

BOARD OF GOVERNORS

Friday, 29 January 2021 (meeting held via video conference)

Present: Mr Edward Astle (in the Chair), President and Vice-Chancellor, Mr Nana Agyeman, Mrs Ann Barnes (Deputy Chair), Prof Claire Alexander, Mr Michael Crick, Mr Colin Gillespie, Prof Danielle George, Dr Reinmar Hager, Mr Nick Hillman, Ms Caroline Johnstone, Prof Steve Jones, Dr Neil McArthur, Mr Robin Phillips, Mr Richard Solomons, Mr Andrew Spinoza, Dr Delia Vazquez, Dr Jim Warwicker and Mrs Alice Webb (19)

Apologies: Mr Gary Buxton, Mrs Bridget Lea, Mr Richard Solomons and Ms Ros Webster.

In attendance: The Registrar, Secretary and Chief Operating Officer (RSCOO), the Deputy President and Deputy Vice-Chancellor, the Chief Financial Officer and the Deputy Secretary.

1. Declarations of Interest

Reported: there were no new declarations of interest

2. Financial Statements

Received:

- (1) a summary and overview of the Financial Statements
- (2) the report to Audit and Risk Committee from external auditors, EY, including Letter of Representation
- iii) 2020-21 Financial Statements (the version available did not include the final EY opinion and report: however, this was made available to the meeting in a separate report for subsequent incorporation in the final document).

Reported:

(1) At its meeting on 27 January 2021, the Board had been advised of issues that had delayed finalisation of the Financial Statements. A consequence of this had been the University announcing to the London Stock Exchange that, due to circumstances outside its control, it may be unable to publish its financial statements for the year ended 31 July 2020 within six months in accordance with the relevant Listing Rule. In such circumstances, the University had advised that it would request that the Financial Conduct Authority (FCA) suspend listing of the University Bonds on the Official List of the FCA. Since the meeting on 27 January 2021, effort had focused on finalising the Financial Statements and lessons learned and consequent actions required would take place after this had been completed.

[REDACTED]

[REDACTED]

[Redacted]

[Redacted]

Redacted – Restricted Information

(6) It was anticipated that the RCF would be signed later that day (29 January 2021) with documentation now being finalised for sign-off by the Chief Financial Officer on the authority of the Chair of Finance Committee in line with the delegation previously agreed by the Board. The Board was reminded that it had committed to securing the RCF at its meeting on 7 October 2020 as a contingency and to provide headroom if required (many other institutions had also taken the prudent step to increase borrowing facilities for use if necessary). There had been some technical issues to resolve in relation to Private Placement covenants which had slightly delayed conclusion of arrangements.

[Redacted]

Redacted – Restricted Information

(8) Similarly, in relation to (1) above, completion of the RCF and signing of Financial Statements by the end of the day (29 January 2021) would mean that the University would advise the FCA that there was no requirement to suspend the Bond.

(9) At its meeting immediately before the Board, the Audit and Risk and Finance Committees had confirmed the content of the Financial Statements including the Going Concern section, with the exception noted in (10) below.

(10) In the Financial Review (p22), regarding the potential increase in the cost of funding the Universities Superannuation Scheme (USS), the joint committee meeting agreed on a change of wording to confirm that, with the RCF in place, the University considered that it had sufficient flexibility to manage an (rather than any) increase in pensions contributions across the sector. EY indicated that this was acceptable to them.

(11) The University had advised the OfS of the potential suspension of the Bond and would update them once Financial Statements were confirmed.

(12) The Board reiterated its thanks to all those who had worked so hard to enable resolution of matters during the course of the week and to Board members for their attendance of meetings at short notice.

Agreed: To approve the Financial Statements for the year ended 31 July 2020.

Secretary's note. Later on 29 January 2021, the Board was advised that the RCF had been agreed and that consequently EY had signed off the Financial Statements. These had been posted to the London Stock Exchange, the Financial Conduct Authority and the University website, and were also submitted to the OfS on 1 February 2021. The final version of the Financial Statements included

some changes in the wording of the audit opinion, which were not substantive and did not affect the overall opinion, and which confirmed that with the RCF in place, EY concurred with management that the going concern assumption was appropriate and that no material uncertainties had been identified.