

University College
of Osteopathy

 University College
of Osteopathy

Annual Report & Financial Statements

Year ended 31 July 2020

2019–20 facts & figures



461 students enrolled on 6 courses, representing 38 nationalities.

Almost 600 guests attended the Class of 2019 Graduation ceremony.



22 prizes were awarded to students in recognition of exceptional performance and commitment to their studies.



41% of registered osteopaths in the UK are UCO graduates. ⁽¹⁾



Almost 2,800 appointments delivered per month at the UCO Clinic. ⁽²⁾



Student support worked with 257 students, and 213 accessed learning support.

957 prospective students engaged at 37 recruitment events throughout the year.



£71,900 in financial support has been awarded to 158 students.

Over 344k page views of the UCO and Clinic websites.



624 posts, 8,700+ engagements, 10,200+ followers on social media.



Over 1,700 CPD delegates attended our live webinar on best practice for telephone and online consultations and a further 1,800 watched on demand.



£10K awarded by Osteopathic International Alliance to update the Global Review report.



3 UCO staff members and 1 recent graduate received awards at the Institute of Osteopathy annual awards ceremony.

(1) GOsC Register 2020

(2) Based on figures for Aug 2019 - Feb 2020

Contents

2019–20 facts & figures	2
Message from the Chair	4
Board Members Report (including Strategic Report)	
Who we are and what we do	6
Our mission, vision and values	8
Our aims, objectives and strategic priorities	10
Our year	12
Value for money	32
Financial review	36
Statement of corporate governance and internal control	42
Statement of primary responsibilities of the Board	52
Independent auditor’s report to the members	54
Statement of comprehensive income	58
Statement of changes in reserves	59
Statement of financial position	60
Statement of cash flows	61
Statement of principal accounting policies	62
Notes to the financial statements	68

University College of Osteopathy
Registered Office: 275 Borough High Street, London SE1 1JE
Company registration number: 146343 (England and Wales)
Exempt Charity

Message from the Chair

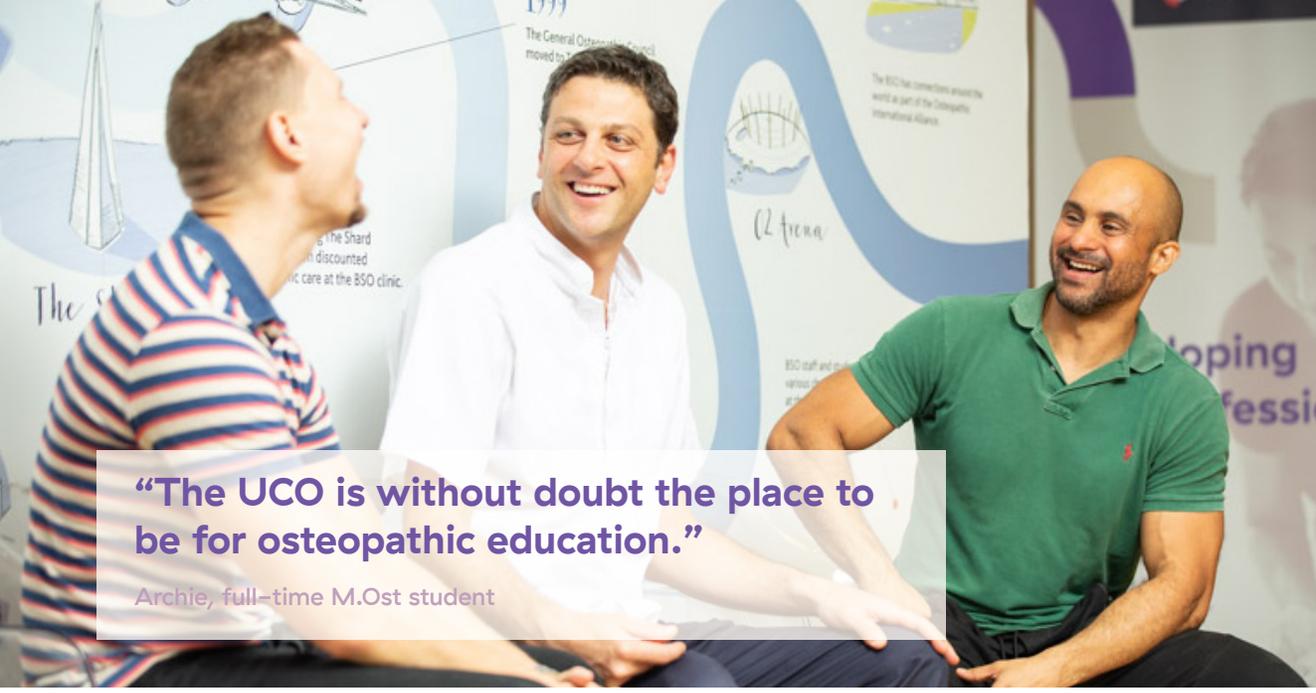
The last 12 months has been a unique period for the University College of Osteopathy (UCO) with undoubted successes but with the full-blown challenge of COVID-19 from March 2020 onwards.

The COVID-19 outbreak was an unexpected and significant disruption to the UCO year and we acted swiftly to temporarily close our teaching and clinic sites to protect the health and wellbeing of our staff, students, patients and other stakeholders. The academic and clinical teams quickly and effectively moved teaching online, and the assessment programme was modified with guidance from the OfS and the General Osteopathic Council to allow our final year students to graduate on time, having met all the learning outcomes required by their programmes of study. This meant that final year students were not disadvantaged by the shutdown. The UCO virtual clinic was set up, providing students with access to live case-based sessions, tutorials, videos, webinars and case histories, while patients could book free-of-charge telephone consultations with our Clinic team. Our Continuing Professional Development (CPD) programme also continued online with some excellent support to the profession via webinars on providing virtual consultations. We were anxious not to neglect pastoral care either. Financial support was given to several students experiencing hardship and online resources were produced for those potentially struggling with isolation or mental health issues.

We provided support to our partners to help them adapt their programmes to make sure their students were not disadvantaged. After ensuring the appropriate measures to protect against COVID-19 were in place, the UCO Clinic re-opened its doors to staff, students and patients in June, and this move has been positively received by our service users. We welcomed new and existing students in September 2020 to an environment offering blended learning; combining online delivery with face-to-face practical teaching.

The Board continues to review its estate and is working on a strategy to provide a setting fit for a University College moving into the next decade. Following the signing of the Heads of Terms on a new development in East London, the UCO Fundraising Committee has developed a Capital Appeal to support the funding of the new site.

As the new Chair of the Board, I was delighted to preside over my first Graduation ceremony, which was the UCO's third. This year saw the highest number of attendees ever in the history of the institution, almost 600. This included the first batch of Accademia Italiana Medicina Osteopatica (AIMO) students and their guests from Italy.



“The UCO is without doubt the place to be for osteopathic education.”
 Archie, full-time M.Ost student

In addition to continuing our successful partnerships with AIMO and Osteopathic Centre for Animals (OCA), the College of Integrated Chinese Medicine (CICM) successfully launched their first UCO validated course; the College of World Sport Holdings (CWS) has been approved as a partner and the International College of Osteopathic Manual Medicine (ICOMM) in Rome is preparing for UCO institutional approval.

We continue to develop the UCO’s research ability; with work continuing towards the Research Excellence Framework (REF). The full-time joint supervision PhD with Imperial College continues with the aim of the improving care for patients suffering from neuropathic (nerve) pain. The Crying Unsettled and disTressed Infants: Effectiveness Study (CUTIES) is also ongoing, in collaboration with other osteopathic institutions both within the UK and abroad. In addition, the Osteopathic International Alliance (OIA) commissioned the UCO to update the 2013 Global review requested by the World Health Organisation (WHO) and provided funding for the project.

The biennial UCO International Education Conference took place in December 2019 attracting delegates from all over the world, increasing both the UCO’s and the osteopathic academia’s profile worldwide. In the year of the Black Lives Matter movement, it was appropriate that one of the keynotes explored BAME students’ experience in Allied Health Professions education.

As ever, the UCO is incredibly grateful to the supporters of its charitable activities in ensuring that osteopathic care is extensively accessible and furthering the field through education and research. The Board would also like to pay tribute to the excellent teaching and clinical faculty who are passionate about training the osteopaths of the future. Their contribution makes the UCO the high-quality institution that it is, and we are grateful for their support. On behalf of the Board I would also like to end by thanking everyone who has made this extraordinary year at the University College of Osteopathy possible.

Professor Janusz Jankowski
 Chair of the Board

Board Members Report (including Strategic Report)

Who we are and what we do

The University College of Osteopathy has been a leading provider of osteopathic education, research and healthcare for over 100 years, playing a significant role in championing osteopathy and furthering the profession both in the UK and internationally.

Formed in 1917 by John Martin Littlejohn, a former student of Andrew Taylor Still, the founder of osteopathy, the UCO has grown from a small school delivering basic professional training to a highly respected University College attracting students from around the world. Over the past century the UCO has relocated several times to accommodate its growth, settling in its current location on Borough High Street in London in 1997, and has continuously developed its academic provision to reflect the latest evidence and research and to adapt to osteopathy's evolving role in the healthcare arena.

Our Chancellor, HRH The Princess Royal, has been an advocate for the UCO since 1984, and continues to attend every graduation ceremony to this day. Today, our graduates make up approximately 41% of practicing osteopaths in the UK and occupy significant positions within the osteopathic and wider healthcare community, including leadership roles at the General Osteopathic Council, the Institute of Osteopathy and internationally.

In 2016, after an intensive period of review by the Quality Assurance Agency for Higher Education

(QAA), we became the only osteopathic education provider in Europe to be granted the power to award our own degrees and to apply for University College title, which is protected by law. This then led to a change of name to the University College of Osteopathy in 2017. Since then, we have gone from being validated by another institution to validating partner institutions programmes in our own right, both at home and abroad. We are also proud to have built links with osteopathic regulators in other countries across Europe and achieving Teaching Excellence Framework (TEF) Silver rating in 2018 when we were praised for a professionally focused curriculum and good levels of student satisfaction with teaching and support and well-above benchmark rates of full-time student progression to employment among other achievements.

Our teaching clinic, the UCO Clinic, delivers high-quality osteopathic healthcare for a wide range of patients through its main site on Southwark Bridge Road and several specialist clinics in the community. All treatment is subsidised, with some delivered free of charge.



“ The staff and people at the UCO work as a team. From the very first year you are addressed and treated as a future colleague.”

Albert, full-time M.Ost student

What we do

The UCO:

- Provides accredited and validated osteopathic education programmes both at undergraduate and postgraduate level, as well as continuing professional development courses for qualified practitioners including:
 - » Access to Higher Education Diploma (Osteopathic Sciences & Healthcare)
 - » Integrated Masters in Osteopathy (M.Ost): full-time and part-time
 - » MSc in Osteopathy (Pre-Registration) for qualified healthcare professionals
 - » Postgraduate Certificate in Academic and Clinical Education
 - » Postgraduate Certificate in Specialist Paediatric Osteopathic Practice
 - » Postgraduate Certificate in Animal Osteopathy (delivered by the Osteopathic Centre for Animals)
- Delivers practical training to enhance the quality and management of osteopathic care given to patients.
- Provides osteopathic treatment at affordable prices in our purpose built, fully accessible teaching clinic.
- Offers osteopathic healthcare free of charge to patients via our portfolio of award-winning community outreach clinics, serving members of the community who might otherwise not be able to access or afford osteopathic treatment, including homeless people or older people in their home environments.
- Maintains a commitment to support osteopathic research, to facilitate continuous improvement in professional practice and contribute knowledge to the wider community.

Our mission, vision and values

Our mission, vision and values guide how we make our decisions and how our staff, students and stakeholders work with each other.

Our mission

“Continually provide the highest quality education and research for all and the very best care, for each patient, on every occasion.”

We interpret our mission with a renewed focus on excellence in learning, teaching, research and sustainability. Faithful to our founding principles, we remain committed to delivering education and healthcare to our communities. We will ensure that we remain accessible to all students with the potential to succeed.

Our vision

“By 2027, the University College of Osteopathy will be an internationally recognised university for both education and research in osteopathy and associated health care subjects; a vibrant community of staff and students keen to explore and exploit new ideas and challenge existing views, whose work will positively influence the quality of health care and shape future clinical practice locally, nationally and internationally.”





“ It provides students with the skills, knowledge and experience for autonomous clinical practice.”

Pietro, MSc (Pre-registration) student

Our ambitions are bold and challenging. We will pursue our vision with a determination to exceed expectations; this capability has been demonstrated in recent history with the award of taught degree awarding powers, designation and University College title. To achieve our vision, we must commit to proactively contributing to create a better future and not passively react to the world around us.

Our values

The University College of Osteopathy aspires to have a value driven organisational culture – thus empowering the institution to be the best it can be. Bringing about cultural change is an integral part of the UCO’s strategic plan for 2018-2023 and the values play an intrinsic part in this cultural change.

The values and conduct to which we aspire, and that we wish to foster and sustain are as follows:

- Students and patients will always come first.
- A culture of critical enquiry, scholarship and research.
- A respect for the heritage and values of osteopathy.
- A respect for creativity and innovation.
- A respect for equal opportunities.
- A celebration of diversity.
- A culture of openness and honesty.
- A culture of collaboration and teamwork.
- A desire for environmental sustainability.

Our aims, objectives and strategic priorities

The aims and objectives of the University College of Osteopathy as set out in our articles are to:

- Promote the general advancement of education, professional and otherwise.
- Organise and establish courses of instruction, clinical demonstration and research.
- Prepare and qualify those who wish to maintain and practise the system of osteopathy.
- Encourage and if necessary, provide means of disseminating information regarding osteopathy among the osteopathic profession, and to extend the advantages of the profession to the public.
- Provide facilities for the discovery, formulation and teaching of the system of osteopathy formulated as a system, science, or method of treatment.
- Systematise and place on a scientific basis the said system, and to impart instruction in the same to the profession and to the public.
- Provide excellent, affordable and accessible osteopathic healthcare to our communities, so promoting the benefits of osteopathy and improving clinical services and enhancing those communities' health.





“I love the environment and energy it gives off. It is very bright and homely everyone feels like a family.”

Salma, full-time M.Ost student

Our strategic priorities are to deliver the ambition we have set ourselves. We have identified three strategic priorities to help us deliver our strategic position:

1. Be the institution of choice

In a more competitive fee environment, we must become the destination of choice – for staff, students and other institutions who we would want to collaborate with – because of the exceptional quality of everything that we do. Excellence will inform many of our strategic ambitions, from undergraduate curriculum innovation to increasing our market share of postgraduate education.

Being the destination of choice is about our ability to attract, develop and retain the highest quality students and staff from around the world, to be the University College that other higher education institutions compete to collaborate with.

2. Sustain our financial strength and use it purposefully

We will use our financial strength to invest in: improved academic performance, both research and teaching; our estate, facilities and infrastructure; our excellent professional services; partnerships with other higher education institutions and our community partnerships.

We will become better at taking difficult decisions to disinvest from those areas which do not support our strategic ambitions and take measures to support those areas which do but which are under performing.

3. Provide our students with a distinctive, high-quality experience

The University College of Osteopathy student experience is grounded in a distinctive combination of academic excellence in a small institution focused on osteopathy and associated subjects providing outstanding opportunities associated with studying in the capital city of the UK, London. Our teaching and learning focuses upon an approach that challenges and stretches our students and is infused with research, creating a culture of criticality, enquiry and investigation.

Statement on public benefit

In setting our objectives and planning our activities, our Board members considered the Charity Commission’s guidance on public benefit as required by the Office for Students ‘Regulatory advice 5: Exempt charities’ (OfS 2018.15) and the Charities Act 2011. The UCO provides public benefit principally through the teaching of undergraduate and postgraduate students and providing osteopathic treatments to patients.

The Board ensures that this purpose is carried out for the public benefit by delivering services that are valued by students and patients and by providing services that are accessible to all through bursary and non-commercial fees for clinical treatment. The structure of the Annual Report allows the UCO to report on the strategic aims, to explain its activities and achievements during the year and to show how these demonstrate public benefit.

Our year

2019–20 has been a busy and successful year for the University College of Osteopathy with lots achieved. We have continued to build on previous years' successes, strengthening and adding to our validation partnerships, progressing our estates strategy and making significant enhancements to our internal infrastructure.

As a result of the Coronavirus (COVID–19) outbreak many of our plans for the second half of the year needed to be adapted, presenting both challenges and opportunities for the UCO. Our response to the outbreak was swift and proactive, and we have risen to the challenges presented, successfully embracing new ways of working, teaching and learning; supporting the profession with new and exciting CPD; and reinforcing our strengths as a community.



Strategic Plan 2018–2023

Our strategic plan continues to act as a guide for all the activities we do. The plan identifies three strategic objectives for the period:

- Be the institution of choice.
- Sustain our financial strength and use it purposefully.
- Provide our students with a distinctive high-quality experience.

The plan also outlines four transformative initiatives to help us achieve our strategic priorities:

- Broaden our provision.
- Empower our students.
- Empower our staff.
- Build leadership and sustainability.

These initiatives outline specific areas of investment or focus for the UCO which are due to be delivered in the lifetime of the plan. Several of these activities are currently in the planning stages or already being implemented.



“[The UCO] has been a leader in thought and practice for some time. Nice for the recognition to be official.”

Tyler Cymet, Chief of Clinical Education,
American Association of Colleges of Osteopathic Medicine

Our year

Responding to COVID-19

The COVID-19 outbreak was an unexpected and significant disruption to the UCO year. We take our responsibility to protect the health and wellbeing of our staff, students, patients and other stakeholders seriously, and when the severity of the outbreak became apparent in March, we acted swiftly to temporarily close our teaching and clinic sites.

Our academic team working with our professional services departments responded quickly to this change, adapting much of our teaching for online delivery, including virtual lectures and tutorials. Our Introduction to Osteopathic Sciences course has been transformed entirely to a distance learning course, allowing prospective students not only to complete the course from home but to study at their own pace, supported remotely by staff and online group tutorials.

The UCO virtual clinic was set up in response to the temporary closure of the physical clinic, to provide some continuity of clinical practice while students were unable to see patients. Through the virtual clinic students were able to access live case-based sessions, tutorials, videos, webinars, case histories and other online content, and to maintain their clinical knowledge in preparation for the return to treating patients. See page 22.

The Clinic also developed a central repository for current information and guidance about COVID-19 and operating advice for osteopaths. This repository is regularly updated and accessible for UCO staff and students.



“Courageous things took place at the UCO when the pandemic started. Faculty staff did a wonderful job at maintaining a sense of community. Staff were checking on our mental and emotional health on a regular basis... and every single [email] was emblazoned with the word ‘We’.”

Sanja, UCO alumna

Professional services at the UCO also played a crucial role in supporting students and colleagues during this time. IT Services worked quickly to respond to the sudden change in the way we worked; ensuring staff had the necessary equipment to enable them to work from home, transitioning staff and students over to apps such as Microsoft Teams to support collaborative working online, and providing valuable training and support during this rapid period of adjustment.

Pastoral care was also a priority. The Student Support team issued financial support to a number of students experiencing hardship as a direct result of the outbreak, and developed online resources for those who may be struggling with isolation or mental health issues. Registry worked closely with students experiencing changes to their circumstances, providing advice, information and adjustments where necessary. Admissions provided guidance and reassurance to applicants and offer holders during the period of uncertainty surrounding grades and entry requirements. Centrally, students and staff were kept updated on the evolving situation while line managers and academic staff regularly checked in on the wellbeing of students and colleagues.

As we end the year looking towards the beginning of a new academic term and the return of students, we are closely monitoring the progress of the outbreak and following government guidance. We are implementing appropriate safety measures which will enable us to continue to deliver a high-quality education for our students and to re-introduce practical elements of the curriculum, while protecting the health and wellbeing of all of our community.



Right: Clinic tutor in new scrubs and mask as part of new COVID-19 measures.

Our year

Student recruitment

The UCO continues to recruit well to its undergraduate and post-graduate courses.

Total enrolled student numbers for 2019-20 (as of the start of the academic year) were as follows:

Access to Higher Education Diploma	17
M.Ost undergraduate programme (full and part-time)	395
Postgraduate programmes	49

UCO courses are actively marketed via the website and digital media platforms, as well as through recruitment events.

Throughout the first half of the year the Student Recruitment Officer attended a number of recruitment events on behalf of the UCO to promote osteopathy and our course offer and to directly engage with prospective students, parents and advisors. This year these events included five career fairs at local schools and colleges and UCAS Higher Education Exhibitions in Surrey, Northern Ireland, Sussex, Manchester, Bristol and West London. Planned events for the second half of the year, including the National Careers Guidance Show and a further six UCAS Higher Education Exhibitions, were cancelled as a result of the Coronavirus outbreak.

The UCO held monthly open days from October to February offering prospective students and their families with the opportunity to visit, tour the

teaching and clinical facilities and meet with staff and current students. Our January and February open days achieved notably high levels of attendance for the UCO and drop-out rates significantly below the sector average. In response to the COVID-19 outbreak we took the decision to cancel all physical events from March onwards, instead offering virtual open days via Zoom. These events were well received by participants.

Providing fair access to osteopathic education

The UCO's Access and Participation Plan (APP) was approved by the Office for Students and outlined plans to support and enhance access to UCO courses, student success and progression. Strategies included outreach work in partnership with local schools and networks, the provision of enhanced academic and student support, and the availability of a number of bursaries, scholarships and funds to support students who may not otherwise be able to undertake or continue their studies. Funding available included fully-funded places on our Access Diploma for applicants from low-income households, four Excellence Scholarships for low-income learners who demonstrate academic potential, a bursary for young carers and care leavers and a bursary for full-time students with a low household income to support costs incurred from studying. Funds were also used to support students experiencing unexpected hardship as well as to provide psychological



assessments for learning difficulties. In total £71,900 of financial support was awarded to 158 students in 2019-20.

Outreach work undertaken during the first part of the year included collaboration with outreach partner Aimhigher London on six events for pupils from London schools with high numbers of POLAR Q1 learners, including the delivery of interactive STEM workshops for Key Stage 3 pupils using UCO students as ambassadors. We have continued our membership of other networks, including NNECL (National Network for the Education of Care Leavers) and NEON (National Education Opportunities Network).

In light of the COVID-19 outbreak it became necessary to reassess aspects of our APP and our focus for the remainder of the year was tackling the additional barriers to learning presented by the crisis. This included additional information and support for applicants and offer holders experiencing disruption to their exams and final months of study, adjustments to our teaching and assessment methods to ensure no student was disadvantaged, and the provision of pastoral and

financial support for students who may be struggling as a result. See page 14.

Snapshot of our 2019–20 student recruitment activities

8 onsite Open Days held, attended by **108** potential students

3 virtual Open Days held, attended by **44** potential students

201 students assessed at **12** Interview & Evaluation Days

14 external events attended by UCO staff, engaging with **314** prospective students

259 applications received to study on our courses of which **207** students received an offer and **132** accepted a place for 2020 entry*

293k+ page views on uco.ac.uk, of which **69K+** were of course pages.

* Data relates solely to courses which commenced in September 2020 and excludes data for courses with deferred start dates.

“Your ambassadors supported the six, back-to-back sessions brilliantly. They were extremely professional, articulate and good fun — they were both excellent ambassadors for your institution.”

Catherine Fenwick, Director, Aimhigher London

Our year

Graduation

The UCO Graduation ceremony for the Class of 2019 took place at the Methodist Central Hall Westminster on 26 November with staff, students, friends, family and esteemed guests gathering to celebrate the successes and achievements of our graduates.

New Chair of the Board Professor Janusz Jankowski welcomed UCO Chancellor HRH The Princess Royal and the assembled guests, followed by an address from UCO Vice-Chancellor Charles Hunt. Graduands then took to the stage to receive their awards from Her Royal Highness.

Almost 600 guests attended the event including Colonel Jane Davis, Vice Lord-Lieutenant of Greater London; Marco Giardino, Principal of the Accademia Italiana Medicina Osteopatica (AIMO) in Milan; Lady Audrey Percival, former Vice-Principal of the UCO (then BSO); Matthew Redford, CEO of the General Osteopathic Council; and Hanna Tomasdottir, Danish Osteopathic Regulator.

Academic development

This year the UCO is pleased to have worked with a number of partner institutions on the validation of their courses.

Existing partnerships

The UCO's successful relationship with Accademia Italiana Medicina Osteopatica (AIMO) in Milan is ongoing and they continue to keep abreast of advancing statutory regulation. They took their first student cohort into their pre-qualifying osteopathy Masters course and are in the process of developing a UCO-validated teaching qualification for their staff.

We also worked closely with all our existing partners, including the Osteopathic Centre for Animals, to provide support and guidance as they developed their plans to mitigate the impact of COVID-19 on their students and their experience during this difficult time.

New and emerging validation opportunities

The UCO has approved the College of World Sport Holdings (CWS) as a partner and validated six exciting courses in areas sport leadership and personal development. A key feature throughout the CWS portfolio is their Tri-Curriculum that aims to develop students' transferrable skills within the context of contemporary employment expectations. As a result of student number caps placed on the UCO by the Office for Students in response to



COVID-19, the intended start date of these courses has been pushed back to 2021. CWS will develop more courses next academic year, making good use of their fallow period.

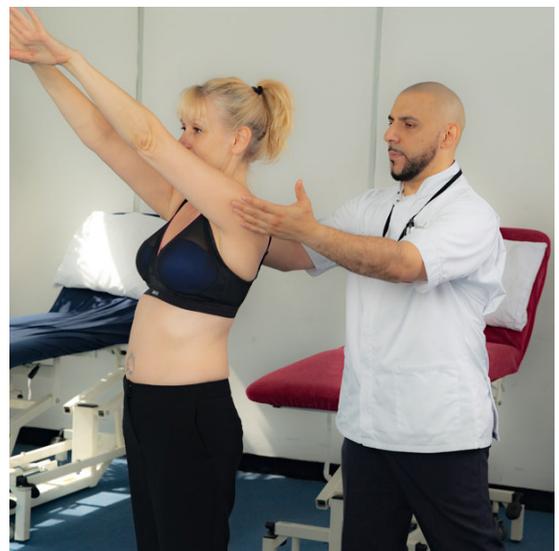
Following successful partner and course approval stages the College of Integrated Chinese Medicine (CICM) successfully launched their first UCO validated BSc (Hons) Acupuncture cohort in April, modifying their teaching and learning to mitigate COVID-19 challenges. The partnership is bedding in well with close support being provided by the UCO during the start up phase.

The International College of Osteopathic Manual Medicine (ICOMM) in Rome is preparing for UCO institutional approval and we are working with an educational consultant who is familiar with our processes to provide additional support and guidance to them. Approval and validation is scheduled for next academic year.

Other activity

The newly implemented Collaborative Partnerships Committee and the Teaching, Learning & Assessment Committee started their activity this year. This has provided an effective forum for dealing with operational and strategic partnership activity, so more effectively supporting the Teaching Quality and Standards Committee, while the latter has provided the operational environment for leading and managing change underpinned by the Teaching, Learning & Assessment Committee.

The Dean has supported senior colleagues with restructuring plans following COVID-19. This challenge has provided an opportunity to focus on structural enhancements to staffing such as a new pay spine with enhanced career progression pathways, a more effective resource model that provides better balance in time allocations for teaching staff, enhanced staff role descriptions and efficiency saving opportunities. Collectively these will help the UCO manage the aftermath of COVID-19 and provide opportunities for investment.



Our year

Research education and scholarly activities

Research resources are focused on teaching the undergraduate and pre-registration students in the new curriculum and we continue to work on enhancing research and scholarship throughout the institution, guided by plans developed by the Research and Scholarship Strategy Committee (RSSC).

Steven Vogel, Deputy Vice Chancellor (Research) and Dr Oliver Thomson, Doctoral Programme Leader remain closely involved in editorial management of the Internal Journal of Osteopathic Medicine (IJOM).

UCO staff have presented research work at national and international events and published in peer reviewed journals including IJOM, BMC Musculoskeletal Disorders, Chiropractic and Manual Therapies and the BMJ Open. Several members of faculty delivered keynote lectures at national and international research conferences and educational events, including the Institute of Osteopathy (iO) conference in London and conferences in Dubai, France, Portugal, the Netherlands, Sicily and Sweden.

As part of long-term plans to gain Research Degree Awarding Powers (RDAP) the UCO is applying for the first time to the Research Excellence Framework (REF) 2021. As part of this process the Deputy Vice-Chancellor (Research) and Dr Hilary Abbey, Head of Research have completed two training days which aim to promote equality, diversity and inclusivity within the UCO in general and in REF processes in particular. We have also successfully piloted a research output screening tool to assess research publications for rigour, originality and impact, and we have started the process of selecting research outputs from the UCO's pool of eligible independent research staff.

The Crying, Unsettled and disTressed Infants: Effectiveness Study (CUTIES) continues, led by Professor Dawn Carnes, Director of the National Council of Osteopathic Research (NCOR) and Professorial Research Fellow at the UCO. This multi-centred international study is funded by NCOR and sponsored by the UCO, and is being delivered in collaboration with the European School of Osteopathy and osteopathic university based colleagues in Australia and Switzerland. Osteopath training and parent and infant recruitment has been concluded for the pilot phase of the trial and Dr Carnes has been successful in obtaining some extra funding to account for delays on trial activity due to COVID-19.



CRYING, **U**NSETTLED, **DIS**TRESSED **I**NFANTS: **E**FFECTIVENESS **S**TUDY



David Hohenschurz-Schmidt

Funding has been received from the Osteopathic Foundation to commence a new study to develop e-learning to promote biopsychosocial osteopathic management for patients with persistent pain, to be assessed using an innovative Single Case Experimental Design (SCED), which is being evaluated as a feasible research method for use by osteopaths in practice. This study is being led by Dr Draper-Rodi, assisted by Dr Abbey and Mr Vogel, and is currently at the stage of developing the ethics application for submission to UCO Research Ethics Committee.

The Deputy Vice-Chancellor (Research) has been part of an international multidisciplinary team working on a framework for the examination of the cervical region for potential vascular pathologies of the neck prior to manual therapy interventions. This work is convened by the International Federation of Orthopaedic Manipulative Physical Therapists (IFOMPT).

The Osteopathic International Alliance (OIA) commissioned the Professor Dawn Carnes to update the 2013 Global review report and provided £10K of funding for the project. The work consisted of three parts. Part one involved a survey of OIA member countries, to describe the status of osteopathic care around the world in terms of numbers and regulation. Part two involved a review of literature profiling osteopathic practice. Part three consisted of an evidence overview, looking at relevant research that supports osteopathic care. The draft report has been submitted for consideration by the OIA board.

PhD studentship

In September 2019 former UCO student, David Hohenschurz-Schmidt, embarked on an exciting and innovative PhD project at Imperial College London. He is jointly supervised by renowned pain researcher Professor Andrew Rice at Imperial College and Dr Jerry Draper-Rodi, Senior Research Fellow at the University College of Osteopathy.

The PhD studentship – funded through a generous grant from the Alan and Sheila Diamond Charitable Trust – forms the core of a recently established link between the two institutions, as part of which the UCO has been awarded the title ‘partner research institution’ by Imperial. With Imperial College currently ranking amongst the world’s top 10 universities, this is a huge opportunity for the osteopathic community.

The aim of the PhD project is to improve care for patients suffering from neuropathic (nerve) pain.

Our year

Providing quality healthcare

During the first half of the year our teaching clinic continued to provide high-quality, affordable osteopathic care to a wide range of patients, delivering 16,743 patient appointments between August 2019 and February 2020 in both our General & Associate clinics, generating an income of £354,490.

A further £49.5K of income has been generated this year from specialist off-site clinics and observation fees since we reopened the UCO Clinic at the end of June.

In addition to our General, Demonstration and Associate clinics, which are open to all patients, we were also running a number of specialist clinics for different patient groups including children, patients with persistent pain, expectant mothers, patients living with HIV and patients with sports injuries; all of which were delivered at our purpose-built facilities on Southwark Bridge Road.

Our community clinics also continued to provide accessible osteopathic care within the heart of the community to those who may otherwise be unable or unlikely to access it. Our community clinics were providing services to homeless patients at the Manna Centre, elderly patients at Lucy Brown House and Blackfriars Settlement, NHS patients at East Street GP clinic, children at 1st Place Children and Parents' Centre, and patients receiving support from the HIV care team at The Royal Free Hospital.

Clinic fees have remained highly competitive, with all patient fees heavily subsidised compared to those seen in private practice to ensure that the treatment we offer is widely accessible to all.

Full appointment fees were £28 per appointment with concessionary fees set at £14. We also offered a discounted rate of £21 to our community partner organisations. All our clinics within the community and our clinics for children are offered free of charge.

Appointments for our Associates Clinic, delivered by qualified UCO graduates, were charged at the slightly higher rate of £44. The Associates clinic provides a valuable opportunity for our recent graduates to begin their professional practice within a familiar, supportive and professional environment.

COVID-19 and the closure of the Clinic

For the safety of our students, staff and patients we took the decision to close the clinic on 18 March 2020, in line with official COVID-19 guidance.

With only a few days to prepare, the UCO's clinical team created a virtual clinic to support our students and continue their development as practitioners with a mix of online tutorials and case histories. These developments were warmly received by students and staff alike, who appreciated the speed with which the UCO was able to adapt to a quickly changing situation.

We knew that our vulnerable patients would be distressed by this sudden change and immediately

“I’m very glad to have found this place of respite. With the techniques that you taught me I was able to return to work and knew what to do when my pain flared up.”

Laura, UCO Clinic patient, 2020

made phone consultations with our tutors available to them. There was no charge for this service during lockdown, but patients were free to make a donation. These virtual consultations proved to be popular and provided a great comfort to those who were most in need of our services.

During this time, the Clinical Management team were routinely reviewing official advice and planning and organising for the reopening of the clinic, where a number a of significant changes were implemented in order to make this possible.

Welcoming back patients

On 29 June the General clinic reopened to patients following a number of significant adjustments including changes to the clinic uniform to incorporate the wearing of scrubs; the introduction of PPE and social distancing measures; the reorganisation of the clinic environment and appointment times to facilitate enhanced cleaning and hygiene processes; and the development of COVID-19 guidance and training for staff and students. The Associates clinic reopened in July with plans to resume other clinics on a phased basis.

While the numbers of patients we can see is still restricted by social distancing limitations, patient numbers have steadily grown since our reopening with many patients expressing relief and gratitude at being able to access our services again.

Increases to fees

In response to the additional costs of PPE and the reduction of available appointment slots available we took the difficult decision to increase some of our prices upon reopening.

Concessionary rates remain at £14 to protect access to our services for our most vulnerable patients, but standard appointment fees have increased to £30 and community partner fees have increased to £22. We still provide the first six appointments free of charge to those living with HIV.

Appointments for our Associates clinic, delivered by qualified UCO graduates, are charged at the higher rate of £48, although this is still competitive when compared to fees charged within private practice.

Disruption to Clinic services due to fire

In November 2020 a fire broke out in the car park below the UCO Clinic, causing extensive damage to the building infrastructure and resulting in the closure of the Clinic with immediate effect. While it was initially hoped that the closure would be temporary it quickly became clear that repairs to the building may not be complete for at least 6-12 months.



Our year

At the time of writing we are implementing plans to relocate the UCO Clinic to our teaching site on Borough High Street. Clinic services were delivered at this site prior to the purchase of Southwark Bridge Road, and we are therefore confident that services will be able to resume with only a 3-4 week period of interruption. This is however a temporary solution to enable us to resume clinic appointments quickly, and we are currently considering a number of options for the continued operation of the UCO Clinic in the medium term.

Our community partners

The UCO Clinic continues to run its successful Community Partnership Scheme, offering community organisations and groups discounted rates on appointment fees at the clinic. The scheme provides a valuable way for the UCO to promote the clinic and our services to wider audiences, while also supporting our aim to ensure that healthcare is affordable and accessible to all. Members include charities, public service organisations, educational institutions, arts institutions and commercial enterprises amongst others. In 2019-20 the scheme welcomed the following new partner organisations:

- International Planned Parenthood Federation
- Religious of Mary Immaculate
- London City Fire Group
- Zacchaeus 2000 Trust (Z2K)
- Ark Evelyn Grace Academy
- Glass and Glazing Federation

Continuing Professional Development (CPD)

From September 2019 to March 2020 the CPD department delivered 28 CPD courses on a range of subjects. Face-to-face courses due to be held after March 2020 were cancelled as a result of COVID-19, but the CPD department have been active in developing online alternatives. A total of nine live webinars were delivered between May and June which were attended by 969 delegates. Recordings of these webinars are now available on-demand for a small charge. The success of these courses has demonstrated the potential for online delivery of selected CPD provision at the UCO and enabled practising osteopaths to remain up-to-date in current evidence-based practices despite current limitations on large group events.

The UCO International Education Conference was held on 7 December and attracted delegates from as far afield as Australia and South Korea. The theme of the conference was focused on clinical education and assessment.

Keynote speakers included Brett Vaughan from Melbourne University, Steven Vogel from the UCO, and Dr John Hammond from Kingston University. Selected short presentations ran in two themed sessions and provided a wealth of interesting work for the audience to consider, while workshops addressing continuing professional development for educators and the nature of personhood provided practical learning opportunities for the delegates.

“It’s been extraordinary to see the level of help and support provided by everyone. In a short time, we have developed a high-quality online training module for delivering remote consultations. It’s been fantastic to see everyone pull together.”

Dr Jerry Draper-Rodi

Informing the profession

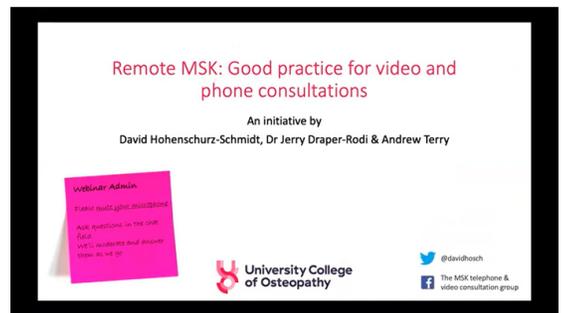
The COVID-19 outbreak has presented a number of challenges for the osteopathic profession, with osteopaths forced to reconsider how best to work with patients within social distancing requirements.

In March, David Hohenschurz-Schmidt, UCO Alumnus and PhD student, and Dr Jerry Draper-Rodi, Head of Continuing Professional Development and Senior Research Fellow at the UCO, collaborated, with the input of colleagues from across the sector, to develop a webinar to train osteopaths in remote assessment and management of their patients.

The webinars, titled ‘Remote Musculoskeletal: Best Practice for Online & Phone Consultations’ were hugely over-subscribed, with the live sessions attended by over 1,700 delegates from across the health sector and around the world. The webinars have now been made available for free on-demand in English, French and German.

Top: Webinar materials developed for the profession.

Bottom: The UCO International Education Conference 2019



Our year

Public relations and profile raising

At this year's Institute of Osteopathy (iO) awards, held on Saturday 2 November, recent UCO graduate Grant Barnett was awarded a Rising Star award. The award – sponsored by the Sutherland Cranial College of Osteopathy – is presented to a newly qualified osteopath who has demonstrated a passion for osteopathic practice and outstanding academic achievement, clinical skill and patient care, and is selected from the top graduates of the year as nominated by each of the osteopathic educational institutions.

Dr Julie Ellwood, Dr Jerry Draper-Rodi and Dr Dawn Carnes were awarded Research in Practice award. Sponsored by the International Journal of Osteopathic Medicine the award recognises the use of research to inform the way that they practise osteopathy and provide the best possible treatment for patients.

In 2019-20, we published 44 news items on our websites, ranging from important developments at the UCO to blogs on health and wellbeing, attracting over 13,000 views. The UCO website received 293,871 pageviews overall, while the Clinic website had 88,349 pageviews.



Grant Barnett receives his Rising Star award



We generated 537 posts for our social media channels, reaching more than 10,900 followers and resulting in over 6,700 engagements, including likes, comments, shares and click throughs to our websites. We published 24 videos on our YouTube channel that were viewed by more than 7,700 times. These have also been re-purposed and disseminated via our social media channels.

Gender pay gap beats sector average

The UCO voluntarily publishes gender pay gap data. In 2019-20, its gender pay gap stands at 11.9%, which is significantly lower than the national benchmark of 17.3%⁽¹⁾ and a university sector average of 15.1% (Times Higher Education 2019).

The UCO is committed to pay equality and whilst we do not meet the statutory requirement to publish gender pay gap data, we see this as a key performance indicator for gender equality. We work hard to ensure consistency and fairness in our pay structure and to ensure that our staff have the opportunity to work in a way that suits their career aspirations and home life.

While our data demonstrates we are currently performing well in this area, we continue to strive to close the gap further, with the Gender Pay Gap becoming a key performance indicator monitored by the UCO Board.

Key management personnel

The UCO has a number of key management personnel which includes the Vice-Chancellor, Deputy Vice-Chancellor (Education), Deputy Vice-Chancellor (Research), Finance Director, Dean of Academic Development and Head of Clinical Practice.

The Vice-Chancellor's, Deputy Vice-Chancellors' and Finance Director's remuneration, including any performance related pay, is evaluated and decided by the Remuneration Committee of the Vice-Chancellor's Group which is a sub-committee of the Board. Salaries and benefits for other key management personnel is decided by the Remuneration Committee which is made up of members of the Vice-Chancellor's Group and the Head of Human Resources. Factors influencing any pay and reward decisions for all staff include exceptional performance; contribution to the UCO's mission, values and strategic aims; relevant qualifications and areas of skills shortage.

Trade Union duties

There has been no working time spent by employees to undertake Trade Union duties.

1. October 2019 Office for National Statistics (ONS) Annual Survey of Hours and Earnings (ASHE)

Our year

Student Services

The Student Services team has experienced some changes and challenges which have developed the team over the past year. The Head of Student Services is responsible for managing and enhancing the overall experience of students at the UCO including Library services, Student Support, counselling, and the Students' Union.

213 students received learning support this year, including proof reading, academic support, and assistance accessing learning services. Nine students were referred to an external dyslexia assessor in comparison to five the previous year, and group workshops were delivered to students. In an attempt to raise awareness of the service, the Learning Support Advisor spent two days per week working in the Library which proved to be a success.

Student Support offers advice and support to the UCO student population on issues that they face academically or within their personal lives. During 2019-20, the Student Support Officer has managed 257 cases. Of these, 206 cases related to mental health and wellbeing; others were around finances, disability support and family planning. 71 students have been supported with reasonable adjustments for exams and attending classes. 21 students were referred internally and 52 were referred to external partners such as Victim Support, Pandas and Muslim Youth Helpline. Three students have been supported through the Support to Study policy

alongside the Course Leader. A total of £37,722 in financial support has been awarded to 64 students.

The Student Support Officer has worked hard to promote student services, building rapport with other teams and students and using various channels of communication, including a new Student Support area on SharePoint. Posts about the Welfare Fund attracted 199 views, while 'Understanding & Handling Difficult emotions' gained 178 views. During lockdown, several posts around staying connected and 'managing lockdown' were posted and were well received.

We continue to develop partnerships with external organisations that provide specialised support such as Nightline, Better Bankside and PureGym. These partners have attended the UCO and run events such as yoga, Zumba and personal safety awareness, and have received positive student feedback.

Our partnership with University of London Housing Services has come to an end. It was decided that this was a high financial drain with very little student impact. In 2019/20 UoL registered 17 students and met four online, of which two required professional guidance. None of these sought to find accommodation via this service which is its main purpose.



During the first half of the year the Student Support office had become a busy 'drop in' office and the draw of a friendly team offering free chocolate and a smiling face has proven to be successful. Students are sharing their experiences, expressing their concerns and feeling well supported by this small, dynamic team and we are able to gather student feedback on some sensitive subjects which would have been difficult to obtain in writing. The team worked hard to continue to offer the same level of service to students remotely during the lockdown period and is slowly reintroducing face-to-face engagement within COVID-19 guidelines.

The Library

The UCO library continues to provide a specialised service to students. Again, this year the library received a high score on the National Student Survey (NSS) with positive comments from students. The refurbishment has resulted in increased footfall; during February an average of 500 students attended per week of which many are first year students which is encouraging. Previously the library mainly saw final year students who are completing a project. The introduction of eBooks provided another offering for students and has seen an increase in users registered on the database, where the eBooks are accessed. Over 100 users have registered this year (17 in 2018/19, the majority of whom were staff). The eBooks have been a valuable alternative during lockdown in 2020.

Students' Union

The UCO Students' Union consists of one President, two Vice Presidents and a Bar Manager. There are some volunteer posts such as Sport and Entertainment Representative. The introduction of credit card payments had resulted in an increase in bar sales in the first half of the year and a considerable amount of work has been done to raise awareness of student union events and promote engagement; although unfortunately COVID-19 measures mean much of the Students' Union offer has temporarily been suspended.

Beyond UCO – Careers Fair

The annual Beyond UCO careers fair was planned for March 2020, but had to be adapted in response to lockdown measures. Speakers were approached to ask for presentation slides or documents that could be uploaded to the SharePoint page. Students requested a session on CV and interview skills which was later provided online; and attendance for this event was high.

Our year

IT moving forward

Building on progress made in 2018-19 the UCO IT team has continued ongoing work to update the internal infrastructure, including deploying a new fit-for-purpose backup/disaster recovery solution. The new multi-site solution allows all data to be replicated to the UCO Clinic site in Southbury Road, providing off-site protection for all internal and Office 365 data as well as backing up a range of physical and virtual servers. These can be accessed or restored in minutes rather than days or weeks as with the previous solution.

The ageing internal Virtual Learning Environment (BONE) was migrated to an external cloud partner, Hubken group. This enables easier methods of connecting using Office 365 credentials and single sign on (SSO), along with improvements in speed function and end user usability.

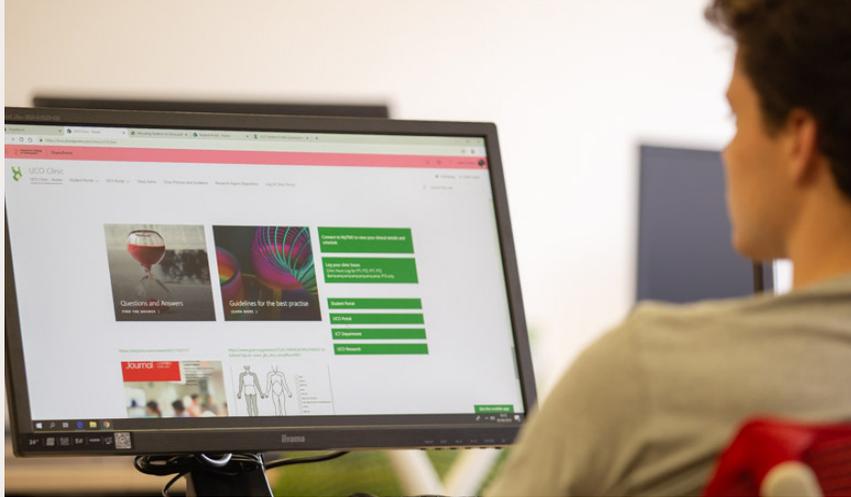
The UCO's IT Team were well prepared for the COVID-19 lockdown period and put plans in place for all key staff to have remote access as soon as the move to home working began. Microsoft Teams was deployed to all staff and students, with a series of informative "self-help" guides to assist users install and use the Teams product on laptops, computers and mobile devices. Earlier work including the migration to Office 365 ensured this transition went smoothly, while the BONE migration allowed a series of online exams to be created.

A new hosted telephony solution was sourced from Gamma to replace the outdated Mitel system. Once again, a "cloud first methodology" will bring significant improvements to remote working and communications and will ensure that the UCO's voice communication provision is fit-for-purpose and ready for any potential relocation in the future. This went live in early August 2020.

Estates strategy

At the start of the year, refurbishment work took place at our Borough High Street site to improve several spaces and to provide comfortable and flexible working space for staff and students. In the last couple of months a significant amount of work has been undertaken by the Estates team to prepare our buildings for reopening and to ensure we can operate within current COVID-19 guidelines. This has included reconfiguring teaching, office and clinic areas, the implementation of a one-way system on both sites and enhanced cleaning protocols.

The Board continues to review its estate and is working on a strategy to provide a setting fit for a University College moving into the next decades. Ideally this would look to combine the teaching and clinical sites and create a solution to deal with the leasehold at Borough High Street. A site has been identified in East London and progress on creating an appropriate design for the building is at a very



advanced stage with terms agreed in principle with the site's owners.

Our commitment to sustainability

The UCO sets targets and goals for improved environmental performance and reducing the institution's carbon footprint. In 2019-20, 15,555 kgs (87%) of UCO waste was recycled from our teaching centre, offsetting 18 tonnes of CO₂, 154 trees and 2,016 KWH of energy. Our teaching centre and the UCO Clinic both received a good D rating (87) in the Display Energy Certificate.

Fundraising and sponsorship

The UCO is incredibly grateful to the supporters of its charitable activities in ensuring that osteopathic care is extensively accessible and furthering the field through education and research. This year we continued to fundraise for our community clinics where we offer free-of-charge clinics to disadvantaged and vulnerable members of the community including elderly people, homeless people, and children from low-income housing.

We wish to extend special thanks to the members of our 500 Club, osteopaths who collect funds via tins within their practices, and our patients who made contributions in the UCO Clinic.

Likewise, we would like to acknowledge support from the trusts and foundations that awarded us grants over the past year: Chapman Charitable Trust, the Hospital Saturday Fund, Sir Jeremiah Colman Gift Trust, and Thomas Sivewright Catto Charitable Settlement.

Over the year, we also began to raise additional funds to grow programmes for students such as expanding mental health services and a new hardship fund so that students have access to services to help them succeed.

The Fundraising department has used the past year to undertake an extensive review and audit of the systems utilised by fundraising. This has included the fundraising database, alumni network platform, fundraising strategy, donations methods, fundraising policies, and communications with supporters. The review will continue into the coming year as we determine what we currently provide for our students, alumni, community, patients, and donors and what we can be doing better.

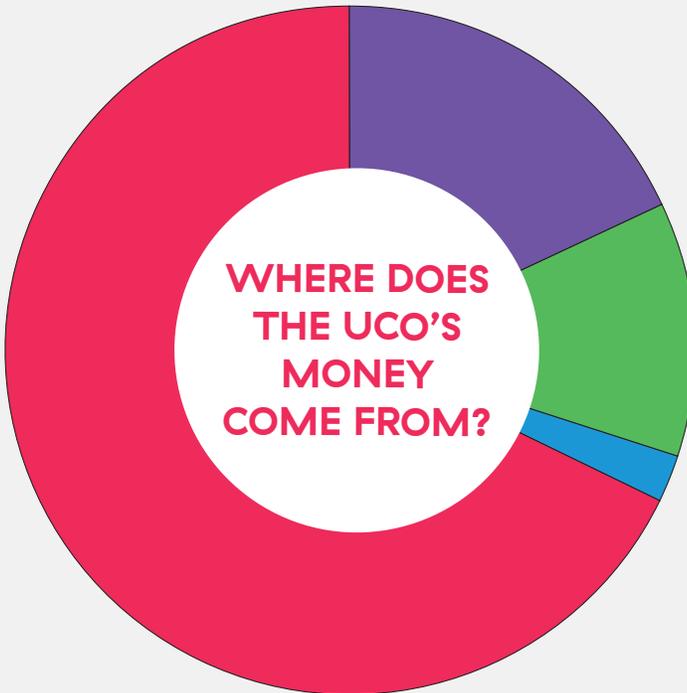
A Capital Appeal strategy was created and agreed by the Board in preparation for a potential estates project.

Value for money

Where the UCO's money comes from and what it is spent on.

TOTAL INCOME
£5M

68% ■
TUITION FEES
£3.4M

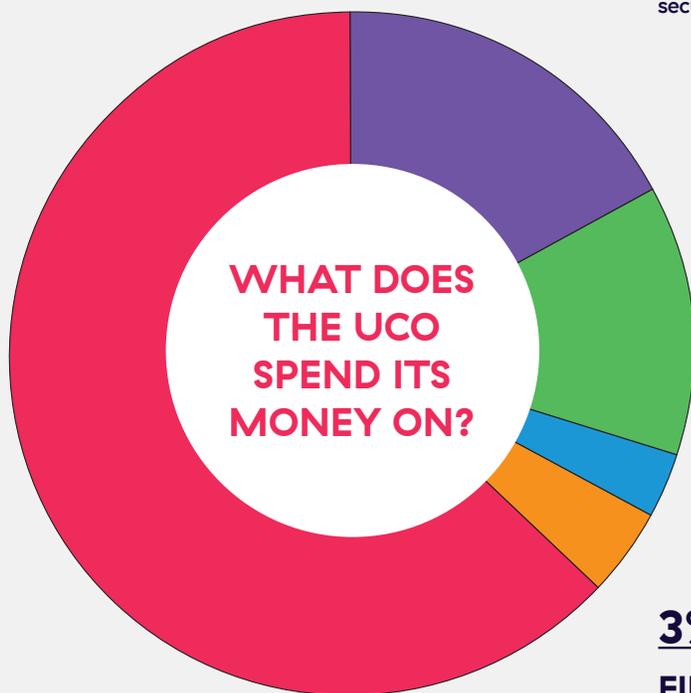


18% ■
FUNDING BODY GRANTS
£0.9M

12% ■
OTHER OPERATING INCOME
£0.6M e.g. clinic patient fees, charges for services.

2% ■
RESEARCH GRANTS
£0.1M

TOTAL EXPENDITURE £5.4M



63%

STAFF

£3.4M i.e. wages and salaries, social security costs, pension costs.

17%

BUILDINGS & EQUIPMENT

£0.9M e.g. costs of acquisition, utilities, premises costs etc.

13%

OTHER OPERATING EXPENSES

£0.7M i.e. staff related costs, teaching materials, ICT, marketing, professional fees, bursaries etc.

3%

FINANCE COSTS

£0.2M incl. loan interest for our clinic building.

4%

ESTATES STRATEGY

£0.2M e.g. design, professional and legal fees

Value for money

Where does the student fee go each year?

£3,554



£2,057



£1,278



£880



£652



£402



£286



£123



£18



The above is based on the standard full-time Home/EU undergraduate fee for the 2019-20 academic year of £9,250.



39%

TEACHING & RESEARCH

Lecturers, clinic tutors, course admin, course materials

22%

ESTATES & FACILITIES

Maintenance, light, heat, cleaning, rates, insurance, service charges, loan interest

14%

ADMINISTRATION

Registry & student records, HR, Finance, Vice-Chancellor's office, strategic costs

10%

LIBRARY & ACADEMIC SERVICES

Library staff, learning resources, Quality office, clinic reception

7%

ICT & AUDIO VISUAL SERVICES

ICT support including e-learning

4%

MARKETING

Including access and outreach

3%

STUDENT SUPPORT & WELFARE

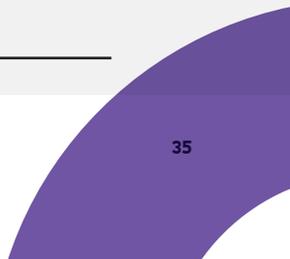
Student support, learning advice and counselling

1%

BURSARIES

Cash paid to eligible students

STUDENTS' UNION



Financial review

2019–20 has been a challenging year with the Covid–19 pandemic impacting and reducing our income streams significantly, resulting in a loss of £388,000. However, our healthy reserves mean that we are able sustain the UCO throughout this crisis and invest in opportunities as they arise.

This year has been like no other. The global COVID-19 pandemic has brought tragedy and upended lives and organisations around the world. The higher education sector has faced one of the biggest challenges in its history, forcing it to adapt to remote working for staff and to online delivery and support for students. It also has been a year of huge financial challenges for universities. This year has shown the benefits of the UCO's financial prudence over the years. It would have been much more difficult for the institution had we not built up reserves to mitigate the reduced income caused by COVID-19.

That said, this year has been the most challenging in memory. We have faced uncertainty over how current and prospective students will respond, the costs of remote working as well as increased PPE and cleaning expenditure for our clinic and fundraising uncertainties. Our foremost responsibility and focus as always is the safety of our students, patients and staff. We have responded to the financial challenges, taking action to review the way we operate to increase efficiency while delivering our continued high quality of student education and practice. We still face

financial uncertainties next year. But we are confident the measures we are undertaking will put the UCO on a firmer foundation for the future.

Impact of COVID–19 on our 2019–20 performance and year end position

Prior to the COVID-19 outbreak, the UCO forecasted an income of £5.5m for the year, however the lower than anticipated fee income from our undergraduate courses, increase in bad debt provisions, closure of our clinic and lack of fundraising opportunities has led to a negative variance of £0.5m with the UCO achieving an actual income of £5.0m for the year.

Total income fell by over 10% (£0.6m) from £5.6m to £5.0m, compared to an increase of 3% in 2018-19. Course fee income decreased by 3.9% over 2018-19 due to the lower student numbers and an increase in the bad debt provision and clinic income decreased by 33% to £404,000. Donations amounted to only £15,000 which we largely attribute to COVID-19.

Expenditure rose by 1.8% from £5.3m to £5.4m, with staff costs continuing to account for the majority of the expenditure. We spent £156,000 on redundancies to offset the reduced income caused by COVID-19 and £176,000 on our estate strategy, with the latter funded by a restricted fund legacy received by the UCO in 2017. The UCO reduced staff costs by 4.7% and operating expenses by 5.8% (excluding the estate strategy expenditure) to mitigate the effect of COVID-19 on our income.

The statement of financial position (balance sheet) saw a decline during the year in total assets from £10.9m to £10.0m due to the decrease in the market value of our investments which occurred because of COVID-19 and a reduction in cash and cash equivalents. Current liabilities decreased by £36,000. Overall net assets decreased by £0.6m from £6.7m to £6.1m. Capital expenditure amounted to £42,000 which was mainly spent on software and IT infrastructure.

Due to the impact of COVID-19 on our students who pay their own fees and the closure of our clinic in March 2020, as well as the redundancy and estate costs, the UCO had a net cash outflow for operating activities of £105,000 (2019: inflow of £523,000). During the year repayments of our borrowings were £206,000 and the UCO paid loan interest of £165,000. As at 31 July 2020, cash and bank balances held on short-term deposit amounted to £2.5m (2019: £3.0m).

The UCO continues to maintain healthy reserves of £6.1m (2019: £6.7m). £5.6m (2019: £5.9m)

are held as unrestricted reserves mainly in fixed assets (£2.8m, after taking loans into account) with the remaining reserves amounting to £2.8m. However, it is recognised that these reserves will be necessary not only to ensure cover for the working capital requirements (£0.4m) and to manage major unmitigated risks (£0.5m) but also for investment in our estate strategy.

The Board's policy, in view of the short-term nature of most of the funds currently available, is that any cash that is surplus to current operational needs may go on short or longer-term investment, as may be appropriate. Any such investment must be medium risk and meet or exceed the recognised benchmark as agreed by the Board. Investments must be ethical as defined by the Board by reference to the UCO's declared objectives. The ethical policy states that there should be no direct holding of investments in pharmaceutical or tobacco companies, and that the percentage of these industry types in managed funds should not exceed 5% of the managed fund total.

The policy provides the terms and performance by which the investment managers must operate and the review process. The Board takes professional advice on investments from an investment manager. COVID-19 has a financial impact on the performance of our investment portfolio, with realised gains on investments during the year amounting to £118,000 (2019: £40,000) and unrealised losses of £298,000 (2019: £5,000).

Financial review

Impact of COVID-19 on our financial strategy

The Board has reconsidered our financial strategy in the light of COVID-19 and has implemented some short-term measures as well as focussing on medium and long-term goals.

Immediate cost mitigation measures have been put in place to reduce non-essential spending including capital expenditure whilst we invested some of our reserves in the estate strategy as well as developing student campaign messaging and digital assets, a prospectus redesign and a series of animated videos.

During lockdown, we also focussed on reducing student debts by negotiating flexible payment plans, dedicating more time contacting students and improving communication. This allowed students to discuss their individual financial circumstances and agree solutions with the finance team.

Additional income was secured by raising £59,000 through the UK Government's Coronavirus Job Retention Scheme.

We reduced the number of staff by 19 in the short term by implementing a voluntary severance scheme in July 2020, in order to start adjusting the staffing levels to fit the current circumstances. In the medium term it is expected that the workforce will be decreased further as student numbers continue to decline. We have introduced a change management plan to reduce staff numbers and FTEs, which should allow more flexibility enabling us to adapt to change more quickly in the future. In the longer term the UCO is developing new courses and increasing

the number of course validations so staffing should increase in line with this growth.

We closed the UCO Clinic in March 2020 and spent time evaluating our clinical provision and reviewing our offering to students and patients. This included setting up virtual clinics and piloting online wellness classes. We reopened the clinic at the end of June 2020 and whilst patient numbers remain below pre-COVID-19, they are steadily increasing.

From the outset of COVID-19, negotiations with Barclays about the forecasted operating loss for 2019-20 and decreased levels of liquidity and covenant testing were a priority to ensure that the UCO could continue to operate as a going concern.

Principal risks and uncertainties

As part of the Board's consideration of the appropriateness of adopting the going concern basis in preparing the Annual Report and Financial Statements, our financial plans and forecasts have been reviewed with assumptions based on the estimated potential impact of COVID-19 restrictions and regulations, along with our proposed responses over the course of the next 12 months. These include estimated impacts based on the length of time COVID-19 restrictions are in place and the severity of the consequent impact of those restrictions on students and the delivery of teaching, our clinic and our fundraising activities. For each of these areas we have assessed the income and cash flow impact of reduced student numbers, changing the types of teaching and learning methods, the negative impact of reduced patient numbers including a potential

closure of the clinic and fundraising campaigns for our community clinics and for funding our estate strategy. Our financial forecasts are most sensitive to the assumptions made on patient numbers where the closure of the clinic is more likely to have an effect on income than the closure of our teaching building as we can revert back to providing teaching delivery and support for students online. There is also a high-level of uncertainty in relation to the income from donations that is anticipated in the coming year. Fee income has less sensitivity as most of our students are from the UK and the associated income is received from the SLC and the OfS teaching grant and we provide no student accommodation. Although the fee income has reduced, the enrolled students as at September 2020 are unlikely to leave as borne out by our 2019-20 academic year where student retention remained relatively high in comparison with previous years.

Our COVID-19 reduction of income range of £10,000-£15,000 per month is based on assumptions of COVID-19 impacting on our patient numbers throughout the year and a possible closure of the clinic but this is being offset by offering patient consultations and a variety ‘wellness’ classes online as well as reducing the cost of our clinic associates, monthly cleaning contract, PPE and other running costs. Under each scenario mitigating actions are all within management control and can be initiated as and when required. These actions include stopping all non-essential expenditure in the next 12-18 months. We are also aware that our staff costs to income ratio of 65% is high and we have a high number of

hourly paid staff which increases the level of financial uncertainty. The voluntary severance scheme implemented in July 2020 has resulted in an on-going saving estimated at £100k. To further reduce the staff costs to income ratio, we have initiated a change management plan which sets out to reduce ongoing staff costs, head count and FTEs and ‘hourly paid/sessional’ claims.

As at 31 July 2020, the statement of financial position (balance sheet) reflects a net asset position of £6.1m and the liquidity of the UCO remains strong. Whilst we are confident of our liquidity position even under our COVID-19 modelling scenarios, given the uncertain environment we find ourselves in and to give increased financial flexibility we have an annual income target of c £50,000 from an equity type investment portfolio actively managed by Rathbones. Formal agreement has also been reached with Barclays to lower the requirements for covenant testing for our loans at the year ended 31 July 2020 with additional testing of quarterly minimum cash balances during 2020-21. The Board anticipates agreeing a variation of our covenants during 2020-21 and recognises that the UCO is dependent on the financial support of the bank but considers the potential loan breach does not create a material uncertainty relating to its going concern assessment. The UCO has met the first cash balance test on 31 October 2020 and the bank has acknowledged the UCO’s concerns regarding donations, clinic income and proposed restructure plans and will review financial forecasts with actual income and expenditure throughout the coming year.

Financial review

The Board has also considered whether it believes that the UCO can continue to operate and meet its liabilities, in view of its current position and principal risks. It has also focussed on the longer term and is now more actively involved in risk management and internal controls. In assessing financial viability, the Board considered several key factors, including our strategy, estate, risk appetite and our principal risks and uncertainties.

The Board is required by the OfS to assess the its financial viability over a period of three years and feels this is appropriate for strategic planning and measuring performance. Given the global political and economic uncertainty resulting from the COVID-19 pandemic as well as the UK's exit from the EU, we have lowered our expected financial performance in 2020-21. We have already felt the impact of the government's guidelines for COVID-19 and therefore much of our teaching delivery has moved online and we have made most of our resources accessible on our intranet and learning platform. However, a significant proportion of our courses are practical 'hands on' osteopathic technique and clinical components which are challenging to deliver online and are currently delivered on site in our two buildings albeit in a different way. Measures have been taken to protect the health and safety of our students, patients and our colleagues, to manage our teaching and learning activities, to reduce expenditure, and to review our staffing. These measures will help mitigate the impact of the uncertainty, and we believe conditions will improve as we move into 2021-22.

In assessing viability, the Board considered the position presented in the budget and three-year plan approved at their meeting in June 2020. This budget and plan will be reviewed by the Board regularly as the HE environment is constantly changing. A scenario was reviewed which models additional sensitivities based on the potential financial impact of the UCO's principal risks and uncertainties, and the specific risks associated with the COVID-19 pandemic and the uncertain higher education and university environment. In this scenario, it assumes that the current government guidelines continue for a period of least six months, resulting in a significant decline in patient appointments for 2020-21. On average, a 40% decline in patient appointments vs. previous year for the five months to December 2020, followed by a slow recovery back to budget by July 2021, reducing revenue by £150,000 for the next financial year.

The Board continues to pursue diversification of income streams, whilst also reducing costs and improving process efficiencies relating to staff costs. As we currently only offer osteopathic courses, we are developing new non-osteopathic undergraduate courses in allied health. We are also gradually increasing the number of course validations for partner organisations in the fields of osteopathy, acupuncture and other health sciences. Our commitment to financial sustainability reinforces the need to take difficult decisions to disinvest from those areas that do not support our strategic ambitions and take measures to support those areas which do but which are underperforming.

The Board reviewed our estate and has been working on a strategy to provide a high-quality environment for students, staff and stakeholders which will ensure a sustainable future for the UCO. Our current premises in Borough High Street has a diminishing lease which expires in 2059. The Board identified an opportunity for a new site as part of major regeneration scheme in London and estimates it needs £2m for this project. This would combine the teaching and clinical sites and create a modern and more environmentally friendly building commensurate with the quality of the institution. The Board signed Heads of Terms in November 2019. This project is reliant on the sale of our two current sites in the London Borough of Southwark and the practical completion date for this project is May 2023. Whilst the COVID-19 pandemic, has created volatility in the property market and may lead to values of the UCO's current assets decreasing, although there is still current off-market interest expressed in our sites. The Board is mitigating the risk of not achieving the asset values it requires by implementing a capital appeal with an anticipated launch date of March 2021, to support the purchase of the new building and to meet our fundraising targets. The Board is also mindful that as the value of our current lease continues to diminish this will have a detrimental effect on the long-term financial profile of the organisation. In addition, formal agreement has been reached with Barclays to remove any spending on the estate strategy from our covenant testing for year ending July 2021.

Liquidity is reviewed monthly on a 12-month rolling basis. The UCO maintains healthy cash and cash equivalents which at 31 July 2020 amount to £2.5m (2019: £3.0m). The UCO manages liquidity risk on long-term borrowings by have one loan with a fixed interest rate and a second loan with a variable rate interest which increases the level of predictability of the loan repayments and interest whilst allowing the UCO to take up the opportunity of current lower interest rates on a significant proportions of its borrowings.

Statement of corporate governance and internal control

The UCO aims to achieve the highest standards of governance and the Board continually reviews its governance arrangements to ensure that they are in line with the Higher Education Code of Governance as issued by the Committee of University Chairs (CUC). The UCO is committed to following best practice in all aspects of corporate governance and has adopted the core values and principles set out in the Code.

The University College of Osteopathy (formerly the British School of Osteopathy) was founded on 7 March 1917 and is a charitable company limited by non-equity share capital (company no. 146343), authorised to omit the word 'limited' from its name by licence granted under Section 60(1) of the Companies Act 2006.

On 24 July 2017, in pursuance of section 129B of the Education Reform Act 1988 as amended, the Privy Council approved the revised Articles of Association of the UCO. This included the new name of the University College of Osteopathy which took effect from 1 September 2017. The UCO's Chancellor is HRH The Princess Royal, Princess Anne.

The only benefits attributed to share ownership, as stated in the Articles of Association, are membership voting rights and the return of paid-up share capital in the unlikely event of the company's liquidation by the membership. The liability of members is limited to £1 per share.

The company was registered with the Charity Commission for England and Wales on 18 June 1963 (charity no. 312873) and became an exempt charity registered with the Higher Education Funding Council for England (HEFCE) in November 2015. Since the replacement of HEFCE in 2018, UCO has been regulated by the Office for Students (OfS).

The Board of Directors

The Board of Directors is the UCO's governing body and is responsible for the finance and property of the organisation. It meets four times a year and is responsible for determining the mission and the strategic direction, delegating the day-to-day operations of the organisation to the Vice-Chancellor, the Vice-Chancellor's Group and the Senior Management Team. The Board also has overarching responsibility for the UCO's system of internal control and for reviewing its effectiveness.

The Board's rolling agenda is reviewed annually and seeks to:

- Approve the strategic plan and the key performance indicators of the organisation.
- Monitor and evaluate the performance and effectiveness of the UCO against approved key performance indicators.
- Ensure the establishment and monitoring of systems of internal controls and risk assessment.
- Ensure that proper accounts are kept, to approve the annual budget and financial statements, and to have overall responsibility for the UCO's assets, property and estate.
- Monitor and evaluate the Board's effectiveness.
- Safeguard the reputation and values of the UCO.

Board committees

The Board has various sub-committees which operate under specific terms of reference approved by the Board. The Board annually review the committees and their members to ensure there is a balanced range of skills.

The following committees act in an advisory capacity to the Board:

- Audit and Risk Committee
- Board Nominations Committee
- Finance and Estates Committee
- Fundraising Committee
- Remuneration Committee of the Vice-Chancellor's Group

The Audit and Risk Committee (ARC) meets four times a year. It is responsible for advising the Board on the appointment or dismissal of internal and external auditors; to review the effectiveness of internal control mechanisms; to consider audit reports from the internal and external auditors and management's response to those reports; to review the arrangements for the identification and management of risk and to review the UCO's annual report and financial statements before their submission to the Board. The Committee submits an annual report to the Board.

The Board Nominations Committee meets as required each year to review the composition of the Board and recommend the appointment of members via the Annual General Meeting (AGM) or through co-option.

Statement of corporate governance and internal control

The Finance and Estates Committee (FEC) meets four times a year and monitors financial performance, investment performance, sustainability, financial viability and estates strategy.

The Fundraising Committee (FRC) normally meets four times a year and reviews the fundraising strategy to ensure that the direction accords with the UCO's wider strategic objectives. It also identifies individuals, trusts and organisations that may support the organisation's fundraising objectives.

The Remuneration Committee of the Vice-Chancellor's Group is made up of Board Members (and does not include the Chair of the Board during proceedings discussing the Vice-Chancellor's salary). It meets once or twice a year and is responsible for reviewing and agreeing the remuneration of the Vice-Chancellor and members of the Vice-Chancellor's Group (see page 70). The committee evaluates the annual performance assessment of the Vice-Chancellor against the strategic plan and corporate objectives and in relation to the remuneration of heads of comparatively sized institutions to inform the setting of the Vice-Chancellor's total remuneration and benefits, including any performance related pay.

It also receives a personal development plan for the Vice-Chancellor for the year ahead. The remuneration for members of the Vice-Chancellor's Group is agreed following recommendations by

the Vice-Chancellor. When making any decisions the committee considers the impact on the remuneration policy on the organisation as a whole; public interest and safeguarding of public funds. The committee follows the 'Higher education senior staff remuneration code' published by the CUC.

- The Vice-Chancellor's basic salary is 4.1 times the median pay of staff (2019: 3.9 times), where the median pay is calculated on a full-time equivalent basis for the salaries paid by the UCO to its staff.
- The Vice-Chancellor's total remuneration is 4.1 times the median total remuneration of staff (2019: 4.0 times), where the median total remuneration is calculated on a full-time equivalent basis for the total remuneration by the UCO to its staff.

Academic Council

The Academic Council is chaired by the Vice-Chancellor and is the ultimate academic authority of the UCO. It is responsible for ensuring the academic standards of the Higher Education Institution (HEI) and promoting, regulating and directing the academic work of the UCO, including teaching and research. It oversees academic management and all aspects of quality and standards associated with the UCO. The Academic Council is the forum in which the strategic academic development of

the organisation is debated, critically reviewed and proposed to the Board for approval. Membership of the Academic Council is representative of the whole organisation and includes elected student representatives and elected staff representatives. Two members of the Academic Council are external; they are not employed by the UCO and their membership provides an external higher education perspective that is valuable for a small specialist institution. There is also one Board member who regularly attends meetings.

Risk management and statement of internal controls

The key objective of the UCO's risk management activities is to ensure that policies and procedures are always in place to manage risks and opportunities and therefore enable it to meet its strategic objectives.

Risks are considered as occurrences or opportunities that would impact on the delivery of the UCO's core business, the quality of its outputs, the achievement of its strategic goals or the excellence of its reputation.

The UCO considers risk under the following categories:

1. Major Threats e.g. unethical dealings, failure to comply with legal and regulatory obligations;
2. Strategic/Commercial Risks e.g. under performance of a service, insufficient capital investment;
3. Economical/Financial Risks e.g. failure to meet revenue targets, shortage of working capital;
4. Legal and Regulatory Risks e.g. failure to obtain appropriate approval, loss of intellectual property rights;
5. Organisation/Management/Human Factors Risks e.g. Management incompetence, poor leadership;
6. Political Risks e.g. change of government policy, adverse public opinion;
7. Environmental Risks e.g. transport problems;
8. Technical/Operational/Infrastructure Risks e.g. human error, professional negligence; and
9. Operational Risks e.g. lack of clarity of service requirement, inadequate incident handling.

Statement of corporate governance and internal control

The Audit and Risk Committee provides impartial advice to the Board on the discharge of the Board's responsibilities for the effectiveness of risk management, internal control and management systems, and for the economy, efficiency and effectiveness with which the UCO's activities have been discharged.

All significant risks inherent to the UCO's business are identified, assessed and managed as part of this process. The objectives of the Risk Management policy are to ensure a consistent basis for the identification, measurement, control, monitoring, follow-up and reporting of risk across the institution, based on the UCO's agreed appetite for risk.

The Board is ultimately responsible for the identification and management of risk and views it as an ongoing process linked to the achievement of institutional objectives. Each department is required to produce its own risk register and the Head of Department is responsible for ensuring that the register is produced, regularly monitored and updated for the Senior Management Team in accordance with the Risk Management Cycle. A consistent methodology for measuring and scoring risks is applied throughout the organisation and risks are recorded in the standard template.

The UCO has undertaken a lot of work over recent years to develop and revise their approach to risk management. This has primarily been led by the Deputy Vice-Chancellor (Education) and is fully

supported by the Audit and Risk Committee (ARC). Further work was undertaken with respect to the risk register after seeking input from the Senior Management Team, ARC and internal audit. High Level risks are identified by the Vice-Chancellor's Group in consultation with the Senior Management Team and are presented at each ARC meeting with an accompanying update to key changes and action required. This is then reported to the Board. The register is used as one of the main drivers in the development of the internal audit programme ensuring that audit work, where applicable is aligned with key strategic risks.

Risks facing the institution are actively discussed at ARC meetings and various members of the Senior Management Team have been invited to meetings during the year to discuss relevant operational risks in their area in more detail. This included a presentation by the Dean of Academic Development on partnerships and the Trusts and Foundations Manager on fundraising. This not only helps to ensure that ARC is aware of key operational risks, but increases the visibility of ARC, and risk management in general, across the organisation.

The internal auditors provide an opinion on the adequacy and effectiveness of the UCO's internal control, risk management and governance arrangements; the arrangements for ensuring the accuracy of data returns to external bodies; and whether the UCO's activities are conducted economically, efficiently and effectively.

The internal audit plan is based on the UCO's risk register and discussions with the Audit and Risk Committee (ARC). The internal auditors also undertake several benchmarking exercises across the sector which facilitates sharing of best practice and value for money indicators.

The internal auditors undertook the following audit reviews during the year:

- Value for Money for Students
- Capital Strategy and Campus Development
- Board Assurance Frameworks

These audits resulted in the opinion of the Audit and Risk Committee that internal control is mostly adequate and effective. The audits identified some opportunities to enhance design of and the implementation of internal control. These include:

- Publishing a breakdown per student of how tuition fee money is spent within the financial statements, highlighting hidden costs such as utilities and making clear where student experience is improved via expenditure.
- Governance and financial structures being put in place to ensure success and risk management of the Capital Strategy.
- Governance being adequate to ensure compliance with OfS Conditions for UCO registration.

The Board recognises that the application of risk management processes cannot eliminate all risk exposure, especially during a time of enormous change in the HE Sector and within the UCO. The COVID-19 pandemic presented some major risks to the institution on an unprecedented scale. The staff all rose to the challenge of delivering the majority of course content online, modifying assessments to ensure that students were not disadvantaged and we are delighted to report that all final year students who completed pre-registration course were eligible to register with the General Osteopathic Council. The Board keeps the risks related to this under review. As already identified, Brexit has also created an uncertain environment in which all higher education institutions are striving to improve their competitive performance including their intake and retention of students.

This statement of internal controls covers the financial year to 31 July 2020 and the period to the date of approval of the financial statements on 17 November 2020.

Statement of corporate governance and internal control

Legal and administrative details

The members of the Board who served during the year and up to the date of signing these financial statements are listed below:

Independent Board Members

Professor Janusz Jankowski	Chair of the Board, Chair of Nominations Committee
Alex Bols	Vice-Chair of the Board, Audit & Risk Committee, Board Nominations Committee, Remuneration Committee of the Vice-Chancellor's Group
Isabel Nisbet	Vice-Chair of the Board, Audit & Risk Committee, Board Nominations Committee, Remuneration Committee of the Vice-Chancellor's Group
Azlina Bulmer (Resigned July 2020)	Chair of Finance & Estates Committee
Raffaella Bush (Appointed July 2020)	Fundraising Committee
Charles Hindson (Appointed July 2020)	Finance & Estates Committee
Andrew Kent (Resigned July 2020)	Fundraising Committee, Equalities Committee
Professor Raymond Lee	
David Leppard	Acting Chair, Finance & Estates Committee
Jeremy Olsen	
Richard Salter	Audit & Risk Committee
Jackie Westaway	Board Nominations Committee, Finance & Estates Committee

Patient Members

Gael Dundas Fundraising Committee (Independent Member)

Osteopathic Board Members

Jayne Morley Audit & Risk Committee, Osteopathic Representative
(Independent Member)

Rob McCoy Academic Council Representative

Vice-Chancellor (Ex-officio Board Member)

Charles Hunt Vice-Chancellor, Finance & Estates Committee,
Fundraising Committee, Board Nominations Committee

Student Board Members

Laura Forrest Board Member (Student)
(Appointed July 2020)

Kaitlin Coulson Board Member (Student)
(Resigned July 2020)

Other Advisors regularly in attendance

Sean Bonnington Chair of Fundraising Committee

Carol Reid Chair of Audit & Risk Committee

Company Secretary and Clerk to the Board

Allan Scott

Statement of corporate governance and internal control

Vice Chancellor's Group and Senior Management Team

The Vice-Chancellor's Group and Senior Management Team (SMT) are responsible for the day-to-day operation of the institution. The members of the Vice-Chancellor's Group during the year were as follows:

Charles Hunt	Vice-Chancellor
Sharon Potter	Deputy Vice-Chancellor (Education)
Joanna Smith	Finance Director
Steven Vogel	Deputy Vice-Chancellor (Research)

The members of SMT during the year include the Vice-Chancellor's Group and the following people:

Allison Balsamo	Trusts and Foundations Manager
Heather Batten	Head of Quality
Dmitry Feoktistov	Finance Manager
Jessa Harris	Head of Marketing and Communications
Richard Pierce	ICT Director
Ian Sanderson	Registrar
Elizabeth Sharma	Head of Estates
Graham Sharman	Dean of Academic Development
Jas Verdi	Head of Student Services
Francesca Wiggins	Head of Clinical Practice

Professional advisors

External Auditors	Buzzacott LLP, 130 Wood Street, London, EC2V 6DL
Internal Auditors	UNIAC, 4th Floor St James' Building, Oxford Street, Manchester, M1 6FQ
Bankers	Barclays Bank Plc, 1 Churchill Place, London, E14 5HP
Solicitors	Russell-Cooke LLP, 2 Putney Hill, Putney, London, SW15 6AB Shakespeare Martineau LLP, No 1 Colmore Square, Birmingham, B4 6AA
Investments	Rathbone Investment Management, 28 St Andrew Square, Edinburgh, EH2 1AF

Statement of primary responsibilities of the Board

The Board is responsible for preparing the annual report and the financial statements in accordance with applicable law and regulations. Company law requires the Board to prepare financial statements for the University College of Osteopathy for each financial year.

The financial statements must be prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law) and are required to give a true and fair view of the state of affairs of the institution and of the income and expenditure of the institution for the year.

In preparing the financial statements the members of the Board are required to:

- select the most suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Statement of Recommended Practice (SORP): Accounting for Further and Higher Education 2019; and of the Office for Students Accounts direction;
- make judgments and estimates that are reasonable and prudent; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the institution will continue in business.

The Board is responsible for ensuring that the institution has appropriate systems of controls, financial and otherwise. The Board is also responsible for keeping accounting records that disclose with reasonable accuracy at any time the financial position of the institution and enable them to ensure that the financial statements comply with the Companies Act 2006, the Charities Act 2011 and regulations made thereunder. The Board is also responsible for safeguarding the assets of the institution and ensuring their proper application under charity law, and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Board is responsible for the maintenance and integrity of the financial information included on the institution's website. Legislation in the United Kingdom governing the preparation and dissemination of the financial statements and other information included in annual reports may differ from legislation in other jurisdictions. The Board have confirmed that so far as they are aware, there is no relevant audit information of which the institution's auditors are unaware, and that they have taken all the steps that they ought to have taken as members of the Board to make themselves aware of any relevant audit information.

Appointment of auditors

A resolution for the appointment of Buzzacott LLP was agreed at the adjournment meeting of the Annual General Meeting held on 29 September 2020. The Board Members Report (including the Strategic Report) were approved and authorised for issue by the Board of Directors on 17 November 2020 and signed on behalf of the Board.



Professor Janusz Jankowski
Chair of the Board
17 November 2020

Independent auditor's report to the members

We have audited the financial statements of the University College of Osteopathy (the 'Institution') for the year ended 31 July 2020 which comprise the statement of comprehensive income and expenditure, the statement of changes in reserves, the balance sheet, the statement of cash flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion:

- the financial statements give a true and fair view of the state of the Institution's affairs as at 31 July 2020, and of its income and expenditure, gains and losses, changes in reserves and cash flows for the year then ended. They take into account relevant statutory and other mandatory disclosure and accounting requirements, and the requirements of the OfS;
- the financial statements have been properly prepared in accordance with the UK Generally Accepted Accounting Practice, including FRS 102;
- in all material respects, funds from whatever source administered by the Institution for specific purposes have been properly applied to those purposes and managed in accordance with relevant legislation;
- in all material respects, funds provided by the OfS, 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 requirements of OfS accounts direction have been met.

We have nothing to report in respect of the following matters in relation to which the Office for Students requires us to report to you, if in our opinion:

- The University's grant and fee income, as disclosed in note 1 to these financial statements has been materially misstated; and
- The University's expenditure on access and participation activities for the financial year has been materially misstated.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report.

We are independent of the Institution in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of matter – loan covenants

We draw attention to the accounting policies on page 62 of the financial statements which concludes that there is no material uncertainty related to going concern, despite there being a risk that the covenants of the bank loan are breached for the year ending 31 July 2021 which would result in the loan becoming repayable on demand. This assessment has been made by the Board on the basis that variations to covenants have been made in the past and are anticipated again in the 2020-21 financial year should the need arise.

Our opinion is not modified in respect of this matter.

Conclusions relating to going concern

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

- the Board members', who are also directors for the purposes of the Companies Act, use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the Board members have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the Institution's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

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

Independent auditor's report to the members

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

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the Board Members' Report including the Strategic Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Board Members' Report including the Strategic Report has been prepared in accordance with applicable legal requirements.

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

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters which we are required to report to you if, in our opinion:

- the statement of internal control included as part of the Corporate Governance Statement is inconsistent with our knowledge of the Institution;
- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of members' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of Board members

As explained more fully in the board members' responsibilities statement, the members are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the board members determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the board members are responsible for assessing the Institution's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the board members either intend to liquidate the Institution or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of financial statements

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

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

Use of our report

This report is made solely to the members as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Institution's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Institution and the Institution's members, for our audit work, for this report, or for the opinions we have formed.



Hugh Swainson (Senior Statutory Auditor)
For and on behalf of Buzzacott LLP, Statutory Auditor
130 Wood Street
London EC2V 6DL
19 November 2020

Statement of comprehensive income

	Notes	Year ended 31 July 2020 £'000	Year ended 31 July 2019 £'000
Income			
Course fees	1,2	3,434	3,573
Funding body grants	1,2	884	918
Research grants and contracts	3	54	137
Other income	4	628	773
Investment Income	5	31	24
Donations and endowments	6	15	215
Total Income		5,046	5,640
Expenditure			
Staff costs	7	3,275	3,437
Fundamental restructuring costs	8	156	–
Other operating expenses	10	1,528	1,435
Depreciation	12,13	310	291
Interest and other finance costs	9	165	175
Total expenditure		5,434	5,338
(Deficit)/Surplus before other gains, losses and share of operating surplus		(388)	302
(Loss)/gain on investments		(180)	35
Total comprehensive income for the year		(568)	337
Represented by:			
Endowment comprehensive income for the year		–	–
Restricted comprehensive income for the year		(218)	82
Unrestricted comprehensive income for the year		(350)	255
		(568)	337

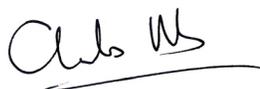
Statement of changes in reserves

	Income and expenditure account			Share Capital	Total
	Endowment £'000	Restricted £'000	Unrestricted £'000	£'000	£'000
Balance at 1 August 2018	12	683	5,646	1	6,342
Surplus from the income and expenditure statement	-	82	255	-	337
Total comprehensive income for the year	-	82	255	-	337
Balance at 1 August 2019	12	765	5,901	1	6,679
Deficit from the income and expenditure statement	-	(218)	(350)	-	(568)
Total comprehensive income for the year	-	(218)	(350)	-	(568)
Balance at 31 July 2020	12	547	5,551	1	6,111

Statement of financial position

	Notes	2020 £'000	2019 £'000
Non-current assets			
Intangible assets	12	32	15
Tangible fixed assets	13	6,220	6,505
Investments	14	866	942
Social Investments	15	54	79
		7,172	7,541
Current assets			
Trade and other receivables	16	378	282
Cash and cash equivalents	20	2,507	3,054
		2,885	3,336
Less: Creditors: amounts falling due within one year	17	680	716
Net current assets		2,205	2,620
Total assets less current liabilities		9,377	10,161
Creditors: amounts falling due after more than one year	18	3,266	3,482
Total net assets		6,111	6,679
Share capital	19	1	1
Restricted Reserves			
Income and expenditure – endowment reserve	20	12	12
Income and expenditure – restricted reserve	21	547	765
Unrestricted Reserves			
Income and expenditure reserve – unrestricted		5,551	5,901
Total Reserves		6,111	6,679

The financial statements of the University College of Osteopathy, company registration number 146343 were approved by the Governing Body on 17 November 2020 and were signed on its behalf by:



Charles Hunt
Vice-Chancellor



Professor Janusz Jankowski
Chair of the Board

Statement of cash flows

	Notes	Year Ended 31 July 2020 £'000	Year Ended 31 July 2019 £'000
Cash flows from operating activities			
(Deficit)/surplus for the year		(568)	337
Adjustment for non-cash items			
Amortisation of intangible assets	12	10	8
Depreciation of tangible fixed assets	13	300	283
Loss (gain) on investments		180	(35)
Decrease (increase) in social investments	15	25	(10)
Increase in debtors	16	(96)	(75)
Decrease in creditors	17	(46)	(96)
Adjustment for investing or financing activities			
Investment income	5	(31)	(16)
Interest payable	9	165	193
Capital grant income		(44)	(58)
Net cash flow provided by operating activities		(105)	523
Cash flows from investing activities			
Capital grant receipts		44	58
Proceeds from the disposal of non-current asset investments		1,138	247
Investment income		31	24
Purchase of intangible assets		(27)	-
Purchase of tangible fixed assets		(15)	(137)
Purchase of non-current asset investments		(1,242)	(224)
		(71)	(32)
Cash flows from financing activities			
Interest paid		(165)	(193)
Repayments of amounts borrowed	18	(206)	(199)
		(371)	(392)
Increase in cash and cash equivalents in the year		(547)	99
Cash and cash equivalents at beginning of the year	22	3,054	2,955
Cash and cash equivalents at end of the year	22	2,507	3,054

Statement of principal accounting policies

Basis of preparation

These financial statements have been prepared in accordance with the Statement of Recommended Practice (SORP): Accounting for Further and Higher Education 2019 and in accordance with Financial Reporting Standards (FRS 102). The institution is a public benefit entity and therefore has applied the relevant public benefit requirement of FRS 102.

The financial statements are prepared in accordance with the historical cost convention, except for investments which are stated at market value.

The financial statements are presented in sterling and are rounded to the nearest thousand pounds.

Basis of consolidation

As the subsidiary company has been dormant for the current and preceding years and has no material assets or liabilities, the UCO is not presenting consolidated financial statements.

The financial statements do not include the income and expenditure of the Students' Union as the institution does not exert control or dominant influence over policy decisions.

Critical accounting estimates and areas of judgement

Preparation of the financial statements requires members to make significant judgements and estimates.

The items in the financial statements where these judgements and estimates have been made include the estimation of the useful economic life of tangible fixed assets and intangible assets for the depreciation and amortisation charge, and the estimation of the provision of bad and doubtful debts in relation to student debtors and loans issued.

Assessment of going concern

The Board assess whether the use of going concern is appropriate, i.e. whether there are any material uncertainties related to events or conditions that may cast significant doubt on the ability of the UCO to continue as a going concern. The Board make an assessment in respect of a period of at least one year from the date of authorisation for the issue of the financial statements. It has concluded that although the UCO has adapted the way it delivers its services in response to the global COVID-19 pandemic, the full longer term impact of this event for the UCO's activities, including the effect on our students, patients, staff, funders and the wider economy remains unknown, although steps are in place to mitigate the adverse impacts, as highlighted in the Financial review section. In reaching this conclusion, the Board has considered the ability of the UCO to absorb a decline in income of up

to 10% due to the high level of uncertainty and variability of clinic income and donations, and the level of reserves carried forward at £5.6m with a cash balance of £1.7m. The Board is estimating and reviewing the impact on the UCO's income and expenditure for the purpose of preparing budgets and cash flow forecasts to assist in the assessment of going concern. Formal agreement has also been reached with Barclays to lower the requirements for covenant testing for our loans at the year ended 31 July 2020 with additional testing of quarterly minimum cash balances during 2020-21. The Board anticipates agreeing a variation of our covenants during 2020-21 and recognises that the UCO is dependent on the financial support of the bank, and the availability of its investment portfolio, but considers the potential loan breach does not create a material uncertainty relating to its going concern assessment. The Board therefore judges it is appropriate for UCO to continue to prepare its financial statements on the going concern basis and that the uncertainty noted above does not cast significant doubt on that conclusion. The Board also judges that the UCO has adequate resources to continue in operational existence for the foreseeable future and thus it continues to adopt the going concern basis of accounting in preparing these financial statements.

Income recognition

Income from the sale of goods or services is credited to the statement of comprehensive income and expenditure when the goods or services are supplied to the external customers or the terms of the contract have been satisfied.

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

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

Statement of principal accounting policies

Grant funding

Funding Council grants are received direct from the Office for Students and 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 the grant is deferred, it is recognised as deferred income within creditors and allocated between creditors due within one year and due after more than one year as appropriate.

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

Clinic income

Income from the clinic is recognised on successful delivery of an appointment. Payment is only made on the day of an appointment and therefore income is recognised on receipt.

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 it is utilised in line with such restrictions at which point the income is released to general reserves through a reserve transfer.

Donations with no restrictions are recognised in income when the 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 applied to the individual endowment fund.

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

Restricted donations

The donor has specified that the donation must be used for a particular objective.

Restricted permanent endowments

The donor has specified that the fund is to be permanently invested to generate an income stream to be applied to a particular objective.

Capital grants

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

Pension scheme

The UCO operates a defined contribution group personal pension plan whereby it 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.

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.

Operating leases

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

Tangible fixed assets

Fixed assets are stated at cost less accumulated depreciation and accumulated impairment losses.

Where parts of a fixed asset have different useful lives, they are accounted for as separate items of fixed assets.

Land and buildings

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

Leasehold land and buildings are depreciated over 50 years.

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

Statement of principal accounting policies

Equipment

Equipment, including computers and software, costing less than £500 per individual item is recognised as expenditure.

All other equipment is capitalised.

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

Computer Equipment	4 years
General Equipment	5 years
Furniture and Fittings	5 years

Depreciation methods and useful lives are reviewed at the date of preparation of each balance sheet.

Borrowing costs

Borrowing costs are recognised as expenditure in the period in which they are incurred.

Intangible assets

Intangible assets are amortised over 5 years representing the remaining estimated economic life of the assets. They are subject to periodic impairment reviews as appropriate.

Investments

Investments are stated at market value at the balance sheet date. Realised gains (or losses) on investment assets are calculated as the difference between disposal proceeds and their opening carrying value or their purchase value if acquired subsequent to the first day of the financial year. Unrealised gains and losses are calculated as the difference between the fair value at the year end and their carrying value at that date. Realised and unrealised investment gains (or losses) are combined in the Statement of Comprehensive Income and Expenditure and are credited (or debited) in the year in which they arise.

Social investments

Social investments are investments made directly in pursuit of the charitable purposes of the entity. These are in the form of loans to students and are held at cost, less any provisions to reflect non-recoverability.

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.

Debtors

Debtors are recognised at the settlement amount, less any provision for non-recoverability. Prepayments are valued at the amount prepaid. They have been discounted to the present value of the future cash receipt where such discounting is material.

Creditors and provisions

Creditors and provisions are recognised when there is an obligation at the balance sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably. Creditors and provisions are recognised at the amount the charity anticipates it will pay to settle the debt. They have been discounted to the present value of the future cash payment where such discounting is material.

Taxation

The institution is an exempt charity within the meaning of Part 3 of the Charities Act 2011. It is therefore a charity within the meaning of Para 1 of schedule 6 to the Finance Act 2010 and accordingly, the institution is potentially exempt from taxation in respect of income or capital gains received within the 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. Irrecoverable VAT on inputs is included in the costs of such inputs. Any irrecoverable VAT allocated to fixed assets is included in their cost.

Reserves

Reserves are classified as restricted or unrestricted. Restricted endowment reserves include balances which, through endowment to the institution, are held as a permanently restricted fund which the organisation 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.

Notes to the financial statements

	Year ended 31 July 2020 £'000	Year ended 31 July 2019 £'000
1. Sources of grant and fee income		
Grant income from the OfS	884	918
Fee income for taught awards (exclusive of VAT) (see note 2)	3,325	3,430
Fee income from non-qualifying courses (exclusive of VAT) (see note 2)	109	143
	4,318	4,491
2. Course fee income		
UK domicile full-time undergraduate students	1,673	1,730
UK domicile full-time postgraduate taught students	1	55
UK domicile part-time undergraduate students	878	1,022
UK domicile part-time postgraduate taught students	53	61
EU domicile full-time undergraduate students	260	200
EU domicile full-time postgraduate taught students	29	28
EU domicile part-time undergraduate students	211	121
EU domicile part-time postgraduate taught students	11	20
Non-EU domicile full-time undergraduate students	184	158
Non-EU domicile full-time postgraduate taught students	7	26
Non-EU domicile part-time undergraduate students	18	9
Non-credit bearing course fees	92	121
FE course fees	17	22
	3,434	3,573
3. Research grants and contracts		
UK-based Charities	40	130
Other	14	7
	54	137

	Year ended 31 July 2020	Year ended 31 July 2019
	£'000	£'000
4. Other income		
Clinic income	404	603
Course validations	123	110
Coronavirus job retention scheme	59	-
Other income	42	60
	628	773
5. Investment Income		
Interest on cash deposits	6	6
Dividends and interest on listed investments	25	18
	31	24
6. Donations and endowments		
Donations with restrictions	2	34
Unrestricted donations	13	176
Legacy income - unrestricted	-	5
	15	215
7. Staff costs		
Salaries	2,927	3,094
Social security costs	248	257
Pension costs	100	86
	3,275	3,437

A full programme of voluntary redundancy was undertaken in the year ended 31 July 2020 and details of this can be seen in note 8 below. These costs have therefore been excluded above. In the prior year, severance of £24,300 was paid to two members of staff.

Notes to the financial statements

	Year ended 31 July 2020	Year ended 31 July 2019
	£	£
Total remuneration of the Vice-Chancellor who is employed full-time:		
Salary	132,700	132,700
Bonus	-	6,635
Taxable Benefits	149	149
Pension Contributions	5,308	4,721
	138,157	144,205

Average staff numbers by major category:	No.	No.
Academic	59	53
Clinic	53	58
Research	8	7
Management and Fundraising	11	12
Property management	1	1
ICT	4	5
Facilities	1	1
	137	137

Average staff FTE numbers by major category:	FTE	FTE
Academic	30	27
Clinic	25	26
Research	5	4
Management and Fundraising	10	11
Property management	1	1
ICT	4	5
Facilities	1	1
	76	75

Except for the Vice-Chancellor, noted above, no other employee received remuneration of £100,000 or more during the financial year.

Key management personnel

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the institution. They include the Vice-Chancellor, Deputy Vice-Chancellor (Education), Deputy Vice-Chancellor (Research), Dean of Academic Development, Head of Clinical Practice and Finance Director.

	Year ended 31 July 2020	Year ended 31 July 2019
	£'000	£'000
Salary and benefits of key management personnel including employer's NIC and pensions.	535	528

Board members

Due to the nature of the institution's operations and the composition of the Board, 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 may have an interest. All transactions involving organisations in which a member of the Board may have an interest, including those identified below are conducted at arm's length and in accordance with the institution's financial regulations and procurement procedures. Transactions totalling £10,700 (2019: £11,144) for GuildHE membership of which a board member is the Deputy CEO.

The trustees received no remuneration in respect of their services as board members. Certain members of the institution's staff served as board members and received remuneration (including pension contributions) for teaching and management amounting to £7,814 (2019: £77,784).

No board member has received any waived payments from the institution during the year (2019: none).

The total expenses paid to or on behalf of 4 board members was £1,242 (2019: £1530 to 6 board members). This represents travel and subsistence expenses incurred in attending committee meetings and events in their official capacity. Expenses incurred by the Vice Chancellor were in the course of his duties.

8. Fundamental restructuring costs

In July 2020, a voluntary severance scheme was implemented and 19 staff were made redundant.

The total cost was £156,000. This reorganisation is taking place across two financial years with a staff change management plan being implemented and reported in 2020-21. The UCO followed 'Guidance on decisions taken about severance payments in HEIs' published by the CUC, as per paragraph 15 of the OfS accounts direction.

Notes to the financial statements

	Year ended 31 July 2020 £'000	Year ended 31 July 2019 £'000
9. Interest and other finance costs		
Loan interest	165	175
10. Analysis of other operating expenses		
Staff related costs	225	281
Facilities & Estates	589	614
ICT	117	118
Materials and consumables	30	31
Services	94	108
Stationery and printing	17	25
Marketing and communications	63	56
Professional fees and subscriptions	131	136
Student awards and bursaries	69	48
Bank charges	17	18
	1,352	1,435
Design and professional fees for potential new building	176	-
	1,528	1,435
Other operating expenses include:		
External auditor's remuneration in respect of audit services	18	17
Operating lease rentals: Land and buildings	20	20

**Year ended
31 July 2020
£'000**

11. Access and Participation expenditure

Access investment	90
Financial support provided to students	72
Support for disabled students	6
Research and evaluation	7
	<hr/>
	175
	<hr/>

<https://www.uco.ac.uk/life-uco/student-support/access-and-participation>

12. Intangible assets

Software

Cost

At 1 August 2019	41
Additions	27
	<hr/>
At 31 July 2020	68
	<hr/>

Amortisation

At 1 August 2019	26
Amortisation charge for the year	10
	<hr/>
At 31 July 2020	36
	<hr/>

Net book value

At 31 July 2020	32
	<hr/>
At 31 July 2019	15
	<hr/>

Notes to the financial statements

13. Tangible fixed assets

	Leasehold property £'000	Computers and video equipment £'000	Furniture, fixtures & equipment £'000	Total £'000
Cost				
At 1 August 2019	8,516	609	337	9,462
Additions	-	8	7	15
At 31 July 2020	8,516	617	344	9,477
Depreciation				
At 1 August 2019	2,360	359	238	2,957
Charge for the year	170	100	30	300
At 31 July 2020	2,530	459	268	3,257
Net book value				
At 31 July 2020	5,986	158	76	6,220
At 31 July 2019	6,156	250	99	6,505
Analysis of leasehold property:			2020	2019
			£'000	£'000
Long leasehold*			3,142	3,234
Improvements to the long leasehold property			2,844	2,922
			5,986	6,156

The leasehold properties are charged as security for the bank loan as disclosed in note 18.

*Post-year end on 7 November 2020, the long leasehold property was subject to damage due to a fire in the basement car park underneath the clinic. This has resulted in an assessment of any longer-term structural damage to the property being required and extensive repair work to the cabling. Although the building is fully insured, the book cost of the building will be reviewed in the year ending 31 July 2021 once the full extent of the damage has been assessed. Further information has been provided on page 23.

14. Non-current investments

	Subsidiary Company	Other fixed assets investments	Year ended 31 July 2020	Year ended 31 July 2019
	£'000	£'000	£'000	£'000
Market value at 1 August 2019	1	941	942	930
Additions at cost	-	1,242	1,242	224
Disposal proceeds	-	(1,138)	(1,138)	(247)
Realised gain	-	118	118	40
Disposals at book value	-	(1,020)	(1,020)	(207)
Unrealised (loss)	-	(298)	(298)	(5)
Market value at 31 July 2020	1	865	866	942
Cost of listed investments	1	975	976	753

Investment in subsidiary company

On 20 May 1999, the UCO invested £1,000 in the BSO Trading Company Limited, a company registered in England and Wales. This investment represents 1,000 ordinary shares of £1 each, being the whole of the issued share capital of the company.

These shares were fully paid up on 9 March 2000.

During the current and prior year the company did not trade. Its reserves at 31 July 2020 were £15 (2019: £15).

15. Social investments

	Year ended 31 July 2020	Year ended 31 July 2019
	£'000	£'000
Amounts due from loans to students	54	79

UCO Student Loans are repayable in 60 monthly instalments within five years following graduation, or immediately on leaving without graduating. Graduates are encouraged to repay earlier to provide funds to assist future students with limited funds to pay their fees.

Notes to the financial statements

16. Trade and other receivables

	Year ended 31 July 2020 £'000	Year ended 31 July 2019 £'000
Amounts falling due within one year:		
Trade receivables	160	28
Other receivables	12	19
Prepayments	187	235
Accrued income - Coronavirus Job Retention Scheme	19	-
	378	282

17. Creditors: amounts falling due within one year

	Year ended 31 July 2020 £'000	Year ended 31 July 2019 £'000
Secured loans (see note 18)	216	206
Trade payables	128	162
Other payables	72	60
Social security and other taxation payable	62	75
Accruals	202	213
	680	716

18. Creditors: amounts falling after more than one year

	Year ended 31 July 2020 £'000	Year ended 31 July 2019 £'000
Secured loans	3,482	3,688
Analysis of secured loans:		
Due within one year (see note 17)	216	206
Due between one and two years	225	216
Due between two and five years	739	707
Due in five years or more	2,302	2,559
Due after more than one year	3,266	3,482
Total secured loans	3,482	3,688

The amount above comprises of the following loans:

- A loan in the sum of £3,100,000 from Barclays to finance the acquisition of the long leasehold property in Southwark Bridge Road in August 2007, repayable over 25 years at a fixed interest of 6.38%.
- A second loan in the sum of £2,069,000 from Barclays Bank PLC to finance the fit-out to the long leasehold property in August 2007 repayable over 25 years at a rate of 0.75 above LIBOR.

The total capital loan repayments during the year amount to £206,455 (2019: £198,805). Both loans are secured on the properties 275 Borough High Street and 98-118 Southwark Bridge Road.

Due to Coronavirus, the actual income for the year was lower than anticipated and the UCO made an operating loss for the year. Therefore, formal agreement has been reached with Barclays to lower the requirements for covenant testing for our loans at the year ended July 2020 with additional testing of quarterly minimum cash balances during 2020-21. We are anticipating agreeing a variation of our covenants during 2020-21.

Notes to the financial statements

19. Share capital	2020	2019
	£	£
Ordinary shares	482	482
“B” shares (with no voting rights)	94	94
Share Premium	396	396
Total	972	972

	Authorised		Allotted, issued and fully paid	
	2020	2019	2020	2019
	£	£	£	£
Ordinary shares of £1 each	4,906	4,906	482	482
“B” shares of £1 each	94	94	94	94
Total	5,000	5,000	576	576

20. Endowment reserves

Restricted net assets relating to endowments are as follows:

	Restricted permanent endowments £'000	2020 Total £'000	2019 Total £'000
R K Hardy Prize Fund	12	12	12

This is a memorial fund established on 7 May 1993. The interest on the capital, which is used to give a graduation prize to one student annually, is recognised as income within restricted reserves.

The R K Hardy Prize Fund was registered on 23 August 2002 as a subsidiary charity, registration number 312873-1, with a permanent endowment fund and linked to the UCO. For the purpose of these accounts the charity is accounted for as a restricted permanent endowment on the basis that the management of its assets is undertaken by the institution.

21. Restricted reserves

Reserves with restrictions are as follows:

	Donations £'000	2020 Total £'000	2019 Total £'000
Balances at 1 August 2019	765	765	683
Research grant	10	10	100
New donations	2	2	34
Expenditure	(230)	(230)	(52)
Total restricted comprehensive income for the year	(218)	(218)	82
At 31 July 2020	547	547	765

Notes to the financial statements

Analysis of restricted reserves balances by type of purpose:	2020	2019
	£'000	£'000
Research grant	86	100
UCO Student Loans Fund	239	251
Scholarships and bursaries	-	6
Prize funds	190	195
Community Clinics' funds	3	3
Capital fund	24	200
Other	5	10
	547	765

Research grant

Following on from their generous donation last year, the Alan and Sheila Diamond Charitable Trust provided further funding to the UCO in the sum of £10,000 for research into the prevention, treatment and cure of the effects of Peripheral Neuropathy. This project is a 3-year fully funded PhD programme in collaboration with Imperial College London and started in September 2019.

UCO Student Loans Fund

This was established on 7 April 1992. The fund provides loans to students who demonstrate the ability to qualify as osteopaths but have limited resources to pay the fees. Each loan is repayable within five years following graduation or immediately upon leaving without qualifying.

Scholarships and bursaries

Scholarships and bursaries include the Ursula Hogg Fund which is a memorial fund established on 18 February 1998. This year, the fund supported more students than in previous years and the fund will no longer exist in future years. The UCO anticipates supporting students using its own reserves but this will be limited until further donations can be sought.

Prize funds

Prize funds consist of the following:

- the Sven Svenson Bursary Fund which was set up by Dame Beryl Grey DBE in memory of her late husband who was an osteopath to provide an award to a final year student who demonstrates exceptional promise.
- the Lutchman Naidoo Practical Skills Prize Fund which was part of a legacy bequeathed to the UCO in the sum of £200,000. A prize is awarded annually to a student at graduation.

Community Clinics' funds

These funds enabled the UCO to deliver free treatment to older people, children and homeless people in the local community. Each of the UCO's outreach community clinics provide excellent osteopathic care to some of the most vulnerable people within our society. During the year, these clinics stopped running due to the COVID-19 outbreak and we will monitor how we can return care in these settings in a safe environment. The clinics are funded through donations and these have reduced significantly this year and we may have to review our ability to continue to support them. We are hoping to seek donations in the coming year which will enable us to reopen these clinics in the future.

Capital Fund

As part of the Lutchman Naidoo legacy, £200,000 is to be spent on costs associated with a new building or in the improvement or redevelopment of the existing building. During the year £176,000 of this fund has been spent on the design and professional fees for a potential new building.

Notes to the financial statements

22. Cash and cash equivalents

	At 1 August 2019	Cash flows	At 31 July 2020
	£'000	£'000	£'000
Cash and cash equivalents	2,941	(464)	2,477
Investment bank account	113	(83)	30
Total	3,054	(547)	2,507

23. Students' Union

The institution holds £4,520 in separate bank accounts on behalf of the UCO Students' Union (2019: £5,653).

24. Lease obligations

Total rentals payable under operating leases:

	Land and Buildings	Total 31 July 2020	Total 31 July 2019
	£'000	£'000	£'000
Payable during the year	20	20	20
Future minimum lease payments due:			
Not later than 1 year	20	20	20
Later than 1 year and not later than 5 years	80	80	80
Later than 5 years	680	680	700
Total	780	780	800



The University College of Osteopathy has two properties, both purchased under long leasehold arrangements. The Clinic at 98-118 Southwark Bridge Road is subject to a £350 per annum peppercorn rent until the lease expires in the year 3000 whilst the Teaching Centre at 275 Borough High Street is subject to a £20,000 per annum rental charge (liable for a review in 2026) until the lease expires in 2059, which has been disclosed above.

25. Pension scheme

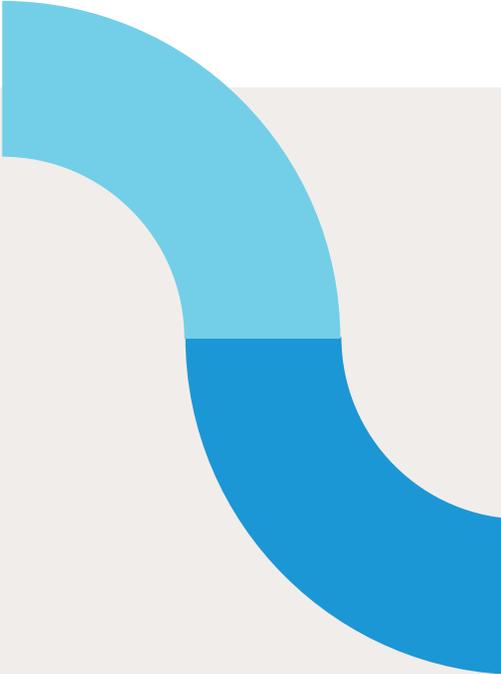
The institution operates a defined contributions pension scheme. The assets of the scheme are held separately from those of the institution in independently administered funds. Contributions paid by the institution to this scheme, on behalf of 112 staff (2019: 121 staff) amounted to £99,891 (2019: £85,807).

26. Ultimate controlling party

There is no ultimate controlling party of the University College of Osteopathy in the year ended 31 July 2020 or 31 July 2019.



University College of Osteopathy
Registered Office: 275 Borough High Street, London SE1 1JE
Company registration number: 146343 (England and Wales)
Exempt Charity



For further information, please contact:

Joanna Smith
Finance Director
University College of Osteopathy
275 Borough High Street
London SE1 1JE
020 7089 5307
joanna.smith@uco.ac.uk