REPORT AND FINANCIAL STATEMENTS

for the year ended 31st July 2022

REPORT AND FINANCIAL STATEMENTS 2022

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ANNUAL REPORT AND CONSOLIDATED FINANCIAL STATEMENTS FOR YEAR ENDED 31st JULY 2022

UNIVERSITY OF WORCESTER DIRECTORATE AND PROFESSIONAL ADVISERS

VICE CHANCELLOR AND CHIEF EXECUTIVE

Professor David Green CBE MA (Cantab.)

DEPUTY VICE CHANCELLOR, PROVOST AND DEPUTY CHIEF EXECUTIVE

Professor Sarah Greer MA – (resigned 31st December 2021)

Registered Address

Henwick Grove
Worcester
WR2 6AJ

Independent Auditors

External

Grant Thornton
17th Floor, 103 Colmore Row
Birmingham
B3 3AG

Internal

KPMG LLP
One Snowhill
Birmingham
B4 6GH

Bankers

Lloyds Bank
125 Colmore Row
Birmingham
B3 3SD

Barclays Bank PLC
One Snowhill
Snowhill Queensway
Birmingham
B4 6GB

Barclays Bank PLC
Leicester
Leicestershire
LE87 2BB

Insurance Brokers

Aon
3rd Floor, Grosvenor House
65 – 71 London Road
Redhill
RH1 1LQ

REPORT AND FINANCIAL STATEMENTS 2022

MEMBERS OF THE BOARD OF GOVERNORS

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

Miss Gemma Allcott	Student Governor (from 6.6.2022)
Ms Lerverne Barber	Academic Staff Governor (from 1.12.2021)
Mr John Bateman OBE	Chair & Independent (term ended 31.7.2022)
Dr Diana Beech	Independent (Vice Chair from 1.8.2022)
Mr Louis Coiffait-Gunn	Independent
Ms Elizabeth Davies-Ward	Academic Staff Governor
Mr Sean Devlin	Independent
Mrs Diana Gant	Vice Chair & Independent
Professor David Green CBE	Vice Chancellor & Chief Executive
Mr Mike Hardy	Independent
Mr Tim Heywood	Independent (from 1.8.2022)
Mr David Iddon	Independent (term ended 31.7.2022)
Dr Claire Jones	Independent
Mr Nadeem Khan	Independent
Miss Megan Lee	Student Governor (from 6.6.2022)
Mr Liam Lees	Student Governor (term ended 17.6.2022)
Ms Al Linforth	Student Governor (from 6.6.2022)
Ms Carolyn Moir	Professional Staff Governor (from 1.8.2022)
Mrs Sally Morgan	Independent (from 1.8.2022)
Mr Ragnar Mularczyk	Student Governor (term ended 17.6.2022)
Mr Asif Noorani	Independent
The Rev'd Dr Alvyn Pettersen	Independent (term ended 31.7.2022)
Dr Sarah Pittaway	Professional Staff Governor (term ended 8.3.2022)
Mr Darius Pocha	Independent
Miss Neve Ricketts	Student Governor (term ended 17.6.2022)
Mr Marc Scriven	Professional Staff Governor
Mr Ian Smith	Independent
Mr Keith Sorrell	Independent
Mrs Sarah Speck	Vice Chair (until 31.7.2022) & Independent (Chair from 1.8.2022)
Ms Lucy Taylor	Independent (from 1.8.2022)

STRATEGIC REPORT

FOR THE YEAR ENDED: 31st JULY 2022

This statement covers the period 1st August 2021 up to 22nd November 2022.

SECTION 1: The University's Strategy

THE UNIVERSITY OF WORCESTER'S VALUES AND VISION

The University published its Strategic Plan 2019 in February 2019, following its adoption by the Board of Governors. The Plan, like its predecessors, was the product of a widespread consultation process involving students, staff, governors, members of the College of Fellows and many external partners in the City of Worcester, the wider region and beyond. Educational partners in the UK and internationally were involved as were representatives of businesses, public and not-for profit organisations and community groups.

The Plan commits the University to build on our many successes to further improve the quality and range of our courses, the skills of our graduates and the impact we have in society. The University aims to grow in scope and scale.

Read the University of Worcester Strategic Plan:

University of Worcester Strategic Plan: Values and Vision

MEASURING PROGRESS AND SUCCESS

The Strategic Plan 2019 was published at a time of great national uncertainty, both for the higher education sector and the country as a whole. In this context, the Board decided that the new Strategic Plan should focus on values, vision and high-level objectives such as creating a Medical School, rather than the more traditional approach of specifying lower-level objectives and adopting a series of accompanying Key Performance Indicators. This approach has already proved its worth as the University successfully navigated the turbulent environment of the Covid-19 pandemic.

The Board of Governors employs a variety of measures, mostly drawn from nationally available datasets, to enable periodic comparisons and benchmarking of the University's performance in relation to its peers. The methodology of such comparisons is constantly evolving and 2019 witnessed a significant development in the publication of the first ever University Impact Tables compiled and published by the Times Higher Education magazine. The University has performed notably well in the tables, nationally and internationally, since its inception.

At each meeting, The Board of Governors receives a report and update across the spectrum of University activity from the University's Vice Chancellor and Chief Executive who is the University's appointed accountable officer (previously the designated person). These reports are always subject to debate and questioning from Board members. In 2019-20 these reports were supplemented, for the first time, by regular written reports on academic matters from the Deputy Vice Chancellor in her newly appointed capacity of University Provost.

The University's Academic Board, including through the work of its sub-committees, receives and discusses detailed reports relating to academic quality, standards and the student experience.

The University's executive leadership have responsibility for ensuring appropriate action is taken to build on strengths and remedy weaknesses arising from these processes of regular scrutiny, periodic review, analysis and appraisal. This process of regular, open discussion and decisions enables the University to act in relation to those dimensions of progress and success which are significant but not directly measurable. It has long been known that not everything that counts can be counted and that not everything that can be counted counts. Some of the culture that makes the University a special place to learn and be beneficial to society cannot be measured directly but is deeply valuable and does produce measurable outcomes. For example, the University's long held commitment to equality and democracy

SECTION 1: The University's Strategy *(continued)*

has been manifested in consistently outstanding performance in respect of gender equality including being the best UK University for fair gender pay since national reporting was launched in 2018, and in being placed first equal for democracy for University Democracy by Vote for Your Future 2019.

The Board receives annual reports on performance indicators in relation to the following measures:

Learning and Teaching, Students

- A detailed annual report on Academic Quality and Standards
- Student retention and progression
- Student attainment
- Graduate destinations: work and further study
- Student satisfaction rates (from the National Student Survey)

Research

- Grant applications and income
- Number of staff submitted for the Research Excellence Framework

Financial Sustainability

- Surplus as a % of income
- Unrestricted reserves as % of income
- External gross borrowing as % of income
- Net cash flow as % of income
- Net liquidity days
- Staff costs as a % of income
- Ratio of current assets to current liabilities

The Board of Governors also receives reports on the University's in-year financial performance, student numbers and admissions, and by exception on any significant changes (positive or negative) in relation to the aforementioned indicators. The Board's Human Resources (HR) Committee receives reports on a range of staff-related indicators. The Audit Committee reviews the University's Transparent Approach to Costing (TRAC) returns in relation to the costs associated with delivering teaching and research, as well as receiving the internal audit reports on a range of relevant matters.

SECTION 2: Public Benefit

CHARITABLE STATUS AND CHARITABLE OBJECTIVES OF THE UNIVERSITY

As a Higher Education Corporation, the University is listed as an exempt charity under the Charities Act 2011. As such, the University benefits from the status of a charity but it is not registered with the Charity Commission.

The University's trustees, in formulating this statement, have paid due regard to the Charity Commission's public benefit guidance and their responsibility to provide information about how they have delivered their charitable objectives for the public benefit.

The University's charitable objectives are defined in s.124(i) of the Education Reform Act 1988:

- Provide higher education;
- Provide further education;
- Carry out research and publish the results of research.

Beneficiaries

The trustees identify the principal beneficiaries of the University's charitable activities as:

- Children, potential applicants and applicants to higher education and the University, in particular through its outreach and widening participation work;
- Its students and alumni;
- Research partners and collaborators;
- Professional practitioners and service users, especially in the Health and Education sectors, who benefit from the outputs of the University's educational, research and knowledge exchange activities;
- The wider public, who benefit from the contribution of the University's graduates, access to the University's facilities and the dissemination of its research findings.

INTRODUCTION

As a University, we are an expression of democracy, progress, knowledge and principle. In preparing our public benefit statement, we have followed the model developed by the *THE Impact Rankings* to demonstrate our fundamental, transformative effect on individuals and society as a whole.

In the fourth year of the *Times Higher Education University Impact Rankings*, published in 2022, the University of Worcester retained a top five placing in the UK for Quality Education as well as a top five ranking in the UK for Gender Equality.

The rankings highlight the contribution made by universities around the world to achieving the internationally agreed Sustainable Development Goals (SDGs), which the United Nations adopted in 2016.

They independently assess and document evidence of universities' impact on society. It is a vivid illustration of the way in which universities can address the challenges facing their local communities and recognise the deep engagement of universities with the issues that matter most to our societies.

Read the full rankings:

Times Higher Impact Rankings 2022

Read more about the United Nations Sustainable Development Goals:

About the SDGS

SECTION 2: Public Benefit *(continued)*

Making an impact

The University of Worcester has always sought to stay true to its fundamental democratic values, and, at a time when universities nationally have come under increasing scrutiny, and when democracy itself has been challenged in the UK, has shown that there is a different approach; one which combines expertise, commitment and passion.

In this period, in response to the global Covid-19 pandemic, the University has grown its work in health and education, recognising that going forwards, the nation will need more well-qualified professionals in these, and many other areas.

This public benefit statement highlights how we have taken on this challenge of helping the Country as it recovers from the pandemic and have further built on our existing dedication to social inclusion and the levelling up agenda.

At the end of 2020/21, the University committed to a new levelling up framework and over the past year, in partnership with former Education Secretary the Rt Hon Justine Greening, has developed a Levelling Up Impact Report, setting out how the University is working in partnership to provide opportunities and increase social mobility.

Read more:

Former Cabinet Minister Launches University of Worcester Levelling Up Report

GOOD HEALTH AND WELLBEING

Helping the NHS workforce

New analysis published in July 2022 by the Health Foundation's REAL Centre warned that without urgent, significant policy action, the NHS in England is facing a crippling shortage of GPs and general practice nurses over the coming decade.

With our long history of outstanding health education and as leaders of the national campaign to increase nursing places, we are helping to meet the needs of this workforce crisis.

We have grown our existing courses for health professionals and in September 2021, as the Country began to emerge from the grip of the global coronavirus pandemic, the University welcomed its largest ever intake of Nursing and Midwifery students. The pandemic saw our nation's health service tested to the limit and as it became further evident that significantly more health professionals would be needed to 're-build Britain', the University immediately stepped up to help.

Read more:

A quarter of GP and general nursing posts could be vacant in 10 years

SECTION 2: Public Benefit *(continued)*

Third year Nursing students completing their studies in 2022

As the University celebrated 25 years of Nursing and Midwifery education, it was awarded the largest allocation of additional health training places in the Country following a Government bidding process. Bids for extra places were assessed on the quality of each provider, including their rates of continuation and graduate employment outcomes. Worcester was allocated an additional 473 places for students to study Nursing, Midwifery, Occupational Therapy, Physiotherapy and Paramedicine.

The University's commitment to supporting the Country's health service continued further in 2021/22 with the development of the Three Counties Medical School. Thanks to generous donations of over £2.5 million from the Kildare Trust and NHS partners in Herefordshire, Gloucestershire and Worcestershire, the University is able to offer 20 places for UK students to begin their studies in September 2023.

The Medical School will serve the three surrounding rural counties and one of the UK's most deprived former industrial areas – areas in which the University's health and education graduates are already making a big contribution.

This ambitious project, which has been more than 5 years in the planning, has been widely adopted as a key priority for the region, with support from the Worcestershire Local Enterprise Partnership (LEP), local authorities, NHS Trusts and the City's MP. The new medical school will help address the pressing need for more doctors in this left-behind part of the Country, where health inequality has been further intensified by the Covid-19 pandemic.

The Medical School will build on the University's exceptional and proven record on widening access to higher education, directing recruitment primarily at those groups that are under-represented in medical courses and in the profession. This includes, in particular, students from lower socio-economic backgrounds, who still account for only around 10 per cent of all admissions nationally.

Health Graduates	**2021/22**
Nurses	103
Midwives	40
Paramedics	105
Social Workers	37
Physiotherapists	30
Occupational Therapists	41
Sports Therapists	53

Covid-19

With all remaining restrictions gradually lifted, the University was able to get back fully to in-person activities and began the new academic year with a return to face-to-face teaching for all those courses which had historically been taught in-person.

SECTION 2: Public Benefit *(continued)*

Throughout the entire pandemic, the University consistently focused on student wellbeing while taking a highly responsible public health approach to Covid-19. We operated in line with Government guidance and worked particularly closely with the Public Health Worcestershire team to provide on campus testing. Throughout 2021/22, the University continued to encourage vaccinations among its staff and students, and in September 2021 opened its vaccination clinic to the wider community, in a bid to aid the national efforts.

Worcester's approach, which was very different from many institutions, maximised the opportunity for personal participation in teaching, learning and University life whilst using modern technology to the full for the benefit of student learning and effective organisation.

Living Well Through the Life-course

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

Examples include:

- Researchers in our Mood Disorder Research Group continue to publish numerous experimental studies in collaboration with institutions all over the world which have explored the genetic make-up of bipolar and other mood disorders. This work will have longer term translational impacts, but the team have also engaged in work that is bringing more immediate benefits to those affected by mood disorders, for example, through its mood monitoring which enables people with a mood disorder to better track and understand changes in their mood.
- Our Association of Dementia Studies have worked closely with Worcestershire County Council in implementing a series of Dementia Meeting Centres across the county. This implementation is underpinned by research, funded by the Economic and Social Research Council, Alzheimer's Society, the National Institute for Health Research and others, which demonstrated the effectiveness of the Meeting Centre model in improving quality of life for those recently diagnosed with dementia and for their families and carers.

Student and Staff Wellbeing

Partnerships and collaborative working are integral to the University's health and wellbeing approach. Via its occupational health services partner People Asset Management (PAM), the university provides an employee assistance programme called PAM Assist. This is a free and confidential support service available 24/7 to all members of staff. It provides advice and support on any of life's challenges, including in areas such as money management, personal and work life problems and retirement issues. Telephone advice and counselling, and up to six sessions of face-to-face counselling, are provided.

The University also works to encourage employees to support others within the organisation, including through a project with mental health charity Charlie Waller Trust, which helps to develop advice and training for staff in supporting others in distress.

Trained mental health advisers among the university's team form part of an active staff mental health network which provides peer support and campaigning for mental health.

Furthermore, its staff development programme includes a wellbeing strand with staff given training on various themes. It has also collaborated with suicide prevention charity Papyrus, as part of a multi-agency project to consider how to be a suicide safer campus.

Having met the criteria for a regional wellbeing charter, the university is now working towards a higher level of accreditation.

SECTION 2: Public Benefit *(continued)*

The University has a deep commitment to inclusion for those experiencing mental health problems. We have offered specialist wellbeing support to students since 2000, while in 2004 we were one of the first universities in the UK to directly employ Mental Health Advisors.

We are playing a leading role in partnership with the National Union of Students and others to make universities and cities 'suicide safer' through early intervention. We were finalists for a prestigious Times Higher Education Award in 2018 for our work in this area and in September 2021, we were included as a case study in the Office for Students' (OfS) new topic briefing, setting out some of the approaches that universities and colleges can take to help prevent suicide among students.

In November 2021, academics at Worcester published a national guidance book aimed at supporting education providers on the complex issue of student suicide. The book was launched to huge acclaim, including a slot at the prestigious Hay Festival, and has gone on to become a leading text in the field.

Read more:

Suicide Safer: Forum for Access and Continuing Education

Suicide Safer: OfS briefing

New book aims to support education providers on the complex issue of student suicide

Community access to university sports facilities and expertise

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

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

In addition to members of the public attracted to the extensive University of Worcester Arena events calendar, around 8,000 community visitors have enjoyed sport and leisure experiences at Lakeside Campus, in addition to those using the St. John's Campus Sport Centre and the Riverside Centre.

We work with age groups spanning from 5 to 85+yrs, engaging in entry level participation activities to elite performance. We encourage students to play a pivotal role in planning, supporting and staffing as many activities as possible.

This work will be further enhanced by the development of the Severn Campus to create a new centre for health, wellbeing and inclusive sport.

SECTION 2: Public Benefit *(continued)*

The plans, which received the go ahead from City planners earlier this year, will include the long-planned International Inclusive Cricket and Education Centre, along with further teaching facilities. The International Inclusive Cricket Education Centre, which has been designed in close consultation with the England Cricket Board, will provide a national home for all forms of disability cricket as well as outstanding net and practice facilities for local cricket loving youngsters in particular as well as male and female cricketers of all abilities.

An artist's impression of the International Inclusive Cricket Education Centre

As with the University's other facilities, the campus will be available to the local community on an organised basis. There will also be special facilities designed to promote exercise as part of supervised rehabilitation programmes after some episodes of heart attack, stroke and physical injury.

Worcester's reputation as a centre of excellence for inclusive sport has also been boosted by the creation of a new women's premier league for British Wheelchair Basketball. Worcester is one of only four universities to host a High-Performance Partnership.

Read more:

International Inclusive Cricket Education Centre gets the go ahead from planners

Worcester Wolves announce first player for debut season in women's Premier League

EQUALITY AND INCLUSION

We are an open, meritocratic institution that proactively seeks out people capable of benefiting from higher education, minimises barriers to their participation and contributes to the expansion of higher education opportunities, locally, nationally and internationally. We have a long-held commitment to welcome, support, and engage students with a broad range of backgrounds.

The University's Access and Participation Plan, submitted to the Office for Students, provides detailed information on our commitment to all students, regardless of background or financial considerations.

Read the full Plan:

University of Worcester Access and Participation Plan 2020/21 – 2024/25

We are in the top 10 of universities across the UK to best reflect society in terms of socio-economic class, according to analysis by the Higher Education Policy Institute, an independent higher education think tank. The University of Worcester is eighth out of 132 UK universities for ensuring that people from all backgrounds have the chance to study at university.

SECTION 2: Public Benefit *(continued)*

Read the full report:

HEPI: Upending the rankings: Benchmarking widening participation in universities

Throughout the 21st Century, a minimum of 97% of the University's students have been state educated. Worcester students begin their higher education with lower than national average UCAS tariff points, yet our graduates are in the top 10 English HEIs for employment one, three and five years after graduation, according to the government-published Longitudinal Educational Outcomes survey in both 2017 and 2020.

Accessibility

Just over 10% of Worcester's students have a declared disability and the University has largely eliminated disability continuation and achievement gaps in the student lifecycle.

We have invested heavily in facilities and support for students with a disability. For example, our Disability and Dyslexia Service have introduced a number of new initiatives aimed at ensuring every disabled student joining the University has the maximum opportunity to get the information, advice and support they need to ensure a smooth and successful transition into university life. Online programmes, more face-to-face appointments and specific summer schools for those with additional needs help to prepare students for life at university. Our work in this area was shortlisted for the 2019 times Higher Education Award for Outstanding Student Support.

In January 2019, the then Universities Minister, Chris Skidmore, called for more institutions to follow the lead of Worcester in supporting students with disabilities. Writing in *The Guardian*, he said: *"Universities like Brunel and Worcester have long been leading the way in improving the disabled student experience, by enhancing support services available to them and designing facilities with accessibility in mind. I want institutions like these to no longer be the exception, but the norm."*

Gender Equality

The University's Gender Pay Gap data is demonstrable of the University's longstanding promotion of educational and social inclusion and equality.

We have a high percentage of women employed at all levels including within the senior team. Women make up 60 per cent of Worcester's overall staff and are represented at this level throughout the University. This contrasts with the majority of other universities where women are under-represented amongst higher paid staff and over- represented amongst the lower-paid. At Worcester, women are neither under-represented at the top nor over- represented at the bottom.

Staff are pictured here with 'Hope' the Lego Suffagette, who paid a visit to the University to mark 100 years since the first women won the right to vote in Britain.

SECTION 2: Public Benefit *(continued)*

We were ranked top 5 in the UK for Gender Equality in in the 2022 Times Higher Education's University Impact Rankings, for the fourth year running and have been the UK's best performing university for fair gender pay since the statistics were first nationally published. In 2021, the median pay gap at Worcester was 0%.

We continue to keep our HR policies and processes under review to ensure we are making steps towards removing any existing gender pay gap and ensuring that there is a balanced representation of different genders within the workforce and across all roles.

We regularly monitor the employment 'lifecycle' of our staff; from initial recruitment ensuring that we have fair and consistent selection processes; having career development opportunities open for all job roles; clear and consistent promotion and salary processes; fair and flexible working practices.

The University is also engaged in research with a strong focus on Equality & Diversity with the central focus of developing more inclusive practice in various walks of life, including being awarded £100,000 from the NHS Race and Health Observatory to conduct research into the mental health needs of UK Gypsy, Roma and Traveller communities. The University will join forces with organisations working within these communities to lead an investigation to understand why inequalities might exist in mental healthcare provision and how they could be adapted to meet their needs. Researchers aim to provide resources to ensure that good practice can be replicated around the country while offering wider practical recommendations for change, informed by the experiences of those people affected.

Read more:

University's research into mental health support for Gypsy, Roma and Traveller Communities

QUALITY EDUCATION

Raising Aspirations

In the 2022 Times Higher Education University Impact Rankings, Worcester retained its top 5 in the UK for Quality Education ranking. The Sustainable Development Goal for Quality Education is a measure of how well and institution is ensuring inclusive and equitable quality education and promoting lifelong learning opportunities for all.

For many years the University of Worcester has consistently sought to reach out to communities and individuals who in previous generations would not have had the opportunity to benefit from higher education, working with Colleges and high quality educational organisations to provide programmes in many parts of the UK in such vital but neglected areas as Child and Adolescent Mental Health; Learning Support, Early Years and Parent Education.

Worcester's work with The Learning Institute (TLI), a private training provider in the South West, helps mature, female students who want and/or need to study part-time in a rural, coastal and isolated area to do so, through sustainable, locally-based Foundation Degrees and associated 'top-up' honours degrees. The courses overcome traditional barriers to HE by flexible timetabling of classes, basing teaching in accessible locations, such as community centres, and extensive tutorial and student support.

SECTION 2: Public Benefit *(continued)*

Student satisfaction and participation

The University was shortlisted for Best Student Experience in the annual Student Nursing Times Awards 2022, while several students were shortlisted across a number of categories in the Awards.

In the 2022 National Student Survey (NSS), seven courses, including Biology, History and Physical Education, received 100% overall satisfaction. The University of Worcester scored highly in Learning Opportunities, Learning Resources and Student Voice overall.

Read more

University and students in running for top Nursing and Midwifery Awards

Review the Results:

Office for Students: Full NSS Data

The Times and Sunday Times Good University Guide 2022, published in September 2021, ranked us 23rd for teaching quality and 20th for student experience. In the AdvanceHE Postgraduate Taught Experience Survey (PTES) 2021, Worcester was ranked 3rd amongst 88 UK universities for overall satisfaction and was ranked 7th out of 94 institutions in the AdvanceHE Postgraduate Research Experience Survey (PRES) 2021. These surveys, which have run every year since 2009, are major annual independent surveys. Worcester was shortlisted for Best Student Experience in the 2022 Student Nursing Times Awards, which are widely regarded as the most prestigious awards in nursing education.

Research

Research being carried out at the University was judged to be world-leading or internationally excellent in the Research Excellence Framework 2021, published in 2022.

The University's work in dementia studies and mental health research, including bi-polar disorder, were among those deemed to be world-leading, reflecting the University's commitment to and investment in these fields over the last 10 years. Work on violence prevention and on inclusion of marginalised groups was also highly rated, while there was also success in traditional academic areas such as History, where 82% of the work submitted was identified as world leading or internationally excellent. This included significant research into the identities of African people who had been enslaved.

Read more:

World-leading research being carried out at University of Worcester

SECTION 2: Public Benefit *(continued)*

Early Years and lifelong learning

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

The University of Worcester is the only higher education institution in Herefordshire and Worcestershire offering teacher education, and the nature of its provision is strongly influenced by the needs of schools and other educational settings in this region and throughout the West Midlands.

A high proportion of the University's education students come from non-traditional backgrounds, with 13.46 per cent from neighbourhoods with low levels of participation in higher education, compared with 12.76 per cent nationally; and 13.03 per cent from the most deprived areas. They are often mature students who may already be working in education settings, for example as teaching assistants or Early Years educators.

The number of secondary school pupils is projected to increase by 19% between 2017 and 2026, but national trainee numbers have been below targets every year since 2012. We have a key role to play in developing the future workforce for Schools and will play a key role in repairing the educational disaster following the disruption caused by the Covid-19 pandemic.

Educational Impact	Numbers 2021/22
Teacher Training graduates	511

This September, the University will begin offering a package of short courses aimed at those wanting to work in the education, early years and children's services sector. The short courses are offered as part of the Higher Education Short Course Trial and the government's pilot of the Lifelong Learning Entitlement which is a new student finance product.
The courses have all been designed with employers to ensure that they provide the knowledge and skills needed in the sector where an increasing demand for a specialism has been identified.

The University's work to drive social mobility through educational opportunities for children was recognised in July, when it triumphed in the Levelling Up Universities Awards 2022, winning the award for Strong Foundations in Early Years.
The awards ceremony cited how the University had given young children the opportunity to participate in events and provided study opportunities at The Hive. It also cited the University's long-running Storytelling Festival for Children on campus that brings together local schoolchildren with authors, poets and storytellers for inspirational workshops.

Read more:

New short courses launch at University of Worcester

University wins levelling up award for providing opportunities for young learners

SECTION 2: Public Benefit *(continued)*

DECENT WORK, ECONOMIC GROWTH AND INNOVATION

The University's annual income has risen by more than four times since 2004 and is now approaching £100m, with the University's activities generating well over a quarter of a billion pounds annually for the regional economy, and supporting more than 8,000 jobs directly or indirectly in the area. In 2016, Worcestershire's local economy was England's best for growth in higher-level workforce skills, second for productivity growth and third for growth in prosperity.

The University is a major employer in Worcestershire, directly employing approx. 1700 staff and 700 students in a wide range of roles, although the number of payments to students has reduced the last few years due to the pandemic, however, this is now starting to increase again. We offer competitive rates of pay and good employment benefits. Our combination of flexible working arrangements, competitive annual leave and a nursery on campus help our staff to maintain a positive work-life balance.

In June 2022, the University retained its HR Excellence in Research award, recognising its work to develop and enhance the working environment and career development opportunities for its researchers.

Our academics, researchers and business experts create bespoke solutions for businesses and support industry in the region and beyond. Organisations have access to our expertise, can use our facilities and partner with us on a wide range of projects.

The University committed to offering re-skilling opportunities for the many hundreds of thousands of people abruptly displaced from their industries by the pandemic.

Read more:

University's support for researchers recognised

SUSTAINABLE CITIES AND COMMUNITIES

We have deliberately chosen to develop our estate inclusively, creating buildings that are conducive to co-operation and success. The opportunity to study at The Hive, Europe's first integrated university and public library, is a day- to- day encouragement to active citizenship and learning.

In July 2022, The Hive celebrated its 10th anniversary since being opened by HM The Queen. During that decade, the building has hosted more than 36,000 school visits and introduced more than 500,000 children to our library services. Almost 125,000 children and parents have taken part in free family events more than 4,700 adults have been supported with community learning and developing vital job skills.

By opening our facilities in imaginative ways for the public benefit, we encourage cohesion and contribute to our community becoming even safer, stronger and more engaged.

Hive Library	**2021/22**
Total number of visits	332,973
Teenage library membership	10,286
Number of children and adults participating in community events	20,548
Number of people attending public lectures	3,652

SECTION 2: Public Benefit *(continued)*

Read the UPP Foundation Civic University Report: Hive case study

Final report

The HiveAt10

Celebrating 10 years of successful partnership

Student Representation

Through the 21st Century Worcester has built a vibrant system of democratic student representation, led by an award-winning Students' Union, featuring hundreds of elected student course representatives. We were one of the first universities in the country to have student officers as full members of our Board of Governors and its key committees, including Finance and Development and Audit, uniquely including the Remunerations' Committee, which sets the Vice Chancellor's salary. This is a manifestation of our commitment to a student-centred approach and the principle of 'nothing about us without us'.

Student participation and representation	2021/22
Number of student representatives	376 (23 School Reps, 353 Course Reps) + 26 Student Councillors + 3 full time elected SU Officers
Number of student volunteering hours	5,543 hours registered from July 2021 to end June 2022
Number of student societies	29
Number of student hours worked at University Arena	5,500 as part of the Earn as You Learn initiative

CLIMATE ACTION AND RESPONSIBLE CONSUMPTION

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

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

Worcester has had first class honours in the People and Planet 'Green' league every year since 2009 and in 2022 was named in the top 5 most sustainable universities in the UK in the league. Worcester came joint top in the Sustainable Food and Energy Sources categories and scored 100% across five of the categories.

In November 2019 Worcester was named Sustainability Institution of the Year in the UK Green Gown Awards, which recognise exceptional sustainability initiatives by universities and colleges and best practice within the further and higher education sector and went on to be Highly Commended by the United Nations in the International round of the Awards.

SECTION 2: Public Benefit *(continued)*

In autumn 2021, the University hosted the #ZeroCarbonTour bus as it made its way through the UK to COP26 in Glasgow, just weeks before receiving an International CSR (Corporate Social Responsibility) Excellence Award, for the second year running. The University was recognised as a 'Community Commitment Education National Champion' for a project in which students worked with local schoolchildren to increase their knowledge and commitment to recycling.

The University was also named winner of the Innovation for Engagement Award in the national Green Impact Awards, organised by the independent group, Students Organising for Sustainability UK.

Read more

People and Planet University League Table

University hosts #ZeroCarbonTour bus en route to COP26

University and student win awards for work to education people on the climate emergency

We are engaged in a wide-ranging body of environmental research including, for example:

- Professor Mahmut Tor and his team of researchers, funded by the Biotechnology and Biological Sciences Research Council among others, are undertaking research in close collaboration with growers, seed companies and food distributors to develop more resilient crops without the need for the widespread use of pesticides.

- Dr Duncan Westbury, through a series of funded PhD studentships, co-funded by the University, Waitrose and fruit growers, has demonstrated the efficacy of using wildflower strips in fruit orchards to improve pollination and increase the presence of natural predators thus reducing the need for more invasive crop protection. The approach they have developed has been adopted by growers in a number of contexts but is also feeding into Natural England's new agri-environment policy.

- Dr Alan Dixon has engaged in research, co-funded by the University and the Global Challenges Research Fund, exploring how farmers in sub-Saharan Africa can sustain a livelihood in the wetlands whilst maintaining the wetlands eco-systems. This research has fed into the practice of the farmers themselves, the support and guidance provided by NGOs and charities in Ethiopia and Malawi and into government policy on wetland management

SECTION 3: Financial Management and Sustainability

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

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

RESULTS FOR THE YEAR

The 2021/22 consolidated financial statements show a reasonable financial position for the University, with a deficit of £5.5m (2021: surplus £2.9m). The deficit was expected and is a result of the on-going challenges following the pandemic. £1.3m of the deficit related to the loss on disposal of fixed assets. This was due to the demolition to several buildings on the Severn campus site, in preparation for the development of the Health, Wellbeing and Inclusive Sport Campus. The deficit (before other gains and losses) increased quite substantially from £(0.3)m in 2020/21 to £(4.2)m in 2021/22. This was a result of a variety of factors such as: reduced tuition fee income along with a slight reduction in funding body grants. Income from residences, catering and conferencing did increase during the year, but has not yet reached the pre-pandemic levels. This combined with an increase in overall staff costs along with a slight increase in utility costs and general maintenance costs, resulted in the overall deficit. The consolidated results shown in the accompanying financial statements consist of the main University and its trading subsidiaries, U W Developments Limited, U W Enterprises Limited and UW Worcester Wolves Limited.

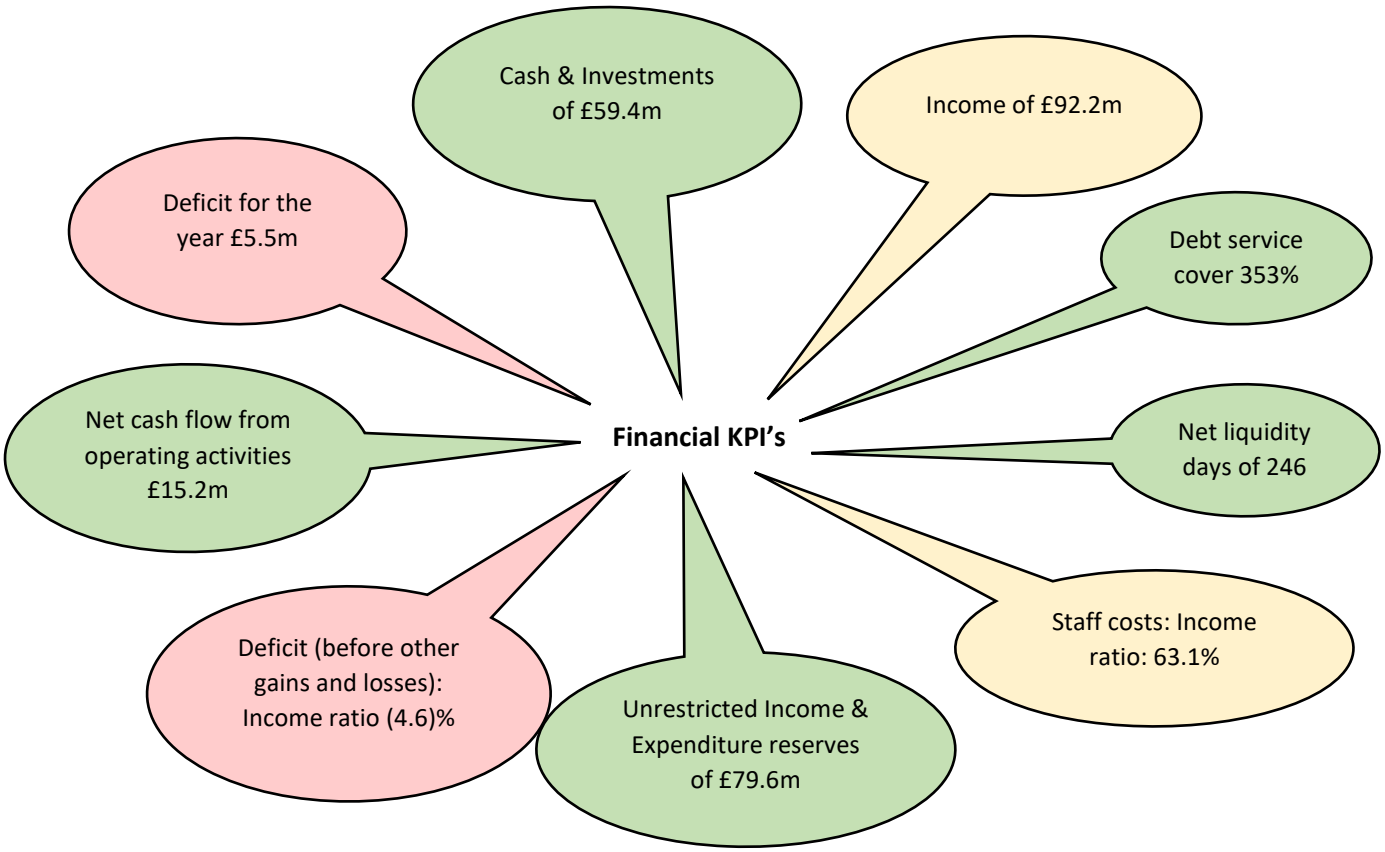
U W Developments Limited is the entity through which the University manages its significant capital development projects. Following the Development Agreement with the University, which was signed during 2016/17, the Company has now completed the construction phase on the Himbleton Road Townhouse Development project and the site, named Mary Seacole House, is fully operational with students in residence. No new trading activity took place during the year, the only activity was the settlement of creditor balances.

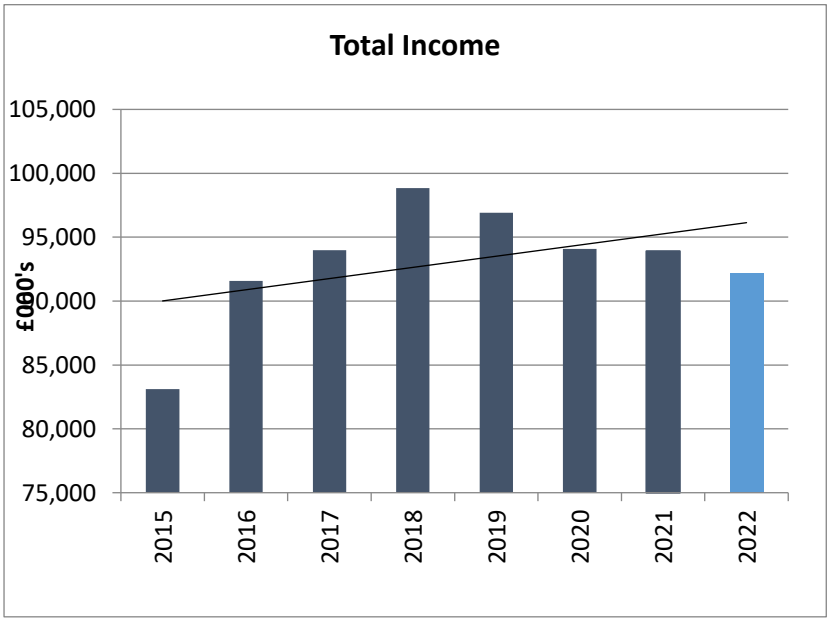
U W Enterprises Limited is the entity through which the University's commercial activities are channelled. Following a steady decline in full commercial trading, the University made the decision a few years ago that the on-going minimal amount of trading relating to the National Pollen and Aerobiology Research Unit would be filtered through the University, rather than the subsidiary company due to its links to educational services. This decision will be reviewed in the future if commercial trading activity increases, however for the year ending 31st July 2022 no trading activity was undertaken. There is a longer-term intention for the Company to be utilised for the employability of students, for which initial project planning works have commenced with the intention that operations will commence during 2022/23.

UW Worcester Wolves Limited is a 100% subsidiary company of U W Enterprises Limited. The principal activity of the company was the running and operation of a professional basketball team, in which the main team played in the top league in the UK, the British Basketball League (BBL). Following a strategic review of the company's operations, the decision was made to no longer enter a team in the British Basketball League (BBL) and instead focus the company's operations on strengthening the grassroots activities. The COVID-19 pandemic brought about new challenges for the Company, in relation to social distancing at public sporting events, along with a more difficult environment to obtain sponsorship income, and it was felt that the BBL team was no longer financially viable and therefore the club did not enter a team in the BBL for this financial year.

SECTION 3: Financial Management and Sustainability *(continued)*

A visual summary of the financial Key Performance Indicators (KPI's) used by the University are shown below. The results of which relate to the actual performance during the year:



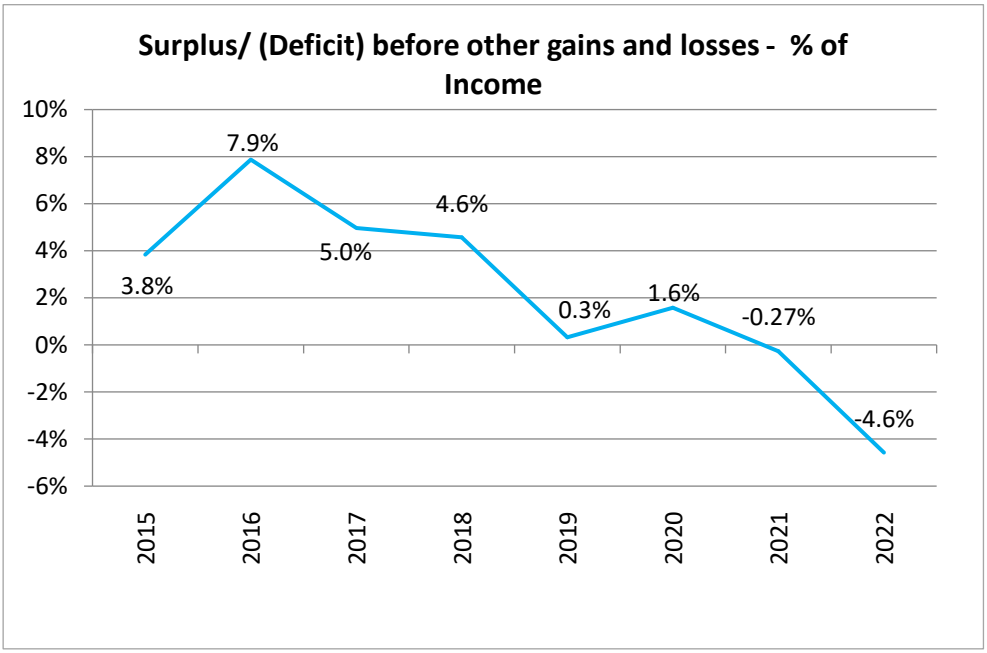


2021/22 saw a further slight reduction to the University's income, mostly attributable to a reduction in tuition fees of £3.7m, along with a slight reduction in funding body grants. The University's other income sources saw an improvement against the previous year, mainly related to residences, catering and conferencing, however values are still not quite back to pre-pandemic levels.

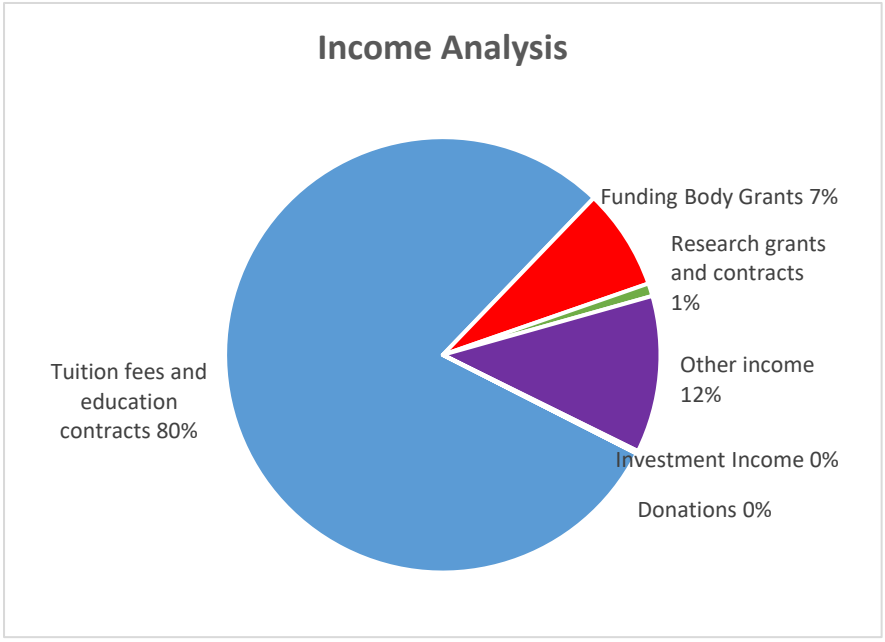
The budget for 2022/23 anticipates an overall increase in income back up to approx. £95m.

SECTION 3: Financial Management and Sustainability *(continued)*

2020/21 was the first year in many, where the level of surplus (before other gains and losses) reached a deficit position. 2021/22 has seen this deficit position increase fairly substantially. The fluctuations between years is due to elements of non-recurrent income, differences relating to the movement of pension liabilities, and more recently the on-going impacts of the pandemic, and the recent rise in inflation.



There are currently many financial challenges facing the Higher Education sector ranging from increasing scrutiny given the recent financial consequences of the COVID-19 pandemic, the looming 'cost-of-living' crisis and the consequential inflationary impact coupled with the on-going Government decision to maintain a freeze on student tuition fees, along with the on-going cost burden of the Defined Benefit pension schemes. Against this backdrop of uncertainty, the University continues to prepare prudent financial forecasts, maintain rigorous cost control activities, and focuses on maintaining a healthy level of cash reserves to allow it to 'weather any unforeseen storms' and exploit any opportunities as they arise, such as the development of the Three Counties Medical School. Nevertheless, noting that the landscape in which the University operates does frequently change, then the Board and the University Management regularly review the forecasts and budgets to ensure the on-going financial sustainability of the University.



Analysis of the 2021/22 financial results shows the majority of income continuing to be received directly from tuition fees, as shown in the chart on the left. Student fees continue to represent approx. 80% of total income.

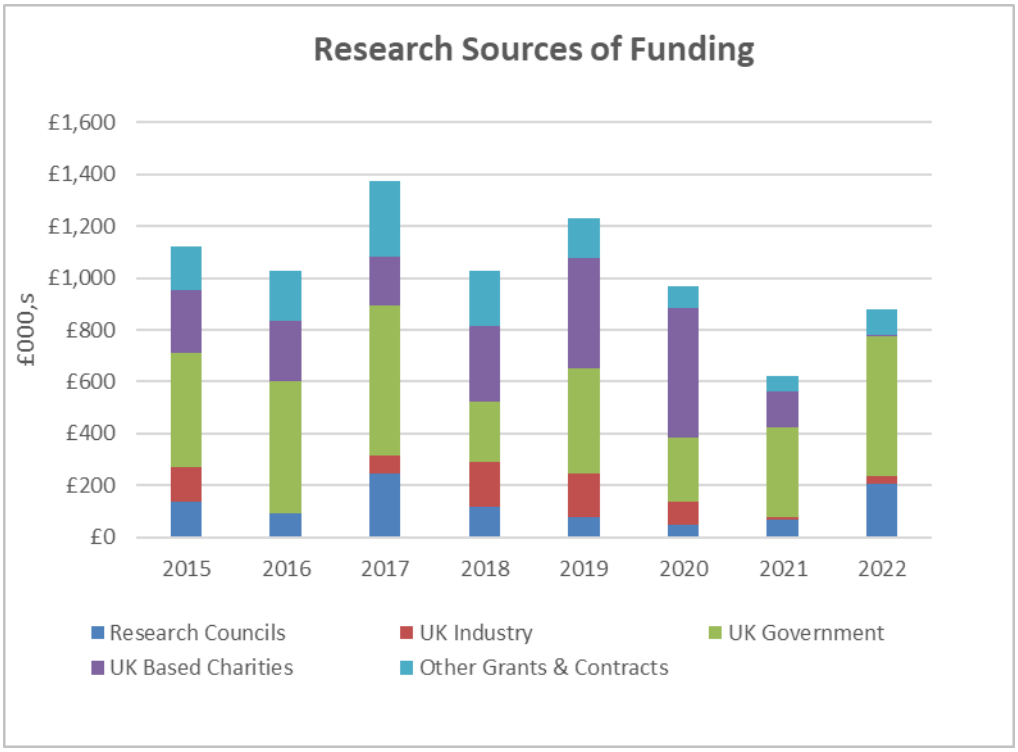
Tuition fee income, as previously mentioned, has reduced slightly but will hopefully rise again in 2022/23. The percentage of other income has begun to increase again since the pandemic and is back up to being 12% of total income. It is anticipated that in the coming years this income proportion will rise again to help diversify the University's income sources.

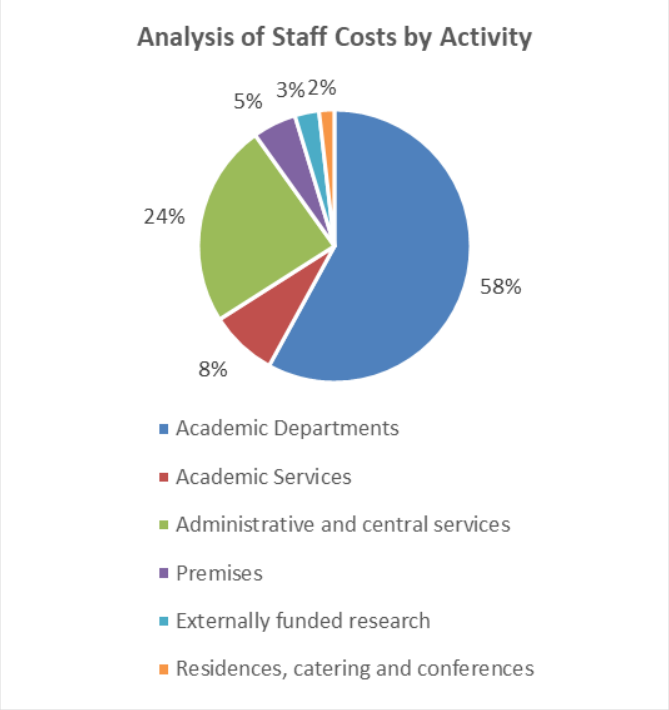
SECTION 3: Financial Management and Sustainability *(continued)*

The University of Worcester has not historically been a research-intensive University, as indicated by the income analysis chart. However, research continues to play a key part in the educational offering to students and over the past few years focus has been on strengthening the University's research department so that additional resources are made available to support academic research. Over the coming years, the University hopes to obtain additional external research contracts, either as a sole provider or in collaboration with other partners. Research income levels in 2021/22 rose slightly as projects recommenced following delays due to the pandemic.

An element of the University's deferred income, at the year-end, relates to research contracts for which cash has been received, however full contract conditions have not yet been achieved due to the stated timescales of the projects, therefore the income cannot be disclosed in 2021/22. This income will be released in future years as each project progresses.

The chart opposite shows the analysis of research related income over the past seven years.

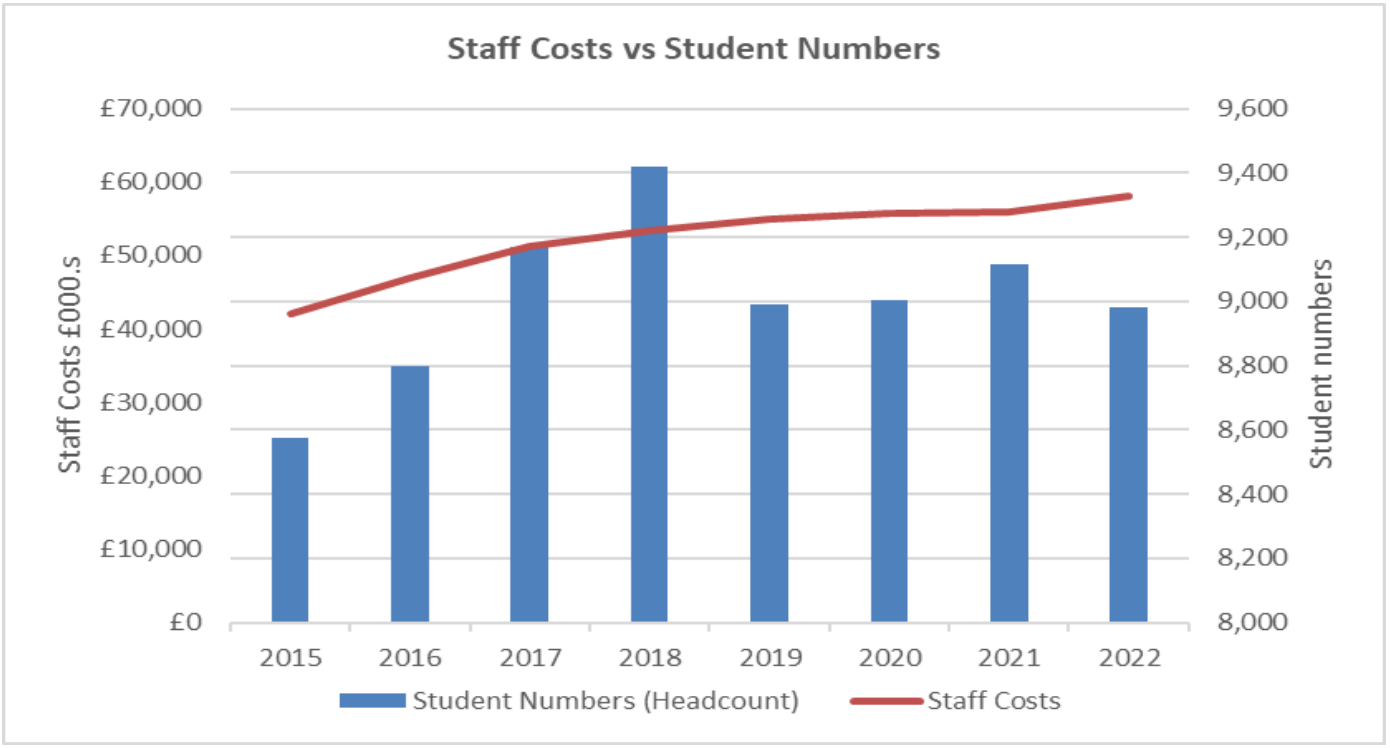




Total expenditure increased in the year by £2.2m (2.4% year on year increase) to £96.4m (2021: £94.2m). Staff costs remain the University's largest area of expenditure and have continued to rise by £2.2m (4.0%) to £58.1m (2021: £55.9m). The ratio of staff cost: income has increased to 63.1% compared with the previous year (2021: 59.6%) and the pressure of maintaining appropriate staff numbers to ensure high levels of student satisfaction, against the on-going increases in pension contributions is a major challenge. However, so far, the University has avoided the need for any large-scale redundancy activity and continues to assess all the ways that the cost burden can be controlled as efficiently as possible. The chart to the right shows the analysis of staff costs between key areas:

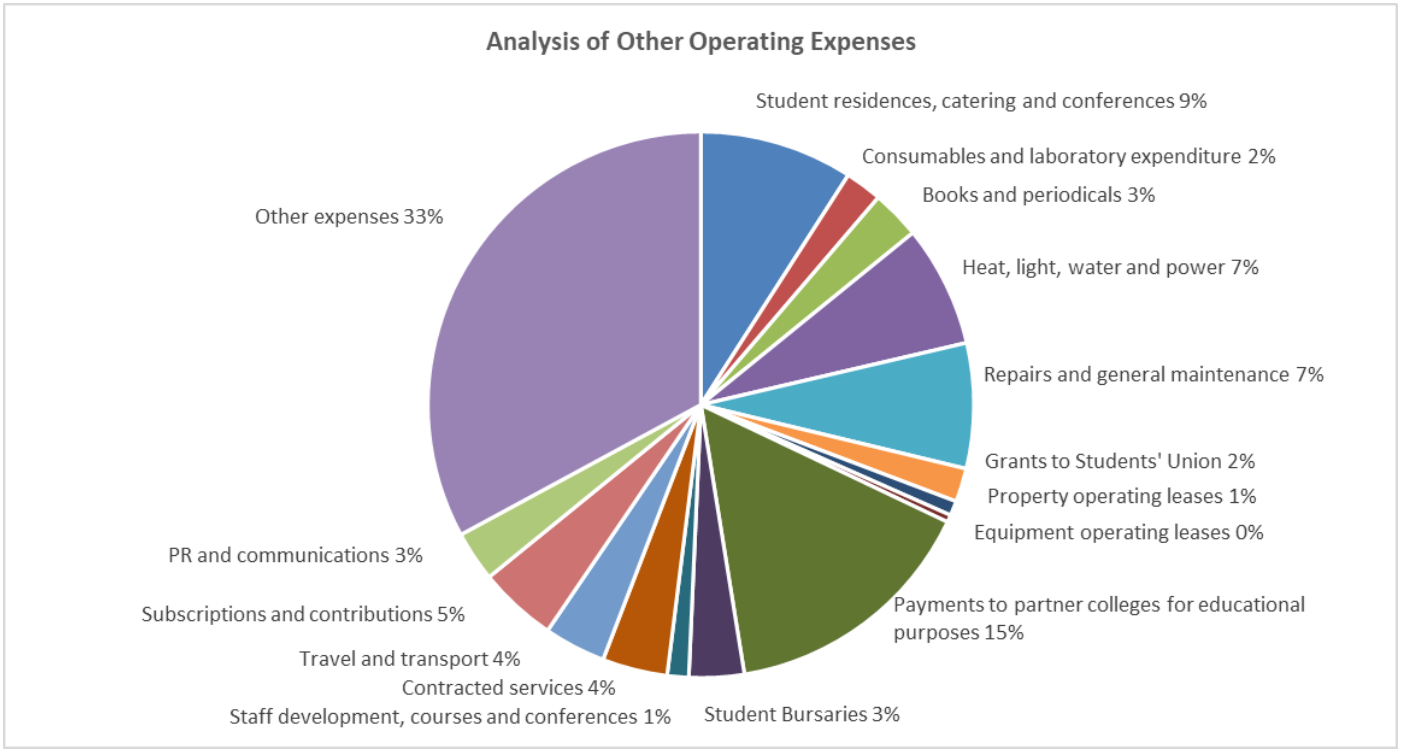
SECTION 3: Financial Management and Sustainability *(continued)*

The graph below shows the historical correlation between student numbers (headcount excluding students based at partner colleges) and staff costs.

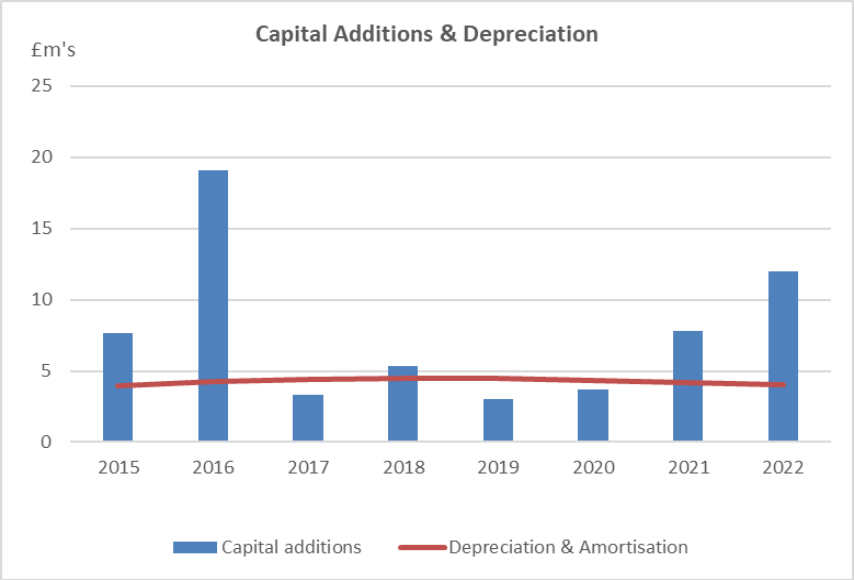


Other operating expenses increased very slightly from £29.9m in 2020/21 to £30.2m in 2021/22. Prior pandemic levels of other operating expenses were approx. £33m therefore the University has continued to achieve some costs savings and will strive to maintain costs at this sustainable level in the future, despite the on-going challenge of inflation.

Further details of this are shown in Note 9. The breakdown of the total other operating expenses for the year is shown below:



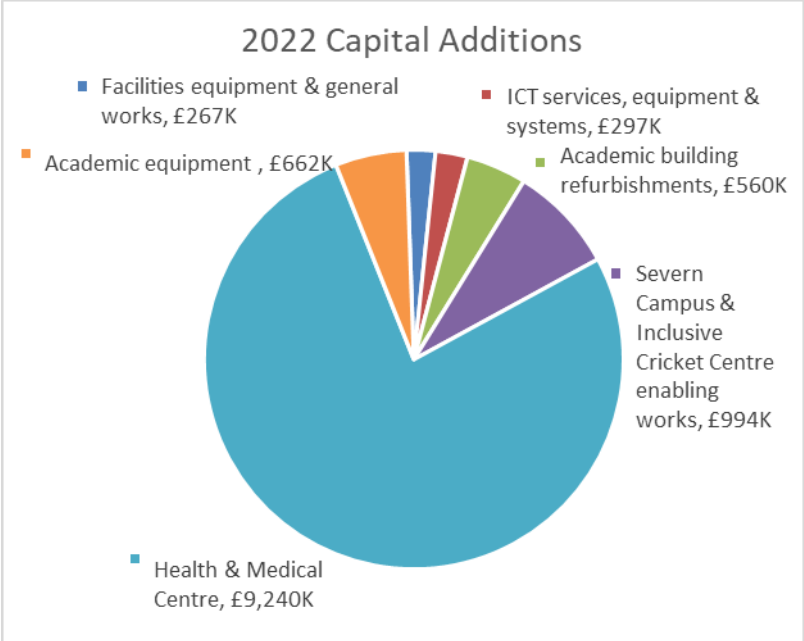
SECTION 3: Financial Management and Sustainability *(continued)*



The depreciation and amortisation charge has remained consistent year-on-year. The level of capital investment during the year is higher than that of the previous year, which is due to the on-going capital project relating to the new Three Counties Medical School along with works relating to the new International Inclusive Cricket and Education Centre (IICEC). As these projects continue to progress further increased capital investment will be made in the coming few years.

The University Group balance sheet showed a healthy position with net assets at £89.3m (2021: £49.1m). The main aspects of this were total non-current assets of £154.6m mostly relating to the physical estate of the University and associated equipment.

Net Current assets increased substantially from £15.9m to £41.5m, as a result of the current outstanding Barclays Tranche C loan of £23.4m, now being classified as a long-term liability rather than a current liability, following successful re-negotiation of the loan.



- Trade and other receivables £4.1m (2021: £4.2m)

The total value of trade and other receives has remained consistent. The University's credit control processes remain strong, which has resulted in a continued low level of student debt at the year-end.

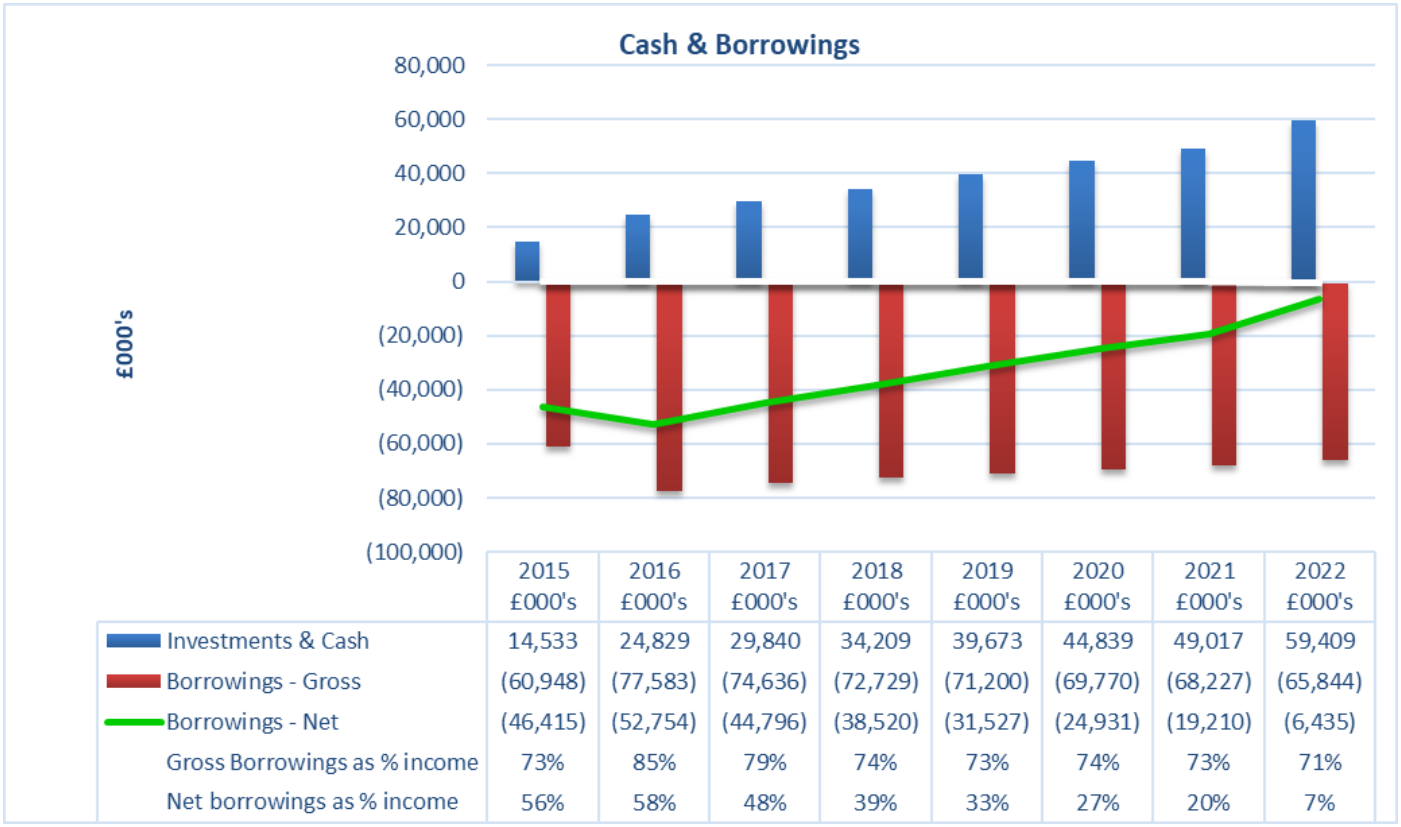
- Creditors (amounts falling due within one year) £(22.0)m (2021: £(37.3)m)

The creditor balance has reduced substantially compared to that of the previous year due to the reclassification of the Barclays Tranche C loan mentioned above. Tax, social security, and pension payments, relating to July, were paid before the end of the financial year, as was the case the previous year. Accruals and deferred income, which includes, income in relation to research contracts, capital grants and student tuition and accommodation fees increased from £9.8m to £16.3m, mainly due to an increased level of tuition fee income relating to 2022/23. This income will be released in the coming year upon entitlement to the income. Trade creditors decreased from £0.6m to £0.3m, mainly due to the system issue that was experienced last year end, being resolved.

SECTION 3: Financial Management and Sustainability *(continued)*

Longer-term liabilities are related to loan borrowings, the Hive finance lease and government deferred capital grants, which will be released to income from 2023/24 onwards.

The total bank loan drawn down as at 31st July 2022 remained at the full £80.0m although some has been repaid, (with the remaining long-term creditors relating to other funding connected to the Hive). This was consistent with the overall investment strategy of the University, with the borrowings used to successfully fund the expansion in the physical estate of the University and facilitate the substantial increase in both student numbers and resulting income which has been the case for the past few years. The intention is that the unused cash balance from the final loan drawdown will be invested in the coming years in the continuation of development projects.



	2015 £000's	2016 £000's	2017 £000's	2018 £000's	2019 £000's	2020 £000's	2021 £000's	2022 £000's
Investments & Cash	14,533	24,829	29,840	34,209	39,673	44,839	49,017	59,409
Borrowings - Gross	(60,948)	(77,583)	(74,636)	(72,729)	(71,200)	(69,770)	(68,227)	(65,844)
Borrowings - Net	(46,415)	(52,754)	(44,796)	(38,520)	(31,527)	(24,931)	(19,210)	(6,435)
Gross Borrowings as % income	73%	85%	79%	74%	73%	74%	73%	71%
Net borrowings as % income	56%	58%	48%	39%	33%	27%	20%	7%

Most of the borrowings are due for repayment over a considerable number of years and the Board of Governors is satisfied at the University's ability to meet these repayments together with the associated interest charges as they fall due. The financial performance in the year ended 31st July 2022 meant that all bank and related covenant tests were again comfortably achieved. Further information on the loan repayments is shown in Note 19.

Provisions for liabilities

The University has accounted for several provisions in relation to the different pension schemes. The overall pension liability provision as at 31st July 2022 reduced substantially from £(62.5)m to £(22.6)m. This includes the University's liabilities relating to the Worcestershire Local Government Pension Scheme (WLGPS), the liability to fund the pension deficit regarding the University's Superannuation Scheme (USS), and the on-going provision regarding past early retirement benefits. The performance of WLGPS assets during the year was positive, however, the substantial decrease in the schemes liabilities, meant there was an overall decrease to the fund liability of £40.3m, from £(61.8)m to £(21.5)m. The year-end adjustment to the current service cost was as expected, resulting in a charge to the Income and Expenditure Account as per previous years following the introduction of FRS102. In relation to the University's element to fund the USS deficit liability, a charge of £424K was shown in year. Further details on this are shown in Note 26. The continued increase in pension costs for the University remains a concern and is a key factor in the long-term financial planning of the University.

SECTION 3: Financial Management and Sustainability *(continued)*

Consolidated Cash flow

The cash inflow for the year from operating activities was £18.9m (2021: £15.2m). This cash inflow was partly used to invest in £12m capital expenditure and to service the loan facility (£2.8m interest and £2.3m loan repayments), with the balance of operational cashflow together with the proceeds from investment asset disposals resulting in an increase in cash and investments of £10.4m. This very encouraging cash generation, highlights how successfully the University management controlled the cash position, during a very challenging period, and as a result the relevant covenants with the University lenders were comfortably achieved.

SECTION 4: Infrastructure Development Programme

The main focus of the University's infrastructure development programme, in 2021/22, has been the further development of the new Health, Wellbeing and Inclusive Sport Campus alongside the River Severn in the City Centre. The site is already home to the University's Arena, Riverside Building, and the Garage, which provide a range of teaching and social learning spaces. These facilities will be joined over the coming two to three years with: the refurbishment of the former Worcester News print facility to create the Elizabeth Garrett Anderson Building, a new centre for Health and Medicine; the repurposing of the Garage to provide additional teaching space for health courses (to be called the Elizabeth Casson Building); the construction of the International Inclusive Cricket Education Centre (IICEC); the construction of a new teaching facility for the University's health and well-being provision; and the development of the wider campus infrastructure.

The most advanced of these five development projects is the refurbishment of the former Worcester News print facility, formerly called Berrows House. The building was acquired by the University in 2019/20 and planning permission for the refurbishment work was awarded in April 2021. The refurbishment of the building will create a versatile and modern teaching environment for student doctors, physician associates, nurses, midwives and other health professionals. Facilities will include a range of teaching rooms, an Anatomy lab, and a suite of 12 GP/Medical/Health consultation training rooms which will be used as part of the students' education and training. The building will also benefit from extensive social learning space and a café. Stepnells Ltd commenced the refurbishment work on site in May 2021 and it is anticipated that the work will be completed in early 2023. This building has been renamed the Elizabeth Garrett Anderson Building after Dr Garrett Anderson who was the first woman in Britain to qualify as a physician and a surgeon. The reconstruction and transformation of this former print factory/offices has benefitted from £1.6m of OfS Strategic Priorities Grant funding. The refurbishment and specialist equipping of the building is benefitting from £2.47m funding from the Worcester Towns Fund. The new Anatomy Suite will benefit from a grant of £0.25m from the Clive & Sylvia Richards Foundation.

SECTION 4: Infrastructure Development Programme *(continued)*

During 2021/22 work commenced on the repurposing of the co-located building previously named 'The Garage'. This building, a former Fire Service Garage, has been used for the last 12 years by the University's Art students, who have relocated to the City Campus, and is now being repurposed for use by the University's health courses. The refurbishment work includes some internal re-configuration to create a small amount of office space for academic staff and the glazing of an external covered area to provide additional social learning space. The work commenced in June 2022 with the building due to be handed over to the University ahead of the start of the 2022/23 academic year. The building has been renamed the Elizabeth Casson building, after Dr Casson who is considered to be the founder of Occupational Therapy in the UK.

It has been agreed by the Board that a third teaching building will be constructed to join these two buildings to form a further element of the health and well-being education hub. The new teaching building will be built in the space between the Elizabeth Casson building and the International Inclusive Cricket Education Centre (IICEC) and will provide a coherent core of teaching facilities for the University's health courses. It is anticipated that the new teaching building for health and well-being education will be 3 storeys and will include a range of flexible teaching and social learning spaces. A design team has been appointed to develop proposals for this new building. At the time of writing an application for a Strategic Priorities Capital Grant from the OfS had been submitted by the University for funding towards part of the cost of this building. The result of the competition is due in early September 2022.

The fourth element of the new Health, Wellbeing and Inclusive Sport Campus is the International Inclusive Cricket Education Centre (IICEC). Planning permission for this new facility was awarded in January 2022, having originally been expected in October 2021. The new facility will provide extensive indoor training space for all forms of cricket from elite to community and will also incorporate specific training space for disabled cricket including for those with visual impairments. Visually impaired cricket is played using hearing rather than sight and therefore requires an acoustically specialist facility. The England and Wales Cricket Board (ECB), Worcestershire Cricket Board, Worcestershire County Cricket Club and the Lord's Taverners have all been deeply involved in the developing of plans for this significant strategic project to promote inclusion in sport and society. During 2021/22 the ECB awarded a £2m grant to the University towards the cost of the development of the new facility. It is envisaged that the IICEC will become the home for England disability cricket and that Worcester and Worcestershire will regularly host national and international tournaments during the cricket season and training camps all year round as well as providing a top quality, inspiring inclusive facility for the community. It is anticipated that an Invitation to Tender for the main contractor will be issued in early 2023.

The above developments form key components of the new Health, Wellbeing and Inclusive Sport Campus which is being developed on the former Hylton Road industrial estate. Sites on this estate have been acquired progressively since 2009. To transform the site from a rundown industrial estate to a vibrant, welcoming, sustainable University campus planning permission was granted, in January 2022, for a comprehensive infrastructure plan, the fifth element of the wider campus project. This work is supported by a £3m grant, match funded by the University, from the Getting Building Fund, administered by the Worcestershire LEP. The infrastructure plans include the development of an internal roadway, pedestrian and wheeled routes with the latter providing easy, shorter and more accessible connections through from the City Campus to the St John's area of the City and the University's St John's Campus. The plans also include car parking, including 100 electric vehicle charging points and extensive storage for cycles. Whilst these facilities are important for the development of the new campus the primary objective of the infrastructure development is to create a campus which provides its users opportunities to improve their health and wellbeing. Therefore, the plans include a number of green areas both for social and quieter activities and a health, wellbeing and recuperation route. The latter has been designed to take advantage of the existing changes in level within the site and provide opportunities for exercise not only for staff and students but also for the wider community, especially through advice and support to be provided by the University's heath provision located at the Campus. The infrastructure development works commenced in July 2022 and the first two phases are due to be completed by early 2023, with the remaining phase due to be completed in line with the completion of the IICEC.

SECTION 4: Infrastructure Development Programme *(continued)*

During 2021/22 the University also continued to work in partnership with Worcester City Council, and Severn Arts, to develop the Arches. This development, supported by significant funding from the Arts Council, has seen the redevelopment of disused railway viaduct arches running alongside the University's City Campus, into incubator units for new creative industry enterprises. Its aim is to create, in conjunction with the co-located Hive library, a cultural destination for the community as well as visitors with improved pedestrian and cycle route between the city centre and river and a programme of festivals providing training, apprenticeships and other skill opportunities. The University's contribution to the project was the project management of the physical transformation of the railway arches. This work was completed in mid-2022 with the first tenants taking up occupation in June 2022.

SECTION 5: Staff

SUPPORTING STAFF WELLBEING AND WELFARE

As staff continued to respond to the unprecedented challenges created by the pandemic, the University enhanced its programme of activities and resources to support staff welfare and wellbeing.

Thorough a series of online workshops, created in collaboration with our EAP provider and other specialist organisations, staff were offered support and advice on general health and wellbeing as well as more specific areas such as recovering from adversity, effective ways to manage feelings of loneliness, and exploring the benefits of mindfulness.

Staff network groups, such as the LGBTQ+ group hosted on-line events to explore and meet the support needs for colleagues (staff and students) who might be experiencing additional wellbeing concerns being away from the campus. Team members were encouraged to become 'active allies' to support staff who might be feeling isolated while working remotely.

As we started to return to campus, a range of events and activities provided information and advice about returning to work. This covered physical health and safety arrangements and the psychological/emotional aspects of 're-entry' anxiety, with a focus on ensuring staff were well informed and supported in their return.

GENDER PAY GAP REPORT 2021

This year's gender pay gap data reconfirms the University's inherent commitment to equality and inclusivity, with the University reporting a **0% median pay gap.** Females continue to be well represented at all levels of the University, with **females accounting for 60% of employees in all four pay quartiles**.

This data is indicative of the University's inclusive approach in all areas of work and the value it places on attracting and retaining female employees in roles at all levels of the institution.

We pro-actively review and monitor the employment 'lifecycle' of our staff; from initial recruitment, ensuring that we have fair and consistent selection processes; providing career development opportunities for all job roles; clear and consistent promotion and salary processes; and fair and flexible working practices.

TRADE UNION FACILITY TIME APRIL 2021- MARCH 2022

In accordance with The Trade Union (Facility Time Publication Requirements) Regulations, the University published information relating to trade union officials and facility time.

The percentage of the University's pay bill spent on facility time for the period of 1 April 2021 to 31 March 2022 is **0.015%** - this is consistent with previous years.

Further information from the report is provided below. This report and previous reports can also be accessed on the University's website .

SECTION 5: Staff *(continued)*

Relevant union officials

Number of employees who were relevant union officials during the relevant period	Full-time equivalent employee number
14	13.62

Percentage of time spent on facility time

The number of employees who were relevant union officials employed during the relevant period spent the following percentage of their working hours on facility time:

Percentage of time	Number of employees
0%	0
1-50%	14
51%-99%	0
100%	0

Percentage of pay bill spent on facility time

Total cost of facility time	£8,269.14
The total pay bill	£56,605,081.00
The percentage of the total pay bill spent on facility time	0.015%

Paid trade union activities

Time spent on paid **trade union activities** as a percentage of **total paid facility time** hours: 16.48%

SECTION 6: Corporate Governance Statement

The following statement is given to assist the readers of the financial statements in obtaining an understanding of the Governance procedures applied by the University's Board of Governors.

Compliance

The University is committed to best practice in all aspects of corporate governance and conducts its business:

- in accordance with the seven principles identified by the Committee on Standards in Public Life (the Nolan Principles) namely: selflessness, integrity, objectivity, accountability, openness, honesty and leadership;
- in compliance with the CUC Higher Education Code of Governance, published in September 2020.

The University's statutory framework upholds the public interest governance principles outlined by the Office for Students (OfS)

The University is an exempt charity under the terms of the Charities Act 2011 and is regulated by the OfS. Members of the Governing Body are the charitable trustees and are responsible for ensuring compliance with charity law.

The University is registered with the OfS as a higher education provider with degree awarding powers.

Summary of the University's Structure of Corporate Governance

The Governance structure of the University is specified in the Instrument and Articles of Government originally approved by the Privy Council in 2016 and subsequently reviewed and updated with revisions approved by the Board of Governors in July 2021. The Instrument and Articles of Government set out the responsibilities of the Board of Governors, Academic Board, and the Vice Chancellor in managing and overseeing the University's activities.

The Board of Governors comprises independent, student and staff members as set out in the University's Instrument of Government. Independent members are in the majority. The Chair is elected from amongst the independent members and is supported by two Vice Chairs also elected from amongst the independent members. The Vice Chancellor and Chief Executive is the University's Accountable Officer and is a member of the Board by virtue of their role.

In line with the Articles of Government, the Board of Governors holds itself responsible:

- for the determination of the educational character, mission, strategy and reputation of the University and for oversight of its activities;
- for the effective and efficient use of resources, the solvency of the University and the Corporation and for safeguarding of its assets;
- for the approval of annual estimates of income and expenditure and the annual reports and accounts;
- for the appointment, grading, appraisal, suspension, dismissal and determination of the pay and conditions of service of the holders of senior posts, including the Vice Chancellor; and
- for setting a framework for the pay and conditions of all other staff.

Matters specifically reserved to the Board of Governors for decision are set out in the University's Schedule of Delegation. The Board is in receipt of regular reports from the University's senior management on the day-to-day operation of the University and its subsidiary companies.

The Board of Governors meets formally five times during the academic year and is supported by a sub-committee structure comprising: the Audit Committee, Nominations & Governance Committee, Finance & Development Committee, People & Culture Committee, Remuneration Committee (VC & Chief Executive) and Remuneration

SECTION 6: Corporate Governance Statement *(continued)*

Committee (Board Appointees). All sub-committees operate with agreed terms of reference, with independent governors in the majority, one of whom is designated as Chair. The major sub-committees meet formally between three and five times a year, other sub-committees meet formally between once and three times a year. All sub-committees report formally to the Board in writing.

Audit Committee

The Audit Committee meets five times a year, with the University's External and Internal Auditors in attendance. The University appointed Grant Thornton as its External Auditors in 2021/22 and KPMG as its Internal Auditors in 2019/20. The Committee members meet with the auditors on their own for at least one independent discussion per annum. During 2021/22, one 'in camera' session of this type was held with both the internal and external auditors.

The Committee membership in 2021/22 includes four independent members appointed by the Board of Governors, none of whom are members of the Finance & Development Committee, one of whom has relevant finance and accounting experience. The membership also includes one co-opted Committee member, as well as student and staff members who are full members of the Committee. The Vice Chancellor and Chief Executive is a not a member of the Committee but is invited to attend meetings in an advisory capacity from time to time. The Director of Finance & Resources and the PVC Students attend meetings of the Committee, but are not members. The Committee also invites senior managers to attend its meetings to present and discuss reports.

The Committee approves the Internal Audit Strategy and the Annual Internal Audit Plan and receives detailed reports and recommendations for improvements to the University's internal control systems. The Committee approves the External Audit Plan and the annual financial statements and management letter from the External Auditors, prior to their formal approval by the Board of Governors.

The Committee has a responsibility, under the University Risk Management Policy, and reporting to the Board of Governors, for oversight of the University's risk management arrangements. It reviews the University's Risk Register twice a year and reviews the Risk Management Policy and Risk Appetite Statement annually.

During the course of its work the Committee also receives regular reports on the University's Procurement function (including Value for Money), the Whistleblowing Policy and Sustainability Policy. It also considers the Students' Union's Annual Accounts and approves the annual TRAC Return to the OfS. In addition, in 2021/22, the Committee approved the outline for the University's Value for Money Framework, which will be taken forward in 2022/23.

The Committee presents an Annual Report to the Board of Governors, which is considered by the Board of Governors alongside the Annual Opinion Statement of the Internal Auditors. The Annual Report of the Audit Committee includes an assurance on the quality of the University's data management and the accuracy of data returned to external agencies, this is in part informed by the annual update to the Data Assurance Map. The Committee also receives an annual update to the Fraud Assurance Map.

Finance & Development Committee

The Finance & Development Committee meets five times during the year. Membership is primarily of independent members, as well as student and staff members who are full members of the Committee. Members of the senior management team, namely the Vice Chancellor and Chief Executive, Director of Finance and Resources, Director of Extern Affairs, and the PVC Partnerships, also attend meetings but are not members of the Committee.

The Committee reviews in detail the University's Budget, Financial Forecasts and Accounts, prior to formal approval by the Board of Governors. The Committee monitors the in-year financial performance of the University in relation to the Budget and relevant financial performance indicators.

SECTION 6: Corporate Governance Statement *(continued)*

On behalf of the Board, the Committee monitors the development and implementation of strategic projects approved by the Board. During 2021/22 these included the continued development of the Severn Campus into a Health, Wellbeing and Inclusive Sport Campus (detailed in Section 4).

Nominations & Governance Committee

The Nominations & Governance Committee is responsible for ensuring that the membership of the Board is maintained and is diverse with an appropriate skills mix. The Committee does this through regular consideration of a skills matrix. The Committee reports annually to the Board on the profile of the Board in respect of its equality and diversity.

The Committee also has oversight, on behalf of the Board, for the University's formal governance documents and undertaking reviews of the Board's effectiveness and annual reviews of members of the Board.

Membership of the Committee comprises the Chairs of the Board and Committees and a Student Governor, normally the President of the Students' Union. The Vice Chancellor and Chief Executive is a member of the Committee.

People & Culture Committee

At the start of 2021/22 the HR Committee's remit was reviewed and expanded and the Committee was recast as the People and Culture Committee. The Committee's new terms of reference has an increased focus on equality, diversity and inclusion matters.

The Committee meets three times a year. Its membership has a majority of independent members with staff and student members, who are full members of the Committee. Members of the senior management team, namely the Vice Chancellor and Chief Executive, Director of HR, and PVC Students also attend meetings but are not members of the Committee

The People & Culture Committee oversees the development and implementation of the Human Resources Strategy and receives an Annual Report from the Director of HR and regular reports from the Health, Safety and Wellbeing Committee and newly reformed Equality, Diversity and Inclusion Committee.

The Committee keeps under review national arrangements for pay bargaining and makes recommendations to the Board on the appropriateness of the University's continued participation in the national bargaining arrangements. The Committee, as does Finance & Development Committee, maintains a watching brief on the current situation in relation to the various pension schemes operating in the University.

In 2021/22 the Committee received and considered a range of statistical reports relating to staff and student equality, diversity and inclusion. These will form the baseline for the Annual Report on EDI which the Committee will transmits to the Board of Governors each year.

Remunerations Committee (Vice Chancellor and Chief Executive)

Membership of the Committee comprises the Chairs of the Board's Committees, the Chair of the Board and the President of the Students' Union. The Committee is chaired by one of the Vice Chairs of the Board. A written report of the Vice Chancellor's appraisal is provided to the Committee by the Chair of the Board.

In 2021/22 the Committee met on one occasion to discuss the remuneration of the Vice Chancellor, who is not a member of the Committee and was not present. The Vice Chancellor's remuneration is reported later in this document in the format, and with the justification, as required by the OfS in its Accounts Direction.

SECTION 6: Corporate Governance Statement *(continued)*

The Vice Chancellor and Chief Executive is not a member of the Committee, not do they attend meetings or receive meeting papers.

The Director of HR attends the meeting of the Committee in an advisory capacity. The Clerk to the Board is the Secretary to the Committee.

Remuneration Committee (Board Appointees)

The Remunerations Committee (Board Appointees) considers the remunerations of Board appointees; in 2021/22 these were the Deputy Vice Chancellor and Provost, and the Clerk to the Board. Its membership comprises of the Chairs of the Board's Committees, with the Chair of the Board and the Vice Chancellor in attendance. The Committee is chaired by one of the Vice Chairs of the Board. The Director of HR attends in an advisory capacity. The Clerk to the Board does not attend the meeting and does not receive the papers for meetings.

The Committee met once in 2021/22 to discuss the remuneration of the Board appointees and the Vice Chancellor was in attendance as an adviser.

The Board of Governors receives an Annual Report from the two Remunerations Committees.

Academic Board

Subject to the overall responsibility of the Board of Governors, the Academic Board has oversight of the academic affairs of the University and draws its membership from the staff and students of the University. The Academic Board is particularly concerned with general issues relating to the learning, teaching and research work of the University.

An independent member of the Board of Governors attends meetings of the Academic Board, in an observer capacity, an arrangement which has existed since 2005. The Board of Governors receives a written report from each meeting of the Academic Board on academic business and governance of the University.

The Board of Governors receives an annual report from Academic Board on the quality of the academic provision and the student experience in order to be generally assured and able to verify the required statements in the OfS Annual Accountability Return.

Clerk to the Board of Governors

The Board is served by the Clerk to the Board, who is also the University's University Secretary, who attends all meetings of the Board and its Committees, with the exception of the Remuneration Committee (Board Appointees). The Clerk's role is to advise on matters of governance and the operation of the Board and its Committees. The Clerk to the Board ensures there is appropriate demarcation between their two roles and that independent advice on matters of governance is provided to all Board members. The Clerk is supported by the Assistant Clerk who undertakes the minutes of all Board and Committee meetings, with the exception of the Remuneration Committee (Vice Chancellor & Chief Executive).

Additional Governance Matters

In addition to the governor observer on Academic Board, there is also governor representation on the University Community Forum and the Honorary Awards Committee. The Board of Governors also has a nominated observer representation on the Boards of the University's wholly owned subsidiary companies.

The University maintains a register of interests of members (and related parties) of the Board of Governors, members of the University's Leadership Group and other staff in key positions. All Board members are expected to adhere to

SECTION 6: Corporate Governance Statement *(continued)*

the seven Principles of Public Life as set out in the Nolan Principles and to meet the Fit and Proper Person requirements as set out by the OfS. None of the independent members receive any payment, apart from the reimbursement of expenses for the attendance of meetings or external training events.

Statement of Internal Control

The Board has responsibility for maintaining a sound system of internal control that supports the achievement of the University's policies, aims and objectives as stated in the Strategic Plan, while safeguarding the public and other funds and assets for which it is responsible, in accordance with the responsibilities assigned to the Board of Governors in the Instrument and Articles of Government and the OfS terms and conditions of funding which also include charity regulation requirements.

The system of internal control is based on an ongoing process designed to identify the principle risks to the achievement of policies, aims and objectives, to evaluate the nature and extent to those risks and to manage them efficiently, effectively and economically. It is designed to manage rather than eliminate the risk of failure and can therefore only provide reasonable and not absolute assurance of effectiveness against material misstatement or loss.

A Strategic Risk Register is maintained, which is presented on a six monthly basis to the Audit Committee and the Board of Governors for approval. In addition to the Strategic Risk Register, and departmental organisational risk registers, separate and detailed risk registers are maintained for the key capital developments, as well as Cyber Security. Risk assessments are also undertaken alongside any proposals for major new partnerships.

The Board's oversight of the effectiveness of the system of internal controls is informed directly by the work of the Internal Auditors and the University's senior management team has responsibility for the development and maintenance of the internal control framework, and by feedback provided by the External Auditors in their management letter and other reports to the Audit Committee. The Internal Audit Strategy, approved annually by the Audit Committee, sets out priorities over a three-year period. These priorities are based on a review of sector and University development and are informed by meetings held by the Internal Auditors with members of the senior management team and the Audit Committee.

The Board of Governors has approved a detailed Schedule of Delegation which is reviewed on an annual basis. The Schedule includes the key responsibilities of the Executive relating to the operation of the internal control environment. The Board receives a report, at each meeting of the Board, from the Vice Chancellor and Chief Executive concerning the operation of the University and emerging risks and opportunities effecting the University.

Board of Governors' Responsibilities Statement

In accordance with the Education Reform Act 1988, the Board of Governors is responsible for oversight of the administration and management of the affairs of the University and is required to present audited financial statements for each financial year.

The Board of Governors is responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the University and which enable it to ensure that the financial statements are prepared in accordance with the Education Reform Act 1988, the SORP for Accounting in Further and Higher Education and other relevant accounting standards. In addition, within the terms and conditions of a Memorandum of Assurance and Accountability agreed between the OfS and the Board of Governors of the University of Worcester, the Board of Governors, through its Accountable Officer, the Vice Chancellor, is required to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the University and of the surplus or deficit and cash flows for that year.

SECTION 6: Corporate Governance Statement *(continued)*

In causing the financial statements to be prepared, the Board of Governors has ensured that:

- suitable accounting policies are selected and applied consistently;
- judgements and accounting estimates are made that are reasonable and prudent;
- applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- financial statements are prepared on a going-concern basis unless it is inappropriate to presume that the University will continue in operation.

The Board of Governors is satisfied that it has adequate resources to continue in operation for the foreseeable future; for this reason, the going concern basis continues to be adopted in the preparation of the financial statements, full details of the board's consideration and conclusions on going concern can be found in the going concern section on page 37.

The Board of Governors has taken reasonable steps to:

- ensure that funds from the OfS, UK Research and Innovation (UKRI) and Education and Skills Funding Agency (ESFA) used are used only for the purposes for which they have been given and in accordance with the Memorandum of Assurance and Accountability with the OfS and any other conditions which the OfS or other public funding bodies may from time to time prescribe;
- ensure that there are appropriate financial and management controls in place to safeguard public funds and funds from other sources;
- safeguard the assets of the University and to prevent and detect fraud; and
- secure the economical, efficient and effective management of the University's resources, income and expenditure.

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

- clear definitions of the responsibilities of and the authority delegated to the leadership team of the University group;
- a comprehensive medium and short-term planning process, supplemented by detailed annual income, expenditure, capital and cash flow budgets;
- monthly reviews of financial results involving variance reporting and updates of forecast outturn;
- comprehensive financial regulations, detailing financial controls and procedures, approved by the Board of Governors;
- a professional internal audit service, under contract from a major accounting firm, whose annual programme is approved by the Audit Committee. Any system of internal financial control can, however, only provide reasonable, but not absolute, assurance against material mis-statement or loss.

Governance Developments in 2021/22

During 2021/22 the Board completed the actions arising out of the Board's Review of its Effectiveness in 2019/20. These actions included the finalisation of the one remaining bye-law on the dismissal of a member of the board; guidance on writing papers for the Board; and consideration of the appointment of a Senior Independent Governor; it was agreed to keep this latter matter under further review.

The Board approved new reframed terms of reference for its HR Committee at the end of 2020/21 which broadened the Committee's remit. From 2021/22, the Committee's title has changed to the People & Culture Committee and its new terms of reference include a wider remit in relation to equality, diversity and inclusion and oversight of the University's Code of Practice on the Freedom of Speech.

SECTION 6: Corporate Governance Statement *(continued)*

The Board undertook a successful recruitment campaign for new Independent Governors, which sought to diverse the Board further and was promoted through targeted social media channels. As a result of the campaign three new independent governors have been appointed to join the Board in 2022/23. The Board also approved the appointment of two new staff governors, as well as the appointment of a new Vice Chair, to succeed the Chair Elect, in 2022/23 and the appointment of new Chairs for Finance & Development and Audit Committees to address vacancies arising as a result of retirements from the Board at the end of 2021/22.

Going Concern

In preparing the financial statements, the Governors have considered going concern. Financial sustainability has always been a key foundation for the University strategy, but this has come under increasing scrutiny given the recent financial consequences of the COVID-19 pandemic, the looming 'cost-of-living' crisis and the consequential inflationary impact coupled with the on-going Government decision to maintain a freeze on student tuition fees. To reassure that the University is a going concern the forecast covering the period 1st August 2022 to 30th November 2023 including an assessment of the opportunities, risks and mitigating actions should the University's financial performance be unexpectedly worse than the forecasts has been prepared and reviewed. The University has already taken a series of actions to ensure financial sustainability so, despite pressures on both income and costs, the focus has been on cash generation with the University once again achieving all its bank covenants with reasonable headroom.

A detailed cash flow forecast for the period 1st August 2022 to 30th November 2023 has been produced. 80% of the total income for the current financial year relates to tuition fees and therefore modelling has primarily focused on both student enrolments and student retention. The current forecast model has not factored in any mitigating circumstances such as reducing operating expenses, delaying the maintenance work forecast for the summer of 2023, deferring capital expenditure, or seeking additional borrowing. The forecast demonstrates that the University remains financially viable and is able to meet all its financial obligations as they fall due with significant cash balances being maintained, all loan payments being made on time and covenant compliance is maintained for at least 12 months.

An agreement was reached in November 2021 with Barclays Bank Plc to continue their support of the University by providing the full rollover of the £23.4m tranche C loan for a further period of up to five years. This positive support and endorsement of the University shows that the bank understands the performance of the University and its on-going ability to rise to the challenges presented.

At the date of approval of these financial statements, the Board has prepared cash flow forecasts to 30th November 2023 and performed an assessment which considers a period of at least 12 months from this date of approval. Given the unprecedented nature of the current inflationary economic environment, it is difficult to predict future performance and cash flows with certainty. The actual scenarios which materialise in the period ahead will undoubtedly be different to the scenarios modelled. In the event that the actual position is worse than that modelled in the forecasts, the Board of Governors has a reasonable expectation that the University's current liquidity and the further mitigation actions available would enable the University to respond to such circumstances. As such, the Board of Governors acknowledge that uncertainty exists but do not consider this to be material uncertainty in relation to going concern that would cast doubt on the University's ability to continue as a going concern for the foreseeable future, which is a period of at least 12 months from the date of signing the accounts and audit report. Therefore, the Board of Governors considers it appropriate to continue to adopt the going concern basis in preparing the annual financial statements.

Mrs Sarah Speck
Chair of the Board of Governors

Professor David Green CBE
Vice Chancellor and Chief Executive

INDEPENDENT AUDITOR'S REPORT TO THE BOARD OF GOVERNORS OF UNIVERSITY OF WORCESTER

Opinion

We have audited the financial statements of the University of Worcester (the 'parent university') and its subsidiaries (the 'group') for the year ended 31 July 2022, which comprise the consolidated and Institution Statements of Comprehensive Income and Expenditure, the Consolidated and Institution Balance sheets, the Consolidated and Institution Statements of Changes in Reserves, the Consolidated Cash Flow Statement 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 FRS 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 group's and the parent university's affairs as at 31 July 2022 and of the group's and the parent university's income and expenditure, gains and losses, changes in reserves and of the group's cash flows for the year then ended; and
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice and the Statement of Recommended Practice: Accounting for Further and Higher Education published in October 2018.

Basis for opinion

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

Conclusions relating to going concern

We are responsible for concluding on the appropriateness of the Board of Governors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the group's and the parent university's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify the auditor's opinion. Our conclusions are based on the audit evidence obtained up to the date of our report. However, future events or conditions may cause the group or the parent university to cease to continue as a going concern.

In our evaluation of the Board of Governors' conclusions, we considered the inherent risks associated with the group's and the parent university's business model including effects arising from macro-economic uncertainties such as Brexit and Covid-19, we assessed and challenged the reasonableness of estimates made by the Board of Governors and the related disclosures and analysed how those risks might affect the group's and the parent university's financial resources or ability to continue operations over the going concern period.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the group's and the parent university's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

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

The responsibilities of the Board of Governors with respect to going concern are described in the 'Responsibilities of the Board of Governors for the financial statements' section of this report.

Other information

The Board of Governors are responsible for the other information. The other information comprises the information included in the annual report set out on pages 2 to 37, 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.

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.

Opinion on other matters prescribed by the Office for Students ('OfS') accounts direction (issued October 2019)

In our opinion, in all material respects:

- funds from whatever source administered by the parent university for specific purposes have been properly applied to those purposes and managed in accordance with the relevant legislation;
- funds provided by the OfS, UK Research and Innovation (including Research England), the Education & Skills Funding Agency and the Department for Education have been applied in accordance with the relevant terms and conditions; and
- the requirements of the OfS's accounts direction (issued October 2019) have been met.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the OfS accounts direction (issued October 2019) requires us to report to you where:

- the parent university's grant and fee income, as disclosed in the note to the accounts, has been materially misstated; or

  the parent university's expenditure on access and participation activities for the financial year, as disclosed in the note to the accounts, has been materially misstated.

Responsibilities of Board of Governors for the financial statements

As explained more fully in the Board of Governors' Responsibilities Statement set out on pages 35 to 36, the Board of Governors is responsible for the preparation of the financial statements and for being satisfied they give a true and fair view, and for such internal control as the Board of Governors 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 of Governors are responsible for assessing the group's and the parent university's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless the Board of Governors either intend to liquidate the group or the parent university or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the 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.

Explanation as to what extent the audit was considered capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. Owing to the inherent limitations of an audit, there is an unavoidable risk that material misstatements in the financial statements may not be detected, even though the audit is properly planned and performed in accordance with the ISAs (UK).

The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below:

- We obtained an understanding of the legal and regulatory frameworks that are applicable to the university and the sector in which it operates. We determined that the following laws and regulations were most significant: The Financial Reporting Standards applicable in the UK and the Republic of Ireland (FRS 102), the Office for Students (OfS) framework, Terms and Conditions of Funding and Accounts Direction (October 2019), relevant OfS regulatory notices and advices, the Higher Education Code of Governance and the Information Commissioner's Office (ICO)'s regulations.
- We understood how the university is complying with these legal and regulatory frameworks by making inquiries of management and those charged with governance. We enquired of management and those charged with governance whether there were any instances of non-compliance with laws and regulations, or whether they had any knowledge of actual or suspected fraud. We corroborated the results of our enquiries through our review of board minutes, through our legal and professional expenses review and through inquiries of solicitors who served during the period;
- We assessed the susceptibility of the university's financial statements to material misstatement, including how fraud might occur and the risk of material override of controls. Audit procedures performed by the engagement team included:
  - identifying and assessing the design effectiveness of certain controls management has in place to prevent and detect fraud
  - challenging assumptions and judgements made by management in its significant accounting policies
  - identifying and testing journal entries, with a focus on manual postings, journals that directly impacted on the surplus reported in the statement of financial activities and journal entries posted in the closing and accounts preparation period
  - identifying and testing related party transactions
  - inspecting the board and other committee minutes
  - assessing the extent of compliance with the relevant laws and regulations as part of our procedures on the related financial statement item
  - carrying out a program of work to assess the regularity of university expenditure.

- These audit procedures were designed to provide reasonable assurance that the financial statements were free from fraud or error. However, detecting irregularities that result from fraud is inherently more difficult than detecting those that result from error, as those irregularities that result from fraud may involve collusion, deliberate concealment, forgery or intentional misrepresentations. Also, the further removed non-compliance with laws and regulations is from events and transactions reflected in the financial statements, the less likely we would become aware of it.
- Assessment of the appropriateness of the collective competence and capabilities of the engagement team included consideration of the engagement team's.
  - understanding of, and practical experience with audit engagements of a similar nature and complexity through appropriate training and participation
  - knowledge of the Higher Education sector
  - understanding of the legal and regulatory requirements specific to the university including:
    - the provisions of the applicable legislation
    - guidance issued by the OfS and other relevant bodies.
- The team communications in respect of potential non-compliance with relevant laws and regulations, including the potential for fraud in revenue through manipulation of income and management override of controls; and
- In assessing the potential risks of material misstatement, we obtained an understanding of:
  - the university's operations, including the nature of its income and expenditure and its services and of its objectives and strategies to understand the classes of transactions, account balances, expected financial statement disclosures and business risks that may result in risks of material misstatement
  - the university's control environment, including: the policies and procedures implemented by the university to ensure compliance with the requirements of the financial reporting framework and relevant laws and regulations
    - the policies and procedures implemented by the university to ensure compliance with the requirements of the financial reporting framework and relevant laws and regulations
    - the adequacy of procedures for authorisation of transactions and review of management accounts
    - procedures to ensure that possible breaches of laws and regulations are appropriately resolved.

Use of our report

This report is made solely to the university's Board of Governors, as a body, in accordance with Section 75 of the Higher Education Research Act 2017. Our audit work has been undertaken so that we might state to the university's Board of Governors those matters we are required to state to it in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the university and the university's Board of Governors as a body, for our audit work, for this report, or for the opinions we have formed.

Grant Thornton UK LLP
Statutory Auditor, Chartered Accountants
Birmingham
Date:

Consolidated and Institution Statements of Comprehensive Income and Expenditure
For the year ended 31st July 2022

		Group		University	
	Note	2022 £000	2021 £000	2022 £000	2021 £000
INCOME					
Funding Body Grants	2	6,903	7,363	6,903	7,363
Tuition fees and education contracts	3	73,465	77,197	73,491	77,210
Research grants and contracts	4	878	620	878	620
Other income	5	10,747	8,701	10,776	8,701
Investment Income	6	175	6	188	25
Donations and endowments	7	15	16	15	16
TOTAL INCOME		**92,183**	**93,903**	**92,251**	**93,935**
EXPENDITURE					
Staff Costs	8	58,146	55,936	58,119	55,743
Other operating expenses	9 & 11	30,193	29,940	30,338	30,169
Depreciation and amortisation	9,12 & 13	4,007	4,155	4,131	4,297
Interest and other finance costs	10	4,053	4,124	4,053	4,124
TOTAL EXPENDITURE	11	**96,399**	**94,155**	**96,641**	**94,333**
Deficit before other gains and losses		**(4,216)**	**(252)**	**(4,390)**	**(398)**
Loss on disposal of fixed assets	13	(1,302)	-	(1,303)	-
Loss on impairment of fixed assets	13	-	(177)	-	-
Gain on investment property	14	-	3,310	-	3,310
(Deficit)/ Surplus before taxation		(5,518)	2,881	(5,693)	2,912
Taxation	27	-	(2)	-	-
(Deficit)/ Surplus for the year		**(5,518)**	**2,879**	**(5,693)**	**2,912**
Actuarial gain in respect of pension schemes	26	45,708	4,545	45,708	4,545
Total comprehensive income for the year		**40,190**	**7,424**	**40,015**	**7,457**
Represented by:					
Restricted comprehensive income for the year		19	(51)	19	(51)
Unrestricted comprehensive income for the year		40,171	7,475	39,996	7,508
		40,190	7,424	40,015	**7,457**
(Deficit)/ Surplus for the year attributable to:					
Non-controlling interest		-	-	-	-
University		(5,518)	2,879	(5,693)	2,912
Total Comprehensive income for the year attributable to					
Non-controlling interest		-	-	-	-
University		40,190	7,424	40,015	7,457

The Income and Expenditure of the Group and the University relates wholly to continuing operations.

The notes on pages 47 to 80 form part of these financial statements.

Consolidated and Institution Balance Sheets as at 31st July 2022

		Group		University	
	Note	2022 £000	2021 £000	2022 £000	2021 £000
Non-current assets					
Intangible assets	12	433	443	433	443
Tangible fixed assets	13	154,212	147,495	160,603	154,009
Investments	14	-	8,750	20	8,770
Total Non-current assets		**154,645**	**156,688**	**161,056**	**163,222**
Current assets					
Stock	15	15	18	10	8
Trade and other receivables	16	4,090	4,183	4,515	4,640
Short term Investments	17	20,000	-	20,000	-
Cash and cash equivalents		39,409	49,017	39,125	48,730
Total Current assets		**63,514**	**53,218**	**63,650**	**53,378**
Current liabilities					
Creditors: amounts falling due within one year	18	(22,013)	(37,303)	(21,961)	(37,259)
Net Current assets		**41,501**	**15,915**	**41,689**	**16,119**
Total assets less current liabilities		**196,146**	**172,603**	**202,745**	**179,341**
Creditors: amounts falling due after more than one year	19	(84,241)	(60,979)	(84,241)	(60,943)
Provisions					
Pension	21	(22,585)	(62,494)	(22,585)	(62,494)
Total Net assets		**89,320**	**49,130**	**95,919**	**55,904**
Restricted Reserves					
Income and expenditure reserve - endowment					
Income and expenditure reserve - restricted	22	72	53	72	53
Unrestricted Reserves					
Income and expenditure reserve - unrestricted		79,590	39,177	86,189	45,951
Revaluation reserve		9,658	9,900	9,658	9,900
		89,248	**49,077**	**95,847**	**55,851**
Total Reserves		**89,320**	**49,130**	**95,919**	**55,904**

The financial statements on pages 42 to 80 were approved by the Board of Governors on 22nd November 2022 and signed of their behalf:

The notes on pages 47 to 80 form part of these financial statements.

Mrs Sarah Speck
Chair of the Board of Governors

Professor David Green CBE
Vice Chancellor and Chief Executive

Consolidated and Institution Statements of Changes in Reserves
For the year ended 31st July 2022

Group	Income and expenditure reserve		Revaluation reserve	Total excluding Non-Controlling Interest	Non-controlling interest	Total Reserves
	Restricted £000	*Unrestricted* £000	£000	£000	£000	£000
Balance at 1 August 2021	**53**	**39,177**	**9,900**	**49,130**	**-**	**49,130**
Surplus/(deficit) from the income and expenditure statement	19	(5,537)	-	(5,518)	-	(5,518)
Other comprehensive income	-	45,708	-	45,708	-	45,708
Total comprehensive income/ (expense) for the year	19	40,171	-	40,190	-	40,190
Transfers between revaluation and income and expenditure reserve	-	242	(242)	-	-	-
Balance at 31 July 2022	**72**	**79,590**	**9,658**	**89,320**	**-**	**89,320**

University	Income and expenditure reserve		Revaluation reserve	Total excluding Non-Controlling Interest	Non-controlling interest	Total Reserves
	Restricted £000	*Unrestricted* £000	£000	£000	£000	£000
Balance at 1 August 2021	**53**	**45,951**	**9,900**	**55,904**	**-**	**55,904**
Surplus/(deficit) from the income and expenditure statement	19	(5,712)	-	(5,693)	-	(5,693)
Other comprehensive income	-	45,708	-	45,708	-	45,708
Total comprehensive income/ (expense) for the year	19	39,996	-	40,015	-	40,015
Transfers between revaluation and income and expenditure reserve	-	242	(242)	-	-	-
Balance at 31 July 2022	**72**	**86,189**	**9,658**	**95,919**	**-**	**95,919**

Consolidated Cash flow Statement for the year ended 31st July 2022

	2022	2021
	£000	£000
Cash flow from operating activities		
(Deficit)/ Surplus for the year	(5,518)	2,879
Adjustment for non-cash items		
Depreciation and amortisation	4,007	4,155
Decrease in stock	3	32
Increase/ (decrease) in debtors	93	(1,310)
Increase in creditors	10,355	4,978
Annual pension cost adjustments	5,799	4,578
(Decrease) in other provisions	-	(51)
Revaluation of non-current asset investments	-	(3,310)
Adjustment for investing or financing activities		
Investment income	(175)	(6)
Interest payable	3,015	3,090
Donations income	(15)	(16)
Impairment of investments	-	9
Loss on the disposal of fixed assets	1,302	-
Loss on impairment of fixed assets	-	177
Net cash flow from operating activities	**18,866**	**15,205**
Cash flows from investing activities		
Proceeds from sale of Investments	8,750	1,359
Proceeds from sales of tangible assets	3	-
Investment income	175	6
Payments made to acquire tangible and intangible fixed assets	(12,020)	(7,776)
New deposits	(20,000)	-
Net cash flow used in investing activities	**(23,092)**	**(6,411)**

Consolidated Cash flow Statement for the year ended 31st July 2022 *(continued)*

	2022	2021
	£000	£000
Cash flows from financing activities		
Interest paid	(2,836)	(2,903)
Interest element of finance lease and service concession payments	(179)	(187)
Donation cash received	15	16
New unsecured loans	-	36
Repayments of amounts borrowed	(2,287)	(1,468)
Capital element of finance lease and service concession payments	(95)	(110)
Net cash flow used in financing activities	**(5,382)**	**(4,616)**
(Decrease)/ Increase in cash and cash equivalents in the year	(9,608)	4,178
Cash and cash equivalents at beginning of the year	49,017	44,839
Cash and cash equivalents at end of the year	39,409	49,017
In year movement	(9,608)	4,178

Notes to the financial statements
Year ended 31st July 2022

1. 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 University 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, modified by the revaluation of certain fixed assets.

Basis of consolidation

The consolidated financial statements include the University and all its subsidiaries for the financial year to 31st July 2022. Intra-group transactions are eliminated on consolidation. The consolidated financial statements do not include the income and expenditure of the Students' Union as the University does not exert control or dominant influence over policy decisions. Associated companies and joint ventures are accounted for using the equity method.

Going Concern

In preparing the financial statements, the Governors have considered going concern. Financial sustainability has always been a key foundation for the University strategy, but this has come under increasing scrutiny given the recent financial consequences of the COVID-19 pandemic, the looming 'cost-of-living' crisis and the consequential inflationary impact coupled with the on-going Government decision to maintain a freeze on student tuition fees. To reassure that the University is a going concern the forecast covering the period 1st August 2022 to 30th November 2023 including an assessment of the opportunities, risks and mitigating actions should the University's financial performance be unexpectedly worse than the forecasts has been prepared and reviewed. The University has already taken a series of actions to ensure financial sustainability so, despite pressures on both income and costs, the focus has been on cash generation with the University once again achieving all its bank covenants with reasonable headroom.

A detailed cash flow forecast for the period 1st August 2022 to 30th November 2023 has been produced. 80% of the total income for the current financial year relates to tuition fees and therefore modelling has primarily focused on both student enrolments and student retention. The current forecast model has not factored in any mitigating circumstances such as reducing operating expenses, delaying the maintenance work forecast for the summer of 2023, deferring capital expenditure, or seeking additional borrowing. The forecast demonstrates that the University remains financially viable and is able to meet all its financial obligations as they fall due with significant cash balances being maintained, all loan payments being made on time and covenant compliance is maintained for at least 12 months.

An agreement was reached in November 2021 with Barclays Bank Plc to continue their support of the University by providing the full rollover of the £23.4m tranche C loan for a further period of up to five years. This positive support and endorsement of the University shows that the bank understands the performance of the University and its on-going ability to rise to the challenges presented.

At the date of approval of these financial statements, the Board has prepared cash flow forecasts to 30th November 2023 and performed an assessment which considers a period of at least 12 months from this date of approval. Given the unprecedented nature of the current inflationary economic environment, it is difficult to predict future performance and cash flows with certainty. The actual scenarios which materialise in the period ahead will undoubtedly be different to the scenarios modelled. In the event that the actual position is worse than that modelled in the forecasts, the Board of Governors has a reasonable expectation that the University's current liquidity and the

1. Statement of Principal Accounting Policies *(continued)*

further mitigation actions available would enable the University to respond to such circumstances. As such, the Board of Governors acknowledge that uncertainty exists but do not consider this to be material uncertainty in relation to going concern that would cast doubt on the University's ability to continue as a going concern for the foreseeable future, which is a period of at least 12 months from the date of signing the accounts and audit report. Therefore, the Board of Governors considers it appropriate to continue to adopt the going concern basis in preparing the annual financial statements.

Income recognition

Income from the sale of goods or services is credited to the Consolidated Statement of Comprehensive Income when the goods or services are supplied to the external customers or the terms of the contract have been satisfied.

Fee income is stated gross of any expenditure which is not a discount and credited to the Consolidated Statement of Income over the period in which students are studying. Where the amount of the tuition fee is reduced, by a discount for prompt payment or due to a tuition fee scholarship award, income receivable is shown net of the discount. Bursaries and scholarships that are issued in the form of a direct payment to the student, are accounted for gross as expenditure and not deducted from income.

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

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

Grant funding

Government revenue grants including funding council block grant and research grants are recognised in income over the periods in which the University recognises the related costs for which the grant is intended to compensate. Where part of a government grant is deferred it is recognised as deferred income within creditors and allocated between creditors due within one year and due after more than one year as appropriate.

Grants (including research grants) from non-government sources are recognised in income when the University is entitled to the income and performance related conditions have been met. 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 the conditions are met.

Donations and endowments

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

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

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

1. Statement of Principal Accounting Policies *(continued)*

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

1. Restricted donations - the donor has specified that the donation must be used for a particular objective.
2. Unrestricted permanent endowments - the donor has specified that the fund is to be permanently invested to generate an income stream for the general benefit of the University.
3. Restricted expendable endowments - the donor has specified a particular objective other than the purchase or construction of tangible fixed assets, and the University has the power to use the capital.
4. 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 University is entitled to the funds subject to any performance related conditions being met.

Accounting for retirement benefits

The three principal pension schemes for the University's employees are the Universities Superannuation Scheme (USS), the Teachers' Pension Scheme (TPS) and the Local Government Pension Scheme (LGPS). The schemes are defined benefit schemes which are externally funded and up until April 2016 were contracted out of the State Second Pension (S2P). In May 2022, the University also became an approved member of the NHS Pension Scheme.

The USS and TPS are multi-employer schemes for which the assets are held in separate trustee-administered funds. Because of the nature of the schemes, the schemes assets are not hypothecated to individual institutions and scheme wide contribution rates are set. The institution is therefore exposed to actuarial risks associated with other institutions' employees and is unable to identify its share of the underlying assets and liabilities of the schemes on a consistent and reasonable basis and therefore as required by FRS 102 "Retirement Benefits", accounts for the schemes as if they are defined contribution schemes. As a result, the amount charged to the Statement of Comprehensive Income represents the contributions payable to the schemes in respect of the accounting period. A liability is also recorded within provisions for any contractual commitment to fund past deficits within the USS scheme.

The University is able to identify its share of assets and liabilities of the LGPS and thus the University fully adopts section 28 of FRS 102 'post-employment benefits'. The contributions are determined by qualified actuaries on the basis of triennial valuations, using the projected unit credit method, for the LGPS and the USS and on the basis of quadrennial valuations using a prospective benefit method for the TPS.

The University maintains a provision to meet pension costs arising from the additional years of service granted to certain staff taking early retirement. The pensions paid are charged against the provision and interest accrued is added to the provision.

Defined contribution plan

A defined contribution plan is a post-employment benefit plan under which the company 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 Statement of Comprehensive Income in the periods during which services are rendered by employees.

1. Statement of Principal Accounting Policies *(continued)*

Defined benefit plan

Defined benefit plans are post-employment benefit plans other than defined contribution plans. Under defined benefit plans, the University's obligation is to provide the agreed benefits to current and former employees, and actuarial risk(that benefits will cost more or less than expected) and investment risk (that returns on assets set aside to fund the benefits will differ from expectations) are borne, in substance, by the University. The University recognises a liability for its obligations under defined benefit plans net of plan assets. This net defined benefit liability is measured as the estimated amount of benefit that employees have earned in return for their service in the current and prior periods, discounted to determine its present value, less the fair value (at bid price) of plan assets. The calculation is performed by a qualified actuary using the projected unit credit method. Where the calculation results in a net asset, recognition of the asset is limited to the extent to which the University is able to recover the surplus either through reduced contributions in the future or through refunds from the plan.

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 University. Any unused benefits are accrued and measured as the additional amount the University expects to pay as a result of the unused entitlement.

Finance leases

Leases in which the University assumes substantially all the risks and rewards of ownership of the leased asset are classified as finance leases. Leased assets acquired by way of finance lease and the corresponding lease liabilities are initially recognised at an amount equal to the lower of their fair value and the present value of the minimum lease payments at inception of the lease. Minimum lease payments are apportioned between the finance charge and the reduction of the outstanding liability. The finance charge is allocated to each period during the lease term so as to produce a constant periodic rate of interest on the remaining balance of the liability.

Service concession arrangements

Fixed assets held under service concession arrangements are recognised on the Balance Sheet at the present value of the minimum lease payments when the assets are brought into use with a corresponding financial liability.
Payments under the service concession arrangement are allocated between service costs, finance charges and financial liability repayments to reduce the financial liability to nil over the life of the arrangement.

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.

Foreign currency

Transactions in foreign currencies are translated to the respective functional currencies of Group entities at the foreign exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the Balance Sheet date are translated to the functional currency at the foreign exchange rate ruling at that date. Foreign exchange differences arising on translation are recognised in Statement of Comprehensive Income. Non-monetary assets and liabilities that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the transaction. Non-monetary assets and liabilities denominated in foreign currencies that are stated at fair value are retranslated to the functional currency at foreign exchange rates ruling at the dates the fair value was determined.

1. Statement of Principal Accounting Policies *(continued)*

Fixed assets

Tangible fixed assets are stated at historic purchase cost or valuation less accumulated depreciation and accumulated impairment losses. Cost includes the original purchase price of the asset and the costs attributable to bringing the asset to its working condition for its intended use in addition to any irrecoverable VAT.

The University's buildings are largely specialised buildings and therefore it is not appropriate to value them on the basis of open market value. A valuation of the educational land and buildings was carried out by GVA Grimley International Property Advisers and Chartered Surveyors as at 31st July 1995 on the basis of depreciated replacement cost. The three houses owned by the University were valued on an open market value for existing use basis. Other buildings constructed since 1995 are included in the Balance Sheet at cost. The option under the transitional provisions of FRS 15, and more recently the 2019 HE SORP, to retain the book values of land and buildings based on the 1995 revaluation has been adopted and the valuation has not been updated subsequently.

Freehold land is not depreciated as it is considered to have an infinite useful life. Where land is acquired with the aid of specific grants it is capitalised but not depreciated therefore the related grant is credited to the Statement of Comprehensive Income at the time of purchase.

Leasehold land is depreciated over the life of the lease up to a maximum of 50 years.

Freehold buildings are depreciated on a straight line basis over their expected useful economic life to the University over 60 years. Where parts of a fixed asset have different useful economic lives, they are accounted for as separate items of fixed assets. New major refurbishments are depreciated as follows:

Mechanical and Electrical Infrastructure installations or upgrades	15 - 25 years
IT Infrastructure installations or upgrades	15 years
Roof replacements	60 years
Window replacements	15 years
Reconfiguration and general refurbishments	10 years

Assets in the course of construction are accounted for at cost, based on the value of the architects' certificates and other direct costs incurred to the Balance Sheet date. They are not depreciated until they are brought fully into use.

Equipment

Equipment, including computers and software, costing less than £5,000 per individual item is recognised as expenditure. All other equipment which has a useful life of greater than one year is capitalised.

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

Computer Equipment	3 years
Fixtures and Fittings	8 years
General Equipment	8 years
Specialist Equipment	5 – 10 years
Motor Vehicles	3 - 5 years

Depreciation methods, useful lives and residual values are reviewed at the date of preparation of each Balance Sheet.

1. Statement of Principal Accounting Policies *(continued)*

Borrowing costs

Borrowing costs which are directly attributable to the acquisition, construction or production of a qualifying asset are capitalised. General borrowing costs are recognised as expenditure in the period in which they are incurred.

Intangible assets

Intangible assets are amortised over a straight line basis over 3 years representing the remaining estimated economic life of the assets. Intangible assets are subject to periodic impairment reviews as appropriate.

Investment properties

Investment property is land and buildings held for rental income or capital appreciation rather than for use in delivering educational services. Halls of residences are classified as tangible fixed assets rather than investment assets as they are integral to the operations of the University.

Investment properties are measured initially at cost and subsequently at fair value with movements recognised in the Statement of Comprehensive Income. Properties are not depreciated but are revalued or reviewed annually according to market conditions as at 31st July each year.

Investments

Non- current asset investments are held on the Balance Sheet at amortised cost less impairment.

Investments in jointly controlled entities, associates and subsidiaries are carried at cost less impairment in the University's accounts.

Current asset investments are held at fair value with movements recognised in the Statement of Comprehensive Income.

Stocks

Stock is held at the lower of cost and net realisable value, and is measured using an average cost formula.

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.

Provisions, contingent liabilities and contingent assets

Provisions are recognised in the financial statements when:
(a) the University has a present obligation (legal or constructive) as a result of a past event;
(b) it is probable that an outflow of economic benefits will be required to settle the obligation; and
(c) a reliable estimate can be made of the amount of the obligation.

1. Statement of Principal Accounting Policies *(continued)*

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

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

A contingent asset arises where an event has taken place that gives the University a possible asset whose existence will only be confirmed by the occurrence or otherwise of uncertain future events not wholly within the control of the University. Contingent assets and liabilities are not recognised in the Balance Sheet but are disclosed in the Notes.

Taxation

The University is an exempt charity within the meaning of Part 3 of the Charities Act 2011 and is therefore a charity within the meaning of Paragraph 1 of schedule 6 to the Finance Act 2010 and accordingly, the University is potentially exempt from taxation in respect of income or capital gains received within categories covered by section 478-488 of the Corporation Tax Act 2010 (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 University receives no similar exemption in respect of Value Added Tax. Most of the services provided to students are, however, exempt from VAT. Irrecoverable VAT on inputs is included in the costs of such inputs. Any irrecoverable VAT allocated to fixed assets is included in their cost.

The University's subsidiaries are liable to Corporation Tax in the same way as any other commercial or corporate organisations.

Financial Instruments

The University has considered its principal financial instruments (being cash, investments, trade debtors, trade creditors and loans) in line with FRS102 and concluded that they meet the classification of basic financial instruments, including derivative financial instruments. Given the basic nature of the University's financial instruments, they are accounted for at amortised cost and the carrying value of each category in the balance sheet is considered to equate to fair value.

Reserves

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

Critical accounting judgements and estimation uncertainty

Investment Land (note 14) – As part of the FRS102 transition the University reclassified the land held at University Park as Investment Land. This was following an update to the University's long-term capital development programme. As the land was not currently being used by the University on a continuing operational basis, management reviewed the options in relation to the possible sale of the land in the future. During the year ending 31st July 2019 part of the land was sold and an updated valuation was received relating to the remaining land at each financial year end. The remaining parcel of land was sold in December 2021.

1. Statement of Principal Accounting Policies *(continued)*

Provisions - Provision has been made for early retirement obligations, the University's element of the Universities' Superannuation Scheme (USS) past deficit. Further details regarding each provision are shown in note 21. These provisions require management's best estimate of the costs that will be incurred based on legislative and contractual requirements. In addition, the timing of the cash flows and the discount rates used to establish net present value of the obligations require management's judgement.

Defined benefit pension scheme - The University has obligations to pay pension benefits to certain employees. The cost of these benefits and the present value of the obligation depend on a number of factors, including; life expectancy, salary increases, asset valuations and the discount rate on corporate bonds. Management are provided with actuarial estimates in relation to these factors, by the administers of the fund. A judgement is then taken to assess if the information and factors used centrally are appropriate in determining the net pension obligation in the balance sheet. Further information is provided in note 26.

The University has recognised provisions for bad debts. This is based on an assessment of ageing and due date of receivables and other risk indicators. The judgement of management is then applied to provide for debts which are no longer considered recoverable.

Tangible fixed asset depreciation – Tangible fixed assets are stated at historic purchase cost or valuation less accumulated depreciation and accumulated impairment losses. The annual depreciation charge is calculated by applying an appropriate economic useful life to each asset. Management have made a judgement regarding the appropriate economic useful lives, for which details are shown on page 51.

2. Funding body grants

	Group		University	
	2022	2021	2022	2021
	£000	£000	£000	£000
Recurrent grant:				
Office for Students	3,741	3,243	3,741	3,243
Research England	887	1,114	887	1,114
Specific Grants:				
Higher Education Short Course Trial	117	-	117	-
Higher Education Innovation Fund	507	470	507	470
Widening Participation	287	1,092	287	1,092
National College for Teaching and Leadership	65	97	65	97
Department for Education Apprenticeship Levy	25	45	25	45
Research England other grants	279	101	279	101
Deferred Capital Grants released:				
Buildings	320	385	320	385
Equipment	675	816	675	816
	6,903	7,363	6,903	7,363

3. Tuition fees and education contracts

	Group		University	
	2022	2021	2022	2021
	£000	£000	£000	£000
Full time home students fees	58,515	63,255	58,541	63,259
Part time home students fees	3,069	2,972	3,069	2,981
EU student fees	3,837	5,081	3,837	5,081
Overseas student fees	5,074	2,873	5,074	2,873
Apprenticeships	634	553	634	553
Short course fees	216	135	216	135
Other fees	2,120	2,328	2,120	2,328
	73,465	77,197	73,491	77,210

Grant and Fee Income

	Group		University	
	2022	2021 Restated*	2022	2021 Restated*
	£000	£000	£000	£000
Grant income from the OfS	5,140	5,536	5,140	5,536
Grant income from other bodies	2,416	2,261	2,416	2,259
Fee income for research awards (exclusive of Vat)	617	509	617	509
Fee income from non-qualifying courses (exclusive of Vat)	216	135	216	135
Fee income for taught awards (exclusive of Vat)	70,512	74,237	70,538	74,237
	78,901	82,678	78,927	82,676

** 2021 values have been restated to include Widening Participation income from the OfS and to reclassify grant income from the Department of Education.*

4. Research grants and contracts

	Group		University	
	2022	**2021**	**2022**	**2021**
	£000	£000	£000	£000
Research Councils	213	67	213	67
UK Industry	34	11	34	11
UK Government	466	345	466	345
UK Based Charities	73	139	73	139
Other Grants & Contracts	92	58	92	58
	878	620	878	620

5. Other Income

	Group		University	
	2022	**2021**	**2022**	**2021**
	£000	£000	£000	£000
Residences, catering and conferences	7,527	5,358	7,527	5,358
Other services rendered	135	191	135	191
Release of other deferred capital grants	129	74	129	74
Other income	2,956	3,078	2,876	2,921
Inter Company Sales	-	-	109	157
	10,747	8,701	10,776	8,701

Other income above includes £50K of funding in relation to the Turring Scheme. Further information on the scheme can be found here: https://www.turing-scheme.org.uk/.

6. Investment income

	Group		University	
	2022	**2021**	**2022**	**2021**
	£000	£000	£000	£000
Other investment income	175	6	175	6
Interest from Subsidiaries and Joint Ventures	-	-	13	19
	175	6	188	25

7. Donations and endowments

	Group		University	
	2022	**2021**	**2022**	**2021**
	£000	£000	£000	£000
Donations with restrictions	13	13	13	13
Unrestricted donations	2	3	2	3
	15	16	15	16

8. Staff costs	Group		University	
	2022 £000	2021 £000	2022 £000	2021 £000
Wages and Salaries	40,759	40,226	40,735	40,057
Social Security Costs	4,367	4,193	4,364	4,172
Movement on USS past service cost on pensions	424	(66)	424	(66)
Other Pension Costs	12,421	11,548	12,421	11,547
Termination Costs	175	35	175	33
	58,146	55,936	58,119	55,743

The termination costs above include £68K (2021:£nil) in relation to early retirement strain pension costs, along with 9 individual payments made during the year, (2021: 5)

Emoluments of the Vice Chancellor and Chief Executive:	Group		University	
	2022 £000	2021 £000	2022 £000	2021 £000
Salary	325	325	325	325

The remuneration package for the Vice Chancellor consists of basic salary only, and does not include any additional benefits.

The review and determination of remuneration for the Vice Chancellor and Chief Executive is delegated by the Board of Governors, to the Remuneration Committee (Vice Chancellor and Chief Executive) on an annual basis.

In accordance with the Higher Education Code of Governance (para 3.15), the Committee reports to the Board on an annual basis.

During 2021/22 the membership of Remuneration Committee (Vice Chancellor and Chief Executive) comprised: -

Remuneration Committee (Vice Chancellor and Chief Executive)

Chair: Vice Chair of the Board of Governors

Members:

Chair of the Board of Governors
Chair of the Finance and Development Committee and Vice Chair of the Board
Chair of the Audit Committee
Chair of the People and Culture Committee
President of the Student Union

In attendance: Director of Human Resources

Secretary: Clerk to the Board of Governors

The process for the performance review of the Vice Chancellor is conducted with reference to the CUC Code on Senior Staff Remuneration and Regulatory Advice 9 from the Office for Students.

8. Staff costs *(continued)*

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

The Committee met on 17th January 2022. In advance of the meeting, members of the Board had been invited to provide comments and observations on the Vice Chancellor's performance and remuneration over the past period to the Committee. No feedback had been received this year.

A detailed paper from the Director of Human Resources was distributed to members prior to the meeting. This included an overview of the remuneration review process, information on the previous outcomes of the remuneration committee and details of the current salary arrangements for the Vice Chancellor. Comparator salary data was also provided, with reference to institutions of a similar size and/or in the region and included data and an analysis of salary trends over recent years.

The Chair of the Board presented their report summarising the performance review of the Vice Chancellor for the period 2020/21. The performance review focused on seven key areas of performance of strategic importance for the University, with reference to the main duties outlined in the Vice Chancellor's job description. The Chair's report included a range of documents to demonstrate different aspects of the Vice Chancellor's leadership.

As in the previous year, members recognised that the pandemic had provided a challenging environment in which to lead a complex organisation and members agreed that the Vice Chancellor had achieved his objective at the start of the pandemic - for the University to be an 'Educational hot spot and Covid cold spot' as well as continuing to take the University forward in terms of strategy and capital development.

The Committee were advised that the national pay negotiations for this year had resulted in a 1.5% pay award for all staff, effective from 1st August 2021.

In reviewing the performance of the Vice Chancellor over the last year, the Committee concluded that it had been excellent. The Committee agreed that it would be appropriate to offer the Vice Chancellor the same level of pay award as staff had received and the Committee agreed to make an award of 1.5% to the Vice Chancellor, in line with the national pay award, backdated to 1st August 2021.

The Board were subsequently advised that, following the communication of the award to the Vice Chancellor by the Chair of the Committee, the Chair received a written communication from the Vice Chancellor in which he advised that he would not be accepting the pay award. On that basis, the pay award has not been applied. The Committee noted that this was the fourth year that the Vice Chancellor had requested to waiver a pay award.

The multiple of the Vice Chancellor and Chief Executive's total remuneration, to that of the median total remuneration for all staff, including student employees was 10.0 (2021: 9.6).

The multiple of the Vice Chancellor and Chief Executive's salary, to that of the median salary, for all staff, including student employees was 11.3 (2021: 11.0).

The above ratios are required to be disclosed under the Office for Students Accounts Direction. Due to the considerable earn as your learn programme that the University operates, the below ratios have also been calculated which exclude any student employees:

The multiple of the Vice Chancellor and Chief Executive's total remuneration, to that of the median total remuneration for all staff, but EXCLUDING student employees was 8.0 (2021: 7.8).

The multiple of the Vice Chancellor and Chief Executive's salary, to that of the median salary, for all staff, but EXCLUDING student employees was 9.5 (2021: 9.6).

8. Staff costs *(continued)*

Key Management Personnel	Group		University	
	2022 £000	2021 Restated* £000	2022 £000	2021 Restated* £000
Salary and employee benefits including pension contributions & employers' national insurance	1,916	1,477	1,916	1,477

**2021 values have been restated to include pension and employers' national insurance contributions.*

FRS102 defines key management personnel as "those persons having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including any director (whether executive or otherwise) of that entity". The University consider that the University Executive Board meets this definition and therefore the total compensation, including pension contributions, paid to individuals who are members of this group, is disclosed above.

The membership of the University Executive Board includes the Vice Chancellor and Chief Executive, Deputy Vice Chancellor Provost and Deputy Chief Executive, Pro Vice-Chancellors, Deputy Pro Vice-Chancellors, Deputy Provost, Director of Finance and Resources, Director of Human Resources, Director of Communications and Participation, Clerk to the Board of Governors, and Head of Vice Chancellor's Office. The Director of Quality and Educational Development, Chief Information Officer and Academic Registrar also joined the Executive Board at the start of the year.

No Governor has received any remuneration from the group during the year (2021 - £nil). Governors are entitled to reimbursement of travel expenses of which £730 was claimed by 3 individuals (2021: £61 by 1 individual).

Emoluments of higher paid staff:	Group		University	
	2022 number	2021 number	2022 number	2021 number
£100,001 - £105,000	1	1	1	1
£105,001 - £110,000	1	-	1	-
£130,001 - £135,000	1	1	1	1
£140,001 - £145,000	1	-	1	-
£200,001 - £210,000	-	1	-	1
£325,001 - £330,000	1	1	1	1

The average monthly number of persons (including senior post holders) employed by the Group and University during the year, expressed as full-time equivalents (fte), was:

Average Monthly number of staff:

	Group		University	
	2022 fte	Restated 2021 fte	2022 fte	Restated 2021 fte
Academic Departments	561	555	561	555
Academic Services	113	107	113	107
Administrative and central services	237	258	236	252
Premises	92	57	92	57
Research	28	29	28	29
Residences, catering and conferences	45	62	45	62
	1,076	1,068	1,075	1,062

9. Other operating expenses

	Group		University	
	2022	**2021**	**2022**	**2021**
	£000	£000	£000	£000
Residences, catering and conferences	2,742	1,907	2,735	1,901
Consumables and laboratory expenditure	660	804	660	804
Books and periodicals	871	984	871	984
Heat, light, water and power	2,174	2,099	2,174	2,099
Repairs and general maintenance	2,238	1,945	2,238	1,945
Grants to UW Students' Union	603	542	603	542
Auditors remuneration:				
External	82	90	71	83
Internal	56	67	56	67
Property operating leases	262	298	262	298
Equipment operating leases	131	91	131	91
Payments to Partner Colleges	4,645	5,826	4,645	5,826
Student Bursaries	985	2,084	985	2,084
Other expenses	14,744	13,203	14,907	13,445
	30,193	29,940	30,338	30,169
Depreciation and Amortisation	4,007	4,155	4,131	4,297

Other expenses include travel expenses, staff development, contracted services, subscriptions and contributions along with PR and communications.

10. Interest and other finance costs

	Group		University	
	2022	**2021**	**2022**	**2021**
	£000	£000	£000	£000
Loans not wholly repayable within 5 years	2,836	2,903	2,836	2,903
Lease Finance Costs	179	187	179	187
Unwind of discount on USS pension provision	5	5	5	5
Pension Interest	1,033	1,029	1,033	1,029
	4,053	4,124	4,053	4,124

11. Analysis of Expenditure by Activity

Group

	Staff costs	Other expenses	Depreciation and amortisation	Interest and other finance costs	2022 Total	2021 Restated* Total
	£000	£000	£000	£000	£000	£000
Academic Departments	33,708	8,721	309	5	42,743	44,736
Academic Services	4,657	7,457	464	179	12,757	9,315
Administrative and central services	14,038	5,056	466	3,869	23,429	23,781
Premises	3,009	5,430	1,946	-	10,385	10,410
Research	1,672	476	6	-	2,154	2,165
Residences, catering and conferences	1,062	3,053	816	-	4,931	3,748
	58,146	30,193	4,007	4,053	96,399	94,155

University

-	Staff costs	Other expenses	Depreciation and amortisation	Interest and other finance costs	2022 Total	2021 Restated* Total
	£000	£000	£000	£000	£000	£000
Academic Departments	33,708	8,721	309	5	42,743	44,735
Academic Services	4,657	7,457	464	179	12,757	10,236
Administrative and central services	14,011	5,201	466	3,869	23,547	22,894
Premises	3,009	5,430	1,946	-	10,385	10,412
Research	1,672	476	6	-	2,154	2,165
Residences, catering and conferences	1,062	3,053	940	-	5,055	3,891
	58,119	30,338	4,131	4,053	96,641	94,333

** 2021 values have been restated purely due to reclassifications between academic services and administration and central services categories.*

11. Analysis of Expenditure by Activity *(continued)*

Access and Participation

	2022 £000	2021 £000
Access Investment	1,013	1,091
Financial Support	320	1,100
Disability Support (excluding expenditure included in the two categories above)	851	812
Research and Evaluation	169	198
	2,353	3,201

Included in the above are staff costs of £1,164K which are already included in the overall staff costs disclosed in note 8 to the financial statements. The reduction in financial support is due to the University's Reach scheme no longer being included within this category.

Details of the approved plan can be found at: https://www.worcester.ac.uk/documents/University-of-Worcester-Access-and-Participation-Plan.pdf. The total approved expenditure in our plan did not include the cost of support for disabled students, which has been included in the above figures. Research and evaluation expenditure fell below planned spend as a result of the pandemic.

12. Intangible assets

Group and University

	2022 £000	2021 £000
Cost		
At beginning of year	776	1,113
Additions at cost	69	2
Assets in course of development	38	-
Disposals	(77)	(339)
At end of year	806	776
Accumulated amortisation		
At beginning of year	333	561
Charge for year	117	112
Amortisation on disposals	(77)	(339)
Reclassifications	-	(1)
At end of year	373	333
Net book value		
At end of year	433	443
Previous year	443	552

All intangible assets consist of software and system implementation costs.

13. Tangible Fixed Assets

	Group					
	Freehold Land and Buildings	Service concession arrangement Land and Buildings	Plant and Machinery	Fixtures, Fittings and Equipment	Assets in the Course of Construction	Total 2022
	£000	£000	£000	£000	£000	£000
Cost or valuation at beginning of year	165,773	11,331	726	10,136	5,454	193,420
Additions at cost	198	-	31	936	10,748	11,913
Transfers (reclassification)	-	-	-	43	(43)	-
Disposals at cost	(1,471)	-	(89)	(516)	-	(2,076)
At end of year	164,500	11,331	668	10,599	16,159	203,257
Accumulated depreciation						
At beginning of year	36,064	1,920	586	7,355	-	45,925
Charge for year	2,934	189	68	700	-	3,891
Depreciation on disposals	(173)	-	(89)	(509)	-	(771)
At end of year	38,825	2,109	565	7,546	-	49,045
Net Book Value						
At end of year	125,675	9,222	103	3,053	16,159	154,212
Previous Year	129,709	9,411	140	2,781	5,454	147,495

13. Tangible Fixed Assets *(continued)*

	University					
	Freehold Land and Buildings	Service concession arrangement Land and Buildings	Plant and Machinery	Fixtures, Fittings and Equipment	Assets in the Course of Construction	Total 2022
	£000	£000	£000	£000	£000	£000
Cost or valuation at beginning of year	173,141	11,331	712	10,136	5,454	200,774
Additions at cost	199	-	31	936	10,748	11,914
Transfers (reclassification)	-	-	-	43	(43)	-
Disposals at cost	(1,471)	-	(75)	(516)	-	(2,062)
At end of year	171,869	11,331	668	10,599	16,159	210,626
Accumulated depreciation						
At beginning of year	36,918	1,920	572	7,355	-	46,765
Charge for year	3,058	189	68	700	-	4,015
Depreciation on disposals	(173)	-	(75)	(509)	-	(757)
At end of year	39,803	2,109	565	7,546	-	50,023
Net Book Value						
At end of year	132,066	9,222	103	3,053	16,159	160,603
Previous year	136,223	9,411	140	2,781	5,454	154,009

14. Investments

	Group		University	
	2022	**2021**	**2022**	**2021**
	£000	£000	£000	£000
Investment Land				
At beginning of year	8,750	5,440	8,750	5,440
Disposals	(8,750)	-	(8,750)	-
Movement in fair value	-	3,310	-	3,310
At end of year	**-**	**8,750**	**-**	**8,750**
Investments in subsidiary companies				
Investments in subsidiary companies	-	-	20	20
Investment in BBL Franchise for UW Worcester Wolves Limited				
Opening value of Investment	-	9	-	-
Impairment	-	(9)	-	-
	-	8,750	20	8,770

As part of the FRS102 transition the University reclassified the land held at University Park as Investment Land. This was following an update to the University's long-term capital development programme. As the land was not currently being used by the University on a continuing operational basis, management reviewed the options in relation to the possible sale of the land in the future. During the year ending 31st July 2019 part of the land was sold and an updated valuation was received relating to the remaining land at each financial year end. The remaining parcel of land was sold in December 2021.

Subsidiaries

Name	University holding	Business activity
U W Enterprises Limited	100%	Research and experimental development of natural sciences and engineering and commercial activities relating thereto. No activity during the year.
U W Developments Limited	100%	Development of building projects
UW Worcester Wolves Limited	100% (*)	Worcester Wolves basketball club
National Pollen and Aerobiology Research Unit Limited	100%	Dormant

(*) Held indirectly

15. Stocks

	Group		University	
	2022	2021	2022	2021
	£000	£000	£000	£000
Stock (wine for ceremonies & events and merchandise)	15	18	10	8

16. Trade and other receivables

	Group		University	
	2022	2021	2022	2021
	£000	£000	£000	£000
Amounts falling due within one year:				
Other trade receivables	1,365	2,801	1,364	2,795
Amounts owed by subsidiary undertakings	-	-	71	57
Prepayments and accrued income	2,725	1,382	2,723	1,381
	4,090	4,183	4,158	4,233
Due after more than one year				
Amounts owed by subsidiary undertakings	-	-	357	407
	4,090	4,183	4,515	4,640

17. Short Term Investments

	Group		University	
	2022	2021	2022	2021
	£000	£000	£000	£000
Short term deposits	20,000	-	20,000	-

The above investment is held with Barclays Bank PLC for which the maturity rate is March 2023. The interest rate is fixed for the duration of the deposit.

18. Creditors: Amounts falling due within one year

	Group		University	
	2022	2021	2022	2021
	£000	£000	£000	£000
Payments received on account	373	381	373	381
Trade Creditors	265	551	265	551
Amounts owed to group undertakings:				
Subsidiary undertakings	-	-	-	2
Finance Lease	143	114	143	114
Tax and Social Security	54	96	52	95
Accruals and deferred income	16,370	9,186	16,320	9,145
Other Creditors	1,798	2,067	1,798	2,063
Bank Loan	3,010	24,908	3,010	24,908
	22,013	37,303	21,961	37,259

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

Deferred income

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

	Group		University	
	2022	**2021**	**2022**	**2021**
	£000	£000	£000	£000
Research grants received on account	476	223	476	223
Grant income	290	24	290	24
Other income	1,125	1,033	1,125	1,033
Student tuition and accommodation fees received in advance	5,884	1,216	5,884	1,216
	7,775	2,496	7,775	2,496

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

	Group		University	
	2022	**2021**	**2022**	**2021**
	£000	£000	£000	£000
Accruals and deferred income	414	583	414	583
Obligations under finance lease	2,311	2,435	2,311	2,435
Secured loans	60,380	40,714	60,380	40,714
Unsecured loans	-	55	-	19
Deferred Income in relation to Government Capital Grants	21,136	17,192	21,136	17,192
	84,241	60,979	84,241	60,943

Analysis of secured and unsecured loans:

	Group		University	
	2022	**2021**	**2022**	**2021**
	£000	£000	£000	£000
Due within one year or on demand	3,010	24,908	3,010	24,908
Due between one and two years	2,991	1,448	2,991	1,448
Due between two and five years	8,973	4,299	8,973	4,285
Due in five years or more	48,416	35,022	48,416	35,000
Due after more than one year	60,380	40,769	60,380	40,733
Total secured and unsecured loans	63,390	65,677	63,390	65,641

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

Analysis of finance lease repayments

	Group		University	
	2022	**2021**	**2022**	**2021**
	£000	£000	£000	£000
Due within one year	314	293	314	293
Due between one and two years	286	295	286	295
Due between two and five years	833	842	833	842
Due in five years or more	2,492	2,769	2,492	2,769
Total gross payments	3,925	4,199	3,925	4,199
Less finance charges included above	(1,471)	(1,650)	(1,471)	(1,650)
	2,454	2,549	2,454	2,549

Finance lease liability

	Group		University	
	2022	**2021**	**2022**	**2021**
	£000	£000	£000	£000
Opening balance	2,549	2,659	2,549	2,659
Payments	(95)	(110)	(95)	(110)
Closing balance	2,454	2,549	2,454	2,549

The University has a loan facility with Barclays Bank PLC of £80 million for capital development works, of which all has now been drawn down. The outstanding balance as at 31st July 2022 is £63 million. Of the loan drawn down £41 million is at a fixed interest rate of 4.952%, with the remaining £22 million subject to interest at SONIA. The repayment schedule of the £41 million includes a bullet payment of £12.5 million payable on 31st July 2042. The capital repayment schedule of the more recent £22 million drawn down, was originally due for repayment in February 2022, however final terms have now been renegotiated with Barclays for this facility to rollover with final repayment now due in 2024 (with option to extend this to 2026). The loans are secured by specific charges on the St Johns Campus and City Campus. Total carrying amounts of these assets as at 31st July 2022 are £43,203K (2021 restated: £44,508K).

The University has a 25-year finance lease in respect of the joint library with Worcestershire County Council. The finance lease liability relates to the University share of the library facility, The Hive which opened in July 2012. The Hive has been developed through a partnership between the University of Worcester (UoW) and Worcestershire County Council (WCC) and has been financed through a Private Finance Initiative (PFI). The project partnership is for the provision of a fully integrated public and University library. The PFI agreement was originally between Galliford Try Investments Ltd and WCC for the construction and provision of the library, however it is now with Equitix (Caterham) Acquisition Co 1 Limited. A stakeholder agreement exists between WCC and UoW for the 25 year term of the development project. The partners are committed to the project in the share WCC 70% and UoW 30%, or as altered by mutual agreement to reflect actual usage of The Hive by the various parties. The cost is reflected in these proportions after PFI credits have been applied. The value on the balance sheet of £2.454 million relates to a 30% share of the total PFI contract. The finance lease cost represents the UoW obligation to the project for the building element of the agreement plus any allocated depreciation for the period.

20. Consolidated reconciliation of net debt

	2022 £000
Net debt 1 August 2021	(19,209)
Movement in cash and cash equivalents	(9,608)
Other non-cash changes	2,382
Net debt 31 July 2022	(26,435)
Change in net debt	(7,226)

Analysis of net debt:

	2022 £000	2021 £000
Cash and cash equivalents	39,409	49,017
Borrowings: amounts falling due within one year		
Secured loans	(3,010)	(24,908)
Obligations under finance leases	(143)	(114)
	(3,153)	(25,022)
Borrowings: amounts falling due after more than one year		
Obligations under finance lease	(2,311)	(2,435)
Secured loans	(60,380)	(40,714)
Unsecured loans	-	(55)
	(62,691)	(43,204)
Net debt	(26,435)	(19,209)

21. Provisions for liabilities

	Group and University			
	Obligation to fund deficit on USS Pension	**Pension enhancements on termination**	**Defined Benefit Obligations (Note 26)**	**Total Pension Provisions**
	£000	£000	£000	£000
At 1 August 2021	535	179	61,780	62,494
Utilised in year	-	(43)	-	(43)
Additions in 2021/22	402	13	-	415
Unused amounts reversed in 2021/22	-	-	(40,281)	(40,281)
At 31 July 2022	937	149	21,499	22,585

USS deficit

The obligation to fund the past deficit on the Universities' Superannuation Scheme (USS) arises from the contractual obligation with the pension scheme for total payments relating to benefits arising from past performance. Management have assessed future employees within the USS scheme and salary payment over the period of the contracted obligation in assessing the value of this provision.

Pension enhancement

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

Defined benefit obligations - See note 26

22. Restricted Reserves

Reserves with restrictions are as follows:

	Capital grants	Donations	Other	2022 Total	2021 Total
	£000	£000	£000	£000	£000
Balances at 1 August 2021	-	42	11	53	104
New grants	-	-	36	36	27
New donations	-	13	-	13	13
Expenditure	-	(8)	(22)	(30)	(91)
At 31 July 2022	-	47	25	72	53

All of the University's non-government capital grants have either been released to income, due to the performance conditions already being met, or are held as deferred income. No restricted grants have been included within income for which the purpose of the restriction has not been achieved.

23. Capital and other commitments

Provision has not been made for the following capital commitments at year end:

	2022	2021
	£000	£000
Commitments contracted for:		
Building Refurbishment Works	5,412	13,704
Infrastructure Works	4,799	121
Construction	161	12
Enabling Works for Future Capital Developments	204	43
General Refurbishment Works	110	73
	10,686	13,953

24. Contingent liabilities

The University has given written undertakings to support the subsidiary companies for at least twelve months from the date of approval of these financial statements, albeit these documents are not legally binding.

25. Lease obligations

Total rentals payable under operating leases:

	Land and Buildings	Equipment	31 July 2022	31 July 2021
	£000	£000	£000	£000
Payable during the year	56	97	**153**	133
Future minimum lease payments due:				
Not later than 1 year	48	49	**97**	133
Later than 1 year and not later than 5 years	182	115	**297**	182
Later than 5 years	795	-	**795**	841
Total lease payments due	1,025	164	**1,189**	1,156

26. Pension schemes

The three principal pension schemes for the University's staff are provided by the Local Government Pension Scheme (LGPS) administered by the Worcestershire Pension Fund (WPF), the Teachers' Pension Scheme (TPS), and the Universities Superannuation Scheme (USS). In May 2022, the University also became a member of the NHS Pension Scheme. The assets of the Schemes are held in separately administered funds.

Worcestershire Pension Fund (WPF)

WPF is valued every three years by professionally qualified independent actuaries using the projected unit method, the rates of contribution payable being determined by the trustees on the advice of the actuaries. In the intervening years, the WPF actuary reviews the progress of the WPF scheme. A full actuarial valuation was carried out at 31st March 2019 on a FRS basis by a qualified independent actuary.

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

For WPF, the actuary has indicated that the resources of the scheme are likely, in the normal course of events, to meet the liabilities as they fall due at the level specified by the LGPS Regulations. The contribution payable increased from 13.4% to 15.7% in April 2020.

Under the definitions set out in FRS 102, the WCCPF is a multi-employer defined benefit pension scheme. In the case of the WPF, the actuary of the scheme has identified the University's share of its assets and liabilities as at 31st July 2022, using the updated assumptions shown below:

	2022	2021
Rate of CPI inflation	2.60%	2.60%
Rate of increase in salaries	4.10%	4.10%
Rate of increase in pensions	2.70%	2.70%
Discount Rate	3.50%	1.60%

Mortality Assumptions

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

	As at 31st July 2022	As at 31st July 2021
Males		
Current Pensioner	22.6	22.7
Future pensioner aged 65 in 20 years' time	24.1	24.4
Females		
Current Pensioner	25.0	25.1
Future pensioner aged 65 in 20 years' time	27.0	27.1

26. Pension schemes *(continued)*

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

The breakdown of Assets in the scheme are as follows:

	% at 31st July 2022 %	Value at 31st July 2022 £000	% at 31st July 2021 %	Value at 31st July 2021 £000
Equities	73.60	63,419	83.20	68,887
Government Bonds	-	-	-	-
Other Bonds	2.70	2,326	0.10	83
Property	7.80	6,721	4.40	3,643
Cash/Liquidity	2.50	2,154	2.50	2,070
Other	13.40	11,546	9.80	8,114
		86,166		82,797

Reconciliation of fair value of assets

	2022 £000	2021 £000
Fair Value of assets at beginning of year	82,797	68,069
Interest on plan assets	1,350	1,107
Administration expenses	(65)	(63)
Remeasurements of assets	(1,019)	11,431
Employer Contributions	3,003	2,866
Member Contributions	1,095	1,043
Benefits/transfers	(995)	(1,656)
Fair Value of assets at end of year	86,166	82,797

Reconciliation of present value of scheme liabilities

	2022 £000	2021 £000
Benefit Obligation at beginning of year	144,577	129,700
Current Service Cost	7,382	6,534
Interest on Pension Liabilities	2,313	2,070
Member Contributions	1,095	1,043
Remeasurements of liabilities		
- Experience (gain)/ loss	7,591	(2,145)
- (Gain)/ loss on financial assumptions	(53,320)	9,031
- (Gain)/ loss on demographic assumptions	(998)	-
Curtailments	20	-
Benefits/transfers paid	(995)	(1,656)
Benefit obligation at end of year	107,665	144,577

	2022 £000	2021 £000
Total market value of assets	86,166	82,797
Present value of scheme liabilities	(107,665)	(144,577)
Deficit – Net pension liability	(21,499)	(61,780)

26. Pension schemes *(continued)*

Provision for pensions

	2022	2021
	£000	£000
As at 1st August	61,780	61,631
Increase/ (Decrease) in pension liability	(40,281)	149
As at 31st July	21,499	61,780

Amount recognised in the Statement of Comprehensive Income (SOCI)

	2022	2021
	£000	£000
Current service Cost	7,382	6,534
Net interest cost	963	963
Administration expenses	85	63
Total pension cost recognised in Income & Expenditure	8,430	7,560
Remeasurements (liabilities & assets)	(45,708)	(4,545)
Total pension costs recognised in SOCI	(37,278)	3,015

The movement in deficit during the year is made up as follows:

	2022	2021
	£000	£000
Deficit on scheme at 1st August	(61,780)	(61,631)
Current service cost	(7,382)	(6,534)
Contributions	3,003	2,866
Net interest cost	(963)	(963)
Remeasurements (liabilities & assets)	45,708	4,545
Curtailments	(20)	-
Administration expenses	(65)	(63)
Effect of curtailments		
Deficit at 31st July	(21,499)	(61,780)

The benefits and contributions payable are set out in the Local Government Pension Scheme Regulations 2013 and the Local Government Pension Scheme (Transitional Provisions, Savings and Amendments) Regulations 2014. As well as benefit provisions set out in the scheme regulations, for accounting purposes it is necessary to allow for anticipated changes in scheme benefits which may arise. The decisions of the Court of Appeal in the Sargeant/ McCloud cases have ruled that the transitional protections afforded to older members when the Public Services Pension Schemes was amended, constituted unlawful discrimination. The Government has accepted that remedies relating to the Sargeant/ McCloud judgement will need to be made in relation to all public service pension schemes, including LGPS. The liability and current service costs values above therefore include these relevant calculations.

26. Pension schemes *(continued)*

Teachers' Pension Scheme (TPS)

The Teachers' Pension Scheme is a statutory, unfunded, defined benefit occupational scheme, governed by the Teachers' Pensions Regulations 2010 (as amended), and the Teachers' Pension Scheme Regulations 2014 (as amended). These regulations apply to teachers in schools and other educational establishments, including academies, in England and Wales that are maintained by local authorities. In addition, teachers in many independent and voluntary-aided schools and teachers and lecturers in some establishments of further and higher education may be eligible for membership. Membership is automatic for full-time teachers and lecturers and, from 1 January 2007, automatic too for teachers and lecturers in part-time employment following appointment or a change of contract. Teachers and lecturers are able to opt out of the TPS.

Although members may be employed by various bodies, their retirement and other pension benefits are set out in regulations made under the Superannuation Act (1972) and Public Service Pensions Act (2013) and are paid by public funds provided by Parliament. The TPS is an unfunded scheme and members contribute on a 'pay as you go 'basis – contributions from members, along with those made by employers, are credited to the Exchequer under arrangements governed by the above Acts.

The Teachers' Pensions Regulations 2010 require an annual account, the Teachers' Pension Budgeting and Valuation Account, to be kept of receipts and expenditure (including the cost of pension increases). From 1 April 2001, the Account has been credited with a real rate of return, which is equivalent to assuming that the balance in the Account is invested in notional investments that produce that real rate of return.

Valuation of the Scheme

As a result of the latest scheme valuation employer contributions were increased in September 2019 from a rate of 16.4% to 23.6%. Employers also pay a charge equivalent to 0.08% of pensionable salary costs to cover administration expenses. The next valuation is expected to take effect in 2023. A copy of the latest valuation report can be found on the Teachers' Pension Scheme website.

Scheme Changes

In December 2018, the Court of Appeal held that transitional protection provisions contained in the reformed judicial and firefighter pension schemes, introduced as part of public service pension reforms in 2015, gave rise to direct age discrimination and were therefore unlawful. The Supreme Court, in a decision made in June 2019, rejected the Government's application for permission to appeal the Court of Appeal's ruling and subsequently referred the case to an Employment Tribunal to determine a remedy which will need to be offered to those members of the two schemes who were subject of the age discrimination.

Since then, claims have also been lodged against the main public service schemes including the TPS. The Department has conceded those in line with the rest of the government. In July 2020 HM Treasury launched a 12-week public consultation which will provide evidence to support the delivery of an appropriate remedy for the affected schemes, including TPS. A final remedy will be determined once the results of the consultation are established.

In December 2019, a further legal challenge was made against the TPS relating to an identified equalities issue whereby male survivors of opposite-sex marriages and civil partnerships are treated less favourably than survivors in same-sex marriages and civil partnerships. The Secretary of State for Education agreed not to defend the case. In June 2020, the Employment Tribunal recorded its findings in respect of the claimant. The DfE is currently working to establish what changes are necessary to address this discrimination.

Any impact of these events will be taken into account when the next scheme valuation is implemented. This is scheduled to be implemented in April 2023, based on April 2020 data.

26. Pension schemes *(continued)*

Universities Superannuation Scheme (USS)

Principal accounting policies

The institution participates in Universities Superannuation Scheme. The assets of the scheme are held in a separate trustee-administered fund. Because of the mutual nature of the scheme, the assets are not attributed to individual institutions and a scheme-wide contribution rate is set. The institution is therefore exposed to actuarial risks associated with other institutions' employees and is unable to identify its share of the underlying assets and liabilities of the scheme on a consistent and reasonable basis. As required by Section 28 of FRS 102 "Employee benefits", the institution therefore accounts for the scheme as if it were a defined contribution scheme. As a result, the amount charged to the profit and loss account represents the contributions payable to the scheme. Since the institution has entered into an agreement (the Recovery Plan) that determines how each employer within the scheme will fund the overall deficit, the institution recognises a liability for the contributions payable that arise from the agreement (to the extent that they relate to the deficit) with related expenses being recognised through the profit and loss account.

Critical accounting judgements

FRS 102 makes the distinction between a group plan and a multi-employer scheme. A group plan consists of a collection of entities under common control typically with a sponsoring employer. A multi-employer scheme is a scheme for entities not under common control and represents (typically) an industry-wide scheme such as Universities Superannuation Scheme. The accounting for a multi-employer scheme where the employer has entered into an agreement with the scheme that determines how the employer will fund a deficit results in the recognition of a liability for the contributions payable that arise from the agreement (to the extent that they relate to the deficit) with the resulting expense charged through the profit or loss account in accordance with section 28 of FRS 102. The directors are satisfied that Universities Superannuation Scheme meets the definition of a multi-employer scheme and has therefore recognised the discounted fair value of the contractual contributions under the recovery plan in existence at the date of approving these financial statements.

Pension Costs

The total cost charged to the Consolidated Statement of Comprehensive Income is £650K (2021: £185K) and is made up of the following entries:

	2022 £000	2021 £000
Employer contributions paid	248	273
Interest Payable - Unwinding of discount	5	4
Element of employer contributions allocated against the deficit	(27)	(26)
Difference between actual contribution and past expectations	424	(66)
Total amount charged to the Income and Expenditure Account	**650**	**185**
Brought Forward Pension Provision	(535)	(623)
Movement	(650)	(185)
Cash payments made to USS	248	273
Carried Forward Pension Provision (Note 21)	(937)	(535)

26. Pension schemes *(continued)*

The latest available complete actuarial valuation of the Retirement Income Builder is as at 31st March 2020 (the valuation date), and was carried out using the projected unit method. Since the institution cannot identify its share of USS Retirement Income Builder (defined benefit) assets and liabilities, the following disclosures reflect those relevant for those assets and liabilities as a whole. The 2020 valuation was the sixth valuation for the scheme under the scheme-specific funding regime introduced by the Pensions Act 2004, which requires schemes to have sufficient and appropriate assets to cover their technical provisions. At the valuation date, the value of the assets of the scheme was £66.5 billion and the value of the scheme's technical provisions was £80.6 billion indicating a shortfall of £14.1 billion and a funding ratio of 83%.

The key financial assumptions used in the 2020 valuation are described below. More detail is set out in the Statement of Funding Principles (uss.co.uk/about-us/valuation-and-funding/statement-of-funding-principles).

CPI assumption	Term dependent rates in line with the difference between the Fixed Interest and Index Linked yield curves less: 1.1% p.a. to 2030, reducing linearly by 0.1% p.a. to a long-term difference of 0.1% p.a. from 2040
Pension increases (subject to a floor of 0%)	CPI assumption plus 0.05%
Discount rate (forward rates)	Fixed interest gilt yield curve plus: Pre-retirement: 2.75% p.a. Post retirement: 1.00% p.a.

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

	2020 valuation
Mortality base table	101% of S2PMA "light" for males and 95% of S3PFA for females
Future improvements to mortality	CMI 2019 with a smoothing parameter of 7.5, an initial addition of 0.5% p.a. and a long-term improvement rate of 1.8% pa for males and 1.6% pa for females

The current life expectancies on retirement at age 65 are:

	2022	**2021**
Males currently aged 65 (years)	23.9	24.7
Females currently aged 65 (years)	25.5	26.1
Males currently aged 45 (years)	25.9	26.7
Females currently aged 45 (years)	27.3	27.9

A new deficit recovery plan was put in place as part of the 2020 valuation, which requires payment of 6.2% of salaries over the period 1 April 2022 until 31 March 2024, at which point the rate will increase to 6.3%. The 2022 deficit recovery liability reflects this plan. The liability figures have been produced using the following assumptions:

	2022	**2021**
Discount rate	3.31%	0.87%
Pensionable salary growth	2%	2%

26. Pension schemes *(continued)*

NHS Pension Scheme

The NHS Pension Scheme is a statutory, unfunded, defined benefit occupational pension scheme backed by the Exchequer, which is open to all NHS employees and employees of other approved organisations, of which the University became one in May 2022. Contributions due to the Scheme are set at rates determined by the Scheme's Actuary and approved by the Secretary of State for Health and Social Care. Employee contribution rates range from 5% - 14.5%. The employer contribution rate payable is 14.38%. During the year contributions were made relating to one employee.

27. Taxation

The University Group incurred a tax liability of £0K (2021:£2K) in relation to corporation tax during the year.

28. NCTL Training salaries and bursaries

Funding received from the Teaching Agency for Schools in respect of the PGCE Training Salaries and Subject Knowledge Enhancement bursaries are available solely for students; the University acts only as a paying agent. The grants and related disbursements are therefore excluded from the income and expenditure account.

	2022 £000	2021 £000
Funding	908	3,305
Disbursements to Students	(782)	(3,283)
Balance unspent as at 31st July	126	22

29. Related party transactions

Due to the nature of the University's operations and the composition of the Board of Governors (with members drawn from local, public and private sector organisations) it is inevitable that transactions will take place with organisations in which a member of the Board may have an interest. All transactions involving organisations in which a member of the Board may have an interest are conducted at arm's length and in accordance with the University's financial regulations and normal procurement procedures.

All members of the Board, along with the University's Senior Management Team, are required to complete an annual Declaration of Interest form. Any interests disclosed are then assessed in nature to determine if they come under the definition of FRS 102 section 33, 'Related Party Disclosures'. No interests have been declared which meet this definition.

The University has taken advantage of the exemption under paragraph 3(c) from the provisions of FRS 102 section 33, 'Related Party Disclosures', on the grounds that its subsidiary undertakings are wholly owned by the group.

University of Worcester Students' Union:

In accordance with FRS 102 section 33, the activities of Worcester Students' Union have not been consolidated on the grounds that the University does not operate dominant influence over its activities. During the year, the University contributed grants of £603K (2021: £542K) to the Students' Union, along with reimbursement for travel costs relating to student sporting teams and specific insurance costs relating to equipment. In addition, the Students' Union occupies the building on a rent free basis under a licence agreement, subject to the Union maintaining the building in a good state of repair. The President, Vice President (Education) and Vice President (Student Activities) occupy a position on the Board of Governors.