Investment income		3	3	32	26
Payments made to acquire tangible assets	11	(1,017)	(1,017)	(1,105)	(1,105)
		<b>(939)</b>	<b>(939)</b>	<b>(1,034)</b>	<b>(1,040)</b>
<b>Cash flows from financing activities</b>					
Interest and other finance costs		(90)	(90)	(119)	(102)
<b>Increase in cash and cash equivalents in the year</b>		<b>1,345</b>	<b>1,338</b>	<b>530</b>	<b>535</b>
Cash and cash equivalents at beginning of the year	14	4,642	4,627	4,112	4,092
Cash and cash equivalents at end of the year	14	<b>5,987</b>	<b>5,965</b>	4,642	4,627

## Statement of Accounting Policies

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

### 1. *General information*

AECC University College is a company limited by guarantee registered in England and Wales. It is also registered as a charity with the Charity Commission and as a higher education provider with the Office for Students. The address of the registered office is:

AECC University College, Parkwood Campus, Parkwood Rd, Bournemouth, BH5 2DF

### 2. *Statement of Compliance*

The Consolidated and Institution financial statements have been prepared in accordance with United Kingdom Accounting Standards, including Financial Reporting Standard 102 (FRS 102) and the Statement of Recommended Practice (SORP): Accounting for Further and Higher Education issued in 2019. They have also been prepared in accordance with the 'carried forward' powers and duties of previous legislation (Further and Higher Education Act 1992 and the Higher Education Act 2004) and the new powers of the Higher Education and Research Act 2017, the Accounts Direction issued by the Office for Students (OfS), the Terms and Conditions of Funding for higher education institutions issued by the Office for Students and the Terms and Conditions of Research England Grant.

The Institution is a public benefit entity and has therefore applied the relevant public benefit requirement of the applicable UK laws and accounting standards.

### 3. *Basis of preparation*

The Group and parent University College financial statements have been prepared in accordance with United Kingdom Accounting Standards, including Financial Reporting Standard 102 (FRS 102) and the Statement of Recommended Practice (SORP): Accounting for Further and Higher Education (2019 edition). They have also been prepared in accordance with the 'carried forward' powers and duties of previous legislation (Further and Higher Education Act 1992 and the Higher Education Act 2004) and the new powers of the Higher Education and Research Act 2017 the Terms and conditions of funding for higher education institutions issued by the Office for Students and the Terms and conditions of Research England Grant.

The University is a public benefit entity and therefore has applied the relevant public benefit requirement of the applicable UK laws and accounting standards. The Consolidated and Institution financial statements have been prepared under the historical cost convention.

The Institution's activities, together with the factors likely to affect its future development, performance and position, are set out in the Strategic Report which forms part of the Board of Governors' Report. The Board of Governors' Report also describes the financial position of the Institution, its cash flows and liquidity position. The Board of Governors has a reasonable expectation that the Institution has adequate resources to continue in operational existence for the foreseeable future. Thus it continues to adopt the going concern basis of accounting in preparing the annual financial statements.

The financial statements are prepared in sterling which is the functional currency of the group and rounded to the nearest £1,000.



#### **4. *Going Concern***

The Group and parent University College's activities, together with the factors likely to affect its future development, performance and position, are set out in the Strategic Report which forms part of the Board of Governors' Report. The Board of Governors' Report also describes the financial position of the Institution, its cash flows, liquidity position and borrowing facilities.

The financial statements have been prepared on a going concern basis which the Board of Governors consider to be appropriate for the following reasons:

The Board of Governors has prepared cash flow forecasts for a period of 20 months from the date of approval of these financial statements. After reviewing these forecasts, the Board of Governors is of the opinion that, taking account of severe but plausible downsides, including the anticipated impact of Covid, the Group and parent University College will have sufficient funds to meet their liabilities as they fall due over the period of 12 months from the date of approval of the financial statements (the going concern assessment period).

The forecast financial position for the 2021-22 financial year and the associated medium-term financial plans assume that some impacts of Covid will continue throughout the financial year ending 31 July 2022 with a prudent approach to planning for the medium term.

To 'stress test' the cash forecasts for severe but plausible downsides, several scenarios have been considered to assess the potential impact of the following potential events:

- 10% reduction in new enrolments on the MChiro course
- 10% overspend on the Integrated Rehabilitation Centre currently under construction on the Garnet Campus.
- Loss of the existing NHS MRI contract
- Extension of Covid restrictions restricting clinical income for the first six months of the 2021-22 financial year
- 12-month delay to the proposed MSc Speech and Language course
- BSc Clinical Exercise and Rehabilitation Science course does not run in 2021-22 and subsequent years.

Under these downside scenarios the Group would have significant cash balances and no borrowing, even before the mitigating actions that could be deployed to ensure that cash balances do not drop to an unacceptably low level. Such mitigating actions include capital expenditure, pursuing other income growth opportunities which will arise from the Strategic Review and reducing, deferring or ceasing discretionary expenditure.

Positive working relationships have been forged with our bankers and there is confidence that they would be supportive of a request for either a commercial mortgage or a short-term loan facility, should any future cash flow forecasts indicate a borrowing requirement. This assumes that the institution's strong balance sheet would provide the appropriate level of security for any requested borrowings.

Consequently, the Board of Governors is confident that the Group and parent University College will have sufficient funds to continue to meet their liabilities as they fall due for at least 12 months from the date of approval of the financial statements and have therefore prepared the financial statements on a going concern basis.

#### **5. *Basis of consolidation***

The Consolidated financial statements include the financial statements of the Institution and its subsidiary for the year to 31 July 2021.

Intra-group transactions are eliminated on consolidation.

The Consolidated financial statements do not include the Students' Union as the Institution does not exert control or dominant influence over policy decisions.

## **6. Income recognition**

Income from the sale of goods or services, for example Clinic Income, MRI and imaging income, is credited to the Consolidated Statement of Comprehensive Income when the goods or services are supplied to the external customers or the terms of the contract have been satisfied.

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

Bursaries and scholarships are accounted for gross as expenditure and not deducted from income. Education contracts are recognised when the Institution is entitled to the income, which is the period in which the students are studying, or where relevant, when performance conditions have been met.

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

### **Grants**

- a. Government revenue grants including funding council block grant and research grants are recognised in income over the periods in which the institution recognises the related costs for which the grant is intended to compensate. Where part of a government grant is deferred, it is recognised as deferred income within creditors and allocated between creditors due within one year and due after more than one year as appropriate.
- b. Grants (including research grants) from non-government sources are recognised in income when the Institution is entitled to the income and performance related conditions have been met. Income received in advance of performance related conditions being met is recognised as deferred income within creditors in the Statement of Financial Position and released to income as the conditions are met.
- c. Government capital grants are recognised in income over the expected useful life of the asset. Other capital grants are recognised in income when the Institution is entitled to the funds, subject to any performance related conditions being met.

### **Donations and endowments**

Non-exchange transactions without performance related conditions are donations and endowments. Donations and endowments with donor-imposed restrictions are recognised in income when the Institution 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 income is released to general reserves through a reserve transfer.

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

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

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

- a. Restricted donations. – the donor has specified that the donation must be used for a particular objective
- b. Unrestricted donations. – the donor has not specified what the donation must be used for

Donations of tangible assets are included within income. The income recognised is valued using a reasonable estimate of their gross value or the amount actually realised. Donated tangible assets are valued and accounted for as tangible assets under the appropriate asset category.

## **7. Accounting for retirement benefits**

The three pension schemes for the Institution's staff are the Teachers' Pension Scheme (TPS), the Local Government Pension Scheme (LGPS), which are defined benefit schemes and a Scottish Widows stakeholder pension scheme which is a defined contribution plan.

### **Defined contribution plan**

A defined contribution plan is a post-employment benefit plan under which the Institution pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts. Obligations for contributions to defined contribution pension plans are recognised as an expense in the income statement in the periods during which services are rendered by employees.

### **Defined benefit schemes**

A defined benefit scheme is a post-employment benefit plan other than a defined contribution plan. A defined benefit plan defines the pension benefit that the employee will receive on retirement, usually dependent upon several factors including age, length of service and remuneration. Under defined benefit plans, the Institution's obligation is to provide the agreed benefits to current and former employees, and actuarial risk (that benefits will cost more or less than expected) and investment risk (that returns on assets set aside to fund the benefits will differ from expectations) are borne in substance by the Institution.

The Teachers' Pension Scheme (TPS) is a defined benefit scheme whereby the assets of the TPS are held in a separate Trustee-administered fund. Because of the nature of the scheme, the scheme's assets are not hypothecated to individual institutions and scheme-wide contribution rates are set. The University College 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 this scheme on a consistent and reasonable basis and therefore as required by FRS102, accounts for the scheme as if it were a defined contribution scheme. As a result, the amount charged to the Statement of Comprehensive Income and Expenditure represents the contributions payable to the schemes in respect of the accounting period.

The Dorset Local Government Pension Scheme (LGPS) is a defined benefit scheme whereby the University College is able to identify its share of the assets and liabilities. The liability recognised in the Statement of Financial Position in respect of this defined benefit plan is the lower of the fair value of the plan assets at the reporting date less the present value of the defined benefit obligation at the reporting date and the net present value of the estimated future contributions to the scheme. Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are charged or credited to other comprehensive income. The cost of the defined benefit plan recognised in operating expenditure in the Statement of Comprehensive Income as staff costs comprises the increase in pension benefit liability arising from employee service during the period and the cost of plan introductions, benefit changes, curtailments and settlements. The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. This cost is recognised in the Statement of Comprehensive Income as 'interest and other finance costs'.

Further detail of the specific defined benefit pension schemes is provided in note 17 to the accounts.

### **8. Employment benefits**

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

Termination benefits are amounts payable as a result of a decision by the University College to terminate the employment of employees before the normal retirement date or an employee's decision to accept voluntary redundancy and are charged on an accruals basis to the Consolidated Statement of Comprehensive Income and Expenditure.

### **9. Operating leases**

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

## 10. Foreign currency

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

## 11. Property, plant and equipment

### Land and buildings

Land and buildings are capitalised at cost on initial recognition.

After initial recognition land and buildings are subsequently measured at cost less accumulated depreciation and accumulated impairment losses.

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

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

Freehold buildings	50 years
Refurbishments and repairs	20 years

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

Depreciation methods, useful lives and residual values are reviewed at the date of preparation of each Statement of Financial Position.

### Equipment

Equipment, including computers and software costing less than the Institution's de minimis threshold for capitalisation of fixed assets (£1,000) is recognised as expenditure. All other equipment is capitalised.

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

Office equipment, furniture and fittings	4 to 10 years
IT equipment	4 to 7 years
Medical and teaching equipment	4 to 12 years
Plant and machinery	4 to 12 years

Where an item of equipment comprises two or more major components with substantially different useful economic lives (UELs), each component is accounted for separately and depreciated over its individual UEL. Expenditure relating to subsequent replacement of components is capitalised as incurred.

Depreciation methods, useful lives and residual values are reviewed at the date of preparation of each Statement of Financial Position.

### Impairment

A review for impairment of property, plant and equipment is carried out if events or changes in circumstances indicate that the carrying amount of the property, plant and equipment may not be recoverable. The impact of the Covid pandemic on the valuation of the Institution's assets has been considered with the conclusion reached that no impairment adjustment is necessary.

## **12. Investments**

Investments in the subsidiary is carried at cost less impairment in the Institution's separate financial statements.

## **13. Stock**

Stock is held at the lower of cost and net realisable value.

## **14. 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.

## **15. Provisions, contingent liabilities and contingent assets**

Provisions are recognised in the financial statements when:

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

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

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

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

Contingent assets and liabilities are not recognised in the Statement of Financial Position but are disclosed in the notes.

## **16. Taxation**

Current tax, including UK corporation tax and foreign tax, is provided at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted or substantively enacted by the reporting date.

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

The Institution receives no similar exemption in respect of Value Added Tax (VAT). Irrecoverable VAT on expenditure (revenue and capital) is included in the costs of such expenditure. Any irrecoverable VAT allocated to fixed assets is included in their cost.

The Institution's subsidiary company is subject to Corporation Tax and VAT in the same way as any commercial organisation.

### 17. Reserves

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

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

### 18. Critical accounting estimates and judgements

The preparation of the Institution's financial statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies and reported amounts of assets and liabilities, income and expenses.

These judgements, estimates, and associated assumptions are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The resulting accounting estimates will, by definition, seldom equal the related actual results.

Management consider the area set out below to be that where critical accounting judgements have been applied and the resulting estimates and assumptions may lead to adjustments to the future carrying amounts of assets and liabilities:

Retirement benefit obligations - The cost of defined benefit pension plans are determined using actuarial valuations. The actuarial valuation involves making assumptions about discount rates, future salary increases, mortality rates and future pension increases. Due to the complexity of the valuation, the underlying assumptions and the long-term nature of these plans, such estimates are subject to significant uncertainty. Details of the retirement benefit obligations is provided at note 17.



**Picture: Development of Rehabilitation Skills**

## Notes to the Accounts

	Year Ended 31 July 2021		Year Ended 31 July 2020	
	Consolidated	Institution	Consolidated	Institution
	£'000	£'000	£'000	£'000
<b>1 Tuition fees and education contracts</b>				
Full-time home fee status students	5,592	5,592	4,779	4,779
Full-time international students	2,149	2,149	1,897	1,897
Part-time students	556	556	612	612
Office for Students Funding Received via Bournemouth University	61	61	99	99
	<b>8,358</b>	<b>8,358</b>	<b>7,387</b>	<b>7,387</b>
<b>2 Grant income</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
<b>Funding body grants</b>				
Office for Students	778	778	613	613
Research England	4	4	4	4
Capital Grant	75	75	39	39
	<b>857</b>	<b>857</b>	<b>656</b>	<b>656</b>
<b>Other grant income</b>				
Health Education England (HEE) funding	36	36	200	200
HMRC coronavirus job retention scheme (CJRS) grant income	47	47	174	174
Research grants and contracts	32	32	13	13
	<b>115</b>	<b>115</b>	<b>387</b>	<b>387</b>
	<b>972</b>	<b>972</b>	<b>1,043</b>	<b>1,043</b>
<b>3 Sources of grant and fee income</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
Office for Students (OfS) grant income	853	853	652	652
OfS Grant income received via Bournemouth University	61	61	99	99
Grants from other bodies	83	83	374	374
Fee income for research awards	36	36	17	17
Fee income from non-qualifying courses	229	229	262	262
Fee income for taught awards	8,068	8,068	7,026	7,026
	<b>9,330</b>	<b>9,330</b>	<b>8,430</b>	<b>8,430</b>

	Year Ended 31 July 2021		Year Ended 31 July 2020	
	Consolidated	Institution	Consolidated	Institution
	£'000	£'000	£'000	£'000
<b>4 Other income</b>				
Clinic income	551	551	544	544
MRI income	352	352	219	219
Catering income	29	29	92	92
Royalties	8	-	16	-
Other income	124	124	59	59
	<b>1,064</b>	<b>1,056</b>	930	914
<b>5 Investment income</b>				
Interest receivable	3	3	32	26
	<b>3</b>	<b>3</b>	32	26
<b>6 Donations and endowments</b>				
Unrestricted donations	38	38	88	88
	<b>38</b>	<b>38</b>	88	88
<b>7 Staff costs</b>				
Salaries	4,797	4,797	4,532	4,532
Social security costs	412	412	421	421
Pension costs	983	983	952	952
	<b>6,192</b>	<b>6,192</b>	5,905	5,905

A further breakdown of pension costs has been included in note 17.

**Total remuneration of the head of the Institution**

	Year ended 31 July 2021	Year ended 31 July 2020
	£000s	£000s
Basic salary	128	127
Pension contributions and payments	16	11
Private Medical Insurance	3	3
	<b>147</b>	<b>141</b>

AECC University College operates under the CUC HE Code of Governance and endeavours to make fair, appropriate and justifiable levels of remuneration. There is a common process for all levels of staff regarding appraisal and remuneration. Oversight of the head of institution's remuneration is within the terms of reference of the Remuneration and Human Resources (R&HR) Committee, which is independent and competent and which makes recommendations to the Board of Governors.

The Office for Students (OfS) Regulatory advice 9: Accounts Direction, published on 25 October 2019 requires that the relationship between the head of provider's remuneration and that for all other employees employed expressed as a pay multiple must include all employees who are required to be included in real-time reporting to HMRC. This comparator therefore includes all casual employees, predominantly students, and also people who are deemed employees under the Intermediaries Legislation (IR35). The median salary on this basis is £21,828 (2020: £24,868) and the median gross remuneration is £24,229 (2020: £27,106).

- i. The head of the Institution's basic salary was 5.84 times the median pay of staff, where the median pay is calculated on a full-time equivalent basis for the payments made to all workers included in real-time reporting to HMRC (2020: 5.13 times this median pay).



**7 Staff costs (continued)**

ii. The head of the Institution's total remuneration was 5.84 times the median total remuneration of staff, where the median total remuneration is calculated on a full-time equivalent basis for the total remuneration by the provider of all workers included in real-time reporting to HMRC (2020: 5.23 times this median total remuneration).

Calculating the median pay based upon all workers included in real-time HMRC information might not present readers of these financial statements with a representative view of the Vice-Chancellor's pay ratio. This is because the University College has employed a large number of student workers who each work few hours and are paid at the National Minimum Wage. Using an additional, unaudited, calculation of median pay based upon permanent, full-time and part-time employees, the median salary on this basis is £32,486 (2020: £34,000) and the median gross remuneration is £36,059 (2020: £37,060).

It should be noted that the decrease in median pay is not an indicator that employees have had a reduction in pay between the two years. It is, however, a reflection on the utility of a median average calculation which is easily skewed by a shift in the population of employees, for example if we employ a greater number of casual student workers.

iii. The head of the Institution's basic salary was 3.92 times the median pay of staff where the median pay is calculated on a full-time equivalent basis for the salaries paid by the provider to its permanent employees (2020: 3.75 times this median pay of staff)

iv. The head of the Institution's total remuneration was 3.92 times the median total remuneration of staff, where the median total remuneration is calculated on a full-time equivalent basis for the total remuneration by the provider of its permanent employees (2020: 3.82 times this median total remuneration of staff).

The Vice-Chancellor's remuneration is recommended by the R&HR Committee to the Board of Governors, with increments being considered and agreed on an annual basis. Final approval of the Vice-Chancellor's remuneration lies with the Board of Governors. In common with all staff, the Vice-Chancellor is eligible for a cost of living / merit award; any increase is based on the outcome of the Vice-Chancellor's annual appraisal, with the percentage increase being the same as that awarded to staff. The R&HR Committee also has the power to recommend the award of an additional increase in the Vice-Chancellor's base pay. In the year ended 31 July 2021 no increase in salary was made.

There is no annual bonus scheme, but the R&HR Committee does have the power to award bonuses in exceptional cases. During the year ended 31 July 2021 no bonuses were awarded

The Vice-Chancellor's appraisal is undertaken by the Chair of the Board as her line manager. Key inputs to the appraisal include:

- feedback from Chair of the Board, other governors and senior staff
- the delivery of the detailed operational plan to achieve the agreed strategy
- performance on key priorities identified in the previous appraisal and through the year if appropriate
- resolution of any relevant issues arising during the year

The outcome of the appraisal is reported to the R&HR Committee and the Committee then makes its recommendations to the Board of Governors.

In assessing the level of the Vice-Chancellor's remuneration, the R&HR Committee uses benchmarking data. As the AECC University College is a small specialist higher education provider there are few direct comparators within the higher education sector and therefore comparators are additionally sought within the wider not for profit sector. The use of such benchmarking data provides the Committee with comfort that the Vice-Chancellor's salary remains appropriate.

The number of staff with a basic salary of over £100,000 per annum has been included below. The Vice-Chancellor is the only employee with a basic salary greater than £100,000.

Basic salary per annum	Year Ended 31 July 2021		Year Ended 31 July 2020	
	Consolidated No.	Institution No.	Consolidated No.	Institution No.
£100,000 - £104,999	--	-	-	-
£105,000 - £109,999	-	-	-	-
£110,000 - £114,999	-	-	-	-
£115,000 - £119,999	-	-	-	-
£120,000 - £124,999	-	-	-	-
£125,000 - £129,999	1	1	1	1
£130,000 - £134,999	-	-	-	-
	<b>1</b>	<b>1</b>	<b>1</b>	<b>1</b>

**7 Staff costs (continued)**

**Average staff numbers by major category (full time equivalent of permanent employees):**

	<b>2021</b>	2020
	<b>FTE</b>	FTE
Academic	<b>28.27</b>	25.39
Clinical	<b>12.68</b>	13.04
Executive	<b>2.50</b>	3.92
Manual Workers	<b>8.23</b>	9.42
Professional Services	<b>56.60</b>	56.03
Research	<b>2.20</b>	2.20
<b>Total number of staff</b>	<b>110.48</b>	110.00

**Average staff numbers by major category (headcount of all workers):**

	<b>2021</b>	2020
	<b>No.</b>	No.
Academic	<b>33</b>	29
Clinical	<b>18</b>	19
Executive	<b>3</b>	4
Manual Workers	<b>12</b>	14
Professional Services	<b>75</b>	74
Research	<b>3</b>	3
	<b>144</b>	143
Casual / Bank Staff (including student workers)	<b>57</b>	44
Workers who are deemed employees under intermediaries legislation (IR35) off-payroll rules	<b>3</b>	4
<b>Total number of staff</b>	<b>204</b>	191

**Compensation for loss of office**

During the year redundancy and compensation for loss of office payments totalling £33k were made to 7 employees (2020: £47k to one employee). No payments were made for additional pension contributions (2020: £54k to one employee)

**Key management personnel**

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the Institution. Staff costs includes compensation paid to key management personnel. Key management personnel are defined as the Executive Team members.

	<b>Year ended 31 July 2021</b>	Year ended 31 July 2020
	<b>£'000</b>	£'000
<b>Key management personnel compensation</b>	<b>301</b>	507

There was a significant reduction in the cost of key management personnel because a restructure in June 2020 reduced the number of Executive Team roles to three and one of these posts was vacant for six months in the 2020-21 year, so the average FTE was just 2.50.

**Board of Governors**

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

Other than the Vice-Chancellor and the Staff Governor, no governor has received any remuneration / waived payments from the Group during the year (2020 - nil). The total expenses paid to or on behalf of 1 Board member were £113 (2020: £8,331 to or on behalf of 20 Board members). This represents travel and subsistence expenses incurred in attending Board of Governors, Committee meetings and Charity events in their official capacity. These were greatly reduced this year as most meetings were held remotely as a result of Covid restrictions.

	Notes	Year Ended 31 July 2021		Year Ended 31 July 2020	
		Consolidated £'000	Institution £'000	Consolidated £'000	Institution £'000
<b>8 Interest and other finance costs</b>					
Bank charges		24	24	31	31
Bad and doubtful debts		12	12	38	21
Net interest on the defined pension liability	17	54	54	50	50
		<b>90</b>	<b>90</b>	119	102
<b>9 Analysis of total expenditure by activity</b>		<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
Academic and related expenditure		2,926	2,926	2,888	2,888
Academic Support Services		927	927	913	913
Chiropractic Clinical services		424	424	393	393
MRI and Imaging		397	397	329	329
Administration and central services		2,997	2,997	2,685	2,685
Premises (including service concession cost)		1,242	1,242	1,065	1,065
Residences, catering and conferences		103	103	147	147
Research grants and contracts		216	216	214	214
Other expenses		55	55	214	188
		<b>9,287</b>	<b>9,287</b>	8,848	8,822
Other operating expenses include:					
Operating Leases - Equipment & Vehicles	20	7	7	8	8
External auditor's remuneration in respect of audit services		41	38	41	38
All other assurance services		2	2	2	2
Taxation compliance services		22	22	3	-
Total non-audit services		<b>24</b>	<b>24</b>	5	2

## 10 Taxation

The University College is exempt from tax on income and gains falling within section 505 of the Taxes Act 1988 or section 252 of the Taxation and Chargeable Gains Act 1992 to the extent that these gains are applied to its charitable objects.

	£'000	£'000	£'000	£'000
<b>Recognised in the statement of comprehensive income</b>				
Current tax expense	1	-	-	-
The tax assessed for the year is lower than the standard rate of corporation tax in the UK. The difference is explained below:				
	£'000	£'000	£'000	£'000
<b>Surplus before taxation</b>	<b>1,147</b>	<b>1,140</b>	632	636
UK corporation tax at 19% (2020: 19%)	218	217	120	121
Effect of: Surplus falling within charitable exemption	(217)	(217)	(120)	(121)
<b>Total tax expense</b>	<b>1</b>	<b>-</b>	-	-

Taxable profit relates to AECC Enterprises Limited.

**11 Tangible Assets**

Tangible assets comprise:	Year ended 31 July 2021		Year ended 31 July 2020	
	Consolidated	Institution	Consolidated	Institution
	£'000	£'000	£'000	£'000
Property, plant and equipment	6,390	6,390	5,882	5,882
	<b>6,390</b>	<b>6,390</b>	5,882	5,882

Consolidated and Institution	Freehold Land and Buildings £'000	Assets in the Course of Construction £'000	Plant and Machinery £'000	Fixtures, Fittings and Equipment £'000	Total £'000
<b>Cost</b>					
At 1 August 2020	6,620	-	2,306	2,107	11,033
Additions	178	373	304	162	1,017
<b>At 31 July 2021</b>	<b>6,798</b>	<b>373</b>	<b>2,610</b>	<b>2,269</b>	<b>12,050</b>
<b>Depreciation</b>					
At 1 August 2020	1,642	-	1,715	1,794	5,151
Charge for the year	209	-	172	128	509
<b>At 31 July 2021</b>	<b>1,851</b>	<b>-</b>	<b>1,887</b>	<b>1,922</b>	<b>5,660</b>
<b>Carrying amount</b>					
<b>At 31 July 2021</b>	<b>4,947</b>	<b>373</b>	<b>723</b>	<b>347</b>	<b>6,390</b>
At 31 July 2020	4,978	-	591	313	5,882

12 Stock	Year ended 31 July 2021		Year ended 31 July 2020	
	Consolidated	Institution	Consolidated	Institution
	£'000	£'000	£'000	£'000
Catering supplies for resale	5	5	5	5
	<b>5</b>	<b>5</b>	5	5

13 Trade and other receivables	Year ended 31 July 2021		Year ended 31 July 2020	
	Consolidated	Institution	Consolidated	Institution
	£'000	£'000	£'000	£'000
Amounts falling due within one year:				
Other trade receivables	86	86	104	104
Prepayments and accrued income	346	346	379	379
	<b>432</b>	<b>432</b>	483	483

**14 Cash and cash equivalents**

	At 1 August 2020	Cash Flows	At 31 July 2021
Consolidated	£'000	£'000	£'000
Cash and cash equivalents	4,642	1,345	5,987
	<b>4,642</b>	<b>1,345</b>	<b>5,987</b>

	At 1 August 2020	Cash Flows	At 31 July 2021
Institution	£'000	£'000	£'000
Cash and cash equivalents	4,627	1,338	5,965
	<b>4,627</b>	<b>1,338</b>	<b>5,965</b>

	Year ended 31 July 2021		Year ended 31 July 2020	
	Consolidated	Institution	Consolidated	Institution
	£'000	£'000	£'000	£'000
<b>15 Creditors: amounts falling due within one year</b>				
Trade payables	301	294	436	429
Social security and other taxation payable	117	117	109	109
Other creditors	85	85	134	134
Accruals and deferred income	1,460	1,460	767	767
	<b>1,963</b>	<b>1,956</b>	1,446	1,439

**Deferred income**

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

	£'000	£'000	£'000	£'000
Deferred Capital Grant	473	473	-	-
Deferred income	118	118	130	130
	<b>591</b>	<b>591</b>	130	130

The deferred capital grant relates to income received or accrued as at 31 July 2021 from Dorset Local Enterprise Partnership (LEP) in respect of our integrated rehabilitation centre, which is an asset in the course of construction. This deferred capital grant will be released and matched to depreciation charges once the building is brought into operational use.

**16 Provisions for liabilities**

Consolidated and Institution	Defined Benefit Obligations (Note 17)	Total Provisions
	£'000	£'000
At 1 August 2020	4,164	4,164
Additions	(219)	(219)
<b>At 31 July 2021</b>	<b>3,945</b>	<b>3,945</b>

## 17 Pension Schemes

The Group participates in three pension schemes – The Teachers' Pension Scheme and The Local Government Superannuation Scheme, which are both defined benefit schemes, and the Scottish Widows Scheme, which is a defined contribution scheme.

The Group has capped its contributions to these pension arrangements at an effective rate of 11.0%. This is implemented by contractual arrangements with employees who take a reduction in salary when institution contribution rates exceed this percentage, for example with the Teachers' Pension Scheme and Local Government Superannuation Scheme.

The amount outstanding at the year end was £78,241 (2020: £82,570). The total pension cost for the year may be analysed as follows (this is shown at the employers' full contribution rate which does not include the mitigating reduction in salary mentioned above or salary sacrifice):

	<b>2021</b>	2020
	<b>£'000</b>	£'000
Local Government Pension Scheme (LGPS) Service Costs	<b>354</b>	367
Teachers' Pension Scheme (TPS)	<b>386</b>	392
Scottish Widows	<b>243</b>	193
	<b>983</b>	952

### Local Government Pension Scheme (LGPS)

The LGPS is a defined benefit statutory scheme administered in accordance with the Local Government Pension Scheme Regulations 2013 and currently provides benefits based on career average revalued earnings.

The administering authority for the Fund is Dorset County Council (DCC). The Pension Fund Committee oversees the management of the Fund whilst the day to day fund administration is undertaken by a team within the administering authority. Where appropriate some functions are delegated to the Fund's professional advisers.

As administering authority to the Fund, DCC, after consultation with the Fund Actuary and other relevant parties, is responsible for the preparation and maintenance of the Funding Strategy Statement and the Investment Strategy Statement. These should be amended when appropriate based on the Fund's performance and funding.

Contributions are set every three years as a result of the actuarial valuation of the Fund required by the Regulations. The most recent actuarial valuation of the Fund was carried out as at 31 March 2019 and set contributions for the period from 1 April 2020 to 31 March 2023. There are no minimum funding requirements in the LGPS but the contributions are generally set to target a funding level of 100% using the actuarial valuation assumptions.

During the year additional contributions of £80k (2019-20 £Nil) have been made to the Scheme to reduce the overall net liability. The University College plans to continue to make ongoing additional contributions in the coming year so long as they do not materially affect the liquidity of the Institution.

The agreed contributions rates for future years range from 5.5% to 12.5% for employees depending on their salary, and are currently set at 22% for employers (increasing to 23% from 1 April 2022).

### Principal Actuarial Assumptions

The following information is based upon a full actuarial valuation of the fund at 31 March 2019, using financial assumptions that comply with FRS 102:

	<b>As at 31 July 2021</b>	As at 31 July 2020
Rate of increase in salaries	<b>3.80%</b>	3.25%
Rate of increase in pensions	<b>2.80%</b>	2.25%
Discount rate for scheme liabilities	<b>1.60%</b>	1.35%
Inflation assumption (CPI)	<b>2.80%</b>	2.25%

The administering authority of the Pension Fund has updated its approach to setting RPI and CPI inflation assumptions in light of the RPI reform proposals published on 4 September 2019 by the UK Chancellor and UK Statistics Authority.

**17 Pension schemes (continued)**

The administering authority has proposed that RPI inflation is to be set in line with market break even expectations less an inflation risk premium (IRP). It has proposed a change to how the ITP is set, resulting in a reduction in RPI compared with the prior year methodology of 25 basis points, reflecting an allowance for additional market distortions caused by the RPI reform proposals. The impact of the changes in approach when setting the CPI assumption is a reduction of £408k.

The Fund Actuary has proposed reducing the long term gap between RPI and CPI, resulting in a reduction of 45 basis points (from 0.90% in 2020 to 0.45% in 2021) compared with the prior year methodology to reflect increased clarity on the future of the RPI index. The impact of this change in assumptions has increased the defined benefit obligation by approximately £751k.

The current mortality assumptions include sufficient allowance for future improvements in mortality rates. The assumed life expectations on retirement age 65 are:

	<b>As at 31 July 2021</b>	As at 31 July 2020
<i>Retiring today</i>		
Males	<b>23.1</b>	23.3
Females	<b>24.6</b>	24.8
<i>Retiring in 20 years</i>		
Males	<b>24.4</b>	24.7
Females	<b>26.1</b>	26.2

The University College's share of the assets and liabilities in the scheme was:

	<b>As at 31 July 2021</b>	As at 31 July 2020
	<b>£'000</b>	£'000
Equities	<b>2,411</b>	1,860
Liability Driven Investment	<b>521</b>	435
Cash	<b>61</b>	37
Other Bonds	<b>251</b>	286
Diversified Growth Fund	<b>298</b>	207
Secure Income Funds	<b>-</b>	19
Property	<b>396</b>	358
Infrastructure	<b>277</b>	245
Multi Asset Credit	<b>212</b>	163
Total market value of assets	<b>4,427</b>	3,610
Present value of defined benefit obligations	<b>(8,372)</b>	(7,774)
<b>Deficit in scheme</b>	<b>(3,945)</b>	(4,164)

Amounts recognised in the statement of comprehensive income and expenditure are:

	<b>As at 31 July 2021</b>	As at 31 July 2020
	<b>£'000</b>	£000
Service cost	<b>354</b>	367
Net interest on the defined liability	<b>54</b>	50
Administration expenses	<b>3</b>	2
<b>Total charge</b>	<b>411</b>	419

**17 Pension schemes (continued)**

Reconciliation of opening and closing balances of the fair value of Fund assets:

	<b>As at 31 July 2021</b>	As at 31 July 2020
	<b>£'000</b>	£'000
Opening fair value of Fund assets	<b>3,610</b>	3,634
Interest on assets	<b>50</b>	77
Return on assets less interest	<b>589</b>	(191)
Other actuarial gains	<b>-</b>	69
Administration expenses	<b>(3)</b>	(2)
Contributions by employer including unfunded	<b>273</b>	145
Contributions by Scheme participants and other employers	<b>43</b>	47
Estimated benefits paid plus unfunded net of transfers in	<b>(135)</b>	(169)
<b>Closing fair value of Fund assets</b>	<b>4,427</b>	3,610

Reconciliation of opening and closing balances of the defined benefit obligation:

	<b>As at 31 July 2021</b>	As at 31 July 2020
	<b>£'000</b>	£'000
Opening defined benefit obligation	<b>7,774</b>	6,090
Current service cost	<b>354</b>	313
Interest cost	<b>104</b>	127
Change in financial assumptions	<b>476</b>	974
Change in demographic assumptions	<b>(97)</b>	(130)
Experience loss on defined benefit obligation	<b>(147)</b>	468
Estimated benefits paid net of transfers in	<b>(135)</b>	(169)
Past service costs, including curtailments	<b>-</b>	54
Contributions by Scheme participants and other employers	<b>43</b>	47
<b>Closing defined benefit obligation</b>	<b>8,372</b>	7,774

**Teachers' Pension Scheme**

The Teachers' Pensions Scheme (TPS) is a statutory, contributory, defined benefit scheme. The TPS operates under the Teachers' Pension Scheme Regulations 2014. Retirement and other pension benefits, including annual increases payable under the Pensions (Increase) Acts are, as provided for in the Superannuation Act 1972, paid out of monies provided by Parliament. Under the unfunded TPS, teachers' contributions on a 'pay as-you-go' basis, and employers' contributions are credited to the Exchequer under arrangements governed by the above Act.

The Teachers' Pensions Regulations require an annual account, the Teachers' Pensions Budgeting and Valuation Account, to be kept of receipts and expenditure (including the cost of pensions' increases). From 1 April 2001 to 31 March 2011, the Account has been credited with a real rate of return (in excess of price increases and currently set at 3.5%) which is equivalent to assuming that the balance in the Account is invested in notional investments that produce that real rate of return.

Valuation of the Teachers' Pensions Scheme

Every four years there is a formal actuarial review of the Teachers' Pension Scheme (England and Wales). The Government Actuary's Department (GAD) was appointed as scheme actuary by the Secretary of State for Education to carry out an actuarial valuation as at 31 March 2016 (the effective date), as required by Regulation 225 and Schedule 4 of the Teachers' Pension Scheme Regulations 2014 (as amended). The valuation was undertaken in accordance with The Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014 (as amended) ('the Directions'). The Directions specified a number of assumptions, including the use of the Superannuation Contributions Adjusted for Past Experience (SCAPE) discount rate.



## 17 Pension schemes (continued)

The key results of the valuation were:

- Uncorrected employer contribution rate effective over the implementation period: 19.5% of pensionable pay;
- Corrected employer contribution rate payable over the implementation period: 22.8% of pensionable pay;
- Effective date of change 1 September 2019;
- Adjustment to employer contribution to reflect payment of new rate from 1 September 2019 rather than 1 April 2019: 0.8% of pensionable pay;
- Corrected employer contribution rate determined at 31 March 2016, applicable from 1 September 2019: 23.6% of pensionable pay;
- Administrative charge: 0.08% of pensionable pay;
- Employer contribution payable with effect from 1 September 2019: 23.68% of pensionable pay.

The scheme was assessed to have whole scheme liabilities (pensions currently in payment and the estimated cost of future benefits) for service to the effective date of £218,100 million, and notional assets (estimated future contributions together with the notional investments held at the valuation date) of £196,100 million giving a notional past service deficit of £22 billion.

## 18 Restricted Reserves

Reserves with restrictions are as follows:

<b>Consolidated and Institution</b>	<b>2021 Total £'000</b>	<b>2020 Total £'000</b>
<b>As at 1 August</b>	<b>279</b>	292
New grants and donations	-	200
Expenditure	<b>(13)</b>	(213)
<b>Total restricted comprehensive income for the year</b>	<b>(13)</b>	(13)
<b>At 31 July</b>	<b>266</b>	279
<b>Analysis of other restricted reserves by purpose / donor</b>	<b>£'000</b>	<b>£'000</b>
Rehabilitation Grant	<b>15</b>	16
Clinic Fundraising (released to cover annual depreciation charge)	<b>214</b>	220
MRI Fundraising (released to cover annual depreciation charge)	<b>28</b>	34
Susan Alexander Legacy	<b>7</b>	7
Other Funds	<b>2</b>	2
	<b>266</b>	279

## 19 Financial instruments

	Year ended 31 July 2021		Year ended 31 July 2020	
	Consolidated £'000	Institution £'000	Consolidated £'000	Institution £'000
<b>Financial assets</b>				
<i>Financial assets that are debt instruments measured at amortised cost</i>				
Cash and cash equivalents	<b>5,987</b>	<b>5,965</b>	4,642	4,627
Other debtors	<b>86</b>	<b>86</b>	104	104
	<b>6,073</b>	<b>6,051</b>	4,746	4,731
<b>Financial liabilities</b>				
<i>Financial liabilities measured at amortised cost</i>				
Trade creditors	<b>301</b>	<b>294</b>	436	429
Other creditors	<b>85</b>	<b>85</b>	134	134
	<b>386</b>	<b>379</b>	570	563

The financial assets are held as cash and cash equivalents, spread across accounts with three reputable organisations and are highly liquid. This enables the University College to respond to opportunities as they arise. The principal risk relating to the financial assets arises from low interest rates, whereby their value does not keep pace with inflation and so diminishes in real terms.

## 20 Lease obligations

Total rentals payable under operating leases:	Year ended 31 July 2021		Year Ended
	Plant and Machinery	Total	31 July 2020
Consolidated and Institution	£'000	£'000	Total £'000
<b>Payable during the year</b>	7	7	8
<b>Future minimum lease payments due:</b>			
Not later than 1 year	7	7	8
Later than 1 year and not later than 5 years	8	8	14
Later than 5 years	-	-	-
<b>Total lease payments due</b>	<b>15</b>	<b>15</b>	<b>22</b>

## 21 Related party transactions

Owing to the nature of the AECC University College's operations and the composition of the Board of Governors being partly drawn from local public and private sector organisations, it is likely that transactions will take place with organisations in which a member of the Board of Governors may have an interest. All transactions involving organisation in which a member of the Board of Governors may have an interest, including those identified below, are conducted at arm's length and in accordance with the institution's Financial Regulations and usual procurement procedures.

However, no material transactions occurred during the year and there were no outstanding balances at the year end, or during the year, between AECC University College and its related entities.

## 22 Access and Participation

	2021 Total £'000	2020 Total £'000
Access Investment	68	72
Financial Support	61	36
Disability Support (excluding expenditure included in the two categories above)	36	20
Research and Evaluation	8	8
	<b>173</b>	<b>136</b>

Access investment includes all expenditure in the financial year on activities and measures that support the ambitions set out in our Access and Participation plan, where these relate to higher education.

Financial support is the expenditure, such as bursaries, scholarships etc, directed at under-represented and disadvantaged groups.

Disability support relates to support for students with a disability in the financial year, which can include, but is not limited to, the disabled students' premium. This excludes expenditure included in the categories of Access Investment and Financial Support above.

Research and evaluation is expenditure on research and evaluation related to access and participation activities in the financial year.

The amounts identified as expenditure on Access and Participation include staff costs where these are intrinsic to the delivery of access and participation activities. Staff costs relating to Access and Participation activities amount to £48,391 (2020: £51,527). These costs are included within the overall staff costs figures included in the financial statements, disclosed at Note 7.

Our published Access and Participation plans for 2020-21 can be found at :

<https://www.aecc.ac.uk/about/how-we-work/access-and-participation/plans/>





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