



REPORT AND FINANCIAL STATEMENTS

for the year ended 31st July 2023



REPORT AND FINANCIAL STATEMENTS 2023

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ANNUAL REPORT AND CONSOLIDATED FINANCIAL STATEMENTS FOR YEAR ENDED 31st JULY 2023

UNIVERSITY OF WORCESTER DIRECTORATE AND PROFESSIONAL ADVISERS

VICE CHANCELLOR AND CHIEF EXECUTIVE

Professor David Green CBE MA (Cantab.)

Registered Address

Henwick Grove
Worcester
WR2 6AJ

Independent Auditors

External

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

Internal (up to 31.07.2023)

KPMG LLP
One Snowhill
Birmingham
B4 6GH

Internal (from 01.08.2023)

Uniac
The Simon Building, Oxford Road
Manchester
M13 9PL

Bankers

Barclays Bank PLC
One Snowhill
Snowhill Queensway
Birmingham
B4 6GB

Barclays Bank PLC
Leicester
Leicestershire
LE87 2BB

Lloyds Bank
125 Colmore Row
Birmingham
B3 3SD

Insurance Brokers

Aon (up to 31.07.2023)
3rd Floor, Grosvenor House
65 – 71 London Road
Redhill
RH1 1LQ

Griffiths and Armour (from 01.08.2023)
12 Princes Parade
Princes Dock
Liverpool
L3 1BG

REPORT AND FINANCIAL STATEMENTS 2023

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 (term ended 16.06.2023)
Ms Lerverne Barber	Academic Staff Governor
Dr Diana Beech	Vice Chair & Independent governor
Mr Louis Coiffait-Gunn	Independent governor
Ms Elizabeth Davies-Ward	Academic Staff governor
Mr Sean Devlin	Independent governor
Mrs Diana Gant	Vice Chair & Independent governor (term ended 31.07.2023)
Professor David Green CBE	Vice Chancellor & Chief Executive
Mr Mike Hardy	Independent governor
Mr Tim Heywood	Independent governor
Mr Seb James	Student governor (from 12.06.2023)
Dr Claire Jones	Independent governor
Mr Nadeem Khan	Independent governor
Miss Megan Lee	Student governor (until 16.06.2023)
Ms Al Linforth	Student governor
Ms Carolyn Moir	Professional Staff governor
Mrs Sally Morgan	Independent governor
Mr Asif Noorani	Independent governor
Mr Darius Pocha	Independent governor
Miss Isobel Price	Student governor (from 12.06.2023)
Mr Marc Scriven	Professional Staff governor
Mr Ian Smith	Independent governor
Mr Keith Sorrell	Vice Chair & Independent governor (Vice Chair from 01.08.2023)
Mrs Sarah Speck	Chair & independent governor
Ms Lucy Taylor	Independent governor

STRATEGIC REPORT

FOR THE YEAR ENDED: 31st JULY 2023

This statement covers the period 1st August 2022 up to 23rd November 2023.

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 University's Strategic Plan, published in 2019, set out three commitments: to create possibilities; to develop potential; and to increase community engagement. Among the detail was the vision to create a Medical School and to grow courses in the health professions; to extend our partnerships with schools, colleges, charities and businesses; and to further innovate to retain our long-standing graduate employment success. Over the past four years the University has made significant progress in these areas, the detail of which is explored in the following Public Benefit statement.

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 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.

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 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.

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

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 People & Culture 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 *Times Higher Education Impact Rankings* to demonstrate our fundamental, transformative effect on individuals and society as a whole.

For the fifth consecutive year of the *Rankings*, since they were first launched in 2018, the University of Worcester retained a top five placing in the UK for Quality Education in 2023. The University was also ranked top 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 2023](#)

Read more about the United Nations Sustainable Development Goals:

[About the SDGS](#)

SECTION 2: Public Benefit (*continued*)

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 has shown that there is a different approach; one which combines expertise, commitment and passion.

The University provides quality education that is inclusive and helps individuals to achieve their own full potential. This is evidenced by the fact that, in the 2022 government-published Longitudinal Educational Outcomes survey, our graduates were ranked top in England for sustained employment, further study, or both, three and five years after graduation, excluding specialist institutions.

The vision set out in the Strategic Plan, has been largely realised over the last four years. 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. The University's Three Counties Medical School welcomes its first cohort of students in September 2023. Meanwhile, the University has launched new courses in Radiography and Dietetics.

In May 2023, the University received arguably the best Ofsted report of any teacher training provider in the 21st Century. The University's primary and secondary programmes were rated 'Outstanding'. The report opens: "Trainees benefit from an exceptional learning experience at the University of Worcester. This experience instils in them a deep-rooted commitment to making a difference to the lives of the children in the communities they serve."

This public benefit statement highlights how we have worked to fulfil the three commitments set out in the Strategic Plan by creating possibilities, developing potential, and increasing community engagement. It will show how we have further built on our existing dedication to social inclusion and the levelling up agenda.

GOOD HEALTH AND WELLBEING



The University of Worcester is passionately committed to promoting and developing good health and wellbeing, not only among its own student and staff community but for the wider country and beyond. From the education of professionals who go on to work in our hospitals and GP surgeries, to research that contributes to our understanding of mental health, the University is engaged in extensive work in this area.

Helping the NHS workforce

For almost three decades, the University of Worcester has been educating professionals to work in the health and social care sectors, from Nurses and Midwives to Physiotherapists and Occupational Therapists, Paramedics to Physician Associates. Each year, hundreds of professionals graduate from Worcester and go on to make a significant contribution to society.

On June 30, 2023, the Government published its long-awaited NHS Long Term Workforce Plan, a 15-year strategy to boost its health workforce nationally. Recognising the desperate shortage of health professionals, from doctors to nurses, within the system, the Plan set out an ambitious set of recruitment targets, including doubling the number of medical school places across the Country from the current 7,500 a year to 10,000 a year by 2028 and then 15,000 a year by 2031.

The University's long history of outstanding health education puts it firmly at the disposal of the nation to drive forward the numbers of highly qualified health and social care professionals needed.

In September 2023, the University's new Three Counties Medical School welcomed its first cohort of students. The University received support from the Kildare Trust and local NHS trusts to fund 20 UK students through their four years of study. They are joined by 24 self-funded international students. The Medical School will serve the three

SECTION 2: Public Benefit (continued)

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 7 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 County’s MPs. 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 Elizabeth Garrett Anderson building

The Medical School will be housed in the University’s new health and medical education building, the Elizabeth Garrett Anderson building, named after the first woman physician to qualify in the UK. The building opened in April 2023 and contains a state-of-the-art anatomy suite, along with mock GP consultation rooms and other teaching spaces.

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.

As well as the creation of the Medical School, a priority set out in the 2019 Strategic Plan, the University has made further significant progress in its commitment to grow courses in the health professions, with the introduction of Radiography from September 2023 and Dietetics from September 2024.

In September 2022, the University was also successful in winning two national NHS tenders to provide additional apprenticeships as well as mental health training for health workers, which will further increase the number of health graduates available for the nation.

Health Graduates	2022/23
Nurses	177
Midwives	46
Paramedics	61
Social Workers	22
Physiotherapists	53
Occupational Therapists	41
Sports Therapists	54

Read more

[NHS Long Term Workforce Plan](#)

[New health and medical building opens at the University of Worcester](#)

SECTION 2: Public Benefit (*continued*)

Research in health

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. Our researchers are engaged in activity that impacts the health and wellbeing of members of the community, locally, nationally and internationally.

Examples include:

- Researchers in our **Mood Disorder Research Group** have been part of a global study that has [implicated genetic factors in suicide attempts](#). 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. Another key area of work within the group is focused on understanding perinatal mental health, in particular risk factors for postpartum psychosis and depression, and on [how midwives and health visitors can better support women](#) in these contexts.
- Professor Derek Farrell, in the School of Psychology, is engaged in a series of projects exploring trauma response and mechanisms for alleviating these responses, including funded collaborative research with Northumbria University and Veteran organisations examining the experiences of veterans suffering PTSD and loneliness. He is further involved in research funded by the National Institute for Health Research led by Birmingham Community Healthcare NHS Foundation Trust looking at how EMDR therapy can alleviate PTSD symptoms in adults with intellectual disabilities.

Another important strand of our Health and Wellbeing research is focused on digital health:

- In 2023, the University entered into a collaboration with the Co-Lab, a community-focused digital health innovation hub set up by the Herefordshire and Worcestershire Integrated Care System based in Kidderminster Hospital. The Co-Lab is a physical space where clinicians and local entrepreneurs focused on health and care tech can come together to explore technological solutions to the challenges facing the health and care sector. The University's research team will be working with the Co-Lab to evaluate its overall effectiveness as well the effectiveness of specific technologies and interventions.
- A collaborative project between colleagues in the Three Counties Medical School, Worcester Business School and external partners, was awarded funding from the National Institute for Health and Care Research (NIHR) i4i funding scheme to develop technology to help parents care for babies with complex heart conditions. This project developed a prototype mobile application of a paper-based Congenital Heart Assessment Tool (CHAT2) to help parents to monitor their baby's condition at home using a traffic light system to indicate the need for involvement of healthcare professionals, based on the daily monitoring of their baby's condition and behaviour.

Elsewhere, our **Biomedical Research Group** is engaged in research exploring the development of acute myeloid leukaemia and possible mechanisms to inhibit development; while researchers in our **Living Well with Long Term Conditions Research Group** are involved in a project looking at the quality of life of patients with chronic kidney disease; and our pollen researchers have led a study demonstrating that the UK pollen season, and consequently its effect on hay fever sufferers, is being impacted by climate change.

Read more

[University's dementia care website rolled out across Wales](#)

[First of its kind toolkit to improve healthcare access](#)

[Study finds climate change is impacting on pollen season](#)

SECTION 2: Public Benefit (*continued*)

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.

The University has a deep commitment to inclusion for those experiencing mental health challenges. 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. In June 2023, the University's Professor of Early Intervention, Jo Smith, was awarded an OBE from the King for services to higher education and her contributions to student suicide prevention and response. Among the many facets of Professor Smith's work was the publication in December 2022 of Universities UK's *How to respond to a student suicide: Suicide Safer guidance on postvention*, which Professor Smith co-authored. This guidance sets out the steps institutions should take to plan for, respond to and learn from deaths, and includes advice on serious incident reviews and attending inquests.

[Read more:](#)

[University of Worcester Professor co-authors new guidance to help universities respond to a student suicide](#)

[University of Worcester Professor awarded OBE in Kings birthday honours](#)

SECTION 2: Public Benefit (*continued*)

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.



The University of Worcester Arena

The Arena, which has become a hub for schools' outreach activity, grass roots clubs and community groups, celebrated its 10th anniversary in April 2023. In its first decade it has welcomed more than 4.7 million people, including 1.3 million children, who have come to participate in or spectate in a wide variety of events.

In addition, hundreds of community visitors have enjoyed sport and leisure experiences at Lakeside Campus, St John's Campus and at the Riverside Building, which has undergone significant refurbishment to create new fitness facilities.

In November 2022, the University achieved a raft of new independent accreditations for outdoor sports and pursuits at its Lakeside Campus, and in early 2023 installed a new aerial tower on-site for outdoor adventure activities. Over the course of 2022/23, the Lakeside Campus ran several hugely successful holiday clubs with more than 600 places for children fully funded via the Holiday Activities and Food (HAF) programme in Worcestershire. The HAF supports children who receive benefits-related free school meals (FSM), children assessed by the local authority as being in need, at risk or vulnerable, young carers, looked-after children, and children from refugee families, among others.

The University's commitment to providing community access to facilities for health and wellbeing will be further enhanced by the continued development of the Severn Campus. The campus, which now includes the Arena, the Elizabeth Garrett Anderson building for health and medical education, the Elizabeth Casson building for paramedicine training and the Riverside building for health and fitness, has undergone a radical transformation with the introduction of a new walking, wheeling, and cycling route.

The University was awarded £3m from the Worcestershire Local Enterprise Partnership (LEP) towards the cost of development, which came as part of the Government's Getting Building Fund. In December 2022, it was also allocated the maximum grant from the Office for Students – almost £6 million over three years – to continue its development of the Severn Campus. A further new teaching building will be built over the next 18 months.



Still planned for the campus is the International Inclusive Cricket and Education Centre, on the site. The 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

SECTION 2: Public Benefit (continued)

As with the University's other facilities, the new Centre 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.

Read more:

[University of Worcester Arena celebrates a decade of sporting history](#)

[New pedestrian and cycling route opens in the City](#)

[University receives maximum grant from OfS to further develop Severn Campus](#)

[Free places at University's holiday club](#)

EQUALITY AND INCLUSION

**Reduced Inequalities**

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. The University welcomes students from a wide variety of educational backgrounds – over 40% of students enter the University with non-traditional qualifications such as Btec, Foundation Year or Access to Higher Education qualifications.

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.

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 were top in England for sustained employment, further study, or both, three and five years after graduation, excluding specialist institutions, according to the government-published Longitudinal Educational Outcomes survey in 2022. In the 2017 and 2020 surveys, the University was also in the top 10.

SECTION 2: Public Benefit (*continued*)

Accessibility

Just over 20% 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 several 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.”

Read more

[Visually impaired students learn about transition to university](#)

Research

- Researchers in our **Social Pedagogy Research Group** are working with Blaenau Gwent Disability Services on a longitudinal project that seeks to better understand support for children and young people with a range of disabilities, at various phases during their lives. The aim of the project is to create a picture of the child’s support experience across their transition from teenager to adult and to provide recommendations for the future development of the service. The project also has the potential to feed into disability services elsewhere in the UK.
- Dr Peter Unwin is engaging in a programme of research and knowledge exchange focused on the lived experience of Gypsy, Roma and Traveller (GRT) communities of health and social services. One strand of this programme, funded by the NHS Race and Health Observatory, sets out to identify best practice in mental health prevention in GRT communities and to co-develop with these communities culturally competent support systems. The project was completed in March 2023 and will report on its findings and set out its recommendations for mental health services in the coming months.
- Dr Unwin has also been working with Worcestershire County Council, funded by the West Midlands Social Work Partnership, to develop training and development to support best practice in social work within public, educational and voluntary sector organisations. This training is now available as an online package for organisations across the West Midlands and wider UK.
- Researchers from across three of our Research Groups (**Inclusive Sport & Physical Activity, Coaching and Performance, Interpersonal Relationships and Wellbeing**) have been contracted by the Royal British Legion to evaluate the 2023 Invictus Games in Dusseldorf. As the evaluation’s timeframe goes beyond the Dusseldorf Games in September, the project will continue for a further 18 months to help understand the longer-term impact of involvement with the Invictus Games programme.

SECTION 2: Public Benefit (continued)**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 Suffragette, who paid a visit to the University to mark 100 years since the first women won the right to vote in Britain.

We are the number one university in the UK for Gender Equality in the 2023 Times Higher Education's University Impact Rankings, and have never been out of the top 5 in all years of the rankings.

Worcester has been the UK's best performing university for fair gender pay since the statistics were first nationally published. In 2022, 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.

For many years the University has been engaged in education, training, and research in the field of domestic violence and abuse and our academics are regularly called up on present at national conferences.

We run a Bystander Intervention Programme in which students are taught to move beyond stereotypes of what violence and abuse look like, and learn to spot less obvious signs, such as controlling behaviour or problematic comments in a WhatsApp group. They learn that there is always something that they can do to intervene, however small, and are trained in a toolkit of potential interventions, both direct and indirect. Several hundred students have undergone the training.

Read more:

[University of Worcester among top for gender pay](#)

[University of Worcester academic presents work at national domestic violence conference](#)

[The University of Worcester Bystander Intervention programme](#)

SECTION 2: Public Benefit (*continued*)

Research

- Dr Anna Muggeridge, Lecturer in History, is being funded by the British Academy to explore the role of women in local government. This project will rethink our understanding of the impact of enfranchisement on women's politics in Britain, taking a new methodological approach to the historical debate surrounding the difference the vote made to women's lives. Dr Muggeridge also worked with Emeritus Professor Maggie Andrews on a Leverhulme Trust funded project examining the role of Lady Denman in the women's movement in the first half of the twentieth century. Both these projects are part of a longstanding focus in our Department of History on gender politics in the 20th century.
- Researchers in our Interpersonal Relationships and Wellbeing Research Group have published a number of outputs in the last 12 months focused on domestic violence and abuse, including studies examining the professional quality of life of domestic and sexual violence advocates; peer mentoring among survivors of abuse with disabilities or multiple disadvantages; and improving the 'victim journey' when reporting domestic abuse cyberstalking to the police.

QUALITY EDUCATION



Raising Aspirations

The University is driven by a deep-seated commitment to educational opportunity and works hard to break down barriers to higher level learning.

In the 2023 Times Higher Education University Impact Rankings, Worcester retained its top 5 position in the UK for Quality Education, being ranked joint 3rd. 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.

The University has fostered and developed partnerships locally, nationally, and internationally to raise aspirations and promote inclusion and social mobility.

SECTION 2: Public Benefit (continued)

In September 2022, the University hosted the return of its popular Worcester Valencia Basketball Camp, run in partnership with Valencia Basket. The camp provided the opportunity for youngsters from disadvantaged backgrounds to experience professional coaching as well as independent living. The University has been working with London-based charity Greenhouse Sports for several years to provide valuable opportunities for inner city youngsters to be inspired into sport and education through such camps.

Read more

[University of Worcester retains top 5 ranking for Quality Education](#)

[Return of popular basketball camp](#)

Student satisfaction and participation

In the Complete University Guide 2024, several of Worcester's courses were given Top 20 rankings for Student Satisfaction, including:

Social Work	2 nd
Forensic Science	Joint 2 nd
Sociology	3 rd
Sport	9 th
Counselling, Psychotherapy and Occupational Therapy	9 th
Law	10 th
Biomedical Science	Joint 12 th
Childhood and Youth Studies	12 th
Biological Sciences	18 th
Health Studies	18 th
Communications and Media Studies	Joint 18 th

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

SECTION 2: Public Benefit *(continued)*

Furthermore, Worcester is ranked among the very best in the UK in two national independent surveys exploring postgraduate teaching and research. In the AdvanceHE Postgraduate Taught Experience Survey (PTES) 2022, Worcester is ranked 7th amongst 90 UK universities for overall satisfaction, while Worcester is also ranked 7th out of 94 in the AdvanceHE Postgraduate Research Experience Survey (PRES) 2021.

Read more

[University ranks top 10 for Postgraduate experience](#)

[University and students in running for top nursing and midwifery awards](#)



Early Years and lifelong learning

Schools and education have been at the heart of our work since our inception in 1946. As one of the country's 10 biggest providers of 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.

In May 2023, Ofsted published a glowing report following an inspection of Worcester's Initial Teacher Training, rating the University's primary and secondary programmes as 'Outstanding'.

The inspectors stated that, along with its partners, the University creates "a learning community that places children at the heart of everyone's endeavours".

The report opens: "Trainees benefit from an exceptional learning experience at the University of Worcester. This experience instils in them a deep-rooted commitment to making a difference to the lives of the children in the communities they serve."

The Inspectors repeatedly praised the University's staff, school mentors and leaders for their work on vital aspects of teacher training including, trainees learning how to teach children to read; managing behaviour; maintaining good mental health; safeguarding; catering for children with special educational needs and every other essential aspect of becoming a teacher, including managing workload.

The Inspectors conclude the report with: "By the end of their experience at the University of Worcester, trainees are exceptionally well prepared to enter the teaching profession."

The University has long had real expertise in teaching mature students; over half the University's undergraduate students are mature on entry particularly in such courses as Primary Initial Teacher Education, Nursing, Occupational Therapy and Physiotherapy and its training of Further Education teachers and its apprenticeship programmes were also highly praised by Ofsted earlier this year, who rated each as 'Good'.

The strong culture at the University of combining high standards, academic excellence and an inclusive educational approach underpins both these excellent reports which are amongst the best to date in their respective sectors. The Inspectors commented: "Leaders pay serious attention to transforming trainees into passionate teachers who are determined to raise the aspirations of the pupils, students and learners they teach."

SECTION 2: Public Benefit (continued)

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 2022/23
Teacher Training graduates	457

In October 2022, the University invited acclaimed journalist, Rachel Sylvester to deliver the annual Worcester Lecture. Rachel Chaired the Times Education Commission, which was set up to examine the future of education in light of the Covid-19 pandemic, declining social mobility, new technology and the changing nature of work. In the lecture she called for reform, giving the audience an insight into the many months of evidence the Commission had heard.



The University's work to drive social mobility through educational opportunities for children was recognised in July 2022, 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:

[Simply The Best: "Children at the Heart" of the University of Worcester's Teacher Education says Ofsted](#)

[Ofsted praises apprenticeship programmes and training of Further Education teachers](#)

[Journalist gives inspiring talk on future of education in annual Worcester Lecture](#)

[University wins levelling up award for providing opportunities for young learners](#)

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.

SECTION 2: Public Benefit (*continued*)

Engaging the community in the University's extensive research activity is a key priority and each year several free exhibitions, displays and lectures take place. The 2023 Pint of Science Festival saw several events take place in local pubs, where members of the public could hear about a range of research at the University, from using drones in flood management to forensic science. Meanwhile, the annual Images of Research exhibition held at The Hive gives the community further insight into the vast array of research and its impact on wider society.

Read more

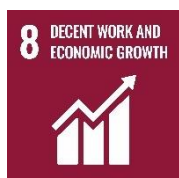
[World-leading research being carried out at University of Worcester](#)

[Sharing research expertise with the wider community at Pint of Science](#)

Over the last 12 months, staff from across the University have written and edited books aimed at educators, students and professionals, each with an overarching aim of enhancing educational quality. These include:

- Dr Carla Solvason from the Institute of Education has co-edited a volume targeted at early years' educators, childminders, primary teachers, Tas, and SENCOs which explores the different ways in which educational settings can support parents, whilst benefitting from their wide-ranging knowledge and capabilities: Solvason, Carla and Cliffe, Johanna *Creating Authentic Relationships with Parents of Young Children* Routledge.
- Elsewhere, in the Institute of Education, colleagues have published two guides for Early Years teachers: Howard, Colin and Paige, Rachael (2022) *Essential Guides for Early Career Teachers: Professional Behaviours*. And Williams, Lorna and Howard, Colin (2022) *Essential Guides for Early Career Teachers: Teaching Early Years*, Critical Publishing.
- *Complexity and Values in Nurse Education: Dialogues on Professional Education*. Routledge, edited by Dr Martin Lipscomb from the Three Counties School of Nursing & Midwifery, is a book that invites nurse educators and student nurses to reflect on educational practice in their profession.

The University's Institute of Education has run the West Midlands **STEM Ambassador Hub** since 2016. The Hub, funded by STEM Learning Ltd, is one of 17 across the UK set up to provide a network of support for teachers, employers, youth and community groups and children themselves to develop and enhance STEM education in the UK. The Hub team provide training and mentoring for new ambassadors, brokers ambassador engagement with Schools and Community Groups, creates links between employers and organisations who work with young people in order to help tackle the STEM skills shortage and provides a rich portfolio of free resources. Since 2016, the hub has triples the number of active STEM Ambassadors in the region to 539 and has increased the diversity of this population with 31% from ethnic minorities (significantly increased from 15%), 49% female (increased from 45%) and 57% under 35 (increased from 36%). The Hub has been particularly active in working with Year 6 leavers through a series of Summer Schools with individual school and at the University.

SECTION 2: Public Benefit (continued)**DECENT WORK, ECONOMIC GROWTH AND INNOVATION**

The University's annual income has risen by more than three 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 over 1,520 staff and 687 students in a wide range of roles. 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](#)

Research

Worcester Business School is working with Worcestershire County Council to deliver the EDRF-funded "Enterprising Worcestershire Start-Up and High Growth Start-Up Support Programme" (£1.076m). Specifically, the Business School has run a pre-start up business programme, EnRich, from summer 2021 to 2023, focused on young people in Worcestershire who want to start a business or are self-employed. Attendees are recruited from the local FE and Sixth form Colleges, universities, job centres and charities. The course is delivered by experts who run their own SMEs and provides 12 hours of free training to develop skills and knowledge prior to starting a business. Areas covered include planning a viable business, legal structures, funding, sales and marketing, and developing an entrepreneurial mindset. Forty-eight pre-start individuals were supported through the programme over the 2-year period.

SECTION 2: Public Benefit *(continued)*

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 Elizabeth II. 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.



The award-winning Hive

Hive Library	2022/23
Total number of visits	381,499
Teenage library membership	10,977
Number of children and adults participating in community events	32,679
Number of people attending public lectures	706

**figures from August 1 2022 to June 20 2023*

Read the UPP Foundation Civic University Report: Hive case study

[Final report](#)

The HiveAt10

[Celebrating 10 years of successful partnership](#)

Staff in our **Association for Dementia Studies**, building on their rich body of research into dementia care, are delivering a range of dementia leadership and education programmes for NHS trusts and housing and care providers across England and Wales. This is important work is enhancing the knowledge and skills of health and care professionals and by extension improving the quality of life of thousands of people living with dementia and their families and carers.

ADS colleagues are involved in two long term programmes which strive to create sustainable community-based approaches to improving the lives of people living with dementia and their families and carers:

- The Dementia Meeting Centre Programme began in 2014 through a project funded by the Economic and Social Research Council which explored the efficacy of the Dutch Meeting Centre model in a UK context. Meeting Centres are a community-based support system for people living with dementia and their families and carers. The project showed the model brought significant benefits for people recently diagnosed with dementia,

SECTION 2: Public Benefit (*continued*)

including reducing the use of anti-psychotics, and for those around them. Research into Meetings Centres has continued with the team completing an NIHR-funded project in 2023 which examined the sustainability of the Meeting Centre model and the team has been awarded further NIHR funding to explore food interventions in community-based support systems. Alongside the research, the team has been supporting organisations to implement meetings centres across the UK. At the time of writing there are over 50 Meeting Centres in the UK and many more internationally.

- ADS is also involved in a programme of research focused on Housing and Dementia. It hosts the Housing and Dementia Research Consortium (HDRC), a membership group of organisations and individuals who are committed to research and knowledge exchange focusing on ‘what works’ for people living with dementia in housing and care settings. It has been funded by the NIHR School for Social Care. Most recently, it has engaged in a project, DemECH, which set out to explore the best model for supporting people with dementia in Extra Care Housing (ECH). Extra Care Housing is an increasingly popular form of housing for older people, often as a preferred alternative to a care home. Many people appreciate the independence that having their own apartment within an Extra Care Housing scheme can offer, while also being able to access help and support, enjoying opportunities for social interaction and feeling safe. 20% of people in ECH are diagnosed with dementia, so there is a real need to understand how this model can best support people living with dementia.



Cost of Living

As a university, we are committed to doing all we can to help our students, staff and the wider community at this time of rising costs.

Throughout 2022/23 we provided many students with help via our generous Access to Learning Fund and called on the Government to increase maintenance loans. We work hard to provide valuable earn as you learn opportunities for our students, employing around 700 students each year in roles across the University, while also providing access to additional qualifications in such areas as coaching and tutoring, which enable students to find employment opportunities relevant to their studies whilst earning their degree.

In 2022/23, staff at the University selected Worcester Foodbank as their Charity of the Year, and have raised thousands of pounds in cash, as well as donated hundreds of items, to help people who need basic essentials.

Read more

[Worcester Foodbank selected as university's Charity of the Year](#)

Research

- Since 2020, the University has worked with St Paul's Hostel to evaluate *Worcestershire Housing First*, a scheme designed to support rough sleepers back into permanent accommodation and a core strand of *Worcestershire Homelessness and Rough Sleepers Strategy*. Housing First is an approach which provides a stable, independent home to rough sleepers with multiple and complex needs, supporting them with intensive personalised support and case management. The evaluation, led by Dr Peter Unwin, was co-designed with a strategic group consisting of stakeholders from West Mercia Police, West Midlands Ambulance Service, Worcestershire Community Trust and service users and seeks to understand the impact of *Housing First* on individuals and their outcomes; to assess the fidelity of the pilot in relation to the scheme's principles; and to understand the costs and benefits.

SECTION 2: Public Benefit *(continued)*

- Colleagues in our Institute of Education have co-edited and contributed to a special edition of the [International Journal of Birth and Parent Education](#) which is focused on supporting parents during the cost of living crisis. Papers included focus on how early years practitioners can support the care of young children living in poverty, vulnerable pupils in Tanzanian schools, perinatal experiences of homeless women, and fathering and poverty.
- In addition, Dr Pamella Murray Hopkin from Worcester Business School has been part of a collaborative team of academics and health and education professionals brought together by the Children’s Alliance to examine the physical health, mental health, educational and economic impacts of the Covid-19 pandemic on children and families. A series of [four reports](#) published in Summer 2022 set out the fundamental problems facing UK society going forward and present a set of recommendations as to how these problems can be addressed.

PEACE JUSTICE AND STRONG INSTITUTIONS



At Worcester we passionately embrace our duty to promote British values, which are ‘democracy; the rule of law; individual liberty; and mutual respect for and tolerance of those with different faiths, beliefs and for those without faith’.

Our fundamental approach is to encourage all students to become well informed and to engage in peaceful, respectful democratic discussion of the issues.

Most recently, we have been actively encouraging our students to engage in the local elections, providing information about how to register and explaining the mechanics of the voting system. This is an important part of our statutory duty to promote democratic values and participation in the democratic process. In the May 2023 local elections, the University’s Riverside Building was also used as a Polling Centre, further encouraging and supporting democracy.

Staff at the University, including the Vice Chancellor, have openly spoken out several times against all forms of hatred and violence, including when Russian forces launched a full-scale invasion of Ukraine in February 2022.

The University continues to stand in solidarity with the people of Ukraine and held a special event to mark the first anniversary in March 2023. The Ukraine flag continues to fly at the University’s campuses.



University staff and student stand in solidarity with Ukraine

The University has long promoted human rights and inclusion through the school curriculum, with opposition to all forms of anti-Semitism a very strong theme. Holocaust survivor, campaigner and educator, Mindu Hornick MBE is a regular speaker at the University and her inspiring, consistent work for democracy and human rights is carried forward by the University’s teaching graduates in schools across the Country.

In 2021 a Constitutions, Rights and Justice research group was established at the University, which seeks to disseminate research and scholarship through public events, foster collaboration, and produce innovative research and other scholarly work.

SECTION 2: Public Benefit *(continued)*

In March 2023, Sir Robert Buckland KC MP, who served as Lord Chancellor and Secretary of State for Justice between 2019 and 2021, gave the group’s inaugural Annual Lecture. The free talk, titled ‘Artificial Intelligence and Digitalisation: A new hope for justice or a new threat?’, was open to the wider community as well as staff and students.

Read more

[University hosts Ukraine discussion to mark anniversary](#)

[Former Minister delivers research group’s inaugural lecture](#)

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	2022/23
Number of student representatives	452 (23 School Reps, 429 Course Reps) + 22 Student Councillors + 3 full time elected SU Officers
Number of student volunteering hours	5,905 hours registered from July 2022 to end June 2023
Number of student societies	33
Number of student hours worked at University Arena	7,934

Research

Professor Suzanne Schwarz, Professor of African History, is part of an international team from Canada, France and the UK that is using new research methodologies to trace the origins and experiences of individuals in the African diaspora. This multidisciplinary digital humanities project draws on a vast array of original sources from Africa and the Americas to trace fragments of evidence that shed new light on the cultural identities of Africans from the era of the transatlantic slave trade. Professor Schwarz’s research on tracing the testimonies and life stories of Africans released at Freetown in Sierra Leone in the early nineteenth century is an integral part of the project. Archival sources held in the Sierra Leone Public Archives (and currently undergoing digital preservation through a British Library Endangered Archives project led by Schwarz) include reference to the ethnonyms used to describe Africans uprooted and displaced by the trade, thereby shedding light on aspects of their origins and identities.

SECTION 2: Public Benefit (continued)**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.

Read the University's latest Annual Sustainability Report

[Annual Sustainability Report 2021/2022](#)

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. In October 2022 Worcester was judged to be 'leading the way' in the battle to reduce carbon emissions, according to independent research by Students Organising for Sustainability UK (SOS-UK).

The University was ranked as the joint 3rd higher education institution by SOS-UK, working alongside the National Union of Students (NUS), the University and College Union (UCU) and People & Planet (P&P), who assessed universities and colleges across the UK on their ambitions to act on the climate emergency and ecological crisis.



Each year, the University hosts a Go Green Week, encouraging and promoting sustainable behaviours to staff and students. February 2023's events culminated in a special debate on the issue of air quality in the City. It featured representatives from Worcestershire Regulatory Services, First Bus, the health sector, and the University, including from its new Three Counties Medical School, as well as Lord Victor Adebawale CBE, Chair of the NHS Confederation, who discussed the impact of air quality on health.

The University has made a sustained effort to introduce several wildflower areas on campus to boost biodiversity and in December 2022 was one of 117 universities globally to sign up to the Nature Positive Universities Alliance, launched by the United Nations' Environment Programme in partnership with the University of Oxford.

The University has also been tackling the issue of sustainable food and in December 2022 achieved a Silver Green Apple Environment Award, which recognizes best practice. The University introduced a series of successful interventions to encourage people think about the food they eat and promote more sustainable choices.

SECTION 2: Public Benefit (continued)**Read more**[People and Planet University League Table](#)[Air quality debate concludes week of sustainable activities](#)[University of Worcester Pledges Action on Biodiversity Decline](#)[University Chalks Up Another Sustainability Award](#)[University leading the way to tackle climate change](#)**Research**

We are engaged in a wide-ranging body of environmental research, which is having significant impacts across the globe, including, for example:



Professor Mahmut Tor is leading our [Molecular Plant and Microbial Biosciences Research Unit](#) in a vital programme of research examining interactions between plants and the pathogens, such as downy mildew, which kill or at the very least reduce the yield of these plants. The programme of research, largely funded by the Biotechnology and Biological Sciences Research Council but also science funders in Turkey and the USA, in particular sets out to understand these interactions at microbial level, exploring the natural defences of the plants and finding ways of enhancing these natural defences. This work has the potential to develop environmentally and economically low-cost solutions to increasing plant yield with all the positive implications for food security nationally and globally that flow from that. The programme is very much international in nature, with collaborators from the UK, USA, Turkey and China, and globally significant industry partners, from the seed industry as well as from food producers and growers collective. The programme has already made significant progress in identifying the efficacy of bio-pesticides, naturally occurring substances that can kill plant pathogens and bring significant economic, environmental and moral advantages over synthetic chemical plant protection products.



Doctoral researchers in our School of Science and Environment are engaged in projects which examine different aspects of water quality. Holly Roberts supervised by Dr Kate Ashbrook and Dr Duncan Westbury is engaged in a comparison of microplastic pollution levels and aquatic invertebrate ingestion in UK lakes; whilst Amritha Nair, supervised by Dr Fleur Visser and Professor Ian Maddock, is mapping plant stress in submerged aquatic vegetation using very-high and ultra-high resolution multi-spectral imagery. Both projects have the potential to enable the protection and restoration of water-related ecosystems and build on a longstanding body of research.



Researchers in our Sustainable Environment Research Group, led by Professor Ian Maddock, are exploring how to strengthen resilience and adaptive capacity to this climate-related hazard through Natural Flood Management (NFM). NFM as the name suggests involves a variety of approaches such as creating natural dams, tree planting and allowing low lying land to flood upstream. This important work, undertaken in partnership with DEFRA, the Environment Agency and local authorities is also relevant to GOAL 6: Clean Water and Sanitation, as flooding has significant impacts on water quality.

SECTION 2: Public Benefit (continued)

Research, led by Dr Duncan Westbury, focused on the effective use of eco-system services in fruit production has continued in 2022/23. Eco-system services describe the “services” that nature itself provides primarily through pollination and pest regulation. Outputs from projects co-funded by the University, Waitrose & Partners and fruit growers have been published which show how habitat interventions, in particular the use of wildflower strips, enhance natural pest regulation services in Spanish citrus orchards and enable sustainable production of sweet cherries by maximising benefits from ecosystem services.



Our Sustainable Environments Research Group has longstanding partnerships with charities, NGOs and government agencies in Central Africa, in particular Malawi and Ethiopia, which set out to enable subsistence farmers to live sustainably whilst maintaining and enhancing the catchment-wetland ecosystems which they farm. These partners including Tiyeni, Self Help Africa, Wetland Action, the Ethio-Wetlands and Natural Resources Association and the Ethiopian Government’s Environment, Forest and Climate Change Commission. This Research Group has embarked on a new project, led by Professors Alan Dixon and Ian Maddock, to explore how anticipatory action can reduce disaster risk in the Global South.

The University has been involved in a series of initiatives to engage public and community with the impacts of climate change:

- The University’s City Campus, Art House and the Hive hosted artworks as part of the ‘Watermark’ exhibition; dedicated to those around the world affected by flooding, rising sea levels and loss of habitat. The exhibition was held at five locations across the city from January 2023 through to June. Watermark revealed how artists have responded to the element of water, how they have picked the urgent concerns of rising levels, flooding, drought, and invited visitors to reflect on their own relationship with the element. In collaboration with Meadow Arts, the university’s Fine Art department hosted a number of talks with many of the exhibiting artists during this period.
- Worcester Open Climate Change Edition 2023: The University of Worcester worked collaboratively with Pitt Studio to showcase a multi-venue project, sponsored by Meadow Arts, on water and flooding as environmental markers of climate change.



Sea Change is the latest project of the International Centre for the Picture Book in Society based at the University of Worcester’s Illustration department. The project is based upon an international call out to artists from around the world in response to the threat our oceans and seas face, to form a collection of ideas, concerns, hopes and imagination. These responses formed the basis of an exhibition which will tour the world and also be the basis for inter-generational arts -based workshops provided to schools, colleges and communities.

Read more

[Global exhibition highlighting threats to our ocean turned into book](#)

SECTION 3: Financial Management and Sustainability

In meeting the on-going challenges within the Higher Education sector as the UK tuition fees remain frozen whilst the cost base endures high inflationary pressure, our financial strategy is to:

- 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;
- Maximise opportunities to diversify sources of income and increase income generation from these activities; and
- Attempt to improve overall cost efficiency to mitigate the ongoing challenges of higher inflation.

RESULTS FOR THE YEAR

The 2022/23 consolidated financial statements show a deficit of £3.2m (2022: deficit £5.5m). The deficit, the second consecutive year with a significant deficit, was not unexpected having been previously budgeted and forecast. The continuing freezing of the UK tuition fees, that form the majority of the University's income, combined with ever increasing inflationary cost pressures results in the University's finance being stretched. On-going expansion in international student fees and cost efficiency measures partly mitigate this but it remains a struggle in the current economic and political environment to achieve the former levels of surplus. The deficit (before other gains and losses) reduced from £(4.2)m in 2021/22 to £(3.2)m in 2022/23. This was a result of a variety of factors such as: increase in funding body grants and also a slight increase in research income. Income from residences, catering and conferencing, also continued to increase, but it is still not quite back up to pre-pandemic levels. Overall tuition fee income was slightly lower than the previous year, however this was offset by an increase in investment income due to the rise in interest rates. 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.

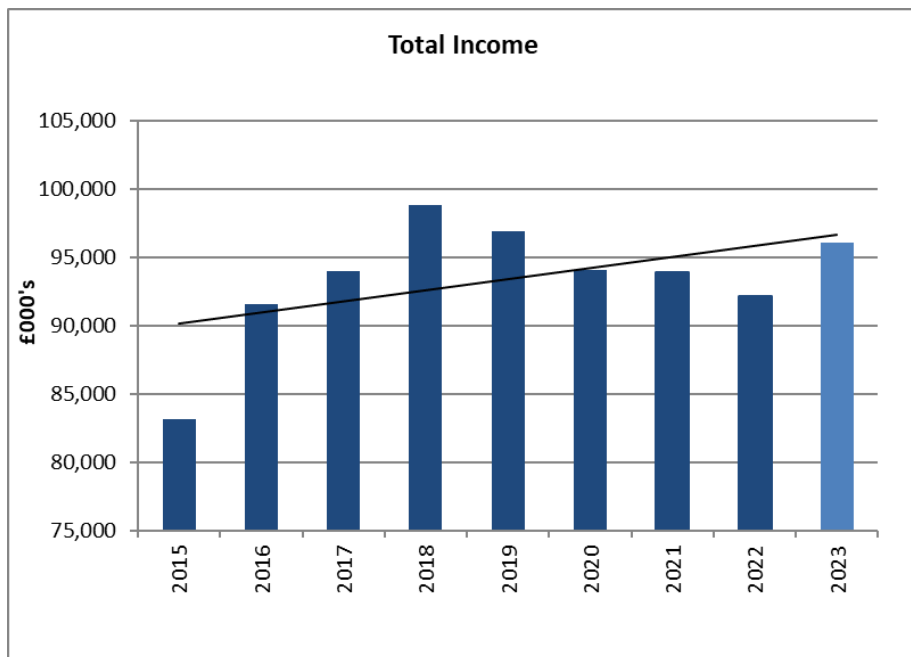
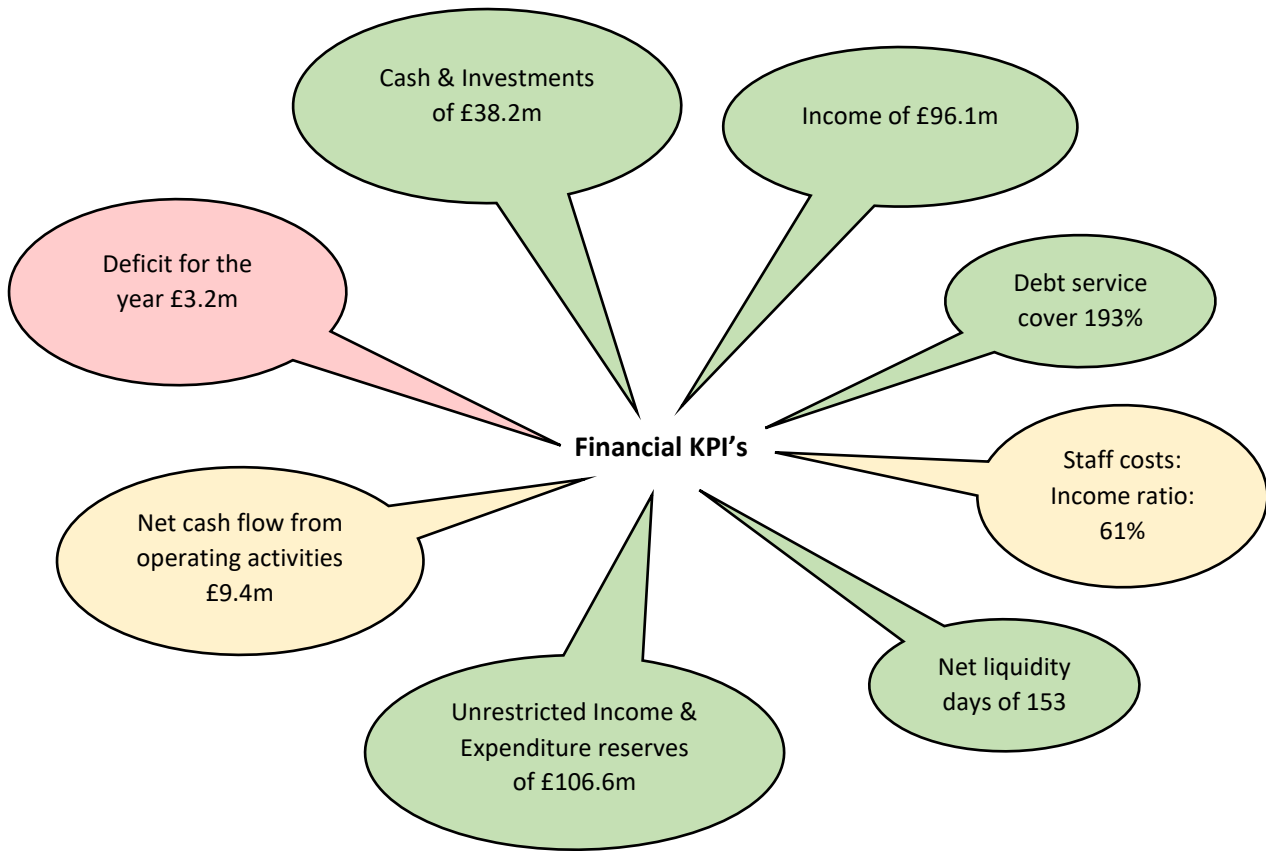
U W Developments Limited is the entity through which the University manages its significant capital development projects. No new trading activity took place during the year, the only activity was the settlement of the final creditor retention relating to the Himbleton Road Townhouse project.

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 2023 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 2024/25.

UW Worcester Wolves Limited is a 100% subsidiary company of U W Enterprises Limited. The principal activity of the company was initially 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). However, following a strategic review of the company's operations in 2021/22, 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 Company now operates 3 teams, being predominately all student teams, including operating one of the 4 UK High Performance Partnerships with British Wheelchair Basketball.

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

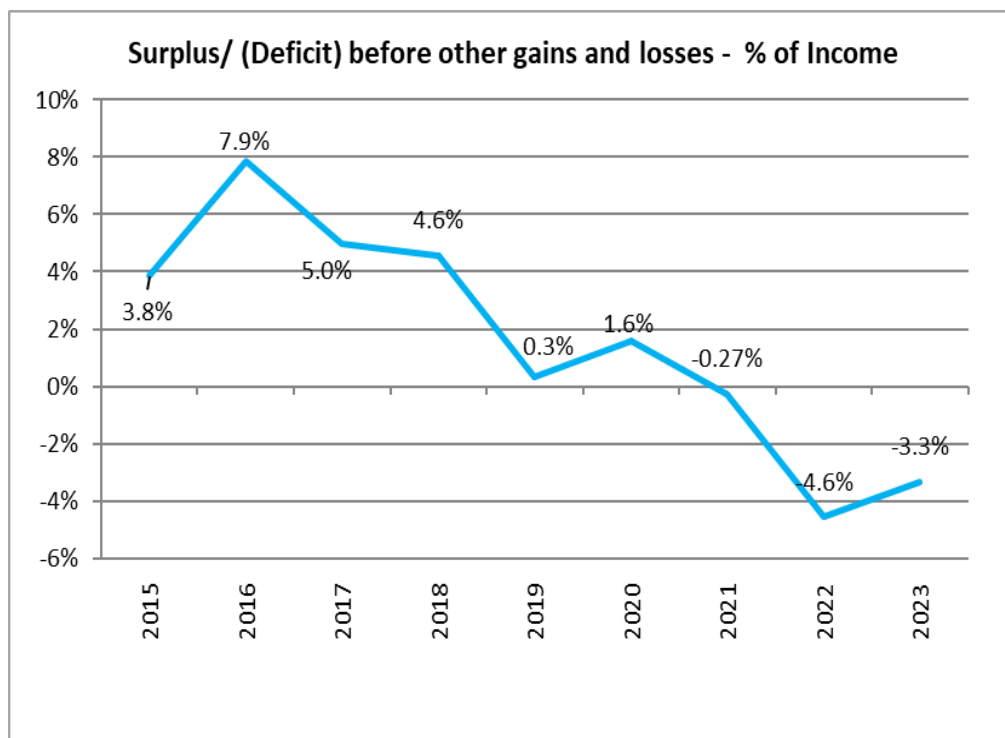
A visual summary of the financial Key Performance Indicators (KPI's) used by the University are shown below. The results of which relate to the actual performance during the year:



2022/23 saw a healthy increase to the University's income, attributable to small increases in several areas being, research income, funding body grants, residences catering and conferencing along with a substantial increase in investment income which compensated for the reduction in UK tuition fee income.

The budget for 2023/24 anticipates a further increase in income up to £104m, which is predominately related to a growth in international student fees.

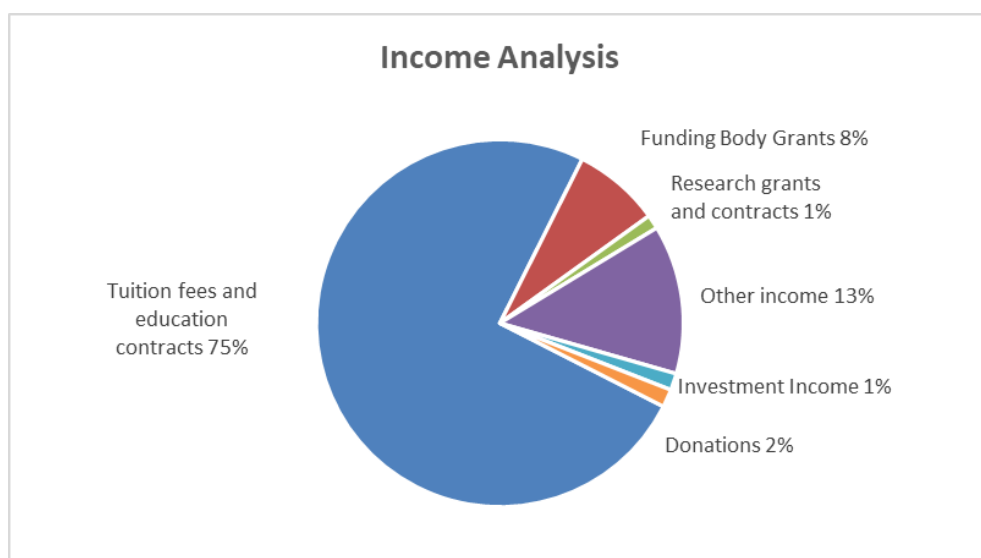
SECTION 3: Financial Management and Sustainability (continued)



2021/22 was the first year in many, where the level of surplus (before other gains and losses) reached a substantial deficit position. 2022/23 has seen this deficit position reduce. It is expected that a similar deficit will be produced in 2023/24, albeit with higher income to off-set the inevitable cost inflation. The fluctuations between years are 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 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 enduring ‘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 achieve banking covenants whilst enabling it to exploit any opportunities as they arise, such as the recent launch 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.

As expected, the 2022/23 financial results show the majority of income continuing to be received directly from tuition fees, as shown in the chart on the right. However, student fees have now dropped to being 75% of total income, whereas in the past it was usually around 80%. As previously mentioned, it is expected that this percentage will rise again given the budgeted increase in international student fees in 2023/24.

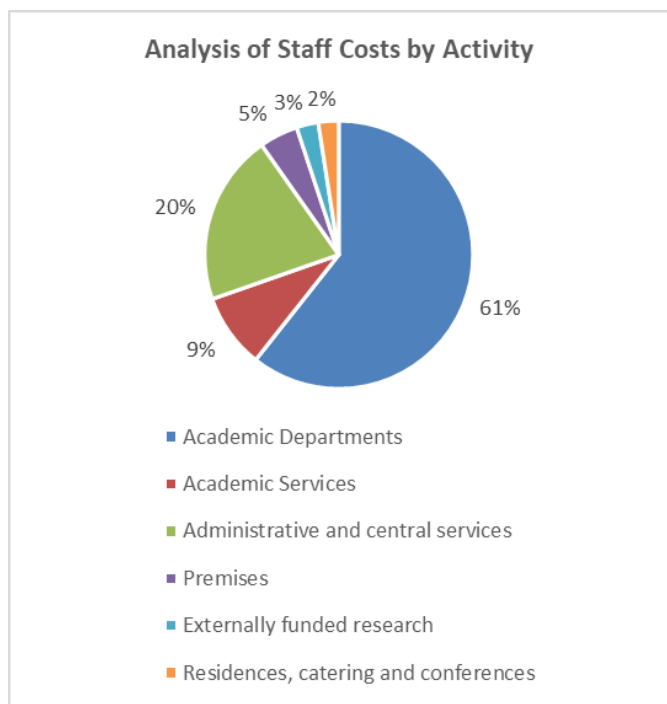
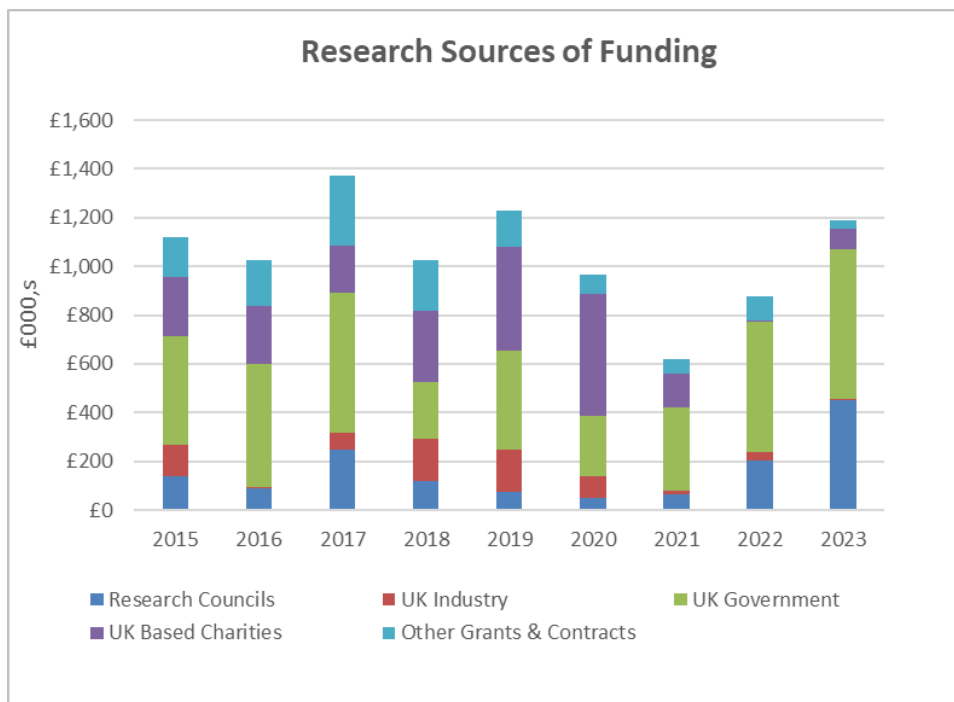


SECTION 3: Financial Management and Sustainability (continued)

The University of Worcester is not 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. Research income levels in 2022/23 have now started to return to the more usual level following a delay in projects as a result of the pandemic. It is expected that research income will remain at this level over the next few years.

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 2022/23. This income will be released in future years as each project progresses.

The chart opposite shows the analysis of research related income relating to 2022/23 along with previous years.

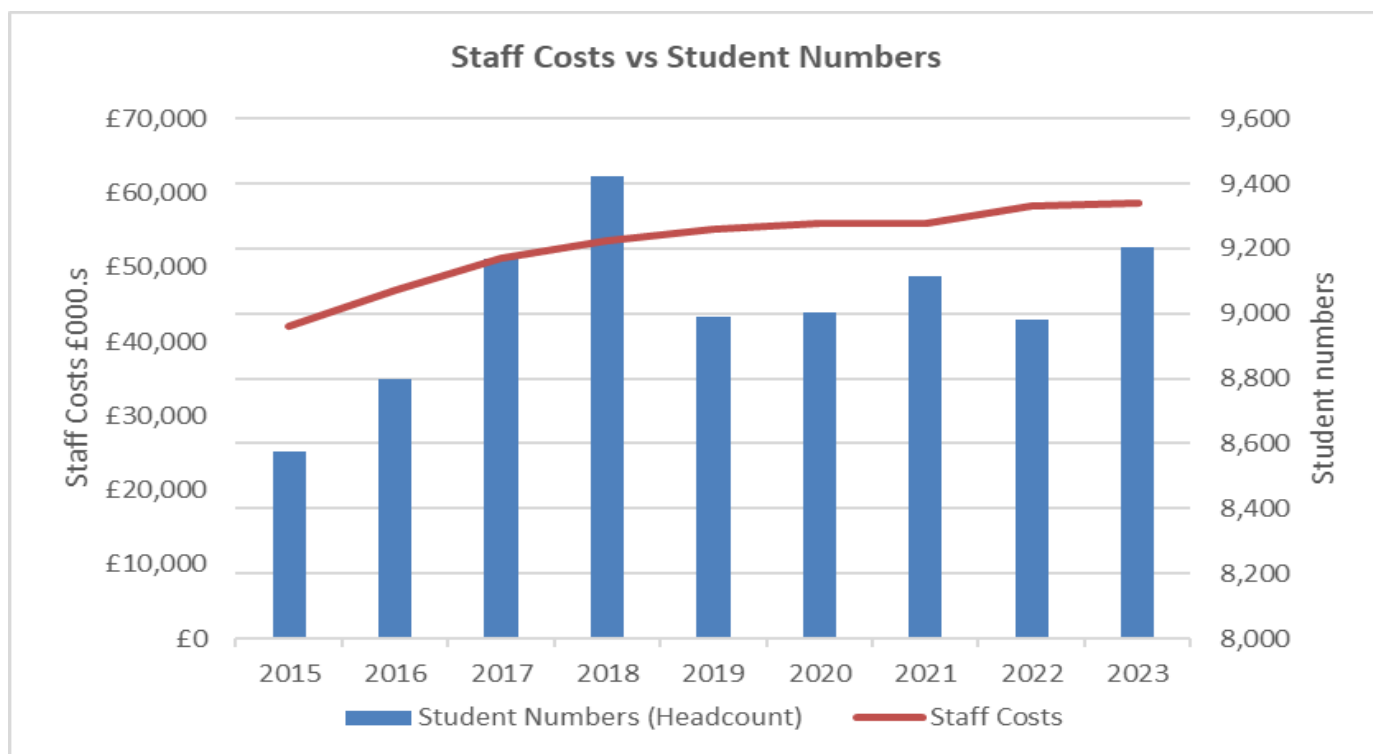


Total expenditure increased in the year by £2.9m (3% increase) to £99.3m (2022: £96.4m). Staff costs remain the University's largest area of expenditure with salaries continuing to rise, however due to the USS pension adjustment this year being substantially lower than the previous year, and also the LGPS current service cost being lower due (see note 26 for further details) the staff costs overall total has not increased greatly year on year, although the real cash costs of wages and salaries is up £4m . The ratio of staff cost: income has, for the first time in many years, actually dropped slightly from 63.1% to 61.0%. There are still challenges facing the University in relation to staff costs. Partly this is due to the cost-of-living crisis and therefore the demand for higher salaries is becoming more apparent, as it now becomes more difficult to recruit and retain good quality staff in schools and departments of the University.

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 above shows the analysis of staff costs between key areas.

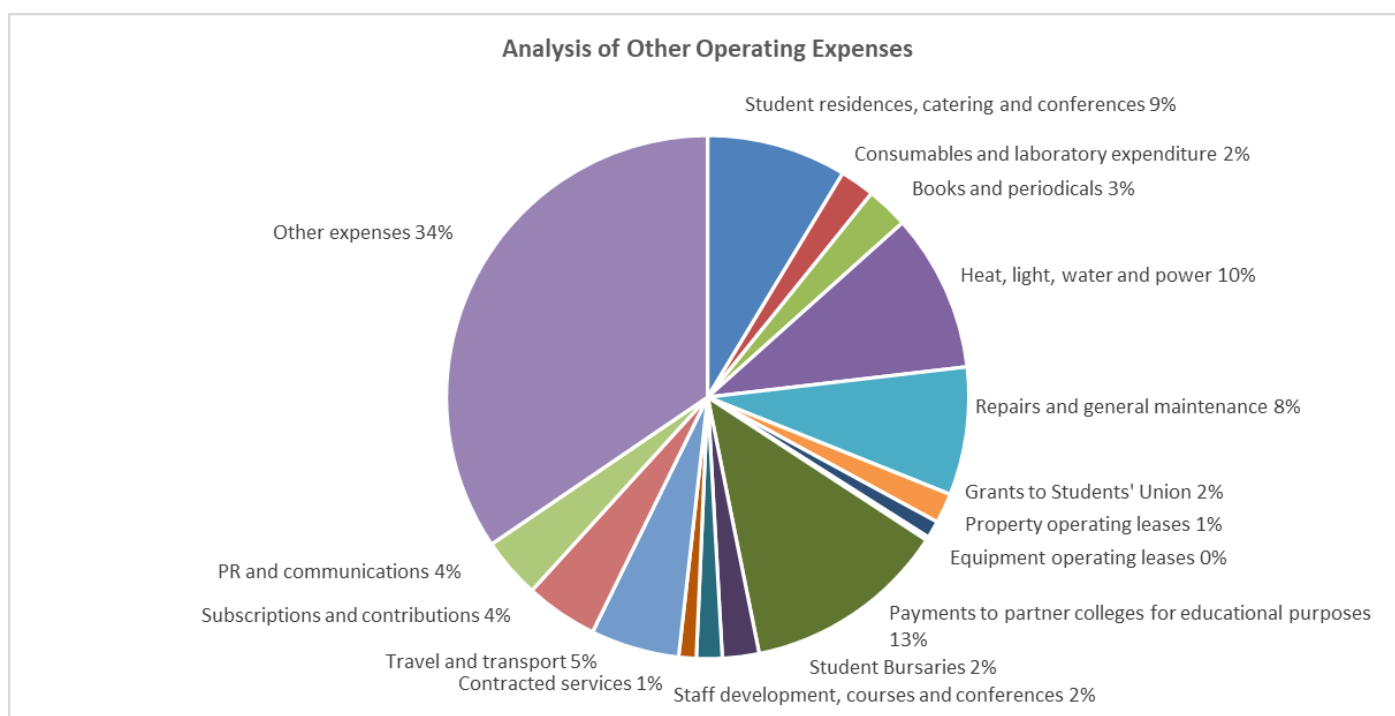
SECTION 3: Financial Management and Sustainability (continued)

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



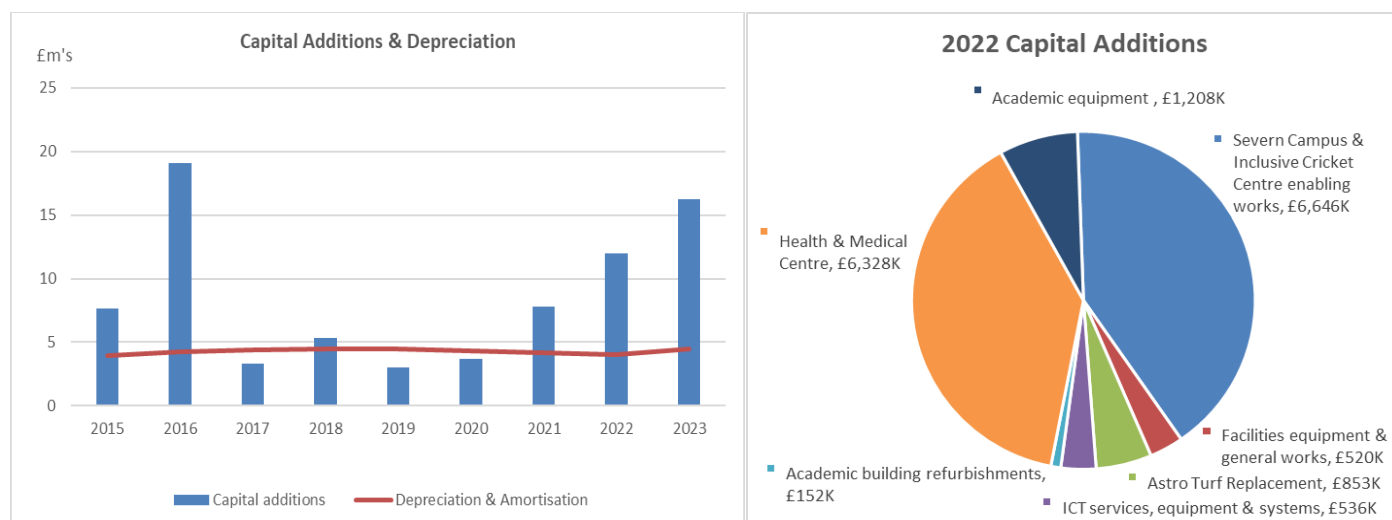
Other operating expenses increased from £30.2m in 2021/22 to £32.3m in 2022/23. Considering the impact of rising inflation and also taking into account that the pre-pandemic level of other operating expenses was approx. £33m, the University has done significantly well at controlling costs during what has been a very difficult and challenging period for the general supply chain market. 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 creation of the new Three Counties Medical School located in the newly completed Elizabeth Garrett Anderson building 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 £117.5m (2022: £89.3m). The main aspects of this were total non-current assets of £174.3m mostly relating to the physical estate of the University and associated equipment.

Net Current assets decreased from £41.5m to £19.1m due to lower cash and investment balances, partly as a result of the Board of Governors making the decision to repay £11m capital repayment from the Barclays Tranche C loan early due to rising interest rates. The closing cash and investments balance at the end of the year remains healthy and the longer term cashflow forecast anticipates a closing cash and investments balance for next year to be in the region of £27m.

- Trade and other receivables £4.1m (2022: £4.1m)

The total value of trade and other receives has for another year 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.

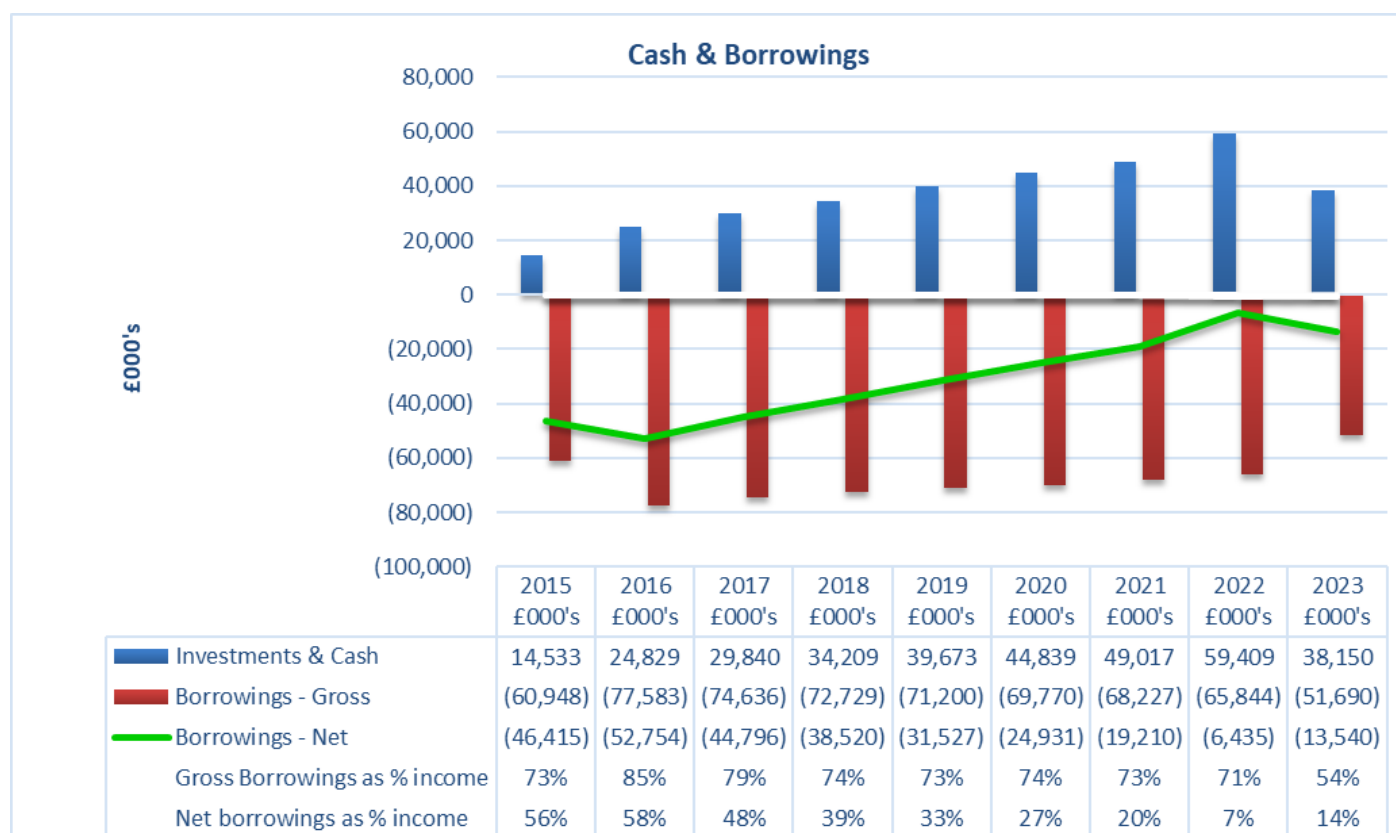
- Creditors (amounts falling due within one year) £(23.2)m (2022: £(22.0)m)

Tax and social security, along with the WLGPS pension payments, relating to July, were paid before the end of the financial year, however the payment for Teachers Pensions was not made early this year and therefore makes up part of the creditor balance. Accruals and deferred income, which includes, income in relation to research contracts, capital grants and student tuition and accommodation fees decreased slightly from £16.4m to £16.1m, whereas trade creditors increased from £0.3m to £1.5m, due to the previous year's decision to make payments early, which wasn't the case this year.

Longer-term liabilities are related to loan borrowings, the Hive finance lease and government deferred capital grants, which will be released to income from 2024/25 onwards. The total bank loan drawn down as at 31st July 2023 remained at the full £80.0m although some has been repaid, including an early repayment of £11m made during the year (with the remaining long-term creditors relating to other funding connected to the Hive).

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

Due to the rising interest rates, and the fact that Tranche C of the Barclays loan was subject to a variable interest rate, the Board of Governors made the decision to repay part of the loan early, resulting in gross borrowings reducing from £65.8m to £51.7m.



Most of the remaining 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 2023 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 2023 reduced substantially from £(22.6)m to £(0.9)m which was a direct result of the latest WLGPS valuation now showing a surplus position, rather than a substantial deficit position, which had been the case for many years. 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 £29.3m, from £(21.5)m to a surplus of £7.8m. This surplus value has been recognised as a non-current asset within the financial position due to the accounting standards requirements around defined benefit plan assets. Further details regarding this are included within the accounting policies: critical accounting judgements and estimation uncertainty section on page 61 and also set out in note 26.

The year-end adjustment to the WLGPS current service cost was lower than originally budgeted for and partly explains why total staff costs have not risen as much as initially expected. In relation to the University's element to fund the USS deficit liability, a credit was applied to the accounts of £122K in relation to the difference between actual contributions and past expectations. In comparison, the same adjustment figure for the previous year was a charge of £424K. 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 £9.4m (2022: £18.9m). This was used to repay both the interest and capital elements of the loan during the year. Considering the challenges that have been faced this year, given the continued rise in inflation, this very encouraging cash generation, highlights how successfully the University management controlled the cash position, 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 2022/23, 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 Elizabeth Casson Building which provide a range of teaching and social learning space. During 2022/23 the University completed the refurbishment of the former Worcester News print facility to create the Elizabeth Garrett Anderson (EGA) Building, a new centre for Health and Medicine.

The former print facility, which has been refurbished to create the EGA, was acquired by the University in 2019/20. The refurbishment of the building has created a versatile and modern teaching environment for student doctors, physician associates, nurses, midwives and other health professionals. Facilities include a range of flexible teaching rooms, an Anatomy Suite, 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 also benefits from extensive social learning space and a café. The refurbishment works were undertaken by Stepnells Ltd in just under two years from May 2021 to April 2023. The building was 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 facility has benefitted from £1.6m of OfS Strategic Priorities Grant funding. The refurbishment and specialist equipping of the building has benefitted from £2.47m funding from the Worcester Towns Fund and the new Anatomy Suite has benefitted from a grant of £0.25m from the Clive Richards Foundation.

It has been agreed by the University's Board of Governors that the Elizabeth Garrett Anderson Building and the adjacent Elizabeth Casson Building (refurbished in 2021/22 for health courses) should be joined by an adjacent health teaching building to create a health and wellbeing 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 additional teaching and skills training space for health provision. Planning permission was granted in August 2023. To support this development the University has been successful in its bid to the OfS Strategic Priorities Capital Grant fund and has been awarded £3.3m towards the construction of the building.

The further development of the Inclusive Sport aspect of the Health, Wellbeing and Inclusive Sport Campus is focused around the development of the IICEC. Planning permission for this new facility was awarded in January 2022. 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. It is envisaged that the IICEC will become the home for England disability cricket and Worcester and Worcestershire will regularly host national and international tournaments during the cricket season

SECTION 4: Infrastructure Development Programme (*continued*)

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 late 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. This work was supported by a £3m grant, match funded by the University, from the Getting Building Fund, administered by Worcestershire LEP. Phase 1 and 2 of the new campus infrastructure was completed in April 2023 and included the development of an internal roadway, pedestrian and wheeled routes with the latter providing easy, shorter and more accessible connections through the City Campus to the St John's area of the City and the University's St John's Campus.

The new facility also provides c.300 car parking spaces, of which 100 have electric vehicle charging points, as well as extensive facilities 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 with opportunities to improve their health and wellbeing. Therefore, the development includes a number of green spaces 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 the advice and support to be provided by the University's health provision located at the campus. The remaining Phase 3 infrastructure work which includes further pedestrian route and green space will be completed alongside the new teaching building and IICEC projects.



During 2022/23 the University also refurbished the University's original sand-based Astro-turf on the St John's Campus, which was originally installed in 1992. Working with the Football Foundation, which provided a grant of £662K, the University has extended the size of the existing pitch to provide a new 106m x 70m floodlit 3G Artificial Grass Pitch with associated floodlights, storage, spectator area and access, and sport and maintenance equipment. This work was completed in June 2023.

In addition to the OfS Strategic Priorities Capital Grant for the new teaching building, the University also received funding under this schedule of £130K which in 2022/23 was set against the modernisation of two science labs at the St John's Campus.

SECTION 5: Staff

SUPPORTING STAFF WELLBEING AND WELFARE

This year we extended the support available to staff on a range of wellbeing and welfare topics.

The staff profile of the University by gender and age highlights that the menopause is a wellbeing priority for the University. Working with staff and managers, we developed our **guidance on managing menopause**. This is available in various formats including face to face workshops and self-paced E-Learning. The development of a staff network group for Menopause matters provides a valuable forum of peer support, where staff have the opportunity to discuss their own experiences and learn from the experiences of others.

We know from discussion with our staff, that many provide care for others. Through the University's membership of a regional carer advice service, we have offered **support for carers for a range of issues** including financial and legal advice as well as personal wellbeing for carers.

In response to the ongoing cost of living crisis, we have offered **support and advice for those experiencing increasing financial and economic pressures** through a series of financial wellbeing workshops delivered by external financial advisers. We have also created a range of reference documents and resources to provide advice on energy and government support and to signpost staff to external support services.

We continue to enhance the **support for mental wellbeing for individuals, their colleagues, and managers** through the staff development programme, in addition to direct support from EAP and Occupational Health advice. First Aid for Mental Wellbeing is a new accredited programme for staff, and we have active collaborations with specialist mental wellbeing charities in developing other programmes.

HEALTH AND SAFETY

This year has seen further investment in our health and safety arrangements. **The introduction of the Health and Safety portal** ensures that staff and managers have easy access to a wide range of resources, including template risk assessments, training videos on demand, and a comprehensive library of health and safety policies and procedures.

GENDER PAY GAP REPORT 2022

This year's [Gender Pay Gap Report](#) reconfirms the University's inherent commitment to equality and inclusivity. **Females continue to be well represented at all levels of the University, with females accounting for over 50% 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 continue to offer our students the opportunity to undertake work at the University through the 'earn as you learn' scheme which has been very successful in helping students to develop skills for further employment. The majority of these roles fall within Quartile 1 of the data and, as 70% of our student population is female, it is inevitable that this gender split will have an impact on Quartile data and some impact on the overall data.

Indeed, when student workers are removed from our gender pay gap data for the 2022 report, the **median pay gap for the University is 0%.**

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.

SECTION 5: Staff (continued)**TRADE UNION FACILITY TIME APRIL 2022- MARCH 2023**

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 2022 to 31 March 2023** is **0.024%** - this is consistent with previous years.

Further information from the report is provided below. This year's report and previous reports can also be viewed [on the University's website](#) .

Relevant union officials

Number of employees who were relevant union officials during the relevant period	Full-time equivalent employee number
17	16.2

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%	4
1-50%	13
51%-99%	-
100%	-

Percentage of pay bill spent on facility time:

Total cost of facility time	£14,006.15
The total pay bill	£58,591,806
The percentage of the total pay bill spent on facility time	0.024

Paid trade union activities

Time spent on paid trade union activities as a percentage of total paid facility time hours = 24.29%
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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 and 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 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 four to 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 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

SECTION 6: Corporate Governance Statement (*continued*)

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 at four of the meetings. The External Auditors in 2022/23 were Grant Thornton, appointed in 2021/22 and the Internal Auditors were KPMG, appointed in 2019/20. The Committee members meet with the auditors on their own for at least one independent discussion per annum. During 2022/23, one 'in camera' session of this type was held with both the internal and external auditors.

The Committee membership in 2022/23 included five independent members of the Board of Governors, none of whom are members of Finance & Development Committee, one of whom has relevant finance and accounting experience. The membership also included student and staff members of the Board, who are full members of the Committee. The Vice Chancellor and Chief Executive is not a member of the Committee but is invited to attend meetings in an advisory capacity from time to time. The PVC 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 and considers detailed reports and recommendations from the internal audit providers 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 Auditor, prior to their consideration and approval by the Board of Governors.

The Committee has a responsibility for oversight of the University's risk management arrangements, as articulated in the University's Risk Management Policy. It reviews the University's Strategic 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, 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 2022/23 the Committee approved the University's new Value for Money Framework and the inaugural [Value for Money Annual Report](#) which is published on the University's website.

The Committee presents an Annual Report to the Board of Governors, which is considered by the Board alongside the Annual Opinion Statement of the Internal Auditors. In addition to including assurances regarding risk management and corporate governance processes the Audit Committee's Annual Report 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 and considers 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, PVC Finance & Resources and the PVC Communications & External Affairs also attend meetings but are not members of the Committee. The Vice Chancellor and Chief Executive who is a member of the Board of Governors and a full member 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 2022/23 these included the completion of Phase 1 & 2 of the Severn Campus Infrastructure project and the refurbishment of the Elizabeth Garratt Anderson Building (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. In 2022/23 the Internal Audit service undertook a review of the effectiveness of the Board's committee structure and recommendations arising from this will be progressed during 2023/24.

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

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 Director of HR, and PVC Students also attend meetings but are not members of the Committee. The Vice Chancellor and Chief Executive who is a member of the Board of Governors and a full member 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 as well as regular reports from the Health, Safety and Wellbeing Committee and 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 2022/23 the Committee approved, for final approval by the Board, a new EDI Framework and Policy Statement. The Committee also received and considered the [inaugural Equality, Diversity and Inclusion Annual Report](#) which was transmitted to the Board of Governors and published on the University's website.

Remuneration Committee (Vice Chancellor and Chief Executive)

Membership of the Committee comprises the Chairs of the Boards' 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. The Vice Chancellor is not a member of the Committee, nor do they attend meetings or receive meeting papers. A written report of the Vice Chancellor's appraisal is provided to the Committee by the Chair of the Board.

In 2022/23 the Committee met on two occasions to discuss the remuneration, appraisal process of the Vice Chancellor, and compliance with the updated CUC HE Senior Staff Remuneration Code. 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.

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

SECTION 6: Corporate Governance Statement (*continued*)

Remuneration Committee (Board Appointees)

The Remuneration Committee (Board Appointees) considers the remunerations of Board appointees other than the Vice Chancellor and Chief Executive; in 2022/23 this was the Clerk to the Board. Its membership comprises the Chairs of the Board's Committees, with the Chair of the Board and Vice Chancellor and Chief Executive 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 papers for the meetings.

The Committee met once in 2022/23 to discuss the remuneration of the Board appointee 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 the 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 of the OfS Annual Accountability Return.

Clerk to the Board of Governors

The Board of Governors is served by the Clerk to the Board, who is also the 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 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 is responsible for the preparation of papers and minutes of all Board and Committee meetings, with the exception of the Remuneration Committee (Vice Chancellor and 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 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 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.

SECTION 6: Corporate Governance Statement (*continued*)

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 of 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 mis-statement 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 department and operational risk registers, separate and detailed risk registers are maintained for the key capital developments, as well as Cyber Security. Risk Assessments are also undertaken against 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 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 affecting the University.

The Board receives an annual assessment of the University's compliance with each of the OfS Conditions of Registration as well as updates on matters relating to the OfS, including Reportable Events, to each of its Board meetings.

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.

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;

SECTION 6: Corporate Governance Statement *(continued)*

- 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 45.

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) 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 2022/23

At the start of 2022/23 the Board welcomed three new independent and one new staff governor to the Board and the new Chairs of both Audit Committee and Finance & Development Committee took up their roles, as did a new Vice Chair. During 2022/23 the Board identified a new Vice Chair to succeed one of the two Vice Chairs who retired from the Board at the end of July 2023 and a new Chair of the Remuneration Committees for 2023/24.

The Audit Committee undertook a significant review of its approach to internal audit and through an ITT to the open market appointed UNIAC to succeed KPMG whose contract ended at the end of 2022/23. UNIAC will take on the responsibilities for internal audit from September 2023.

In 2022/23, through the internal audit service, an internal audit of the effectiveness of the Board's Committee structure was undertaken which received an assurance rating of Significant Assurance with minor improvement opportunities. The recommendations will be taken forward by the Nominations & Governance Committee during 2023/24.

SECTION 6: Corporate Governance Statement *(continued)*

As part of the continuing development of the effectiveness of the Board and its members, in 2022/23 half day Development Sessions with the senior management team were introduced. Two were held in 2022/23 which considered the key priorities for the University for 2022/23 – 2024/25 and social value and public benefit of the University to its community and beyond. Two further sessions will be held in 2023/24 and will assist in informing the new Strategic Plan, which will be a key focus for the Board in the coming year.

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 lingering financial consequences of the COVID-19 pandemic, the enduring ‘cost-of-living’ crisis and the on-going inflationary impact coupled with the continuing Government decision to not recognise the pressures on the sector’s finances by maintaining the freeze on student tuition fees until at least 2025. To reassure that the University is a going concern the forecast covering the period 1st August 2023 to 30th November 2024 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 such as the partial repayment of the £11m on the tranche C loan in response to increasing interest rates, 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 2023 to 30th November 2024 has been produced. The vast majority of the income 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 2024, 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 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 remains strong and 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 2024 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 University of Worcester (the “parent university”) and its subsidiaries (the “group”) for the year ended 31 July 2023, 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 Financial Reporting Standard 102 ‘The Financial Reporting Standard applicable in the UK and Republic of Ireland’ (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the group’s and parent University’s affairs as at 31 July 2023 and of the group’s and parent University’s income and expenditure, gains and losses, changes in reserves and of the group’s cash flows for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice.

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 University 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 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 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 parent University’s business model including effects arising from macro-economic uncertainties such as the cost of living crisis, 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 parent University’s financial resources or ability to continue operations over the going concern period.

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.

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 University’s ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

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

Other information

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

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements, or our knowledge obtained in the 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 themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

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

In our opinion, in all material respects:

- funds from whatever source administered by the 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 relevant terms and conditions; and
- the requirements of the OfS Accounts direction 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 requires us to report to you where:

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

Responsibilities of the Board of Governors

As explained more fully in the Board of Governors' Responsibilities Statement, the Board of Governors is responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Board 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 is responsible for assessing the group's and University's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Governors either intends to liquidate the group or parent University or to cease operations, or has 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.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. 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 Standard applicable in the UK and the Republic of Ireland (FRS 102), FEHE SORP 2019, Further and Higher Education Act 1992, Higher Education and Research Act 2017, OfS Accounts Direction (October 2019), Relevant OfS regulatory notices and advices, The Higher Education Code of Governance and The Data protection Act 2018;
- 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 relevant committee minutes and through our legal and professional expenses review;
- 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 unusual journals with specific risk characteristics and large value journals.
 - Review of business register of interest and the general ledger for any undisclosed related party transactions
 - Inspecting the Board of Governors 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
- These audit procedures were designed to provide reasonable assurance that the financial statements were free from fraud or error. The risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error and detecting irregularities that result from fraud is inherently more difficult than detecting those that result from error, as 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.

- 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.

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

Use of our report

This report is made solely to the University's Board of Governors, as a body, in accordance with paragraph 13(2) of the University’s articles of government. 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 them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the University 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 2023

	Note	Group		University	
		2023 £000	2022 £000	2023 £000	2022 £000
INCOME					
Funding Body Grants	2	7,365	6,903	7,365	6,903
Tuition fees and education contracts	3	71,981	73,465	72,002	73,491
Research grants and contracts	4	1,190	878	1,190	878
Other income	5	12,617	10,747	12,651	10,776
Investment Income	6	1,421	175	1,431	188
Donations and endowments	7	1,519	15	1,519	15
TOTAL INCOME		96,093	92,183	96,158	92,251
EXPENDITURE					
Staff Costs	8	58,576	58,146	58,536	58,119
Other operating expenses	9 & 11	32,306	30,193	32,490	30,338
Depreciation and amortisation	9,12 & 13	4,443	4,007	4,567	4,131
Interest and other finance costs	10	3,976	4,053	3,976	4,053
TOTAL EXPENDITURE	11	99,301	96,399	99,569	96,641
Deficit before other gains/(losses)		(3,208)	(4,216)	(3,411)	(4,390)
Profit /(Loss) on disposal of fixed assets	13	7	(1,302)	7	(1,303)
Deficit before taxation		(3,201)	(5,518)	(3,404)	(5,693)
Taxation	27	(5)	-	-	-
Deficit for the year		(3,206)	(5,518)	(3,404)	(5,693)
Actuarial gain in respect of pension schemes	26	31,432	45,708	31,432	45,708
Total comprehensive income for the year		28,226	40,190	28,028	40,015
Represented by:					
Endowment comprehensive income for the year		500	-	500	-
Restricted comprehensive income for the year		955	19	955	19
Unrestricted comprehensive income for the year		26,771	40,171	26,573	39,996
		28,226	40,190	28,028	40,015
Deficit for the year attributable to:					
Non-controlling interest		-	-	-	-
University		(3,206)	(5,518)	(3,404)	(5,693)
Total Comprehensive income for the year attributable to					
Non-controlling interest		-	-	-	-
University		28,226	40,190	28,028	40,015

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

The notes on pages 54 to 87 form part of these financial statements.

Consolidated and Institution Balance Sheets as at 31st July 2023

	Note	Group		University	
		2023 £000	2022 £000	2023 £000	2022 £000
Non-current assets					
Intangible assets	12	721	433	721	433
Tangible fixed assets	13	165,724	154,212	171,991	160,603
Investments	14	-	-	20	20
Defined benefit pension asset	26	7,833	-	7,833	-
Total Non-current assets		174,278	154,645	180,565	161,056
Current assets					
Stock	15	62	15	56	10
Trade and other receivables	16	4,131	4,090	4,486	4,515
Short term Investments	17	5,000	20,000	5,000	20,000
Cash and cash equivalents		33,150	39,409	32,903	39,125
Total Current assets		42,343	63,514	42,445	63,650
Current liabilities					
Creditors: amounts falling due within one year	18	(23,240)	(22,013)	(23,228)	(21,961)
Net Current assets		19,103	41,501	19,217	41,689
Total assets less current liabilities					
		193,381	196,146	199,782	202,745
Creditors: amounts falling due after more than one year	19	(74,935)	(84,241)	(74,935)	(84,241)
Provisions					
Pension	21	(900)	(22,585)	(900)	(22,585)
Total Net assets		117,546	89,320	123,947	95,919
Restricted Reserves					
Income and expenditure reserve - endowment	22	500	-	500	-
Income and expenditure reserve - restricted	22	1,027	72	1,027	72
Unrestricted Reserves					
Income and expenditure reserve - unrestricted		106,603	79,590	113,004	86,189
Revaluation reserve		9,416	9,658	9,416	9,658
		116,019	89,248	122,420	95,847
Total Reserves		117,546	89,320	123,947	95,919

The financial statements on pages 50 to 87 were approved by the Board of Governors on 23rd November 2023 and signed of their behalf:

The notes on pages 54 to 87 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 2023

Group	Income and expenditure reserve			Revaluation reserve £000	Total excluding Non-Controlling Interest £000	Non-controlling interest £000	Total Reserves £000
	Endowment £000	Restricted £000	Unrestricted £000				
Balance at 1 August 2022	-	72	79,590	9,658	89,320	-	89,320
Surplus/(deficit) from the income and expenditure statement	500	955	(4,661)	-	(3,206)	-	(3,206)
Other comprehensive income	-	-	31,432	-	31,432	-	31,432
Total comprehensive income for the year	500	955	26,771	-	28,226	-	28,226
Transfers between revaluation and income and expenditure reserve	-	-	242	(242)	-	-	-
Balance at 31 July 2023	500	1,027	106,603	9,416	117,546	-	117,546

University	Income and expenditure reserve			Revaluation reserve £000	Total excluding Non-Controlling Interest £000	Non-controlling interest £000	Total Reserves £000
	Endowment £000	Restricted £000	Unrestricted £000				
Balance at 1 August 2022	-	72	86,189	9,658	95,919	-	95,919
Surplus/(deficit) from the income and expenditure statement	500	955	(4,859)	-	(3,404)	-	(3,404)
Other comprehensive income	-	-	31,432	-	31,432	-	31,432
Total comprehensive income for the year	500	955	26,573	-	28,028	-	28,028
Transfers between revaluation and income and expenditure reserve	-	-	242	(242)	-	-	-
Balance at 31 July 2023	500	1,027	113,004	9,416	123,947	-	123,947

Consolidated Cash flow Statement for the year ended 31st July 2023

	2023 £000	2022 £000
Cash flow from operating activities		
Deficit for the year	(3,206)	(5,518)
Adjustment for non-cash items		
Depreciation and amortisation	4,443	4,007
(Increase)/ decrease in stock	(47)	3
(Decrease)/ increase in debtors	(41)	93
Increase in creditors	6,056	10,355
Annual pension cost adjustments	1,914	5,799
Adjustment for investing or financing activities		
Investment income	(1,421)	(175)
Interest payable	3,244	3,015
Donations income	(1,519)	(15)
(Profit)/ loss on the disposal of fixed assets	(7)	1,302
Net cash flow from operating activities	9,416	18,866
Cash flows from investing activities		
Proceeds from sales of Investments	-	8,750
Proceeds from sales of tangible assets	7	3
Withdrawal of deposits	15,000	-
Investment income	1,421	175
Payments made to acquire tangible and intangible fixed assets	(16,244)	(12,020)
New deposits	-	(20,000)
Net cash flow generated by/ (used in) investing activities	184	(23,092)
Cash flows from financing activities		
Interest paid	(3,073)	(2,836)
Interest element of finance lease and service concession payments	(171)	(179)
Donation cash received	1,519	15
Repayments of amounts borrowed	(14,011)	(2,287)
Capital element of finance lease and service concession payments	(123)	(95)
Net cash flow used in financing activities	(15,859)	(5,382)
Decrease in cash and cash equivalents in the year	(6,259)	(9,608)
Cash and cash equivalents at beginning of the year	39,409	49,017
Cash and cash equivalents at end of the year	33,150	39,409
In year movement	(6,259)	(9,608)

Notes to the financial statements
Year ended 31st July 2023

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 2023. 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 lingering financial consequences of the COVID-19 pandemic, the enduring 'cost-of-living' crisis and the on-going inflationary impact coupled with the continuing Government decision to not recognise the pressures on the sector's finances by maintaining the freeze on student tuition fees until at least 2025. To reassure that the University is a going concern the forecast covering the period 1st August 2023 to 30th November 2024 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 such as the partial repayment of the £11m on the tranche C loan in response to increasing interest rates, 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 2023 to 30th November 2024 has been produced. The vast majority of the income 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 2024, 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 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 remains strong and 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 2024 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

1. Statement of Principal Accounting Policies (continued)

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.

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

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.

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

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 administrators 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 or surplus in the balance sheet.

For the year ending 31st July 2023, the University's share of the Worcestershire Local Government Pension Scheme is reported to be a surplus position. Management have reviewed the appropriate accounting standard, being FRS102 section 28 and HE SORP, and consider the asset to be recoverable. Therefore, are now including the surplus as an asset within non-current assets on the balance sheet. This conclusion has been reached after assessing the present value of the future accounting service costs, in comparison to the reported surplus. Other factors were also taken into consideration such as the University's right to claim the surplus if a decision to exit the scheme was made (there are no current plans for this), and the University's right to a reduction in future contributions. 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 58.

2. Funding body grants

	Group		University	
	<u>2023</u> £000	<u>2022</u> £000	<u>2023</u> £000	<u>2022</u> £000
Recurrent grant:				
Office for Students	3,957	3,741	3,957	3,741
Research England	1,224	887	1,224	887
Specific Grants:				
Higher Education Short Course Trial	-	117	-	117
Higher Education Innovation Fund	530	507	530	507
Widening Participation	320	287	320	287
National College for Teaching and Leadership	57	65	57	65
Department for Education Apprenticeship Levy	54	25	54	25
Research England other grants	170	279	170	279
Deferred Capital Grants released:				
Buildings	320	320	320	320
Equipment	733	675	733	675
	7,365	6,903	7,365	6,903

3. Tuition fees and education contracts

	Group		University	
	<u>2023</u> £000	<u>2022</u> £000	<u>2023</u> £000	<u>2022</u> £000
Full time home student fees	53,635	58,515	53,656	58,541
Part time home student fees	3,233	3,069	3,233	3,069
EU student fees	3,666	3,837	3,666	3,837
Overseas student fees	8,983	5,074	8,983	5,074
Apprenticeships	476	634	476	634
Short course fees	269	216	269	216
Other fees	1,719	2,120	1,719	2,120
	71,981	73,465	72,002	73,491

Grant and Fee Income

	Group		University	
	<u>2023</u> £000	<u>2022</u> £000	<u>2023</u> £000	<u>2022</u> £000
Grant income from the OfS	5,330	5,140	5,330	5,140
Grant income from other bodies	3,050	2,416	3,050	2,416
Fee income for research awards (exclusive of Vat)	528	617	528	617
Fee income from non-qualifying courses (exclusive of Vat)	269	216	269	216
Fee income for taught awards (exclusive of Vat)	69,466	70,512	69,487	70,538
	78,643	78,901	78,664	78,927

4. Research grants and contracts

	Group		University	
	<u>2023</u> £000	<u>2022</u> £000	<u>2023</u> £000	<u>2022</u> £000
Research Councils	453	213	453	213
UK Industry	2	34	2	34
UK Government	616	466	616	466
UK Based Charities	83	73	83	73
Other Grants & Contracts	36	92	36	92
	<u>1,190</u>	<u>878</u>	<u>1,190</u>	<u>878</u>

5. Other Income

	Group		University	
	<u>2023</u> £000	<u>2022</u> £000	<u>2023</u> £000	<u>2022</u> £000
Residences, catering and conferences	8,178	7,527	8,178	7,527
Other services rendered	166	135	166	135
Release of other deferred capital grants	368	129	368	129
Other income	3,905	2,956	3,842	2,876
Inter Company Sales	-	-	97	109
	<u>12,617</u>	<u>10,747</u>	<u>12,651</u>	<u>10,776</u>

Other income above includes £108K of funding in relation to the Turing Scheme. Further information on the scheme can be found here: <https://www.turing-scheme.org.uk/>.

6. Investment income

	Group		University	
	<u>2023</u> £000	<u>2022</u> £000	<u>2023</u> £000	<u>2022</u> £000
Other investment income	1,421	175	1,421	175
Interest from Subsidiaries	-	-	10	13
	<u>1,421</u>	<u>175</u>	<u>1,431</u>	<u>188</u>

7. Donations and endowments

	Group		University	
	<u>2023</u> £000	<u>2022</u> £000	<u>2023</u> £000	<u>2022</u> £000
New endowments	500	-	500	-
Donations with restrictions	1,015	13	1,015	13
Unrestricted donations	4	2	4	2
	<u>1,519</u>	<u>15</u>	<u>1,519</u>	<u>15</u>

8. Staff costs

	Group		University	
	2023 £000	2022 £000	2023 £000	2022 £000
Wages and Salaries	43,931	40,759	43,896	40,735
Social Security Costs	4,706	4,367	4,702	4,364
Movement on USS past service cost on pensions	(122)	424	(122)	424
Other Pension Costs	9,716	12,421	9,715	12,421
Termination Costs	345	175	345	175
	58,576	58,146	58,536	58,119

The termination costs above include £155K (2022:£68K) in relation to early retirement strain pension costs.

Emoluments of the Vice Chancellor and Chief Executive:

	Group		University	
	2023 £000	2022 £000	2023 £000	2022 £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.

The Committee is committed to acting in accordance with the Higher Education Senior Staff Remuneration Code (published in June 2018) and reports to the Board of Governors on an annual basis. This report was approved by Board members at the meeting on 25th April 2023 and is also published on the university [website](#).

During 2022/23 the membership of Remuneration Committee (Vice Chancellor and Chief Executive) comprised: -

Chair: Vice Chair of the Board of Governors

Members:

Vice Chair of the Board of Governors
 Chair of Audit Committee
 Chair of People & Culture Committee
 Chair of Finance & Development Committee
 President of the Students' Union & Student Governor
 Chair of the Board of Governors

In attendance

Director of Human Resources
 Clerk to the Board of Governors

The process for the performance review of the Vice Chancellor and Chief Executive 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 15th February 2023 to consider the performance review of the Vice Chancellor and Chief Executive for the academic year 2021/22 and to conduct a review of the Vice Chancellor and Chief Executive's remuneration. 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 and Chief Executive. Comparator salary data from the CUC survey of Vice-Chancellors Remuneration 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 of Governors presented their report summarising the performance review of the Vice Chancellor for the period 2021/22. Members were supportive of the Chair's view that the Vice Chancellor and Chief Executive had made a positive contribution to the success and the achievements of the University during 2021/22.

The Committee noted that University staff received a 3% pay award effective from 1st August 2022 which had not been applied to the Vice Chancellor and Chief Executive. It was also noted that the Vice Chancellor and Chief Executive had not accepted a pay award since 2017.

Members agreed that it was important to recognise the Vice Chancellor and Chief Executive's contribution during 2021/22 in leading the University but that the Committee also needed to consider the University's current financial position and the position of the Vice Chancellor and Chief Executive's total remuneration when compared against other institutions of similar income.

For these reasons, the Committee concluded that given the University's current financial position and the wider national context that it was unable to support a pay award to the Vice Chancellor and Chief Executive for this year. This decision was communicated to the Vice Chancellor and Chief Executive by the Chair of the Remuneration Committee.

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 9.9 (2022: 10.0).

The multiple of the Vice Chancellor and Chief Executive's salary, to that of the median salary, for all staff, including student employees was 11.4 (2022: 11.3).

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 7.6 (2022: 8.0).

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 9.1 (2022: 9.5).

No Governor has received any remuneration from the group during the year (2022 - £nil). Governors are entitled to reimbursement of travel expenses of which £293 was claimed by 2 individuals (2022: £730 by 3 individuals).

8. Staff costs (continued)

Key Management Personnel	Group		University	
	<u>2023</u> £000	<u>2022</u> £000	<u>2023</u> £000	<u>2022</u> £000
Salary and employee benefits including pension contributions & employers' national insurance	2,199	1,916	2,199	1,916

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, Pro Vice-Chancellors, Deputy Pro Vice-Chancellors, Provost, Director of Human Resources, Director of Quality and Educational Development, Clerk to the Board of Governors, Chief Information Officer, Academic Registrar and Head of Vice Chancellor's Office.

Emoluments of higher paid staff:

	Group		University	
	<u>2023</u> number	<u>2022</u> number	<u>2023</u> number	<u>2022</u> number
£100,001 - £105,000	3	1	3	1
£105,001 - £110,000	3	1	3	1
£110,001 - £115,000	1	-	1	-
£115,001 - £120,000	1	-	1	-
£125,001 - £130,000	2	-	2	-
£130,001 - £135,000	-	1	-	1
£140,001 - £145,000	-	1	-	1
£145,001 - £150,000	2	-	2	-
£325,001 - £330,000	1	1	1	1

The above figures are exclusive of any pension contributions where applicable.

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	
	<u>2023</u> fte	<u>2022</u> fte	<u>2023</u> fte	<u>2022</u> fte
Academic Departments	563	561	563	561
Academic Services	124	113	124	113
Administrative and central services	246	237	245	236
Premises	87	92	87	92
Research	31	28	31	28
Residences, catering and conferences	45	45	45	45
	1,096	1,076	1,095	1,075

9. Other operating expenses

	Group		University	
	<u>2023</u> £000	<u>2022</u> £000	<u>2023</u> £000	<u>2022</u> £000
Residences, catering and conferences	2,796	2,742	2,796	2,735
Consumables and laboratory expenditure	691	660	691	660
Books and periodicals	839	871	839	871
Heat, light, water and power	3,153	2,174	3,153	2,174
Repairs and general maintenance	2,556	2,238	2,556	2,238
Grants to UW Students' Union	600	603	600	603
Auditors remuneration:				
External	93	82	85	71
Internal	59	56	59	56
Property operating leases	347	262	347	262
Equipment operating leases	70	131	70	131
Payments to Partner Colleges	4,079	4,645	4,079	4,645
Student Bursaries	734	985	734	985
Other expenses	16,289	14,744	16,481	14,907
	<u>32,306</u>	<u>30,193</u>	<u>32,490</u>	<u>30,338</u>
Depreciation and Amortisation	<u>4,443</u>	<u>4,007</u>	<u>4,567</u>	<u>4,131</u>

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	
	<u>2023</u> £000	<u>2022</u> £000	<u>2023</u> £000	<u>2022</u> £000
Loans not wholly repayable within 5 years	3,073	2,836	3,073	2,836
Lease Finance Costs	171	179	171	179
Unwind of discount on USS pension provision	31	5	31	5
Pension Interest	701	1,033	701	1,033
	<u>3,976</u>	<u>4,053</u>	<u>3,976</u>	<u>4,053</u>

11. Analysis of Expenditure by Activity

Group	Staff costs	Other expenses	Depreciation and amortisation	Interest and other finance costs	2023 Total	2022 Total
	£000	£000	£000	£000	£000	£000
Academic Departments	35,527	8,561	384	31	44,503	42,743
Academic Services	5,262	8,956	405	171	14,794	12,757
Administrative and central services	12,075	5,160	490	3,774	21,499	23,429
Premises	2,731	6,137	2,329	-	11,197	10,385
Research	1,540	533	18	-	2,091	2,154
Residences, catering and conferences	1,441	2,959	817	-	5,217	4,931
	58,576	32,306	4,443	3,976	99,301	96,399

University	Staff costs	Other expenses	Depreciation and amortisation	Interest and other finance costs	2023 Total	2022 Total
	£000	£000	£000	£000	£000	£000
Academic Departments	35,527	8,561	384	31	44,503	42,743
Academic Services	5,262	8,956	405	171	14,794	12,757
Administrative and central services	12,035	5,342	490	3,774	21,641	23,547
Premises	2,731	6,139	2,329	-	11,199	10,385
Research	1,540	533	18	-	2,091	2,154
Residences, catering and conferences	1,441	2,959	941	-	5,341	5,055
	58,536	32,490	4,567	3,976	99,569	96,641

11. Analysis of Expenditure by Activity (continued)

Access and Participation	Group and University	
	2023 £000	2022 £000
Access Investment	1,056	1,013
Financial Support	315	320
Disability Support (excluding expenditure included in the two categories above)	767	851
Research and Evaluation	240	169
	2,378	2,353

Included in the above are staff costs of £1,841K which are already included in the overall staff costs disclosed in note 8 to the financial statements.

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.

12. Intangible assets

	Group and University	
	2023 £000	2022 £000
Cost		
At beginning of year	806	776
Additions at cost	-	69
Assets in course of development	417	38
Disposals	-	(77)
At end of year	1,223	806
Accumulated amortisation		
At beginning of year	373	333
Charge for year	129	117
Amortisation on disposals	-	(77)
At end of year	502	373
Net book value		
At end of year	721	433
Previous year	433	443

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 <u>2023</u> £000
	£000	£000	£000	£000	£000	£000
Cost or valuation at beginning of year	164,500	11,331	668	10,599	16,159	203,257
Additions at cost	1,243	-	-	1,597	12,987	15,827
Transfers (reclassification)	18,864	-	-	8,112	(26,976)	-
Disposals at cost	-	-	(7)	(1,344)	-	(1,351)
At end of year	184,607	11,331	661	18,964	2,170	217,733
Accumulated depreciation						
At beginning of year	38,825	2,109	565	7,546	-	49,045
Charge for year	3,209	189	51	865	-	4,314
Depreciation on disposals	-	-	(7)	(1,343)	-	(1,350)
At end of year	42,034	2,298	609	7,068	-	52,009
Net Book Value						
At end of year	142,573	9,033	52	11,896	2,170	165,724
Previous Year	125,675	9,222	103	3,053	16,159	154,212

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 2023 £000
	£000	£000	£000	£000	£000	£000
Cost or valuation at beginning of year	171,869	11,331	668	10,599	16,159	210,626
Additions at cost	1,243	-	-	1,597	12,987	15,827
Transfers (reclassification)	18,864	-	-	8,112	(26,976)	-
Disposals at cost	-	-	(7)	(1,344)	-	(1,351)
At end of year	191,976	11,331	661	18,964	2,170	225,102
Accumulated depreciation						
At beginning of year	39,803	2,109	565	7,546	-	50,023
Charge for year	3,333	189	51	865	-	4,438
Depreciation on disposals	-	-	(7)	(1,343)	-	(1,350)
At end of year	43,136	2,298	609	7,068	-	53,111
Net Book Value						
At end of year	148,840	9,033	52	11,896	2,170	171,991
Previous year	132,066	9,222	103	3,053	16,159	160,603

14. Investments

	Group		University	
	<u>2023</u> £000	<u>2022</u> £000	<u>2023</u> £000	<u>2022</u> £000
Investment Land				
At beginning of year	-	8,750	-	8,750
Disposals	-	(8,750)	-	(8,750)
At end of year	-	-	-	-
Investments in subsidiary companies	-	-	20	20
	<u>-</u>	<u>-</u>	<u>20</u>	<u>20</u>

Subsidiaries

<u>Name</u>	<u>University holding</u>	<u>Business activity</u>
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. Stock

	Group		University	
	<u>2023</u> £000	<u>2022</u> £000	<u>2023</u> £000	<u>2022</u> £000
Merchandise stock	62	15	56	10

16. Trade and other receivables

	Group		University	
	<u>2023</u> £000	<u>2022</u> £000	<u>2023</u> £000	<u>2022</u> £000
Amounts falling due within one year:				
Research grants receivables	95	-	95	-
Other trade receivables	1,537	1,365	1,536	1,364
Amounts owed by subsidiary undertakings	-	-	50	71
Prepayments and accrued income	2,499	2,725	2,498	2,723
	4,131	4,090	4,179	4,158
Due after more than one year				
Amounts owed by subsidiary undertakings	-	-	307	357
	4,131	4,090	4,486	4,515

17. Short Term Investments

	Group		University	
	<u>2023</u> £000	<u>2022</u> £000	<u>2023</u> £000	<u>2022</u> £000
Short term deposits	5,000	20,000	5,000	20,000

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

18. Creditors: Amounts falling due within one year

	Group		University	
	<u>2023</u> £000	<u>2022</u> £000	<u>2023</u> £000	<u>2022</u> £000
Payments received on account	258	373	258	373
Trade Creditors	1,494	265	1,494	265
Amounts owed to subsidiary undertakings	-	-	10	-
Finance Lease	144	143	144	143
Tax, Social Security and Pension	796	54	789	52
Accruals and deferred income	16,132	16,370	16,117	16,320
Other Creditors	1,825	1,798	1,825	1,798
Bank Loan	2,591	3,010	2,591	3,010
	23,240	22,013	23,228	21,961

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	
	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>
	£000	£000	£000	£000
Research grants received on account	237	476	237	476
Grant income	1,983	290	1,983	290
Other income	1,424	1,125	1,424	1,125
Student tuition and accommodation fees received in advance	5,651	5,884	5,651	5,884
	<u>9,295</u>	<u>7,775</u>	<u>9,295</u>	<u>7,775</u>

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

	Group		University	
	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>
	£000	£000	£000	£000
Accruals and deferred income	246	414	246	414
Obligations under finance lease	2,187	2,311	2,187	2,311
Secured loans	46,788	60,380	46,788	60,380
Deferred Income in relation to Government Capital Grants	25,714	21,136	25,714	21,136
	<u>74,935</u>	<u>84,241</u>	<u>74,935</u>	<u>84,241</u>

Analysis of secured and unsecured loans:

	Group		University	
	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>
	£000	£000	£000	£000
Due within one year or on demand	2,591	3,010	2,591	3,010
Due between one and two years	10,360	2,991	10,360	2,991
Due between two and five years	4,285	8,973	4,285	8,973
Due in five years or more	32,143	48,416	32,143	48,416
Due after more than one year	46,788	60,380	46,788	60,380
Total secured and unsecured loans	<u>49,379</u>	<u>63,390</u>	<u>49,379</u>	<u>63,390</u>

19. Creditors: Amounts falling due after more than one year (continued)**Analysis of finance lease repayments**

	Group		University	
	<u>2023</u> £000	<u>2022</u> £000	<u>2023</u> £000	<u>2022</u> £000
Due within one year	306	314	306	314
Due between one and two years	277	286	277	286
Due between two and five years	833	833	833	833
Due in five years or more	2,215	2,492	2,215	2,492
Total gross payments	3,631	3,925	3,631	3,925
Less finance charges included above	(1,300)	(1,471)	(1,300)	(1,471)
	<u>2,331</u>	<u>2,454</u>	<u>2,331</u>	<u>2,454</u>

Finance lease liability

	Group		University	
	<u>2023</u> £000	<u>2022</u> £000	<u>2023</u> £000	<u>2022</u> £000
Opening balance	2,454	2,549	2,454	2,549
Payments	(123)	(95)	(123)	(95)
Closing balance	<u>2,331</u>	<u>2,454</u>	<u>2,331</u>	<u>2,454</u>

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 2023 is £49 million. Of the loan drawn down £39 million is at a fixed interest rate of 4.952%, with the remaining £10 million subject to interest at SONIA. The repayment schedule of the £39 million includes a bullet payment of £12.5 million payable on 31st July 2042. The capital repayment schedule of the more recent £10 million drawn down, has final repayment now due in 2024 (with option to extend this to 2025). 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 2023 are £42,722K (2022: £43,203K).

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 £2.331 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

	2023
	£000
Net debt 1 August 2022	(26,435)
Movement in cash and cash equivalents	(6,259)
Other non-cash changes	14,134
Net debt 31 July 2023	(18,560)
Change in net debt	7,875

Analysis of net debt:

	2023	2022
	£000	£000
Cash and cash equivalents	33,150	39,409
Borrowings: amounts falling due within one year		
Secured loans	(2,591)	(3,010)
Obligations under finance leases	(144)	(143)
	(2,735)	(3,153)
Borrowings: amounts falling due after more than one year		
Obligations under finance lease	(2,187)	(2,311)
Secured loans	(46,788)	(60,380)
	(48,975)	(62,691)
Net debt	(18,560)	(26,435)

21. Provisions for liabilities

	Group and University			Total Pension Provisions £000
	Obligation to fund deficit on USS Pension £000	Pension enhancements on termination £000	Defined Benefit Obligations (Note 26) £000	
At 1 August 2022	937	149	21,499	22,585
Utilised in year	-	(45)	-	(45)
Additions in 2022/23	-	11	-	11
Unused amounts reversed in 2022/23	(152)	-	(21,499)	(21,651)
At 31 July 2023	<u>785</u>	<u>115</u>	<u>-</u>	<u>900</u>

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

Due to the Worcestershire Local Government Pension Scheme now been valued with an asset position rather than a liability, the relevant provision here has been reduced to zero and the relevant asset is now shown within non-current assets. See note 26 for further details.

22. Restricted Reserves

Reserves with restrictions are as follows:

	Restricted Permanent Endowments	Restricted Donations	Other	2023 Total	2022 Total
	£000	£000	£000	£000	£000
Balances at 1 August	-	47	25	72	53
New endowments	500	-	-	500	-
New restricted donations	-	1,015	-	1,015	49
Expenditure	-	(35)	(25)	(60)	(30)
At 31 July	500	1,027	-	1,527	72

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.

In September 2023, the University's new Three Counties Medical School will welcome its first cohort of students. During the year the University received a donation from the Kildare Trust for the sum of £1.5m, of which £1m is to be used for scholarship awards in relation to medical school students, and the other £0.5m is to be held as a permanent endowment, of which any associated income can also be used for medical school scholarships awards.

23. Capital and other commitments

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

	2023 £000	2022 £000
Commitments contracted for:		
Building Refurbishment Works	194	5,412
Infrastructure Works	215	4,799
Construction	-	161
Enabling Works for Future Capital Developments	418	204
General Refurbishment Works	325	110
HR System Upgrade	508	-
	1,660	10,686

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 £000	Equipment £000	31 July 2023 £000	31 July 2022 £000
Payable during the year	90	83	173	153
Future minimum lease payments due:				
Not later than 1 year	82	88	170	97
Later than 1 year and not later than 5 years	285	163	448	297
Later than 5 years	750	-	750	795
Total lease payments due	1,117	251	1,368	1,189

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 2022 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.

The employer contribution payable increased from 15.7% to 17.4% in April 2023 following the latest actuarial valuation. Employee contribution rates ranged from 5.5% to 12.5%

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 2023, using the updated assumptions shown below:

	2023	2022
Rate of CPI inflation	2.70%	2.60%
Rate of increase in salaries	4.20%	4.10%
Rate of increase in pensions	2.80%	2.70%
Discount Rate	5.10%	3.50%

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 2023	As at 31st July 2022
Males		
Current Pensioner	21.5	22.6
Future pensioner aged 65 in 20 years' time	22.8	24.1
Females		
Current Pensioner	23.8	25.0
Future pensioner aged 65 in 20 years' time	25.6	27.0

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 2023	Value at 31st July 2023	% at 31st July 2022	Value at 31st July 2022
	%	£000	%	£000
Equities	72.90	68,924	73.60	63,419
Government Bonds	0.00	-	0.00	-
Other Bonds	2.50	2,364	2.70	2,326
Property	8.60	8,131	7.80	6,721
Cash/Liquidity	0.90	851	2.50	2,154
Other	15.10	14,277	13.40	11,546
		94,547		86,166

Reconciliation of fair value of assets

	2023	2022
	£000	£000
Fair Value of assets at beginning of year	86,166	82,797
Interest on plan assets	3,062	1,350
Administration expenses	(71)	(65)
Remeasurements of assets	2,755	(1,019)
Employer Contributions	3,147	3,003
Member Contributions	1,195	1,095
Benefits/transfers	(1,707)	(995)
Fair Value of assets at end of year	94,547	86,166

Reconciliation of present value of scheme liabilities

	2023	2022
	£000	£000
Benefit Obligation at beginning of year	107,665	144,577
Current Service Cost	4,481	7,382
Interest on Pension Liabilities	3,757	2,313
Member Contributions	1,195	1,095
Remeasurements of liabilities		
- Experience (gain)/ loss	5,435	7,591
- (Gain)/ loss on financial assumptions	(30,923)	(53,320)
- (Gain)/ loss on demographic assumptions	(3,189)	(998)
Curtailements	-	20
Benefits/transfers paid	(1,707)	(995)
Benefit obligation at end of year	86,714	107,665

	2023	2022
	£000	£000
Total market value of assets	94,547	86,166
Present value of scheme liabilities	(86,714)	(107,665)
Surplus/ (deficit) – Net pension asset/ (liability)	7,833	(21,499)

26. Pension schemes (continued)**Provision for pensions**

	2023	2022
	£000	£000
As at 1st August	21,499	61,780
Decrease in pension liability	(29,332)	(40,281)
As at 31st July	<u>(7,833)</u>	<u>21,499</u>

Amount recognised in the Statement of Comprehensive Income (SOI)

	2023	2022
	£000	£000
Current service Cost	4,481	7,382
Net interest cost	695	963
Administration expenses	71	85
Total pension cost recognised in Income & Expenditure	<u>5,247</u>	<u>8,430</u>
Remeasurements (liabilities & assets)	(31,432)	(45,708)
Total pension costs recognised in SOI	<u>(26,185)</u>	<u>(37,278)</u>

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

	2023	2022
	£000	£000
(Deficit) on scheme at 1st August	(21,499)	(61,780)
Current service cost	(4,481)	(7,382)
Contributions	3,147	3,003
Net interest cost	(695)	(963)
Remeasurements (liabilities & assets)	31,432	45,708
Curtailments	-	(20)
Administration expenses	(71)	(65)
Effect of curtailments		
Surplus/ (deficit) at 31st July	<u>7,833</u>	<u>(21,499)</u>

The present value of the defined benefit obligation as of 31st July 2023 is less than the fair value of plan assets which has generated the above surplus, which is accounted for within non-current assets.

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. 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 which is planned to be April 2024.

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 Board 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 £59K (2022: £650K) and is made up of the following entries:

	2023 £000	2022 £000
Employer contributions paid	211	248
Interest Payable - Unwinding of discount	31	5
Element of employer contributions allocated against the deficit	(61)	(27)
Difference between actual contribution and past expectations	(122)	424
Total amount charged to the Income and Expenditure Account	59	650
Brought Forward Pension Provision	(937)	(535)
Movement	(59)	(650)
Cash payments made to USS	211	248
Carried Forward Pension Provision (Note 21)	(785)	(937)

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 2023 valuation is currently in progress, and USS have been actively facilitating discussions with stakeholders with the aim of completing the valuation in time to implement any changes they decide to make by April 2024. Given the changes in market conditions since the 2020 valuation, it is likely that the 2023 valuation will show an improved funding position with the scheme expected to be in a surplus position. However, until any changes to the schemes funding are agreed and implemented, a deficit recovery liability will continue to be recognised.

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:

	2023	2022
Males currently aged 65 (years)	24.0	23.9
Females currently aged 65 (years)	25.6	25.5
Males currently aged 45 (years)	26.0	25.9
Females currently aged 45 (years)	27.4	27.3

26. Pension schemes (continued)

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:

	2023	2022
Discount rate	5.52%	3.31%
Pensionable salary growth	4%	2%

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 three employees.

27. Taxation

The University Group incurred a tax liability of £5K (2022:£0K) during the year in relation to corporation tax for one of the subsidiary companies.

28. Department for Education Training 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.

	<u>2023</u>	<u>2022</u>
	£000	£000
Funding	983	908
Disbursements to Students	(1,071)	(782)
Balance (overspent)/ unspent as at 31st July	<u>(88)</u>	<u>126</u>

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 £600K (2022: £603K) 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.