



UNIVERSITY OF
WOLVERHAMPTON

UNIVERSITY OF WOLVERHAMPTON

For the Year Ended 31 July 2021

2020 – 2021

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THE UNIVERSITY OF WOLVERHAMPTON

CHANCELLOR

The Lord Paul of Marylebone

**BOARD OF GOVERNORS
Membership**

Independent Members:

Mr J Oatridge OBE, Chair of the Board
Ms K Carr, Deputy Chair
Ms A Spence, Deputy Chair
Mr N Johal
Ms D Leeding
Dr O Adeyemo
Mr A Edwards
Mr Chris Handy (started September 2021)
Ms Elaine Siew (started September 2021)
Ms Dawinder Bansal (started September 2021)
Mr Amrit Singh (started September 2021)
Mr Dean Cullis (started September 2021)
Mr Peter Price (started 1 October 2021)
Ms J Cunningham (resigned 30 September 2021)
Ms P Dosanjh (resigned October 2020)
Mr G Newport (resigned March 2021)
Mr B Reid OBE, Chair of the Board (resigned 31 July 2021)
Professor M Chambers (resigned 31 July 2021)

Professional Services Governor:

Ms Forlini-Softley (September 2021)
Dr J Wright (Term of Office ended 31 July 2021)

Academic Governor:

Ms A Adeghe, (September 2021)
Dr P Barrow (Term of office ended 31 July 2021)

Vice-Chancellor:

Professor G Layer (resigned December 2021)
Mr I Campbell (started January 2022)

Academic Board Nominee Members:

Dr A Adeghe (Term of office ended 31 July 2021)
Dr H Morrissey (Term of office ended 31 July 2021)

Student Nominee Members:

Ms T Mahmood (Term started 1 July 2021)
Mr O Falana (Term started 1 July 2021)
Mr A Falana (Term of office ended 30 June 2021)

Clerk to the Board of Governors:

Ms S Waters

Banker

Barclays Bank PLC
Queen Square
Wolverhampton
WV1 1TE

Internal Auditor

PricewaterhouseCoopers LLP
Cornwall Court
19 Cornwall Street
Birmingham
B3 2DT

External Auditor

KPMG LLP
One Snow Hill
Snow Hill Queensway
Birmingham

STATEMENT OF PRIMARY RESPONSIBILITIES OF THE BOARD OF GOVERNORS

On 26th March 2015 the University's Board of Governors adopted the Statement of Primary Responsibilities (Appendix 1 of the 2014 CUC Higher Education Code of Governance):

1. To approve the mission and strategic vision of the institution, long-term academic and business plans and key performance indicators, and to ensure that these meet the interests of stakeholders.
2. To ensure that processes are in place to monitor and evaluate the performance and effectiveness of the institution against the plans and approved key performance indicators, which should be – where possible and appropriate – benchmarked against other comparable institutions.
3. To delegate authority to the head of the institution, as chief executive, for the academic, corporate, financial, estate and human resource management of the institution. And to establish and keep under regular review the policies, procedures and limits within such management functions as shall be undertaken by and under the authority of the head of the institution.
4. To ensure the establishment and monitoring of systems of control and accountability, including financial and operational controls and risk assessment, and procedures for handling internal grievances and for managing conflicts of interest.
5. To establish processes to monitor and evaluate the performance and effectiveness of the governing body itself.
6. To conduct its business in accordance with best practice in HE corporate governance and with the principles of public life drawn up by the Committee on Standards in Public Life.
7. To safeguard the good name and values of the institution.
8. To appoint the head of the institution as chief executive, and to put in place suitable arrangements for monitoring his/her performance.
9. To appoint a Secretary to the governing body and to ensure that, if the person appointed has managerial responsibilities in the institution, there is an appropriate separation in the lines of accountability.
10. To be the employing authority for all staff in the institution and to be responsible for establishing a human resources strategy.
11. To be the principal financial and business authority of the institution, to ensure that proper books of account are kept, to approve the annual budget and financial statements, and to have overall responsibility for the institution's assets, property and estate.
12. To be the institution's legal authority and, as such, to ensure that systems are in place for meeting all of the institution's legal obligations, including those arising from contracts and other legal commitments made in the institution's name.
13. To receive assurance that adequate provision has been made for the general welfare of students.
14. To act as trustee for any property, legacy, endowment, bequest or gift in support of the work and welfare of the institution.
15. To ensure that the institution's constitution is followed at all times and that appropriate advice is available to enable this to happen.

REPORT OF THE BOARD OF GOVERNORS

Scope of the Financial Statements

The Financial Statements presented to the Board of Governors comprise the results of the University and its subsidiary undertakings, The University of Wolverhampton Enterprise Limited, The University of Wolverhampton Corporate Services Limited, and The University of Wolverhampton Social Enterprises Limited. The University of Wolverhampton Enterprise Limited is also a majority shareholder in The University of Wolverhampton Science Park Limited and Cyber Quarter Limited, which is consolidated into the University Group accounts.

The University of Wolverhampton Social Enterprises Limited has a wholly-owned subsidiary, University of Wolverhampton Multi-Academy Trust. In 2020/21 University of Wolverhampton Multi-Academy Trust was in its eighth year of operation and had a turnover of £30M (2019/20 - £30M). The University of Wolverhampton Multi-Academy Trust Board and the University Board of Governors have considered the company's governance and control arrangements during this period and believe that under current accounting standards it should not be consolidated. As accounting standards and the governance of University of Wolverhampton Multi-Academy Trust evolve the position will be kept under review.

The subsidiaries undertake activities including training, courses, research, testing, and consultancy for a wide variety of commercial and other organisations. The companies' taxable profits are transferred back to the University under a deed of covenant arrangement.

Review of Financial Performance

The University's Consolidated Statement of Comprehensive Income and Expenditure position for the year to 31 July 2021 is summarised below. The impact of the Local Government Pension Scheme is shown separately in order to highlight the impact that it has on the financial performance of the University.

	2020-21			2019-20		
	Operating Activities £000s	LGPS Adjustments £000s	Total £000s	Operating Activities £000s	LGPS Adjustments £000s	Total £000s
Total Income	185,567	0	185,567	181,190	0	181,190
Total Expenditure	(181,018)	(8,609)	(189,627)	(177,937)	(7,907)	(185,844)
Taxation	0	0	0	0	0	0
Surplus/(Loss) for the Year	4,549	(8,609)	(4,060)	3,253	(7,907)	(4,654)

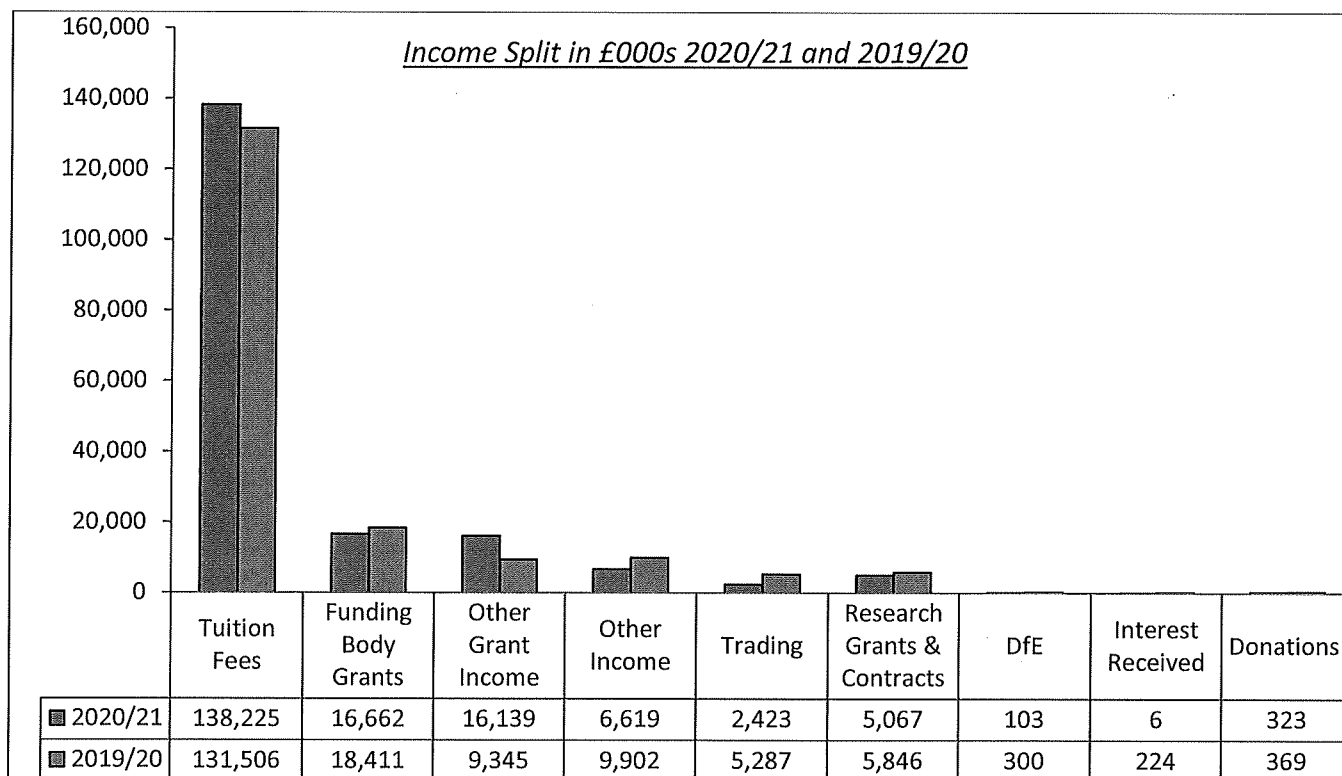
Income

Income has increased to £185.6M, an overall increase of 2.4% compared to 2019/20. Covid 19 has continued to have an impact on revenue streams in 2020/21. The overall income has been maintained largely due to increased capital grants received in year.

Student recruitment was up on 2019/20 the total tuition fee income increased to £138.2M from £131.5M. Overall student numbers were up 2.6% on 2019/20. Undergraduate student recruitment was down by 3.9% in a competitive

market and Post graduate research student numbers also fell by 4.8%. However, this reduction was compensated by a significant 25.1% increase in Postgraduate taught student recruitment.

The Covid 19 pandemic continues to impact on international numbers with international numbers down on 2019/20 by 47.8%.



Overall funding body grants were down by 9%.

Research Grants and Contracts fell by 13%. Other Income decreased by 40% compared to the previous year and reflects the loss of trading income due to COVID-19.

Expenditure

Overall staff costs decreased by £2M compared to 2019/20, a 2% decrease. There was no pay rise in 2020/21. Pension costs increased due to the latest actuarial valuation of the West Midlands Pension Fund (a £6.5M adjustment). There was a release of £1.1M from the annual leave provision. The provision reflects untaken leave during 2020/21, the 2019/20 provision was increased due to staff being allowed to carry forward additional leave due to the Covid 19 pandemic, the 2020/21 provision release is due to permitted leave carry forward reverting to pre covid levels.

The impact of the pension adjustments under FRS102 has resulted in an increase of £6.5M in staff costs from 2019/20. The current service cost has increased by £1.5M from last year. This is largely due to the increase in the inflation assumption that took place at 31 July 2019, which increased the assumed cost of benefits building up over the years to 31 July 2021.

Other expenses are £0.9M higher than in 2019/20. The underlying depreciation charge has increased by £4.9M reflecting the level of capital investment being undertaken by the University. In particular this highlights the additional investments in the Angad Paul building and the University's Springfield development.

Interest and other finance costs has returned a slight increase of £75K partly due to exchange rate losses.

Cash Flow

The consolidated Cash Flow Statement shows a net increase in cash and cash equivalents of £7.8M (2019/20: decrease of £19.5M). Overall cashflow from operating activities was £19.4M compared to £8.0M in the previous year. The University made total payments in the year on fixed assets of £22.4M (2019/20: £38M), spent on a range of projects, including the School of Architecture and Built Environment at the Springfield Campus, Angad Paul building and the Hereford Cyber Security Centre. The University's cash position remains strong with a closing balance of £45.1M and no outstanding bank financing as at 31st July 2021. That said there will be cash pressures in 2021/22 to meet both operational and capital investment requirements.

Key Future Financial Issues

The University has maintained its levels of student recruitment in an increasingly competitive sector. The University continues to operate strong financial management practices. The University is continuing to invest in its courses and facilities, this has put the University in a sound financial position with extremely low debt and substantial cash balances.

Despite this, we are conscious of the need to continue to manage our finances prudently. 2021/22 will see the completion of a number of capital projects that will require cash balances being rebuilt. We will continue to manage our exposure to key financial risks, amongst which are the following.

Inevitably, additional expenditure has been incurred and will continue to be incurred in managing the impact of the pandemic at the University and the following actions highlight the approach the University has taken.

- *Recruitment and Retention of Home and International Students.* Competition remains intense, in particular for full-time undergraduate students. This is happening against a backdrop of falling numbers of 18 year olds and alternative pathways available to school leavers through apprenticeships. International recruitment continues to be challenging. The impact of UKVI controls and increased competition in the international market in the short and medium term may impact on University plans for growth.
- *Investment and Borrowing.* The University is planning to continue to target investments to further develop and improve facilities for students, new academic provision and research. Despite the level of cash balances and ongoing cash generation, we will need to assess priorities to ensure continued financial stability. The University currently has no long term borrowing. It is essential that the University continues to maintain recruitment in existing courses, meet targets for recruitment to new provision and to target improvements in retention. The University will look to increase its cash balances in the 2022/23 financial year.
- *Increases in the Costs of Employment.* Whilst recent pay rises have generally been close to inflation, the costs of employing staff has continued to rise due to increases in pension scheme contributions, auto-enrolment, National Insurance (the removal of contracting out) and the imposition of the apprenticeship levy. 2020/21 saw the full effect of increases in to the Teachers' Pension Scheme. The increased rates and deficit recovery payments to West Midlands Pension Scheme and USS pension scheme are all adding pressures to the cost base. The University is continually looking at ways of managing the increase in its cost base without impacting on the student experience and our capacity to invest for the future.

The Student Experience

The University Strategic Plan with one of three core pillars being; Putting Students First has set challenging and ambitious goals. By 2021 we will:

- Achieve a sector-leading University experience for all.
- Maximise individual potential for all students.
- Create outstanding learning opportunities informed by world-leading research and professional practice.

All of our energies, intellectual capacity and financial investment continue to be directed at enhancing the student experience in developing the physical campus, developing digital capability, and innovation and quality in teaching and learning.

The University is at the heart of economic regeneration in the Black Country and is making significant investment in improving the student experience through our ongoing £250m Our Vision, Your Opportunity programme. To date this has resulted in new outstanding facilities like the Rosalind Franklin Science Building, a new Business School, high-tech engineering facilities at our Telford Innovation Campus, new courtyard, catering and social learning facilities at our city campus and the ongoing £100m Springfield Campus development.

The University continues to offer the travel fund to new UK-funded undergraduate full-time students studying on a University campus. In 2020/21 there were 3,679 eligible students and the following choices were made:

No choice/no longer eligible 822 students

A further 888 chose the travel option but did not activate their accounts by the 31st May 2021 deadline.

Category	Number of Students and Amount	Total
Travel	1216 activated	£364,800
Accommodation	232 Students x £300	£ 69,600
Donations	59 Students x £50	£ 2,950
Printer	462 Students x £300	£ 138,600
Total		£575,950

Access Bursary

The University continues to offer an Access Bursary to new students who are a Care Leaver or a Deaf/hard of hearing student. This is paid through the Student Loans Company on behalf of the University. For 2020/1 this was worth £2000 payable over two years (£1000 each year) and was paid to 24 Care Leavers and 11 Deaf/HOI students.

Dennis Turner Fund

Recognising that the Covid-19 pandemic has had a detrimental effect on student finances, the University and the Office for Students have made significant donations to the Dennis Turner Hardship Fund, which brought the total amount to disburse to a record high.

This academic year, the Office for Students has given the university an additional £1,219,417 to distribute to students in financial hardship. This came in three tranches, £285,355 in December 2020, a further £719,786 in January 2021 and then another £214,276 in May 2021. These funds complemented the £630,000 that the University designated to the Dennis Turner Hardship Fund giving an overall budget of £1,849,417.

The University's Student Funding Team has successfully distributed all of the additional funds by the end of June, ahead the deadline of 31 July 2021. The overall spend for 2020/2021 was £1,892,061, with an overspend of £42,644. It was agreed that this would be taken from next year's budget.

The spend was broken down as follows:

Total payments for the year (all funds/grants):	4,374 (in numbers)	1,892,061 (in £)
single students	1,698	576,408
students with children	1,123	625,490
Care leavers	135	94,530
Estranged students	214	209,850
International students	1,035	322,590
Dyslexia Testing	91	27,220
DSA equipment	73	14,480
Single Student Proven Rent Arrears	5	2,375
Emergency Loan/Same day payments		19,118

In 2020-2021 the University was awarded £112,000 from Santander to support and enhance students' education and employability. The fund supported students who may be disadvantaged and from a widening participation background. The Santander bursaries gave all students an inclusive experience whether their work experience was in the UK or international. Erasmus + funds of over £300,000 was available for students to access for international virtual work experience and there was additional financial support available for students with limited finances and/or disabilities through Erasmus+.

During 20/21 students continued to face challenges associated with digital hardship and the impacts of studying online. From July 2020, the University Library remained open throughout all periods of increased restrictions to provide study spaces and access to PCs for all students who needed them. The Laptop Loan scheme also grew substantially, with over 650 students provided with a device for loan. A total of 340 laptops are now available for students to borrow. Investment in supporting students' digital inclusion continues with the installation of 96 LapSafe laptop loan lockers in the libraries and the introduction of an eTextbook scheme, providing all students with digital copies of their essential textbooks.

Mental Health and Wellbeing

The investment in the improvement and development of mental health and wellbeing services has continued in 2020/21. An additional Mental Health and Wellbeing Practitioner at 0.5 FTE has been appointed. This allowed the service to maintain the achieved in the previous academic year 2 week waiting time for students to see a practitioner.

The subscription to the 24/7/365 mental health and wellbeing platform 'TogetherAll' has also been continued for another three years, thus ensuring uninterrupted access to it by students and staff.

Student Numbers

In 2020/1 the University enrolled 21,313 students (2019/0 20,768), comprising 16,113 full time and sandwich students (2019/0 15,415) and 5,200 part time students (2019/0 5,353). Recruitment and retention continues to be one of the University's key corporate priorities. The following tables provide further breakdowns of the University's student population in 2020/1.

Home, EU and Overseas numbers	2020/1	2019/0
Home	18,714	18,582
EU	321	444
Overseas	910	1,742
Grand Total	21,313	20,768

Level of Study	2020/1	2019/0
Foundation	313	227
Undergraduate	15,111	15,721
Postgraduate taught	5,436	4,344
Postgraduate research	453	476
Grand Total	21,313	20,768

Campus Development

In the changing higher education landscape, the University of Wolverhampton recognises that its campuses are a vital element in the delivery of an excellent student experience. The University seeks to consolidate what is good about the existing campuses and to create a vibrant, friendly place to study, work and live. The University is committed to maintaining and improving the quality of its physical estate and providing facilities to support high quality innovative teaching and learning, research facilities and social learning spaces for students and staff. In support of this, the University has continued to support project with both internal and external financial support through academic year 20/21 with some of these will continue into academic year 21/22. Some of the projects delivered in 20/21 were delayed in completion due to the COVID19 Pandemic, however working closely with our partners all were delivered within an appropriate timescale to enable academic schedules for teaching to be met. There is the potential for continued investments into additional projects, a list of proposals is under consideration along with the investment into improving the passive fire safety across the estate. Indicators of success include:

A fit for purpose, vibrant University estate which supports recruitment and retention;

Excellent and well-used Learning Centres and IT facilities for students and staff;

Well considered and leading edge learning and teaching facilities;

An estate which continually improves with regards to safety, compliance, quality and functionality;

Positive feedback from recognised survey data, such as NSS.

Condition of the Estate

It is several years since the University commissioned chartered surveyors to undertake a Condition and Legislative Compliance Audit, these surveys, together with building services surveys, and a passive fire survey are used to identify the activities required to maintain the estates and meet safety, regulations and legislation requirements. These surveys are also used to assist in developing the estate strategy for the future and provide a level of detail upon which an active asset management approach and programme can be produced for the estate over the next 3-5 year horizon. Whilst the condition of the core university academic estate continues to be in line with the sector norm as a result of the recent Passive Fire Survey there is significant investment required across the estates to undertake the required remedial works and improvement, to ensure our students are adequately protected in a safe environment and to assure regulatory compliance.

Functional suitability

Investment continues to be made in updating, upgrading spaces across the university. As a consequence, functional suitability in Grades 1 and 2 improved from 90.3% in 18/19 to 90.9% in 19/20, above the sector median of 90.0% for the year 18/19. Unfortunately, the sector median figure for the latest year will not be available until after September 21.

Space Utilisation

The University's performance with respect to overall space utilisation continues to steadily improve over recent years, reflecting the impact of capital investment together with the disposal of older, functionally unsuitable teaching accommodation. 2019/20 saw a small drop in occupancy from the previous year down from 34.3% to 33.0%, which

is likely to be an impact over the pandemic lockdowns, but an increase in the frequency of occupancy figures. Information is gathered from the physical space audit of the occupancy of centrally timetable, this information is used as the evidence base for the Estates Management Record return to HESA. The space audit carried out for 2019/20 has recorded a 5% increase in the utilisation ratio percentage return to 25.2 % which is 4% higher than the sector (Post 92) median figure for the year 18/19. Unfortunately, the data for 2020/21 will not be available until after September. Efficient use of our space will continue to be considered a key issue for the University as a whole taking into account the demonstrable success of blended learning approaches and will be balanced with maintaining a high degree of satisfaction recorded in the annual NSS survey

Carbon Management

The Carbon Management Plan (CMP) was launched on 26th May 2010. The CMP identified carbon reduction projects to be implemented over a five-year period to deliver a 25% reduction from approximately 16,000 tonnes of CO₂ in 2007/08 to 12,000 tonnes of CO₂ by 2020. Actual emissions for the 2019/20 financial year indicate that the University has outperformed its set target in advance of 2020, with a further reduction down to 9,145t compared to 10,061t in 18/19.

In addition, the University has achieved a 57% reduction against the 2007/08 CMP baseline and an overall reduction of 52% against the HEFCE baseline year of 2005/06, a continuation of positive year on year position, *[EMR figures are being used]*.

The University will continue to work on further improving its reduction of carbon emissions with new targets having been developed to take us to 2023 whilst a plan to take us to 2030 is being developed for the University and working in collaboration with our partners across Wolverhampton.

Sustainability & Environmental Management

The University of Wolverhampton recognises that virtually all activities in Higher Education have some impact on the environment. The University is committed to promoting the conservation and sustainable management of the environment and to minimising the environmental impact of its activities to bring about a continual improvement in its environmental performance.

Through our current waste management contract, we have been able to recycle the following: mixed glass 4.07 tonnes mixed glass; 38.4 tonnes of cardboard and paper and 20.3 tonnes of food waste, in addition to 700 litres of waste cooking oil.

The carbon saving is equal to

- Removing 199 cars from the road for 1 year
- 100 homes energy use for 1 year
- 111,424,664 smartphones charged

Our preferred transport supplier for bus manufacturers takes the entire vehicle life-cycle into consideration, with 80% of the parts being completely recyclable.

Our catering team has focused on several areas, although the impact has been limited by vastly reduced trading due to the successive lock downs: Starbucks licensed store -continued operation of Re-Use Your Cup And Get Rewarded Programme, cup recycling, reduction of weight of cup sleeves which are 100% recyclable paper; a reduction in quantity of deliveries with consolidation of products to save on carbon from vehicles; engagement with external environmental campaigner Hubbub who invest in local sustainability initiatives; sandwich suppliers who utilise environmental packaging/plastic free; engagement with an external organic waste organisation who achieve 100% recycled food waste at Telford Campus (no food is macerated into drains and BioWhale monitor remotely when tanks need emptying, thereby reducing un-needed deliveries), shown to equate to CO₂ savings of 11.8 tonnes.

Cashless systems have been introduced at all sites in the academic year 2020/21, accelerated by the covid pandemic, which will see further carbon reduction through reduced need for cash in transit services.

The conversion of waste oil to renewable bio-energy has reduced due to the pandemic impact on catering activity but this will resume when catering demand is back to previous levels.

Other targets include a drive towards becoming single use plastic free by end of 2021 and plastic free in offices also by end of 2021

The Carbon saving this generates is equal to 41 cars being off the road for one year, 376 planted trees over their lifetimes, 66 UK homes powered for one year, 1900 flights from London to Paris per person. Our preferred transport supplier for bus manufacturers takes the entire vehicle life-cycle into consideration, with 80% of the parts being completely recyclable. Our catering team is focusing on several areas: Starbucks licensed store - implementation of Re-Use Your Cup and Get Rewarded Programme, cup recycling, reduction of weight of cup sleeves which are 100% recyclable paper.

Estates Strategy and Capital Programme

Development across all of the University's campuses has continued to support of the University's Strategic Plan. Major projects initiatives include the continued further development of the University's 12-acre Springfield Brewery site in Wolverhampton City Centre. This has seen the development of the West Midlands Construction UTC which is now having further development of an extension following The school has transferred to the Thomas Telford Academy, this will see children from the age of eleven being taught in this facility; In addition The Elite Centre of Manufacturing (ECMS) is fully operational. The School of Architecture and Built Environment (SOAB) although slightly delayed due to COVID19 was delivered in time for the start of the academic year (2020/21) and our new intake of students. In January 2021 we commenced the physical build work on The National Brownfield Institute (NBI) a £14,895m project

The £9M construction project for the Centre for Cyber Security in Hereford in conjunction with Herefordshire Council was handed over in October 2020 again this experienced a small delay due to COVID19 Pandemic. The Centre offers specialist support to cyber businesses and advanced training and consultancy services designed specifically to tackle threats in cyberspace. The Centre will also offer high quality research facilities as well as providing office space for cyber businesses.

During this academic year we have also seen the further development of the healthcare provision at the Telford Campus, the new facility will assist in creating a significant presence and identity to train and deliver the workforce requirements across the health, allied health, and social care sectors in the region. The project has delivered a state of art facilities delivering nursing and paramedic sciences providing a centre of excellence that meets the needs to key employers and help address fundamental economic and social challenges outlined in the Marches.

Our Walsall Campus has also received investment during this academic year with the development of during this academic year with the development of the Bio-mechanics and the provision of a climate-controlled chamber and a light touch makeover of the William Penny Building.

In addition to this, the Walsall campus saw a £600k extension of the facilities for British Judo enabling greater support for their Olympic athletes, further strengthening the relationship with the University and British sport. Facilities included a reception area, changing facilities and a physio room.

In addition, during 2021 we had approval to progress with the Screen School and Pharmacy Projects on the city campus. The School of Pharmacy shall transform the existing facilities to create a clear identity and presence for the School and raise the standard from below sector norm to sector leader. The £3M project is transforming current and redundant spaces within the MA building to provide a new School of Pharmacy reception, multi-purpose teaching spaces allowing the delivery of flexible practice and clinical skills courses, patient counselling rooms for the development of clinical and counselling skills and also offer bespoke teaching facilities for undergraduate and postgraduate students.

The Screen School project has been undertaken to reinvigorate the Art School and transform existing facilities within the MI building. The £5M development will create a public facing and dynamic space to promote, develop, produce & edit content designed for screen based applications through the following core courses: Animation, Computer Games design, Film and Television Production, Multimedia and Sports Journalism (including visual effects, computer science programming modules, cyber psychology as a growing cross disciplinary aspect of this

provision). It is hoped the development will open up the new and diverse talent pipeline required by the screen industry and to engage with creative students in the region so they can make informed choices that will provide new career trajectories through screen skills.

The University is continuing to support investment into its estate and is assessing request for development and funding, their alignment with the University's Vision 2030, their individual relevance, outcomes that will be achieved and then prioritising which should progress.

In line with this and following the recent Passive Fire Survey, which has identified a significant programme of works that are necessary to undertake across the entire estate. These commenced during the latter part of 2021 in our Student Residences, these were prioritised given they are sleeping accommodation and as such pose a higher risk. This work will continue into academic year 21/22 along with the works that are required across the wider estate.

Given the financial implications that this work poses it is proposed that the University invests in a Condition survey, it is number of years since one has been undertaken. This will allow information from both surveys (Fire and Condition) to be overlaid to and inform where the university is best investing its money. This will prompt questions around what we want and need to achieve with our estate, given the changes we have seen with blended learning, agile and home working due to the pandemic, which will continue to feature in the future, and which will as a result reduce the amount of estate required. This coupled with the academic vision and practical requirements should then inform the University's Estate Strategy for the next ten years, identifying where decommissioning, disinvestment and improved academic and student focused facilities are required.

Payment of Creditors

It is the University's policy to obtain the best terms for all business; therefore, there is no single policy as to the terms applied. The aim is to pay invoices in accordance with agreed contractual conditions, or where no such conditions exist, by the end of the month following receipt of goods or services or the presentation of a valid invoice, whichever is the latest.

Equality and Diversity

The Equality Act 2010 harmonises legal protection against unjustifiable discrimination, harassment or victimisation on the grounds of age, disability, gender reassignment, pregnancy and maternity, marriage and civil partnership, race, religion and belief, sex and sexual orientation.

The Act also introduced a single public sector equality duty in respect of all the above protected characteristics.

The University is therefore required to have regard, when carrying out its functions, to the need to;

1. eliminate discrimination, harassment, victimisation and any other conduct that is prohibited by or under this Act;
2. advance equality of opportunity between persons who share a relevant protected characteristic and persons who do not share it;
3. foster good relations between persons who share a relevant protected characteristic and persons who do not share it.

The University's Strategic Plan 2016-2021 embeds equality and diversity within the work of the University to realise the full potential of its staff and students, and have a positive impact within the local area and national higher education sector. This shall include supporting representatives of BAME, Disabled, and LGBT staff and students, proactively engaging with relevant national organisations such as Stonewall and AdvanceHE, and working closely with the local community to organise events that raise awareness of equality and celebrate diversity.

We continued our work on implementing our Athena SWAN Gender Equality Action Plan, and successfully secured our first ever Race Equality Charter Bronze Award from Advance HE. Whilst coronavirus prevent us from running in-person public events, we successfully held over twenty virtual events related to equality and diversity, including

events on Black History Month, Disability History Month, LGBT+ History Month, International Women's Month and South Asian History Month.

The University's Equality Objectives 2016 – 2021 sets milestones within equality and diversity to meet Strategic Plan goals, and can be found at <https://www.wlv.ac.uk/about-us/corporate-information/equality-and-diversity/policies-and-governance/equality-objectives/>. The University's Equality and Diversity Policy Statements outline its commitment to equality and diversity, and its zero tolerance towards disablism, racism, sexism, homophobia, biphobia, transphobia and enbyphobia. They can be found at <https://www.wlv.ac.uk/about-us/corporate-information/equality-and-diversity/policies-and-governance/policy-statement/>.

An Equality and Diversity Committee works at Governor level to oversee this important area of work and monitor the University's performance against the Equality Objectives. It is supported by an Equality and Diversity Working Group that brings together staff, students and senior leaders. Each academic faculty, as well as the professional services as a whole, also have their own local equality and diversity committee. Responsibility sits with all staff, supported by the Equality and Diversity Unit, to ensure that the University reflects best practice in the field of equality and diversity. More information can be found at <https://www.wlv.ac.uk/about-us/corporate-information/equality-and-diversity/>

Employment of Disabled Persons

The University has a written policy of equal opportunities that is the responsibility of all members of staff and students as part of their normal activities as members of an academic and social community. The policy may be found along with other equality related information at:

<https://www.wlv.ac.uk/about-us/corporate-information/equality-and-diversity/policies-and-governance/policy-statement/>

It is the responsibility of the Board of Governors and the Offices of the Vice Chancellor to initiate, oversee and monitor the implementation of the policy.

The University has an Equality and Diversity Committee. The Committee advises on policy matters concerning Equality and Diversity, particularly in terms of priorities for action, suggests new initiatives, participates in the monitoring of the effectiveness of implementation strategies, and the achievement of targets.

There is an Equality and Diversity Unit to assist staff with any queries or issues they may want to raise regarding Equality and Diversity matters. It has an experienced disability specialist able to provide appropriate advice and support and to work with Faculties and Departments on their provision for disabled staff.

We seek to make arrangements wherever possible to encourage staff who develop a disability to continue working for the University. Every opportunity is taken to improve access for disabled staff and students to University premises via a rolling programme of improvement to buildings and provision of equipment. Physical access to the University premises is a core consideration within the strategy for improvement of the University's estate and is being addressed within the Estates Project. The University is continuing to work with Disabled Go to ensure that any disabled person wishing to visit University premises can view information on the Web about the accessibility of University buildings and how to access them when planning their visit.

Employee Involvement

The University has developed a comprehensive internal communications approach for its staff. This includes regular paper-based and electronic updates on policies, procedures, organisational change, and events that impact on staff. The Vice-Chancellor also holds quarterly staff meetings across all three main campuses which include briefings and also the opportunity for staff and ask questions of the VC on what has been discussed. The Vice Chancellor holds quarterly Faculty meetings and also School meetings.

A staff communications cascade system has been introduced which delivers key University-wide messages. Staff have the opportunity to feedback on any of the items within the brief which is sent out every six weeks.

The University of Wolverhampton Workforce Strategy has a specific work stream around staff involvement and engagement. Members of the HR Department, management and Trade unions are developing more effective ways of how we can ensure staff are actively involved and engaged in how the University of Wolverhampton operates.

The University of Wolverhampton has a number of active staff networks: B.A.M.E, Disabled, LGBT and the Woman's Staff network as well as supporting Women in Research. We work closely with these groups around active staff participation and involvement, particularly around equality and diversity issues. The University consults with disabled staff and students to comply with its duties and disability legislation, and holds focus groups to review the progress of its policies and plans in respect of disability/equality.

Development Strategy

Philanthropic fundraising and alumni activity within the Higher Education sector is measured by the CASE-Ross survey each year. It tracks charitable donations to institutions based on a number of variables which include; new funds received, cash income received, largest cash gift, number of donors, averaging fundraising costs per pound received and average number of fundraising staff and distributes institutions into one of 6 clusters. Consistent with previous years the University of Wolverhampton has continued to consolidate its national position sitting within the 'Emerging cluster which comprises of 22 institutions.

Donated Income

A new Fundraising and Engagement strategy was launched in 2020-21, which gives focus to both fundraising and engagement activity. The fundraising landscape has challenging over the last 12 months, with a number of Trusts and Foundations changing their criteria to support causes related to the impact of Covid and a number of corporates and individuals, deferring their gifts, due to the uncertainty of the pandemic.

Our strategic priorities continue to be Student Support, where we have seen an increase in the support of nursing students, through the Joan Argyle Shambaugh Bursary. Strategic projects which include Wolverhampton Racing (UWR), the British Art Show 9, and fundraising for equipment for the Screen School.

Major gifts in 2021 include the continued support of our Chancellor Lord Paul, who donated the third instalment of £100,000 in memory of his son Angad Paul, which funds early career researchers, teaching excellence and student enterprise at the University. Finally, our first annual appeal, in response to the Covid-19 crisis brought in nearly £10,000 from the alumni and university communities which enabled over 10,000 visors to be distributed across the region to frontline staff, at the height of the pandemic.

The addition of an external Fundraising Board, in 2021 will help drive forward the university's fundraising agenda and prospect identification, so our pipeline continues to grow, and generates new income.

Knowledge Transfer

The University of Wolverhampton continues to be a major provider of Knowledge Exchange and Innovation services with business and the wider community, predominately in the West Midlands but also nationally and internationally.

Earlier this year the University received significant recognition for its role in public and community engagement and local growth and regeneration through Research England's Knowledge Exchange Framework (KEF) which covers the diverse contributions of universities to help level up their local areas. It looks at the performance of universities from different perspectives, including public and community engagement, working with partners ranging from big businesses to small local firms, and how they commercialise their research. Outcomes of the KEF placed the University of Wolverhampton in **the top 10% nationally for public and community engagement and in the top 10% for local growth and regeneration.**

This recognition from within the Higher Education sector identifies the University as being actively engaged in working with industry, demonstrated by the number of Knowledge Transfer activities delivered through KTP (Knowledge Transfer Partnerships), ERDF funded support projects, Degree Apprenticeship programmes and significant projects with Local Enterprise Partnerships which assist businesses to adopt new technologies, improve productivity, upskill their workforce and create new jobs.

These projects often receive regional and national recognition for their impact on businesses. Key projects such as the development of the Springfield Campus as an architecture and the built environment super-campus, home to the Elite Centre for Manufacturing Skills and the National Brownfield Institute, along with the development of Cyber Quarter – Midlands Centre for Cyber Security and the Marches Centre of Excellence in Health and Social Care have helped to raise the profile of the University as a Research and Innovation knowledge base, contributing on a national stage to economic regeneration and growth.

The University delivers enterprise activities in the Black Country, Telford & Wrekin, Shropshire, Stafford and Herefordshire. It continues to lead the University of Wolverhampton Science Park (UoWSP), which alongside its 100 plus existing tenants across the Creative and Technology sectors, the Science Centre is now home to tenant companies in the life sciences automotive and aerospace sectors, and provides a new approach to commercialisation and spinout activity. Knowledge transfer, business innovation and incubation activities are delivered primarily to the business community from UoWSP, Telford Innovation Campus and Hereford Enterprise Zone, with support from Lifelong Learning Centres in Stafford & Telford.

The University has a number of centres that provide services to individuals and businesses for business start-up and incubation, including: and ICT business incubator (e-Innovation Centre), business grow-on space (Business and Technology Centre), a Creative Industries incubator for business (SP/ARK) as well as facilitating University of Wolverhampton graduate start-up businesses through the SPEED programme.

The University continues to be successful in attracting both revenue and capital public sector funding to part fund many of these activities with support from Local Growth Funding and EU Structural Funding. The University is represented on the Black Country and Marches Local Enterprise Partnerships (LEPs), engaged with the West Midlands Combined Authority, Local Authority leaders and the Chambers of Commerce – and is contributing to Skills, Innovation and Enterprise leadership. This is complemented by engagement in Industrial Strategy Plans locally that influence the allocation of resources for UK economic and regeneration growth. To support this, the University plays a major role in supporting the Midlands Engine, the Midlands Enterprise Universities consortium and the West Midlands Combined Universities partnerships. University business engagement activities continue to be delivered centrally through the External Engagement directorate and are supported by the presence of the Black Country and Marches Growth Hubs located on University sites in Wolverhampton, Telford and Hereford. The University works in partnership with 5 regional LEPs, 7 Growth Hubs, 21 Local Authorities and 4 regional Chambers of Commerce.

All surplus generating business involving knowledge transfer, training and similar activities are carried out through University of Wolverhampton Corporate Services Ltd. Activities that are not surplus generating (e.g. research contracts, European and U.K. Government contracts for knowledge transfer), or that lead to a university level qualification, operate through the University's accounts.

Key Performance Indicators (KPIs)

In 2016 the Board of Governors adopted eleven Key Performance Indicators that have allowed us to measure our performance against the University's out-going Strategic Plan 2016-2021 and monitor the overall health of the Institution across a range of activities including student population, achievement, employability and satisfaction; research and business engagement; our staff and culture; financial health; campus and wider impact. In alignment with our Risk Management process we adopted the 'RAG' (Red, Amber and Green) rated scoring system to indicate the status and direction of travel of each indicator.

As indicated in last year's review, in October 2020 we formally launched our new Strategic Plan 2030 that will delineate our vision of the University over the next ten years. We are currently developing a series of sub-strategies and key enablers to drive forwards our goals and objectives, alongside the adoption of a new set of key indicators to measure the Institution's health and performance going forwards from 2021. As currently these will continue to be formally communicated to Governors via the relevant University Committee, with ongoing performance reviews being conducted regularly throughout the year.

Key performance indicators achieving an above benchmark performance level during the 2020-21 cycle include:-

- *Our Student Population* – the 2020-21 academic year saw an increase in our population with 22,190 students (compared to 21,145 in 2019-20), having recovered from the slight dip reported last year (which was largely as a result of the repercussions of Covid-19 negatively affecting our Semester Two recruitment). We saw slight gains in both undergraduate and postgraduate research numbers with more significant growth seen in postgraduate taught students which increased by 805 since last year. One area of particular strength was in the International market where both the UK and TNE numbers grew by 743 (totalling 2070) and 651 (totalling 3322) respectively in 2020-21. Students have reacted positively to the new academic calendar we introduced with multiple start dates and a blended learning approach and have reported positive aspects of having access to enhanced online resources and support which will be built on as more normal levels of on campus teaching return next academic year. We also continue to plan for new provision and investments in academic growth, including maximising opportunities for all under-represented groups. We continue to perform above sector average for students from low participation neighbourhoods and those from low socio-economic backgrounds.

As a University that prides itself on being a champion for equality and diversity, we also pleased to achieve the Race Equality Charter Bronze Award in October 2020. The REC framework, which is evidence based, has enabled the University to be more strategic and targeted in our race equality work. January 2021 also saw a successful monitoring return to the OfS, which reported against targets set out in our 2019/20 Access and Participation Plan and provided an update on the activities we committed to undertake. We are currently working on our 2020/21-2024/25 APP which has a strong focus on success (continuation and award) because this is where our analysis has identified the largest gaps between students from different socio-economic backgrounds and between ethnicities. The 'Inclusive Student Success' pillar of our Strategy2030 will cement our position as the University of Opportunity – of focus for the next decade is to ensure greater inclusivity and ensure equity of outcome. We are committed to removing barriers to ensure that all can participate and achieve their potential.

- *Our Students' Satisfaction* – We achieved an impressive response rate of 83% (515 responses) in the Postgraduate Research Experience Survey (PRES) 2021, substantially higher than the sector average of 36%. We maintained a high (80%+) overall satisfaction rate amongst our postgraduate research students who were extremely satisfied with the level of support and communication received from the University during the pandemic. Albeit the National Student Survey 2021 results showed a decline in our overall undergraduate student satisfaction, in line with the sector trend, our satisfaction scores for 'teaching on my course' and 'learning opportunities' nevertheless remained relatively high at 79% and 80% respectively, along with a strong performance in 'assessment and feedback' – with the latter two categories sitting above the sector average. Both surveys results are an endorsement of all the work our academic and support staff done over the last 18 months to ensure our students' academic journeys could continue and we are committed to learning from their feedback to further improve teaching and the student experience. One such strategic project is the Student Campus Project, which aims to reorient student service design, placing students, not structures, at its heart. Feedback from students has strongly supported the need to develop a one-stop approach to our service delivery model and as such, Ask@WLV has been developed to offer flexible and supported access to student services and create an equitable and inclusive student experience across all campuses and courses.
- *Our Campus* – the University remains committed to investing in new developments, refurbishments and updating our facilities (with particular emphasis on teaching, learning and social learning spaces) to ensure the enhancement of the student experience and surpass sector benchmarks. A new £9m state-of-the-art Cyber Quarter – Midlands Centre for Cyber Security officially launched in Spring 2021, in a joint collaboration venture between the University and Herefordshire Council (part-funded by the Government's Local Growth Fund) to become the UK's leading centre of excellence in cyber security, supporting innovation and industry in this growing sector. May 2021 saw the official opening of the £5m Marches Centre of Excellence for Health and Social Care at the University's Priorslee campus in Telford. The centre uses cutting edge technology, such as immersive reality, to revolutionise the way in which

learning is delivered and along with investment in engineering and manufacturing related courses at the campus is key to University providing the skills that employers and businesses need across the Marches region. 2021 also saw an extension to our specialist sport facilities at Walsall Campus to support Olympic and Paralympic athletes based in the West Midlands. The new development includes a state of the art climate chamber and dedicated physiotherapy facilities providing world class science and medical support to athletes as part of the British Judo Association's partnership. Two further transformational projects are also underway for September:- a £5m investment in the new Wolverhampton Screen School, creating state-of-the-art teaching facilities and equipment and co-locating students from different disciplines in one space to create a 'production house' environment to enable them to work with peers on joint projects and develop a new and diverse talent pipeline for the creative industries; and a £3m project for the refurbishment of facilities for Pharmacy students, including a new dispensary, practice suites and study areas – all designed to create a collaborative and flexible learning environment and encourage student teamwork. Married with this we remain committed to driving forwards our digital campus programme (via the Digital Strategy "Powering Academic and Student Success through Digital Transformation") and implementing our sustainability strategy.

In those areas where a less than satisfactory performance has been reported, the University is committed to reviewing statuses throughout the year, introducing and monitoring improvement measures as required to meet and surpass benchmarks where possible, even in those areas where the national trend has also seen a decline in performance levels. In line with the new Key Performance Indicators being introduced for 2020-21, we are implementing a quarterly performance monitoring framework in order that key metrics and delivery targets can be more regularly reported and monitored to inform timely action.

Risk Management

The Corporate Risk Register is reviewed and maintained throughout the year by Risk Owners and Monitoring Committees, as part of a rigorous Risk Management process. Assurances are provided that key risks are being managed appropriately for consideration by both the Corporate Management Team (CMT) and the Audit and Risk Assurance Committee. In addition, work continues to incorporate recommendations made the University's Internal Auditors.

The 2020-21 academic period again saw further enhancements to our approach to Risk Management as we progress the framework:- changing the way we assess and monitor risk in order to more fluidly ensure new risks are effectively captured and discussed, facilitating the reduction and eventual removal of residual risks.

Developments have included:-

- 1) the establishment of a Risk Management Group to oversee the management of risk across the University, reporting to CMT and the Audit and Risk Assurance Committee;
- 2) workshops with Governors and CMT to define our risk appetite in core business areas to ensure we have a defined framework in which to consider our activity;
- 3) additional workshops with senior staff responsible for leading and managing risks locally, corporately and embedding through our committee structure and also a session for those staff managing projects across the University;
- 4) adding a 'monitoring of University-level risk' statement to each academic committee terms of reference to reinforce their key role and responsibility in monitoring and reporting on core risks, to ensure key risk related issues are addressed in a timely manner. In addition, an overarching Risk Management Policy and Framework document is currently under development, for launch in autumn 2021. We are also, in collaboration with PwC, creating both strategic and corporate level risk registers in future to better manage and mitigate our core Institutional risks.

Current and Future Key Risks & Issues

At present seventeen Institutional risks, aligned to the corporate strategic objectives, are contained within the Corporate Red Risk Register and are deemed to be the key issues facing the University Group currently and in the near future.

Of the eight new entries included for 2020-21, six were extrapolated and expanded from currently existing red risks within the Corporate Red Risk Register (namely Risks 7, 8, 10, 15, 16, 17) and two were escalated from the Corporate Amber Green Risk Register (Risks 3 and 6).

The majority of new risks were escalated temporarily whilst we navigate the ongoing adverse effect that the Covid-19 pandemic may have on the Universities activities (namely Risks 3, 6, 7, 8, 16, 17) for which robust additional controls are in place:-

3. *Financial – Delays with externally funded projects resulting in a loss of funding.*
High risk project milestones are regularly monitored, all projects that will have high impact are assessed to determine the level of risk against outputs and the Finance Department carry out monthly management account reviews to mitigate any potential impact.

6. *Student – Ineffective management of teaching timetable, causing disruption & dissatisfaction.*
Broader mitigation through our corporate decision making and emergency response processes; seek to avoid further exceptional changes to course structures and teaching arrangements on modules; articulate risks clearly at point when key decisions have to be made.

7. *Student – Exacerbation of mental health problems, negatively impacting our students.*
Vulnerable groups of students are identified and receive specific support; students requesting mental health support are monitoring regularly; guidance is issued to high-risk groups; mental health support services remain accessible via online provision.

8. *Student – The quality of our tuition is adversely affected, impacting OfS conditions, complaints.*
University level oversight is in place for step by step changes; mitigating circumstances policy amended to trust based approach; full rationale of increase in good honours outcomes approved by Academic Board; all students offered choice of online/face to face teaching where possible and continuous monitoring of student complaints and outcomes.

16. *Governance – Negative impact of lack of adherence to Covid-19 regulations and guidance.*
We carry out regular staff and student updates as to latest rules and the importance of adherence to pandemic specific regulations and guidance; Staff Marshalls are located in key areas to help compliance and new high density space protocols re-enforce this message.

17. *Governance – Covid-19 impacting our ability to run key services.*
The Business Recovery Group, as part of the business continuity phase of the return to campus, work with Deans and Directors to identify key functions, critical staffing levels and the impact of any abstractions of key staff/roles to identify what contingency plans are/need to be in place to mitigate this level of risk; all areas that have returned to campus must have suitable and sufficient risk assessment in place and include staff work groups or bubbles where appropriate; all updates to guidance are considered immediately and changes implemented quickly.

The final two new entries were included in response to the perceived heightened level of risk that may occur, for which enhance mitigations have been put into place:-

10. *People – Failure to maintain a positive organisational culture and good employee relations climate, posing a serious risk of workforce conflict and litigation.*

HR policies and procedures are fit for purpose; appropriate leadership and management training is in place; Health and Wellbeing is adequately supported; monitoring and reporting arrangements for employee relations is in place; values and behaviours are high profile and reinforced; periodic cultural surveys are carried out; local KPIs for employee relations are set.

15. *Governance – Failure to reduce our visa refusal rates resulting in a loss of UKVI licence.*

We are working proactively with the FCO India and our UK account manager; an action plan is being implemented through UKVI emergency working group; additional agent training has taken place with the entire Indian network and patterns in visa refusals being monitored against agents for further action to be taken as appropriate; we are carrying out in house monitoring of refusal rates with adjustments made to our admissions policy and due diligence processes for vetting applicants.

The remaining existing nine risks were recorded as having red residual RAG ratings in last year's statement for which mitigations continue to be monitored and assured regularly to ensure their effectiveness:-

1. Financial - Reduced recruitment of Home and International Students
2. Financial - Failure of Faculties and Directorates to successfully balance their budgets
4. Student - Student expectations are not met, student satisfaction and retention levels decrease
5. Student - Student Support and Welfare provision is not fit for purpose
9. People - Negative impacts on staff morale and wellbeing
11. Governance - Non-compliance with Health & Safety Laws and Regulations
12. Governance - Ineffective response to Major Disruptions, Operational Damage, Infrastructure Damage and/or Staff or Student related Critical Incidents
13. Governance - Vulnerability to external cyber related threats
14. Governance
15. - Inappropriate access to University Systems, Resources and Data

Conclusion

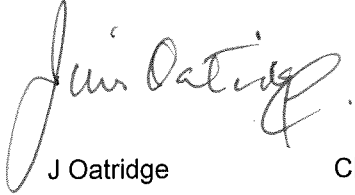
The University ended 2020/21 in a reasonably strong position but recognises the significant challenges that lie ahead. The impact of COVID-19 will have to be managed as the University is keen to ensure that the Student Experience is not affected negatively.

The overall financial health of the University remains in a good position, however, the university continually reviews its structures. The University has implemented a budget intervention group and has engaged Tribal to carry out a bench marking exercise to make sure University Structures are fit for purpose.

2021/22 will see the completion of a number of ambitious capital projects. The University is committed to the continual investment in the student experience.

The impact of the continuing evolution of Government policy towards higher education leads to uncertainty, and the University will need to continue to respond flexibly to the demands placed on it. The University will need to ensure that it manages its financial reserves effectively to maintain financial sustainability.

Approved by the Board of Governors on 19th January 2022 and signed on its behalf by:



J Oatridge

Chairman of the Board of Governors

PUBLIC BENEFIT STATEMENT

The University is a Higher Education Corporation incorporated under the provisions of the Education Reform Act 1988. Section 124 of the Act confers upon the University powers to provide higher and further education, the conduct of research and anything necessary or expedient in the exercise of these powers.

The University is regulated by OfS on behalf of the Charity Commission.

The charitable purpose of the University is the advancement of education, delivered for the public benefit via the University's strategic plan. The Board of Governors is responsible for defining the strategic plan of the University and ensuring these objectives are met. In setting these objectives the Board of Governors (acting as trustees of the University), and the University's management, give consideration to the guidance issued by the Charity Commission and the OfS regarding public benefit.

The University's mission is "Maximising opportunity through generating knowledge, innovation and enterprise". The University's ambition is "To be a progressive and influential sector leader, championing diversity, growth, and creating life chances for all while enhancing economic impact and accelerating ambition across the entire University Community".

The University is committed to advancing the education of individuals from across the Black Country, West Midlands, UK and beyond and to providing a broad range of educational opportunities focused on making a real difference to the lives of individuals, communities and businesses. The University's current plan centres on three key pillars for University activity:

- Students First
- Skills and Knowledge for Economic and Social Transformation
- Significant Influence and Impact

A new plan will imminently be launched with shares the University vision for 2030.

Opportunity: social inclusion and social change

The University of Wolverhampton is known as the University of Opportunity, promoting social mobility and improving individual life chances within the communities in which it operates.

During 2020/21 the University continued its widening participation work for under-represented groups. This work featured significantly in the University's annual Access Agreement with the Office of Fair Access.

Throughout 2020/21, the University continued its commitment to being a key player in raising aspirations and skills levels within the region through its work with schools, colleges, adult education, employers and the community. This is evidenced by a number of activities undertaken during the last academic year, all aimed at social inclusion and social change.

Examples of such work are:

- The continued delivery of the National Collaborative Outreach Project funded by OfS. This programme is targeted at young people in areas where progression to higher education is at a lower rate than would be expected compared to the rest of the country.
- The continuation of a scheme aimed at encouraging more Looked after Children into Higher Education. The University works with three Local Authority 'Virtual Schools', co-ordinating research and delivering a dedicated mentoring programme for Looked after Children;
- The University continues to work on the development of Learning Cities and Regions; the project will develop and sustain a network of stakeholders across the public, private and third sectors creating impact across the region

and developing a culture where learning - whether at home, work, in formal educational institutions or in civic life - is widely accessible by all and transformational for our communities.

- Further beneficiaries of the University's work over the last year have been children from primary school age upwards throughout the region, as part of the University's objective to improve the performance of schools within the Black Country.

The University recognises the key role it plays in raising aspirations amongst those who are from groups underrepresented in Higher Education and has a programme of outreach and inreach activities with schools and colleges, designed to raise both aspiration and attainment.

The University has continued to deliver this in 2020/21 through a number of activities, including:

- Through the University of Wolverhampton Multi-Academy Trust, the University sponsors 12 academy schools in the region, at both primary and secondary levels. We also sponsor 2 University Technical Colleges (UTCs) through the University of Wolverhampton Social Enterprise Ltd.

- Continuation of the Black Country Children's University (BCCU), which is part of the national Children's University Trust. During 2019/20 the number of schools and young people involved continued to grow.

- Continuation of Sci Fest, a festival to spark interest in Science, Technology, Engineering and Maths (STEM). The festival plays host to school pupils of all ages from around the region ranging from those studying STEM subjects at primary school, GCSE, A Level and BTEC levels. This includes a family day offering a range of free workshops, experiments, games and drop-in activities – all designed to bring STEM subjects to life

Research

The University developed its new Strategic Plan – Vision 2030 – to transform the leadership and workforce of our Place through inclusive student success and world-class research. The Research and Innovation Sub-strategy has a vision to address societal challenges and improve lives through world-class research. We commit to increase the capacity for and the quality of our research across the portfolio of subjects in science, technology, social sciences, arts and humanities. The Research and Innovation Sub-strategy focuses on three strategic priorities:

- 1) Addressing societal challenges,

- 2) Vibrant research communities and

- 3) Research-inspired learning. We launched the Research and Innovation Sub-strategy at the Annual Research Conference in June 2021.

We submitted to the national Research Excellence Framework – REF2021 – in March of 2021. This followed a period of suspension of the assessment exercise due to the impact of the COVID-19 pandemic, and a number of mitigations that the Funding Bodies put in place following consultations with the sector. We submitted to 17 Units of Assessment, including 4 new submissions to UoA4 Psychology, UoA11 Computer Science and Informatics, UoA20 Social Work and Social Policy, and UoA33 Music, Drama, Dance, Performing Arts, Film and Screen Studies. We submitted 324 staff and outputs of 40 former staff, 738 outputs, 17 unit-level and 1 institutional-level environment statement and 38 impact case studies. It was also the University's most inclusive submission to date, as we returned a higher number and proportion of women, Black, Asian and minority ethnic staff and disabled staff.

COVID-19 continued to create challenges for research as research facilities had restricted access, impact and dissemination events had to be rescheduled or changed, and projects involving international mobility were adjusted. The research community continued to rise to these challenges and furthermore contributed to regional, national and international efforts to mitigate the impacts of the pandemic including:

- The Institute of Community Research and Development (ICRD) completed a number of projects into local and regional responses to the pandemic, including Local Authority responses to people with no recourse to public funds, funded by the Paul Hamlyn Foundation, and innovation and enterprise in the West Midlands Social Economy in response to COVID-19.
- Researchers from the Additive Manufacturing Functional Materials research group in Engineering developed an antiviral material made from copper, silver and tungsten which can be 3D printed for materials and surfaces that kill or suppress viruses such as SARS-CoV-2.
- Researchers from the Centre for International Development and Training CIDT have secured additional funding and used contingency funds from the CV4C project to raise awareness and combat the impact of COVID-19 on indigenous communities in the Congo Basin.
- An international team of researchers, including University of Wolverhampton sports scientists, found that people's physical activity levels, wellbeing, as well as sleeping and eating patterns have changed in countries around the world during the pandemic. The findings showed that participants with lower levels of physical activity experienced poorer mental and physical health. The researchers also tested the concept of food diaries as a method of coping with cravings and negative emotions.

In 2020/21, research income totalled £5,067K. Notable funding successes included several H2020-funded projects such as AI4Labour that investigates reshaping labour force participation through Artificial Intelligence; FRONTIER which investigates integrated traffic management strategies of the future; and ReACTIVE, which investigates reliable electronics for active systems. We also secured prestigious research council grants including the AHRC grant Novel Perceptions, which explores a more diverse and inclusive canon of English literature; we are project partners on the EPSRC grant COG-MHEAR, which investigates cognitively-inspired 5G-IoT enabled multi-modal hearing aids, and staff in Education received a grant from the EPSRC-funded Human Data Interaction network into the role of data and disadvantage in regional digital skills agendas.

Other highlights of the University's range of research achievements in 2020/21 include:

- The University of Wolverhampton performed well in the national Postgraduate Research Experience Survey, PRES2021. We ranked 5th nationally for research culture, 11th for professional development, 12th for quality of supervision and 18th for research skills.
- The Statistical Cyber metrics Research Group in the Research Institute for Information and Language Processing continues to be the highest-ranked UK University in the Library and Information Science subject area of the Academic Ranking of World Universities (ARWU), also known as the Shanghai Ranking.
- Internationally-renowned herpetologist Professor Mark O'Shea was appointed to the World Health Organisation's (WHO) expert panels as a specialist on snakebites. Snakebites have only recently been recognised as a Neglected Tropical Disease (NTD), and Mark has provided images and up-dated information on the most medically important species so that the WHO can build a set of interactive online distribution maps aimed at clinicians and others treating or researching snakebite.
- A researcher funded by the British Educational Research Association has provided evidence to the All-Party Parliamentary Group on School Food on how to improve standards of nutrition and involve children in food and food education.
- Researchers in CIDT have worked with the Royal National Lifeboat Institution RNLI to help reduce the number of people dying internationally from drowning. The project focuses on fishing communities in Tanzania to develop interventions that reduce the number of deaths.

External engagement: Enterprise & Employability

The world of work is undergoing dramatic changes and whilst geographical and industry-specific particularities might still exist, the macro shift in today's open talent economy is global and applies to almost every industry sector. These changes have influenced what employers need and expect from the workforce, particularly those workers who hold a university degree. By remaining attuned to the needs of the employers in our area, we have developed the next generation of future-ready global talent and connected graduates.

In the Graduate Outcomes Survey conducted 15 months after graduation, 88.2% of our 2019 UK-domiciled Undergraduate students were in employment and/or further study*. (*This is the percentage of graduates in employment and/or further study from those in employment, study or unemployed as defined by the Most Important Activity field in the survey.)

For these graduates and those in employment within the UK and where the region of employment was known, 80% were working in the West Midlands. In 2020/2021, the pandemic led to a rise in virtual opportunities including internships at home and abroad. This has broadened the number and diversity of opportunities for students who would normally stay within the West Midlands upon graduation.

Rapid social change, a volatile economy and worldwide competition for talented students combine to make it challenging for students to transition into the jobs market. But these challenges are also opportunities for new ideas and entrepreneurship. The University has a strong reputation for its commitment to promoting enterprise in the region. The success of start-up companies through the various projects delivered with EU funding support over the last few years has supported regional economy and generated many local employment opportunities.

Since January 2016, the 'Enterprise Action/SPEED' project has assisted 617 individuals to be enterprise-ready and 338 businesses have been supported with non-financial and financial support across the Black Country and Marches area. Working as a part of the Midlands Enterprise Universities we are committed to driving productivity and growth across the Midlands through skills, innovation and enterprise.

Graduate employability is a key aspect of higher education and the University views it as a vital part of what it delivers. Our Employer Liaison team have built strong relations with local and regional employers so we are their preferred choice for any recruitment needs. Working in conjunction the Careers team they ensure that each and every student achieves the highest quality graduate outcomes through a combination of employability skills development and job opportunity provision. The Workplace which houses the University's Jobshop, is a really important part of the university employability offer. Working part-time not only ensures financial stability of our students but also adds to their skill development, their commercial and entrepreneurial understanding.

To ensure graduates are eminently employable, the University offers students a number of opportunities during their courses. Such activities include:

- Encouraging students to participate in "Volunteer Central" programme that offers students the opportunity to improve their employability through supporting charitable causes in the community and local charities that matter to them.
- International work and study opportunities supported through the Erasmus+, Santander and Turing funding to develop their global outlook.
- Offering work experience placement for students and graduates of the University through our many schemes; for example, our continued working relationship with a number of professional football clubs and suppliers has resulted in both virtual and in person internship opportunities.
- Offering a scholarship and placement scheme in conjunction with Santander and additional funding from alumni gifts.
- All graduates for Class of 2021 have been offered, bespoke, one-to-one careers development support with a Careers Development Consultant to help them cope with the unprecedented situation in which they have found themselves.

- Offering Knowledge Transfer Partnerships (KTPs), a three-way partnership between a graduate, a company and the University where a full-time skilled graduate is employed in a company and gains practical employment experience.
- Competitions to encourage entrepreneurial development and graduate business growth through financial support from Santander and alumni gifts.

CORPORATE GOVERNANCE STATEMENT

The University is committed to becoming an exemplar in all aspects of corporate governance throughout the organisation. This Statement of Corporate Governance relates to the period covered by the audited financial statements and the period up to the date of approval of the audited financial statements.

The Board of Governors (the Board) operates in accordance with the Committee of University Chairs' (CUC) Higher Education Code of Governance (2020 Revision) and the CUC's Higher Education Senior Staff Remuneration Code, the Office for Students regulatory framework including its terms and conditions of funding for HE institutions and its audit code of practice. The Board also has regard to changes in the broader landscape of governance and expectations particularly across the public sector and the implications, which might flow therefore into the HE sector.

The Board operates in a manner, which is in accordance with the accepted standards of behaviour in public life, embracing selflessness, integrity, objectivity, accountability, openness, honesty and leadership.

Board of Governors

As the University's governing body, the primary responsibilities of the Board are:

- the determination of the educational character and mission of the University and for oversight of its activities, including the exercise of degree-awarding powers;
- the effective and efficient use of resources, the solvency of the University of Wolverhampton and for safeguarding its assets;
- approving annual estimates of income and expenditure;
- the appointment, grading, appraisal, suspension, dismissal and determination of the pay and conditions of service of the Vice Chancellor, the Clerk and the holders of such other senior posts as the Board of Governors may determine. (In the grading, appraisal, suspension, dismissal and determination of the pay and conditions of service of the Vice Chancellor, the Clerk and the holders of such other senior posts as the Board of Governors may determine, the Board of Governors shall apply uniform procedures, which shall be those specified in these Articles or otherwise determined by the Board of Governors in relation to the posts of Vice Chancellor and the Clerk; and the Board of Governors shall approve the assignment of other holders of senior posts besides the Vice Chancellor and the Clerk.); and
- setting a framework for the pay and conditions of service of all other staff.

The Board holds the ultimate responsibility for the ongoing strategic direction of the University, the University's finances, approval of major developments and receipt of regular reports from senior officers on the day-to-day operations of the University and its subsidiary companies.

The Board comprises of 15 members, the majority being independent members (currently 11), the Vice Chancellor, Academic and Professional Service Staff members, Students' Union representative and Co-opted members. The Board's Chair and Deputy Chair(s) are drawn from independent members. The University is also in the process of embedding the Senior Independent Governor role into the Board structure.

The composition of the Board and appointment of Board members is in accordance with the University's Instrument of Government and Articles of Government. Members serve for a three-year term, which may be extended for a further two terms after review by the Chair of the Board and the Governance and Nominations Committee. The roles of the Chair and Deputy Chair of the Board of Governors are separated from the role of the University's designated Accountable Officer, the Vice-Chancellor.

The matters reserved specifically to the Board for decision are determined by Articles of Government, by the OfS regulatory framework, and its conditions of funding for HE institutions.

The Board meets no fewer than four times a year in addition, members of the Board and the Executive attend an annual strategic away day.

Governance Effectiveness

The Board of Governors has undertaken a full governance effectiveness review in 2020/21. The Board has reviewed its Instrument and Articles of Government and is transitioning to the adoption of a suite of Board Regulations to ensure efficient and agile governance.

The Board approved a Scheme of Delegation, which takes account of guidance from CUC on appropriate delegation. The Scheme of Delegation identifies the powers and responsibilities of the Board and the delegations, primarily to the Executive and Board Committees. In accordance with the CUC Higher Education Code of Governance, the Board keeps its effectiveness under regular review and this year moved from an assurance committee structure of committees not having any authority to make decisions but acting to seek assurance from the University Executive, to a delegated committee structure where formal delegations have been provided to a set of committees to make decisions alongside their assurance role.

The Board has asked the Governance and Nominations Committee to develop and oversee a prioritised action plan for taking forward recommendations which will be implemented during 2021/22.

Academic Governance

The Articles of Government provide for matters of academic policy to be determined by the Academic Board. There is an academic member on the Board of Governors. The Academic Board provide copies of their minutes and actions to the Student Affairs Committee and the Board of Governors. Student Affairs Committee receives academic reports.

Committees of the Board

In line with the Scheme of Delegation much of the work of the Board is undertaken under delegated authority by its Committees. All committees are formally constituted with terms of reference. The Board has the following sub-committees:

- Audit and Risk Committee
- Equality and Diversity Joint Committee
- Finance & Investment Committee
- Estates & Facilities Committee
- Governance & Nominations Committee
- Remuneration Committee
- Student Affairs Committee
- Workforce & Culture Committee

The Committees comprise of independent members of Board, independent co-opted members, members of staff and students. Executive members of the University attend Committee meetings only by invitation. The principal functions of each of these committees is set out below:

Audit & Risk Committee considers detailed reports together with recommendations for improvement to the University's systems of internal control, management's responses, implementation plans and the University's risk management process. It reviews the External Auditors' Management Report and the University's Annual Financial Statements. The Committee also receives assurance reports from its Internal Auditors (delivered through an external provider) with the Board and Committee annually being provided with the Head of Internal Audit opinion on the effectiveness of controls operating in the year. The Committee is chaired by an Independent Governor who has relevant and recent financial experience and is further strengthened by two co-opted members. The Committee meets six times a year.

Equality and Diversity Joint Committee is chaired by an independent Governor with membership comprising of governors, staff, Academic Board members, Trade Unions and students. The Committee considers and determines matters of Equality, Diversity and Inclusion for staff and students. The Committee meets three times a year.

Finance & Investment Committee undertakes objective scrutiny and assurance of the University's financial plans, major investment decisions and performance. The Committee provides the Board with an objective review of the financial position of the University and assurance on the delivery of the University's objectives. The Committee meet 6 times a year.

Estates and Facilities Committee undertakes objective scrutiny of the University's Estates and Facilities plans and performance. The Committee provides the Board with an objective review of the strategic initiatives relating to Estates and Facilities that aim to realise the aspirations within the University's strategy and ensuring that the physical place is fit for purpose. The Committee meets six times a year.

Governance & Nominations Committee ensures the Board's own effectiveness is routinely reviewed, that wider governance issues and the process for the selection of a new Vice Chancellor are in place and makes recommendations to the Board of Governors for Pro-Chancellors, appointment and re-appointment of new Governors, External Members, Advisory Committee members and subsidiary company directors. The Committee meets three times a year.

Remuneration Committee is responsible for determining the remuneration of the University's senior post holders as determined by the Board. The Committee is responsible for overseeing the annual performance objectives of the Vice-Chancellor and ensuring that the appropriate procedures are in place for the assessment of the performance of Designated Senior Post Holders and ensuring that senior remuneration policy and practice meets statutory equality requirements. The Committee assist the Governance and Nominations Committee in the selection of a new Vice Chancellor. The committee meets twice a year and follows best practice recommendations by CUC.

Student and Academic Affairs Committee promotes student engagement and sense of community and belonging. The Committee reviews and monitors student satisfaction and all aspects of the student experience and has oversight and scrutiny of the University research and knowledge transfer. The Committee provides the Board with an objective review of the student experience at the University. The Committee meets four times a year.

Workforce and Culture Committee undertakes objective scrutiny of the University's workforce plans and performance. The Committee provides the Board with an objective review of the workforce position and performance of the University. The Committee provides assurance to the Board on workforce issues utilising best practice metrics that support robust governance processes. The Committee meets 6 times a year.

University Executive

The Vice Chancellor is supported by the University Executive, who meet on a weekly basis. The Deputy Vice Chancellor assists the Vice Chancellor in the management of the University and act as their deputy. The Pro Vice Chancellor(s) are senior appointees who assist the Vice Chancellor in specific areas of academic development (Research and Education). The other members of the Executive are the Chief Financial Officer, Registrar and University Secretary. The Executive supports the Vice Chancellor in providing strategic leadership and management to ensure that the University remains a financially and academically successful institution, operating in accordance with the strategic plan, policies and procedures. The Executive is supported by the Corporate Management Board. The academic activity of the University is organised into three Faculties, Faculty of Health, Education and Wellbeing, Faculty of Science and Engineering and Faculty of Arts, Business and Social Sciences.

Internal Control

The Board is ultimately responsible for the University's system of internal control and for reviewing its effectiveness. The Board is responsible to take reasonable steps to:

- Ensure that public funds (for example from OfS, UK Research and Innovation and the EU) are used only for the purposes for which they have been given and in accordance with any conditions and requirements specified by funding bodies;

- Ensure that there are appropriate financial and management controls in place to safeguard public funds and funds from other sources; to safeguard the University's assets and prevent and detect fraud; and
- Secure the economical, efficient and effective management of the University's resources and expenditure.

The University has in place financial controls and procedures, as well as processes for risk management, procurement, prevention of corruption, fraud and bribery, management of conflicts of interest and procedures to ensure compliance with data, privacy and information laws.

The University has:

- a. An approved Risk Management Framework;
- b. A ranked Corporate Risk Register drawing from local risk registers within Faculties and Professional Service Directorates and taking a view of collective risks;
- c. Risk appetite statement.

In addition, the Board's review of the effectiveness of the system of internal control is informed by the following:

- a. Oversight by the Audit and Risk Committee of the processes of internal control;
- b. Receipt of reports from Internal Audit on the adequacy and effectiveness of specific systems of internal control together with recommendations for improvement;
- c. Annual Internal Audit report on their independent opinion on the adequacy and effectiveness of the system of internal control, together with recommendations for improvement;
- d. Internal Audit's assignment review of the University's Risk Management Framework;
- e. External Auditors narrative in their management letter and associated reports; and
- f. Work of officers within the University, who have responsibility for the development and maintenance of the internal control framework, and by comments made by other external review agencies and stakeholders e.g. QAA, TA, OfS etc.

The University has comprehensive personnel policies including all phases of employment, and all aspects of equality and diversity, whistle-blowing, grievances and harassment and appropriate procedures for the monitoring of the performance of the Vice Chancellor and other senior officers.

Internal Auditors undertake annual risk based reviews (established within a three year strategic framework agreed by the Audit and Risk Committee) of elements of the University's procedures for internal controls, governance and compliance and Risk Management Framework and provides the Audit and Risk Committee with reports on the adequacy and effectiveness of the controls within the audited business areas. The University also engages with its internal and external auditors to improve its internal controls and performance, and to adopt best current practice.

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

Going Concern

A review of the University's trading and cashflow performance for the current year, together with the key financial risks it is likely to face in the near future, are set out in the Report of the Board of Governors. This report also covers the Institution's approach to capital investment and risk management.

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

The Board of Governors has prepared cash flow forecasts for a period of 12 months from the date of approval of these financial statements. After reviewing these forecasts the Board of Governors is of the opinion that, taking account of severe but plausible downsides, including the anticipated impact of COVID-19 the Group and parent University will have sufficient funds to meet their liabilities as they fall due over the period of 12 months from the date of approval of the financial statements (the going concern assessment period).

The University has a strong cash position at year end, with no outstanding bank debt and a healthy reserves position. As a result of anticipated financial challenges in 2021/22, in January 2022 the University has agreed a 12

month overdraft facility with its bankers to maintain working capital balances which will enable the University to meet its liabilities as they become due.

The University is budgeting for a deficit in 2021/22 and has included budget provision for planned capital and revenue developments. The University will continue to maintain pressure on pay and non-pay expenditure to ensure financial sustainability. The University is looking to reduce overall support costs over the coming year, whilst maintaining and enhancing the student experience. Financial forecasts covering a 5 year period are produced for the Board at least annually, the latest in July 2021. A revised 5 year forecast for OfS will be produced in early 2022, when more certainty around student recruitment is known. The Board believes that, despite intensifying competition for undergraduate and international students, projections indicate that University is well placed to manage its business risks successfully.

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

STATEMENT OF THE BOARD OF GOVERNORS' RESPONSIBILITIES

STATEMENT OF BOARD OF GOVERNORS RESPONSIBILITIES IN RESPECT OF THE REPORT OF THE BOARD OF GOVERNORS AND THE FINANCIAL STATEMENTS

The Board of Governors are responsible for preparing the Report of the Board of Governors and the financial statements in accordance with the requirements of the Office for Students' Terms and conditions of funding for higher education institutions and Research England's Terms and conditions of Research England grant and applicable law and regulations.

They are required to prepare group and parent University financial statements in accordance with UK accounting standards and applicable law (UK Generally Accepted Accounting Practice), including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland*. The terms and conditions of funding further require the financial statements to be prepared in accordance with the 2019 Statement of Recommended Practice – Accounting for Further and Higher Education, in accordance with the requirements of the Accounts Direction issued by the Office for Students. The Board of Governors are required to prepare financial statements which give a true and fair view of the state of affairs of the group and parent University and of their income and expenditure, gains and losses and changes in reserves for that period.

In preparing each of the group and parent University financial statements, the Board of Governors are required to:

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

The Board of Governors is responsible for keeping proper accounts and proper records in relation to the accounts. They are responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the group and to prevent and detect fraud and other irregularities.

The Board of Governors are also responsible for ensuring that:

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

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

INDEPENDENT AUDITOR'S REPORT TO BOARD OF GOVERNORS TO UNIVERSITY OF WOLVERHAMPTON

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Opinion

We have audited the financial statements of the University of Wolverhampton ("the University") for the year ended 31 July 2021 which comprise the consolidated and university statements of comprehensive income and expenditure, consolidated and university statement of changes in reserves, consolidated and university balance sheets, consolidated cashflow statement and related notes, including the accounting policies in note 1.

In our opinion the financial statements:

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

Basis for opinion

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

Going concern

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

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

Our conclusions based on this work:

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

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

Fraud and breaches of laws and regulations – ability to detect

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

- Enquiring of the Board of Governors, the Audit Committee, internal audit and inspection of policy documentation as to the Group's high-level policies and procedures to prevent and detect fraud, including the internal audit function, and the Group's channel for "whistleblowing", as well as whether they have knowledge of any actual, suspected or alleged fraud.

- Reading Board of Governors, Audit and Risk Assurance Committee and Finance and Investment Committee minutes.
- Using analytical procedures to identify any unusual or unexpected relationships.

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

As required by auditing standards, and taking into account possible pressures to meet loan covenants and performance targets, we perform procedures to address the risk of management override of controls and the risk of fraudulent revenue recognition, in particular the risk that income from tuition fees and education contract income are recorded in the wrong period and the risk that Group management may be in a position to make inappropriate accounting entries, and the risk of bias in accounting estimates and judgements such as pension assumptions.

We did not identify any additional fraud risks.

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

We also performed procedures including:

- Identifying journal entries to test based on risk criteria and comparing the identified entries to supporting documentation. These included journal entries posted to seldom used accounts, journal entries containing unusual combinations, journal entries posted to accounts related to a fraud risk, and material post close journals.

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

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

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

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

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

Firstly, the Group is subject to laws and regulations that directly affect the financial statements including financial reporting legislation, taxation legislation, pensions legislation and specific disclosures required by higher education and related legislation and we assessed the extent of compliance with these laws and regulations as part of our procedures on the related financial statement items.

Secondly, the Group is subject to many other laws and regulations where the consequences of non-compliance could have a material effect on amounts or disclosures in the financial statements, for instance through the imposition of fines or litigation or the need to include significant provisions. We identified the following areas as those most likely to have such an effect: GDPR, Health and Safety legislation, employment and social security legislation, and the regulatory framework of the Office for Students, recognising the regulated nature of the Group's activities. Auditing standards limit the required audit procedures to identify non-compliance with these laws and regulations to enquiry of the directors and other management and inspection of regulatory and legal correspondence, if any. Therefore, if a breach of operational regulations is not disclosed to us or evident from relevant correspondence, an audit will not detect that breach.

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

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

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

Other information

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

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

- we have not identified material misstatements in the other information; and
- in our opinion the information given in the Report of the Board of Governors, Public Benefit Statement and Corporate Governance Statement is consistent with the financial statements.

Board of Governors responsibilities

As explained more fully in their statement set out on page 4, 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; such internal control as it determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error; assessing the Group and parent University's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and using the going concern basis of accounting unless it either intends to liquidate the Group or the parent University or to cease operations, or has no realistic alternative but to do so.

Auditor's responsibilities

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

A fuller description of our responsibilities is provided on the FRC's website at www.frc.org.uk/auditorsresponsibilities.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

We are required to report on the following matters by the Accounts Direction dated 25 October 2019 issued by the Office for Students ('the Accounts Direction').

In our opinion, in all material respects:

- funds from whatever source administered by the Group or the University for specific purposes have been properly applied to those purposes and managed in accordance with relevant legislation;
- income has been applied in accordance with the University's Statutes (or articles of government for post 1992 institutions);
- funds provided by the Office for Students, UK Research and Innovation (including Research England), the Education and Skills Funding Agency and the Department for Education have been applied in accordance with the relevant terms and conditions; and
- the financial statements meet the requirements of the Accounts Direction dated 25 October 2019 issued by the Office for Students.

Matters on which we are required to report by exception

We are required by the Accounts Direction to report to you where the University has an access and participation plan that has been approved by the Office for Students' director of fair access and participation and the results of our audit work indicate that the Group's and the University's expenditure on access and participation activities for the financial year disclosed in Note 9b has been materially misstated.

We are also required by the Accounts Direction to report to you where the results of our audit work indicate that the Group's and the University's grant and fee income, as disclosed in note 7 to the financial statements has been materially misstated.

We have nothing to report in these respects.

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

This report is made solely to the Board of Governors and in accordance with paragraph 13(2) of the University's Articles of Government and section 124B of the Education Reform Act 1988. Our audit work has been undertaken so that we might state to the Board of Governors those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the University and the Board of Governors for our audit work, for this report, or for the opinions we have formed.



Mark Dawson
for and on behalf of KPMG LLP, Statutory Auditor

Chartered Accountants
One Snowhill
Snow Hill Queensway
Birmingham
B4 6GH
27 January 2022

STATEMENT OF ACCOUNTING POLICIES

1. 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 (FRS102). 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 fixed assets). The financial statements are also prepared in accordance with OFS's accounts direction.

2. Basis of consolidation

The consolidated financial statements show the position of the University and all its subsidiary undertakings for the financial year to 31 July 2021. The University owns the whole of the issued share capital in The University of Wolverhampton Corporate Services Limited, The University of Wolverhampton Enterprise Limited and University of Wolverhampton Social Enterprises Ltd. The University of Wolverhampton Enterprise Limited has a majority share-holding (81%) in University of Wolverhampton Science Park Limited, Wolverhampton City Council (WCC) being the minority shareholder. WCC's interest in University of Wolverhampton Science Park amounted to £232,024 in 2020/2021 (£229,808 in 2019/2010). This has not been separately disclosed in the University's Consolidated Financial Statements. University of Wolverhampton Science Park Limited has, therefore, also been included in the Consolidated Financial Statements of the University.

The University of Wolverhampton has a majority share-holding (81%) in Cyber Quarter Limited, Hereford City Council being the minority shareholder. Cyber Quarter Limited has, therefore, also been included in the Consolidated Financial Statements of the University.

The University of Wolverhampton Social Enterprises Limited has a wholly-owned subsidiary, University of Wolverhampton Multi-Academy Trust (UWMAT). The UWMAT Board and the University Board of Governors have considered the company's governance and control arrangements and believe that under current accounting standards it should not be consolidated. As accounting standards and the governance of UWMAT evolve the position will be kept under review.

The University of Wolverhampton Students' Union is an "independent" constituted body and, therefore, is not included in the Consolidated Financial Statements of the University. During the financial year the University made payments to the Students' Union of £1,026K and received £7K from the Students' Union.

3. Income recognition

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

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

Investment income is credited to the statement of income and expenditure 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

Grant funding including funding council block grant, research grants from government sources, grants (including research grants) from non-government sources are recognised as 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.

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 and as either restricted or unrestricted income according to the terms other restriction applied to the individual endowment fund.

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

Capital grants are recognised in income when the University is entitled to the funds subject to any performance related conditions being met.

4. Accounting for retirement benefits

The two principal pension schemes for the University's staff are the Teacher's Pension Scheme for academic staff and the West Midlands Metropolitan Authorities' Pension Fund for non-teaching staff. The schemes are defined benefit schemes and are both independently administered schemes.

In the case of the Teachers' Pension Scheme, the University is unable to identify its share of the underlying assets and liabilities of the scheme on a consistent and reasonable basis and therefore as required by FRS102 "Employee Benefits" accounts for the scheme as if it were a defined contribution scheme. The amounts charged to the Income and Expenditure account represents the contributions payable to the scheme in respect of the accounting period.

The West Midlands Metropolitan Authorities' Pension Fund provides benefits based on final pensionable pay. The assets of the scheme are held separately from those of the University. Pension scheme assets are measured using market value. Pension scheme liabilities are measured using a projected unit method and discounted at the current rate of return on a high quality corporate bond of equivalent term and currency to the liability. The pension scheme surplus (to the extent that it is recoverable) or deficit is recognised in full.

The institution participates in Universities Superannuation Scheme. The scheme is a hybrid pension scheme, providing defined benefits (for all members), as well as defined contribution benefits. 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 wholly 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) and therefore an expense is recognised.

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) and the resulting expense in profit or loss in accordance with section 28 of FRS 102. The directors are satisfied that Universities Superannuation Scheme meets the definition of a multi-employer scheme and has therefore recognised the discounted fair value of the contractual contributions under the recovery plan in existence at the date of approving the financial statements.

5. 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.

6. Leases

Rental costs under operating leases are charged to expenditure in equal annual amounts over the periods of the leases.

7. Foreign currency

Transactions denominated in foreign currencies are recorded at the rate of exchange ruling at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies are translated into Sterling at year end rates. The resulting exchange differences are dealt with in the determination of income and expenditure for the financial year.

8. Fixed assets

Fixed assets are stated at cost less accumulated depreciation and accumulated impairment losses. Certain items of fixed assets that had been revalued to fair value on or prior to the date of transition to the 2019 FE HE SORP, are measured on the basis of deemed cost, being the revalued amount at the date of that revaluation.

Where parts of a fixed asset have different useful lives, they are accounted for as separate items of fixed assets. The University does not capitalise borrowing costs.

(a) Land and Buildings

The freehold properties comprising The University of Wolverhampton's Estate were valued as at 31 July 2014 by an external valuer, Gerald Eve LLP, a regulated firm of Chartered Surveyors. The deemed cost was prepared in accordance with the requirements of the RICS Valuation - Professional Standards, January 2014 amendment and Financial Reporting Standard 102 and the 2014 Statement of Recommended Practice 'Accounting for Further and Higher Education'.

The deemed costs was undertaken on a Fair Value basis, with specialised properties valued by reference to Depreciated Replacement Cost, and with non-specialised operational properties valued on a Fair Value basis equating to Market Value on the assumption of a continuation of the existing use.

The University has only adopted the land revaluation following this exercise.

Where buildings are acquired with the aid of specific grants they are capitalised and depreciated over their expected useful life. The related grants are released to income during the period that they relate to. The buildings' expected useful lives vary from 5 to 50 years.

Where refurbishment of buildings has been undertaken, the cost has been capitalised and written-off over a ten year period.

A review for impairment of a fixed asset is carried out if events or changes in circumstances indicate that the carrying amount of the fixed asset may not be recoverable.

Where buildings are in the course of construction as at the year end, the asset is recognised at the value contained in the appropriate architect's valuation certificate. No depreciation is charged against these assets until they are complete, at which point they are depreciated in line with normal depreciation policy.

Freehold land is not depreciated.

(b) Equipment

Equipment costing less than £10,000 per individual item is written off in the year of acquisition. All other equipment is capitalised at cost.

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

Heavy Machinery	20 years
Art and Design Equipment/Coaches	10 years
Catering Equipment / Technology Related Machinery	7 years
Computer, Scientific, Photographic Equipment and Vehicles	5 years
Other Equipment	4 – 7 years

Where equipment is acquired with the aid of specific grants it is capitalised and depreciated as above. The related grant is recognised as per the performance model.

9. Investments

Fixed asset investments are carried at historical cost less any provision for impairment in their value.

Current asset investments, which may include listed investments, are stated in the balance sheet at the lower of their original cost and net realisable value.

10. Stock

The stocks are catering provisions held in the refectories, print materials held by the Print Services Unit and other small stocks held for resale. They are valued at the lower of cost or net realisable value.

11. 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.

12. 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.

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 possible 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.

13. Taxation

The University is an exempt charity within the meaning of Part 3 of the Charities Act 2011. It is therefore a charity within the meaning of Para 1 of schedule 6 to the Finance Act 2010 and accordingly, the 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 is partially exempt in respect of Value Added Tax, so that it can only recover a minor element of VAT charged on its inputs. Irrecoverable VAT on inputs is included in the costs of such inputs and added to the cost of tangible fixed assets as appropriate, where the inputs themselves are tangible fixed assets by nature.

The trading activities undertaken by the University are administered through the companies, University of Wolverhampton Corporate Services Limited, University of Wolverhampton Social Enterprises Limited, and University of Wolverhampton Enterprise Limited (including its subsidiary University of

Wolverhampton Science Park Limited), which as commercial organisations are liable to Corporation Tax. These companies, however, transfer their profits to the University under a deed of covenant on an annual basis.

Deferred tax is provided in full on timing differences which result in an obligation at the balance sheet date to pay more tax, or a right to pay less tax, at a future date, at rates expected to apply when they crystallise based on current rates and law. Timing differences arise from the inclusion of items of income and expenditure in taxation computations in periods different from those in which they are included in financial statements. Deferred tax assets are more likely than not to be recovered and hence are not provided for. Deferred tax assets and liabilities are not discounted.

15. Financial Instruments

The Institution has elected to adopt Sections 11 and 12 of FRS 102 in respect of the recognition, measurement, and disclosure of financial instruments. Financial assets and liabilities are recognised when the Institution becomes party to the contractual provision of the instrument and they are classified according to the substance of the contractual arrangements entered into.

A financial asset and a financial liability are offset only when there is a legally enforceable right to set off the recognised amounts and an intention either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Financial assets

Basic financial assets include trade and other receivables, cash and cash equivalents, and investments in commercial paper (i.e. deposits and bonds). These assets are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Such assets are subsequently carried at amortised cost using the effective interest rate method. Financial assets are assessed for indicators of impairment at each reporting date. If there is objective evidence of impairment, an impairment loss is recognised in the statement of comprehensive income.

For financial assets carried at amortised cost the impairment loss is the difference between the carrying amount of the asset and the present value of the estimated future cash flows, discounted at the asset's original effective interest rate.

Other financial assets, including investments in equity instruments which are not subsidiaries, associates, or joint ventures are initially measured at fair value, which is typically the transaction price. These assets are subsequently carried at fair value and changes in fair value at the reporting date are recognised in the statement of comprehensive income. Where the investment in equity instruments are not publicly traded and where the fair value cannot be reliably measured the assets are measured at cost less impairment.

Financial assets are de-recognised when the contractual rights to the cash flows from the asset expire or are settled or substantially all of the risks and rewards of the ownership of the asset are transferred to another party.

Financial liabilities

Basic financial liabilities include trade and other payables, bank loans, and intra-group loans. These liabilities are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments

discounted at a market rate of interest. Debt instruments are subsequently carried at amortised cost using the effective interest rate method.

Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down.

Trade payables are obligations to pay for goods and services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade payables are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest rate method.

Financial liabilities are de-recognised when the liability is discharged, cancelled, or expires.

16. 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.

17. Critical Accounting estimates and judgements

The preparation of the Institution's financial statements requires management to make judgements, estimates, and assumptions that affect the application of accounting policies and reported amounts of assets and liabilities, income, and expenses. These judgements, estimates, and associated assumptions are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The resulting accounting estimates will, by definition, seldom equal the related actual results.

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

Income recognition - Judgement is applied in determining the value and timing of certain income items to be recognised in the financial statements. This includes determining when performance related conditions have been met, and determining the revenues associated with partially delivered courses and training where the activities have not been fully completed at the reporting date.

Useful lives of property, plant and equipment - Property, plant and equipment represent a significant proportion of the Institution's total assets. Therefore, the estimated useful lives can have a significant impact on the depreciation charged and the Institution's reported performance. Useful lives are determined at the time the asset is acquired and reviewed regularly for appropriateness. The lives are based on historical experience with similar assets as well as anticipation of future events. Details of the carrying values of property, plant and equipment are shown in note 11.

Recoverability of debtors - The provision for doubtful debts is based on our estimate of the expected recoverability of those debts. Assumptions are made based on the level of debtors which have defaulted historically, coupled with current economic knowledge. The provision is based on the current situation of the customer, the age profile of the debt and the nature of the amount due.

Retirement benefit obligations - The cost of defined benefit pension plans and other post-employment benefits are determined using actuarial valuations. The actuarial valuation involves making assumptions about discount rates, future salary increases, mortality rates and future pension increases. Due to the complexity of the valuation, the underlying assumptions and the long term nature of these plans, such

estimates are subject to significant uncertainty. Management reviewed these assumptions and felt that they were reasonable and acceptable.

Asset values are reported using estimated asset allocations prepared by the scheme Actuary. This asset value is calculated at each triennial valuation. Thereafter it is rolled forward for accounting valuation purposes using investment returns, contributions received, and benefits paid out. During each annual reporting period between triennial valuations asset returns are estimated using 11 months of market experience and one month of extrapolation being assumed. As such actual investment returns over a full year might deviate from those reported by the Actuary in the FRS 102 valuation. A sensitivity analysis to reflect a plus or minus 1% movement in the fair value of fund assets as at 31 July 2021 equates to plus or minus £2.0m. Further details are given in note 30.

Management 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 funding plan in existence at the date of approving the financial statements.

As the Institution is contractually bound to make deficit recovery payments to USS, this is recognised as a liability on the balance sheet. The provision is currently based on the USS deficit recovery plan agreed after the 2018 actuarial valuation, which defines the deficit payment required as a percentage of future salaries until 2034. These contributions will be reassessed within each triennial valuation of the scheme.

The provision is based on management's estimate of expected future salary inflations, changes in staff numbers and the prevailing rate of discount. Further details are set out in note 30.

18. Going Concern

A review of the University's trading and cashflow performance for the current year, together with the key financial risks it is likely to face in the near future, are set out in the Report of the Board of Governors. This report also covers the Institution's approach to capital investment and risk management.

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

The Board of Governors has prepared cash flow forecasts for a period of 12 months from the date of approval of these financial statements. After reviewing these forecasts the Board of Governors is of the opinion that, taking account of severe but plausible downsides, including the anticipated impact of COVID-19 the Group and parent University will have sufficient funds to meet their liabilities as they fall due over the period of 12 months from the date of approval of the financial statements (the going concern assessment period).

The University has a strong cash position at year end, with no outstanding bank debt and a healthy reserves position. As a result of anticipated financial challenges in 2021/22, in January 2022 the University has agreed a 12 month overdraft facility with its bankers to maintain working capital balances which will enable the University to meet its liabilities as they become due.

The University is budgeting for a deficit in 2021/22 and has included budget provision for planned capital and revenue developments. The University will continue to maintain pressure on pay and non-pay expenditure to ensure financial sustainability. The University is looking to reduce overall support costs over the coming year, whilst maintaining and enhancing the student experience. Financial forecasts covering a 5 year period are produced for the Board at least annually, the latest in July 2021. A revised 5 year forecast for OfS will be produced in early 2022, when more certainty around student recruitment is known. The Board believes that, despite intensifying competition for undergraduate and international students, projections indicate that University is well placed to manage its business risks successfully.

Consequently, the Board of Governors is confident that the Group and parent University will have sufficient funds to continue to meet their liabilities as they fall due for at least 12 months from the

date of approval of the financial statements and therefore have prepared the financial statements on a going concern basis.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME AND EXPENDITURE

For the year ended 31 July 2021

	Note	Year ended 31 July 2021		Year ended 31 July 2020	
		Consolidated £'000	University £'000	Consolidated £'000	University £'000
Income					
Tuition fees and education contracts	1	138,225	138,180	131,506	131,375
Funding body grants	2	16,765	16,765	18,711	18,711
Research grants and contracts	3	5,067	5,067	5,846	5,846
Other income	4	25,181	21,038	24,534	17,922
Investment income	5	6	143	224	362
Donations and endowments	6	323	283	369	369
Total income		185,567	181,476	181,190	174,585
Expenditure					
Staff costs	8	123,012	122,169	125,026	123,939
Other operating expenses	9	45,162	42,332	44,284	41,069
Depreciation and Impairment	12	18,810	18,286	13,966	13,631
Interest and other finance costs	10	2,643	2,421	2,568	2,358
Total expenditure	11	189,627	185,208	185,844	180,997
Deficit before tax		(4,060)	(3,732)	(4,654)	(6,412)
Taxation		0	0	0	0
Deficit for the year		(4,060)	(3,732)	(4,654)	(6,412)
Other comprehensive income					
Actuarial loss in respect of pension schemes	30	(56,726)	(56,726)	(27,704)	(27,704)
Total comprehensive income for the year		(60,786)	(60,458)	(32,358)	(34,116)
Represented by:					
Unrestricted comprehensive income for the year		(60,783)	(60,455)	(32,655)	(34,413)
Endowment comprehensive income for the year		(12)	(12)	(12)	(12)
Restricted comprehensive income for the year		9	9	309	309
Total comprehensive income for the year		(60,786)	(60,458)	(32,358)	(34,116)

All items of income and expenditure relate to continuing activities

CONSOLIDATED AND UNIVERSITY STATEMENT OF CHANGES IN RESERVES
For the year ended 31 July 2021

Consolidated	Endowment Reserve £'000	Income and Expenditure Account		Revaluation Reserve £'000	Total £'000
		Restricted £'000	Unrestricted £'000		
Balance at 1 August 2020	89	588	158,040	27,051	185,768
(Deficit) / Surplus from the income and expenditure statement	(12)	9	(4,057)	0	(4,060)
Other comprehensive income	0	0	(56,726)	0	(56,726)
Transfers between revaluation and income and expenditure reserve	0	0	948	(948)	0
Release of restricted funds spent in year	0	0	0	0	0
Total comprehensive income for the year	(12)	9	(59,835)	(948)	(60,786)
Balance at 31 July 2021	77	597	98,205	26,103	124,982

University	Endowment Reserve £'000	Income and Expenditure Account		Revaluation Reserve £'000	Total £'000
		Restricted £'000	Unrestricted £'000		
Balance at 1 August 2020	89	588	148,571	24,916	174,164
(Deficit) / Surplus from the income and expenditure statement	(12)	9	(3,729)	0	(3,732)
Other comprehensive income	0	0	(56,726)	0	(56,726)
Transfers between revaluation and income and expenditure reserve	0	0	948	(948)	0
Release of restricted funds spent in year	0	0	0	0	0
Total comprehensive income for the year	(12)	9	(59,507)	(948)	(60,458)
Balance at 31 July 2021	77	597	89,064	23,968	113,706

CONSOLIDATED AND UNIVERSITY STATEMENT OF CHANGES IN RESERVES
For the year ended 31 July 2021

Consolidated	Endowment Reserve £'000	Income and Expenditure Account		Revaluation Reserve £'000	Total £'000
		Restricted £'000	Unrestricted £'000		
Balance at 1 August 2019	101	279	189,747	27,999	218,126
Surplus from the income and expenditure statement	(12)	309	(4,951)	0	(4,654)
Other comprehensive income	0	0	(27,704)	0	(27,704)
Transfers between revaluation and income and expenditure reserve	0	0	948	(948)	0
Release of restricted funds spent in year	0	0	0	0	0
Total comprehensive income for the year	(12)	309	(31,707)	(948)	(32,358)
Balance at 31 July 2020	89	588	158,040	27,051	185,768

University	Endowment Reserve £'000	Income and Expenditure Account		Revaluation Reserve £'000	Total £'000
		Restricted £'000	Unrestricted £'000		
Balance at 1 August 2019	101	279	182,036	25,864	208,280
Surplus from the income and expenditure statement	(12)	309	(6,709)	0	(6,412)
Other comprehensive income	0	0	(27,704)	0	(27,704)
Transfers between revaluation and income and expenditure reserve	0	0	948	(948)	0
Release of restricted funds spent in year	0	0	0	0	0
Total comprehensive income for the year	(12)	309	(33,465)	(948)	(34,116)
Balance at 31 July 2020	89	588	148,571	24,916	174,164

CONSOLIDATED AND UNIVERSITY BALANCE SHEET
 For the year ended 31 July 2021

	Note	As at 31 July 2021		As at 31 July 2020	
		Consolidated £'000	University £'000	Consolidated £'000	University £'000
Non-current assets					
Fixed assets	12	302,667	283,849	299,073	281,362
Investments	13	221	721	221	721
		<u>302,888</u>	<u>284,570</u>	<u>299,294</u>	<u>282,083</u>
Current assets					
Stock	14	66	66	80	80
Trade and other receivables	15	39,685	43,476	41,928	45,182
Investments	16	0	0	0	0
Cash and cash equivalents		45,104	42,931	37,293	34,198
		<u>84,855</u>	<u>86,473</u>	<u>79,301</u>	<u>79,460</u>
Less: Creditors: amounts falling due within one year	17	(41,087)	(39,595)	(36,397)	(34,659)
Net current assets		<u>43,768</u>	<u>46,878</u>	<u>42,904</u>	<u>44,801</u>
Total assets less current liabilities		<u>346,656</u>	<u>331,448</u>	<u>342,198</u>	<u>326,884</u>
Creditors: amounts falling due after more than one year	18	(3,932)	0	(3,710)	0
Provisions					
Pension provisions	19	(213,378)	(213,378)	(148,020)	(148,020)
Other provisions	19	(4,364)	(4,364)	(4,700)	(4,700)
Total net assets		<u>124,982</u>	<u>113,706</u>	<u>185,768</u>	<u>174,164</u>
Restricted Reserves					
Income and expenditure reserve - endowment	20	77	77	89	89
Income and expenditure reserve - restricted		597	597	588	588
Unrestricted Reserves					
Income and expenditure reserve - unrestricted		98,205	89,064	158,040	148,571
Revaluation reserve	21	26,103	23,968	27,051	24,916
		<u>124,982</u>	<u>113,706</u>	<u>185,768</u>	<u>174,164</u>
Total Reserves		<u>124,982</u>	<u>113,706</u>	<u>185,768</u>	<u>174,164</u>

The financial statements were approved by the Board of Governors on 19th January 2022 and were signed on its behalf on that date by:

J Oatridge

Chairman of the Board of Governors

I Campbell

Vice Chancellor and Accountable Officer

M Taylor

Finance Director

CONSOLIDATED CASH FLOW STATEMENT

For the year ended 31 July 2021

	Note	Year ended 31 July 2021 £'000	Year ended 31 July 2020 £'000
Cash flow from operating activities			
Deficit for the year before tax		(4,060)	(4,654)
Adjustment for non-cash items			
Depreciation	12	18,810	13,966
Decrease/(increase) in stock	14	14	28
Decrease/(increase) in debtors	15	2,243	(8,325)
Increase/(decrease) in creditors	17,18	4,912	6,001
Increase/(decrease) in pension provision	19	8,296	7,554
Increase/(decrease) in other provisions	19	0	0
Adjustment for investing or financing activities			
Investment income	5	(6)	(224)
Capital Grant Income	1,2,4	(11,001)	(6,160)
Interest Payable	10	445	233
Loan Repayable	18	(222)	(122)
Endowment Income	20	3	(297)
Net cash inflow from operating activities		19,434	8,000
Cash flows from investing activities			
Withdrawal of deposits		0	0
Investment income		6	224
Capital Grant Income		11,001	6,160
Placing of Deposits		0	4,077
Payments made to acquire fixed assets		(22,404)	(38,057)
		(11,397)	(27,596)
Cash flows from financing activities			
Interest paid		(445)	(233)
Endowment cash received		(3)	297
New unsecured loans		0	0
Receipt / (Repayment) of amounts borrowed		222	122
		(226)	186
Increase / (decrease) in cash and cash equivalents in the year		7,811	(19,410)
Cash and cash equivalents at beginning of the year		37,293	56,703
Cash and cash equivalents at end of the year		45,104	37,293

NOTES TO THE ACCOUNTS

1	Tuition fees and education contracts	Year Ended 31 July 2021		Year Ended 31 July 2020	
		Consolidated £'000	University £'000	Consolidated £'000	University £'000
	Full-time home and EU students	101,675	101,675	104,117	104,117
	Full-time international students	22,600	22,600	13,106	13,106
	Part-time students	7,524	7,491	6,151	6,127
	Franchised Courses	1,613	1,613	1,690	1,690
	Apprentices	3,801	3,801	4,190	4,190
	Education Contracts	771	771	2,114	2,114
	Continuing Professional Development	241	229	138	31
		138,225	138,180	131,506	131,375
2	Funding body grants	Year Ended 31 July 2021		Year Ended 31 July 2020	
		Consolidated £'000	University £'000	Consolidated £'000	University £'000
	Recurrent grant				
	Office for Students	8,346	8,346	9,238	9,238
	UKRI	2,130	2,130	2,163	2,163
	Capital Grant – OFS	1,211	1,211	2,944	2,944
	Specific grants				
	Higher Education Academic Subject Centres - OFS	3,465	3,465	2,463	2,463
	Higher Education Innovation Fund – UKRI	1,458	1,458	1,603	1,603
	Higher Education Academic Subject Centres- UKRI	52	52	0	0
	Department for Education	103	103	300	300
		16,765	16,765	18,711	18,711
3	Research Grants and Contracts	Year Ended 31 July 2021		Year Ended 31 July 2020	
		Consolidated £'000	University £'000	Consolidated £'000	University £'000
	Research councils	525	525	241	241
	Research charities	485	485	507	507
	Government (UK and overseas)	3,613	3,613	3,970	3,970
	Industry and commerce	309	309	311	311
	Other	135	135	817	817
		5,067	5,067	5,846	5,846

4	Other income	Year Ended 31 July 2021		Year Ended 31 July 2020	
		Consolidated £'000	University £'000	Consolidated £'000	University £'000
	Residences, catering and conferences	2,423	2,423	5,287	5,285
	Other revenue grants	6,349	5,420	6,129	4,733
	Other capital grants	9,790	9,485	3,216	1,113
	Other income	6,619	3,710	9,902	6,791
		25,181	21,038	24,534	17,922
5	Investment income	Year Ended 31 July 2021		Year Ended 31 July 2020	
		Consolidated £'000	University £'000	Consolidated £'000	University £'000
	Investment income on endowments	0	0	2	2
	Other investment income	6	143	222	360
		6	143	224	362
6	Donations and endowments	Year Ended 31 July 2021		Year Ended 31 July 2020	
		Consolidated £'000	University £'000	Consolidated £'000	University £'000
	Donations with Restrictions	282	282	367	367
	Unrestricted donations	41	1	2	2
		323	283	369	369
7	Grant and Fee Income	Year Ended 31 July 2021		Year Ended 31 July 2020	
		Consolidated £'000	University £'000	Consolidated £'000	University £'000
	Grant income from the Office for Students	11,684	11,684	14,508	14,508
	Grant income from other bodies	26,181	24,947	20,434	16,935
	Fee income for taught awards	135,676	135,643	127,725	127,700
	Fee income for research awards	1,536	1,536	1,529	1,529
	Fee income from non-qualifying courses	348	335	567	444
		175,425	174,145	164,763	161,116

8 Staff costs	Year Ended 31 July 2021		Year Ended 31 July 2020	
	Consolidated	University	Consolidated	University
Staff Costs :	£'000	£'000	£'000	£'000
Salaries	89,166	88,492	89,465	88,583
Social security costs	8,868	8,822	8,808	8,747
Holiday Accrual	(1,138)	(1,138)	1,424	1,424
Movement on USS provision	17	17	(556)	(556)
Other pension costs	26,099	25,976	25,885	25,741
Total	123,012	122,169	125,026	123,939

Severances of £1,071K (130 staff) paid during 2020/21 are included within the salaries costs. (£573K 2019/20 – 93 staff).

The Remuneration Committee is responsible for considering the remuneration of the Vice Chancellor and the outcomes of his appraisal and performance against targets. Each year, the Remuneration Committee receive a report in relation to the Vice Chancellor's performance. The Committee also receive benchmark information in relation to remuneration. This includes the median salary across all HEIs, mission group, post 92 median and regional information in accordance with the University's Senior Staff Remuneration Policy. The Committee reports to the Governing Body providing a note of its methodology and rationale for its decisions.

Emoluments of the Vice-Chancellor:	£'000	£'000	£'000	£'000
Salary	284	284	284	284
Benefits	0	0	0	0
Pension contributions to USS	6	6	6	6
	290	290	290	290

The head of the provider's basic salary is 8.03 times (£283,727 ÷ £35,326) (2019/20 8.15 times) the median pay of staff, where the median pay is calculated on a full-time equivalent basis for the salaries paid by the provider to its staff.

The head of the provider's total remuneration salary is 7.70 times (£289,402 ÷ £37,593) (2019/20 8.08 times) the median total remuneration of staff, where the median pay is calculated on a full-time equivalent basis for the salaries paid by the provider to its staff.

Remuneration of other higher paid staff, excluding employer's pension

	No.	No.	No.	No.
£100,000 to £104,999	0	0	1	1
£105,000 to £109,999	1	1	3	3
£110,000 to £114,999	4	4	1	1
£115,000 to £119,999	0	0	0	0
£120,000 to £124,999	1	1	1	1
£125,000 to £129,999	3	3	2	2
£130,000 to £134,999	0	0	0	0
£135,000 to £139,999	0	0	0	0
£140,000 to £145,999	1	1	0	0
	10	10	8	8
Average staff numbers:	No.	No.	No.	No.
Academic	964	964	916	916
Technical	1006	1006	1,076	1,076
Other	241	241	263	263
	2,211	2,211	2,255	2,255

Key management personnel

Key management personnel are the members of the Office of the Vice Chancellor being persons who have authority and responsibility for planning, directing and controlling the activities of the University.

Staff costs include compensation paid to key management personnel.

	Year ended 31 July 2021 £ '000	Year ended 31 July 2020 £ '000
Key management personnel compensation	1,187	1,205
Number of Staff	6	7

Board of Governors

The University's governors are the trustees for charitable law purposes. Due to the nature of the University's operations and the compositions of the Board, being drawn from local public and private sector organisations, it is inevitable that transactions will take place with organisations in which a member of the Board may have an interest.

All transactions involving organisations in which a member of The Board of Governors may have an interest, are conducted at arms-length and in accordance with the University's Financial Regulations and usual procurement procedures.

There were no payments to Board of Governors members (trustees) during 2020/21 (2019/20 Nil).

The total expenses paid to or on behalf of trustees was £378 (2019/20 - £4,432). This represents travel and subsistence expenses incurred in attending meetings and training events connected with their roles as trustees.

9 Other Operating Expenses	Year Ended 31 July 2021		Year Ended 31 July 2020	
	Consolidated	University	Consolidated	University
	£'000	£'000	£'000	£'000
Residences, Catering and Conferences	78	75	900	884
Books and Consumables	2,167	2,153	2,153	2,129
Equipment	4,227	4,197	3,692	3,679
Printing and Stationery	320	318	460	456
Heat, Light, Water and Power	2,895	2,591	3,171	2,853
Repairs and Maintenance	2,807	2,073	2,132	1,597
Grants to University of Wolverhampton Students' Union	1,028	1,028	980	980
Rents	1,461	1,443	1,663	1,616
Rates	888	814	753	666
Auditors' Remuneration	259	219	234	197
Auditors' Remuneration in Respect of Non-Audit Services	470	470	341	341
Equipment Operating Lease Rentals	112	112	96	95
Franchise Payments to Colleges	1,206	1,206	1,318	1,318
Staff Travel and Subsistence	472	472	1,038	992
Staff Recruitment Costs	81	76	48	46
Staff Development	227	226	456	450
Student Scholarships, Bursaries, Placements & Travel Costs	3,318	3,315	4,575	4,573
Payments to Partners	3,161	2,736	4,838	4,366
Consultancies on External Projects	1,155	932	1,153	797
Other Consultancies	1,114	1,098	800	796
Telecommunications and Postage	560	503	537	481
Provision for Bad Debts	2,760	2,745	559	422
Cleaning Costs	1,072	1,045	647	611
Legal, Professional and Other	6,441	6,338	6,388	6,050
Insurance	526	510	521	513
Publicity	1,848	1,809	2,074	2,061
Transport Intersite	0	450	0	543
Subscriptions	2,159	2,153	1,690	1,684
Other	2,350	1,225	1,067	(127)
Total	45,162	42,332	44,284	41,069

Auditors Remuneration includes:

External Audit				
Financial Statements Audit	99	59	96	59
Project Audits	18	18	14	14
Tax	381	381	310	310
Advisory	72	72	17	17
Internal Audit	160	160	138	138
Total	730	690	575	538

Financial Statements audit expenditure includes annual audit fee for 2020/21 for both the university and consolidated subsidiaries of £44k (exc. VAT) and £20k (exc. VAT) respectively

9b Access and Participation

	Year Ended 31 July 2021		Year Ended 31 July 2020	
	Consolidated	Consolidated	University	University
	£000's	£000's	£000's	£000's
Access Investment	438	438	631	631
Financial Support	3,271	3,271	2,659	2,659
Disability Support	491	491	908	908
Research & Evaluation (i)	27	27	27	27
	4,227	4,227	4,225	4,225

£410.7K of the above expenditure relates to staff costs.

The University had prepared its Access and Participation Plan for 2020/21 and has published it on its website <https://www.wlv.ac.uk/about-us/corporate-information/access-and-participation-plans/>

As indicated in its resource plan the University expected to commit a total investment of £2,525,157 in measures to support students as defined by the Access & Participation Agreement in 20/21. This represents 7.3% as a proportion of Higher Fee Income. Of which:

£822,593 is committed to supporting Access Measures	(2.4%)
£62,564 is committed to supporting Research and Evaluation	(0.2%)
£1,640,000 is committed to Financial Support for Students	(4.7%)

The expenditure is tracked throughout the financial year through the University's Agresso Finance system. The University uses unique work orders to code expenditure against and these are then classified into the APP headings. For 2021/22, it is anticipated that quarterly reports will continue to be run to formally report "in house" on the expenditure. This is particularly in light of the on-going impact of COVID-19 and the University wishing to be flexible in its approach to supporting students. The uncertainty that has caused means that the University may wish to reprioritise its planned expenditure in order to support its students as effectively as possible.

10 Interest and other finance costs

	Note	Year Ended 31 July 2021		Year Ended 31 July 2020	
		Consolidated	University	Consolidated	University
		£'000	£'000	£'000	£'000
Loan interest		222	0	212	2
Exchange differences		217	217	0	0
USS Interest Payment		6	6	21	21
Net charge on pension scheme	29	2,198	2,198	2,335	2,335
		2,643	2,421	2,568	2,358

11 Analysis of total expenditure by activity

	Year Ended 31 July 2021		Year Ended 31 July 2020	
	Consolidated	University	Consolidated	University
	£'000	£'000	£'000	£'000
Academic Departments	75,983	75,983	76,884	76,884
Academic Services	15,586	15,586	10,937	10,937
Administration and central services	42,688	42,726	44,003	44,347
Premises	14,694	12,589	15,206	13,087
Residences, catering and conferences	3,856	3,856	4,960	4,960
Research grants and contracts	5,432	5,432	5,819	5,819
Other expenses	31,388	29,036	28,035	24,963
	189,627	185,208	185,844	180,997

12 Fixed Assets

Consolidated	Freehold Land and Buildings £'000	Vehicles £'000	Fixtures, Fittings and Equipment £'000	Assets in the Course of Construction £'000	Total £'000
At 1 August 2020	384,450	151	54,287	50,981	489,869
Additions	9,709	0	5,031	7,922	22,662
Transfers	48,707	0	1,548	(50,278)	(23)
Disposals	0	0	0	(235)	(235)
At 31 July 2021	442,866	151	60,866	8,390	512,273

Depreciation

At 1 August 2020	144,353	110	46,333	0	190,796
Charge for the year	12,627	14	3,893	0	16,534
Impairment	2,276	0	0	0	2,276
Disposals	0	0	0	0	0
At 31 July 2021	159,256	124	50,226	0	209,606

Net book value

At 31 July 2021	283,610	27	10,640	8,390	302,667
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At 31 July 2020	240,097	41	7,954	50,981	299,073
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University	Freehold Land and Buildings £'000	Vehicles £'000	Fixtures, Fittings and Equipment £'000	Assets in the Course of Construction £'000	Total £'000
At 1 August 2020	366,596	151	53,145	44,071	463,963
Additions	8,378	0	4,708	7,922	21,008
Transfers	41,820	0	1,548	(43,368)	0
Disposals	0	0	0	(235)	(235)
At 31 July 2021	416,794	151	59,401	8,390	484,736

Depreciation

At 1 August 2020	137,228	110	45,263	0	182,601
Charge for the year	12,169	14	3,827	0	16,010
Impairment	2,276	0	0	0	2,276
Disposals	0	0	0	0	0
At 31 July 2021	151,673	124	49,090	0	200,887

Net book value

At 31 July 2021	265,121	27	10,311	8,390	283,849
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At 31 July 2020	229,368	41	7,882	44,071	281,362
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13 Non-Current Investments

Consolidated	Subsidiary Companies	Subsidiary Investment In spinouts	Other fixed assets investments	Total
	£'000	£'000	£'000	£'000
At 1 August 2020	185	0	36	221
Additions	0	0	0	0
Disposals	0	0	0	0
Impairment	0	0	0	0
At 31 July 2021	185	0	36	221

University	Subsidiary Companies	Subsidiary Investment In spinouts	Other fixed assets investments	Total
	£'000	£'000	£'000	£'000
At 1 August 2020	685	0	36	721
Additions	0	0	0	0
Disposals	0	0	0	0
Impairment	0	0	0	0
At 31 July 2021	685	0	36	721

The investment closing balance represents 35,688 Ordinary shares of £1 each, fully paid in CVCP Properties plc and 99 Ordinary Shares of £1 each, fully paid in Disulfican Ltd.

The University also owns 100% of the issued share capital of the following subsidiary companies:

University of Wolverhampton Enterprise Limited	100 fully paid up £1 shares
University of Wolverhampton Social Enterprises Limited	100 fully paid up £1 shares
University of Wolverhampton Corporate Services Limited	100 fully paid up £1 shares
University of Wolverhampton Innovation Limited	1 fully paid up £1 share
University of Wolverhampton Incubation Limited	1 fully paid up £1 share
University of Wolverhampton Ventures Limited	1 fully paid up £1 share

University of Wolverhampton Enterprise Limited engages primarily in the operation of the University's inter-site bus service.

University of Wolverhampton Social Enterprises Limited was incorporated in May 2012 by change of name of the former Intelligent Career Development Limited. This wholly-owned subsidiary company has been re-formed to progress and where appropriate undertake the University's various Social Enterprise initiatives.

University of Wolverhampton Corporate Services Limited supplies commercial training and educational services in association with the University of Wolverhampton.

University of Wolverhampton also owns 81 fully paid £1 shares in Cyber Quarter Limited.

University of Wolverhampton Innovation Limited, University of Wolverhampton Incubation Limited, and University of Wolverhampton Ventures do not currently trade.

All six companies are registered in England and operate in the UK.

University of Wolverhampton Enterprise Ltd also owns 810 fully paid £1 shares in University of Wolverhampton Science Park Limited.

14 Stock

	Year ended 31 July 2021		Year ended 31 July 2020	
	Consolidated £'000	University £'000	Consolidated £'000	University £'000
General consumables	66	66	80	80
	66	66	80	80

15 Trade and other receivables

	Year ended 31 July 2021		Year ended 31 July 2020	
	Consolidated £'000	University £'000	Consolidated £'000	University £'000
<i>Amounts falling due within one year:</i>				
Other receivables	30,698	30,122	39,697	36,274
Prepayments and accrued income	8,987	8,908	2,231	2,226
Amounts due from subsidiary companies	0	4,446	0	6,682
	39,685	43,476	41,928	45,182

16 Current Investments

	Year ended 31 July 2021		Year ended 31 July 2020	
	Consolidated £'000	University £'000	Consolidated £'000	University £'000
Short term deposits	0	0	0	0
	0	0	0	0

17 Creditors : amounts falling due within one year

	Year ended 31 July 2021		Year ended 31 July 2020	
	Consolidated £'000	University £'000	Consolidated £'000	University £'000
Subsidiary Companies	0	0	0	0
Trade payables	8,756	8,997	14,559	14,019
Social security and other taxation payable	4,609	4,655	4,259	4,309
Accruals and deferred income	26,071	24,292	14,790	13,542
Holiday Accrual	1,651	1,651	2,789	2,789
	41,087	39,595	36,397	34,659

Deferred income

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

	Year ended 31 July 2021		Year ended 31 July 2020	
	Consolidated £'000	University £'000	Consolidated £'000	University £'000
Research grants received on account	4,209	4,209	3,299	3,299
Grant income	4,836	3,510	6,872	5,770
Tuition Fee Income	9,628	9,628	4,337	4,337
Other income	297	161	282	136
	18,970	17,508	14,790	13,542

18 Creditors : amounts falling due after more than one year

	Year ended 31 July 2021		Year ended 31 July 2020	
	Consolidated £'000	University £'000	Consolidated £'000	University £'000
Unsecured loans	3,932	0	3,710	0
	3,932	0	3,710	0
Analysis of secured and unsecured loans:				
Due within one year or on demand (Note 16)	0	0	0	0
Due between one and two years	0	0	0	0
Due between two and five years	166	0	72	0
Due in five years or more	3,766	0	3,638	0
Due after more than one year	3,932	0	3,710	0
Total secured and unsecured loans	3,932	0	3,710	0
Unsecured loans repayable by 2049	3,932	0	3,710	0
	3,932	0	3,710	0

The loan from Hereford Council is unsecured over a 30 year period at a fixed interest rate of 5.99%.

19 Provisions for liabilities

Consolidated	Obligation to fund deficit on USS Pension £'000	Enhanced Pensions £'000	Defined Benefit Obligations (Note 29) £'000	Total Pensions Provisions £'000
At 1 August 2020	824	4,700	147,196	152,720
Created in Year	23	75	112,028	112,126
Utilised in year	0	(411)	(46,693)	(47,104)
At 31 July 2021	847	4,364	212,531	217,742

University	Obligation to fund deficit on USS Pension £'000	Enhanced Pensions £'000	Defined Benefit Obligations (Note 29) £'000	Total Pensions Provisions £'000
At 1 August 2020	824	4,700	147,196	152,720
Created in Year	23	75	112,028	112,126
Utilised in year	(0)	(411)	(46,693)	(47,104)
At 31 July 2021	847	4,364	212,531	217,742

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.

20 Endowment Reserves

	Unrestricted permanent endowments £'000	restricted permanent endowments £'000	Expendable endowments £'000	2021 Total £'000	2020 Total £'000
Balances at 1 August 2020					
Capital	0	0	0	0	0
Accumulated income	89	588	0	677	380
	89	588	0	677	380
New endowments					
Investment income	0	282	0	282	369
Expenditure	(12)	(273)	0	(285)	(72)
	(12)	9	0	(3)	297
(Decrease)/increase in market value of investments	0	0	0	0	0
At 31 July 2021	77	597	0	674	677
Represented by:					
Capital	0	0	0	0	0
Accumulated income	77	597	0	674	677
	77	597	0	674	677
Analysis by type of purpose:					
Lectureships	0	0	0	0	0
Scholarships and bursaries	0	0	0	0	0
Research support	0	0	0	0	0
Prize funds	0	0	0	0	0
General	77	597	0	674	677
	77	597	0	674	677
Analysis by asset					
Fixed assets				0	0
Current and non-current asset investments				0	0
Cash & cash equivalents				674	677
				674	677

21 Revaluation Reserve

	Year ended 31 July 2021		Year ended 31 July 2020	
	Consolidated £'000	University £'000	Consolidated £'000	University £'000
Balance b/fwd at 1 August	27,051	24,916	27,999	25,867
Release to the Income and Expenditure Account	(948)	(948)	(948)	(948)
At 31 July	26,103	23,968	27,051	24,919

22 Capital and other commitments

Provision has not been made for the following capital commitments at 31 July 2021.

	Year ended 31 July 2021		Year ended 31 July 2020	
	Consolidated £'000	University £'000	Consolidated £'000	University £'000
Commitments contracted for at 31 July	12,426	12,426	3,658	3,658
Authorised but not Contracted at 31 July	959	959	12,119	12,119
	13,385	13,385	15,777	15,777

23 Contingent liabilities

The University has no contingent liabilities.

24 Lease Obligations

Total rentals payable under operating leases:

	31 July 2021		31 July 2020	
	Other Leases	Total	Other Leases	Total
	Consolidated £'000	£'000	Consolidated £'000	£'000
Payable during the year				
Future minimum lease payments due:				
Within One Year	229	229	229	229
Due between One and Two Years	76	76	229	229
Three Years	0	0	76	76
Four Years	0	0	0	0
Over Five years	0	0	0	0
Total lease payments due	305	305	534	534

25 Events after the reporting period

Health Futures UTC will transfer to Shireland Multi Academy Trust in April 2022 resulting Health Futures UTC Ltd ceasing to trade.

26 Teacher Training Bursaries

	Year ended 31 July 2021		Year ended 31 July 2020	
	Consolidated	University	Consolidated	University
	£'000	£'000	£'000	£'000
Balance Unspent/(Overspent) as at 1 August	7	7	(21)	(21)
Department for Education	2,949	2,949	2,382	2,382
	2,956	2,956	2,361	2,361
Disbursed to Students	(3,060)	(3,060)	(2,354)	(2,354)
Balance Unspent / (Overspent) as at 31 July	(104)	(104)	7	7

The University acts only as a paying agent for these bursaries received from the Department for Education.

The grants and related disbursements are therefore excluded from the Income and Expenditure Account.

27 Subsidiary undertakings

The subsidiary companies (all of which are registered in England & Wales), wholly-owned or effectively controlled by the University, are stated in Note 13.

28 Related Parties Note

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

No Governor has received any remuneration or waived payments from the University or its subsidiaries during the year

The total expenses paid to or on behalf of trustees was £378 (2019/20 - £4,432). This represents travel and subsistence expenses incurred in attending meetings and training events connected with their roles as trustees.

This represents travel and subsistence expenses and other out of pocket expenses incurred in attending Governor meetings and events in their official capacity.

The University of Wolverhampton Students' Union is an "independent" constituted body and, therefore, is not included in the Consolidated Financial Statements of the University. During the financial year the University made payments to the Students' Union of £1,028K and received £0K from the Students' Union.

The following related party transactions have been made in year:-

2020/21

Directorships/Ownerships declared in the register	2020/21	
	Purchases	Sales
Advance HE	500	3,200
Albion Foundation	175	0
Birmingham City University (BCU)	9,096	40,223
Black Country and West Birmingham CCG	0	183,909
Black Country Chamber of Commerce	29,600	76,629
Black Country Consortium	30,134	535
Black Country Living Museum	2,782	39,968
BRITISH COUNCIL	35,451	0
CITY OF WOLVERHAMPTON COLLEGE	234,751	0
Disulfican Ltd	10,904	0
Dudley College	139,015	2,392
FBC Manby Bowdler LLP	0	7,500
Health futures UTC Ltd	0	19,821
Midlands Enterprise Universities	0	20
Royal Society of Chemistry	0	15,622
Sandwell College	135,275	10,714
Sheffield Collegiate Cricket Club	5,000	0
Shrewsbury & Telford Hospital NHS Trust	0	30,000
Space Audit Systems Ltd	250	0
Staffordshire University	0	900
Student Loans Company Limited	8,770	0
TELFORD COLLEGE ART/TECHNOLOGY	376,486	0
Universities Association of Lifelong learning	500	0
Universities UK	36,646	0
West Bromwich Albion Football Club	75,000	0
Wolverhampton City Council	706,571	(14,068)
	1,836,906	417,365

29 Connected Charitable Institutions

There are two charitable institutions administered by or on behalf of the University and have been established for its general or special purposes. The University of Wolverhampton Multi Academy Trust (UWMAT) is a wholly owned subsidiary of the University of Wolverhampton Social Enterprises Limited.

It exists primarily to advance for the public benefit education by establishing, carrying on, managing and developing schools offering a broad and balanced curriculum. It also aims to provide recreational facilities to the inhabitants of Wolverhampton and Birmingham and the surrounding area.

Health Futures University Technical College (UTC) offers educational experiences and opportunities rarely if ever seen in traditional schools and colleges. A unique partnership between Health Futures and 20 health, education and public sector organisations from across the West Midlands enables it to combine national qualification teaching with hands-on project learning with healthcare professionals. 14 to 19 year olds from across the region enjoy enviable academic and career-focused advantages that prepare them for higher education and employment.

As a result, under paragraph 28 of Schedule 3 to the Charities Act 2011, these connected institutions are exempt from registration with the Charity Commission.

These are not included in the consolidation since the University does not have control over their activities.

The movements in the year on the total funds of all connected institutions, as reported in their own accounts, were as follows:

	Opening Balance £000	Income £000	Expenditure £000	Change in Market Value £000	Closing Balance £000
Consolidated	0	0	0	0	0
Not Consolidated					
University of Wolverhampton	43,093	30,289	(28,597)	1,692	44,785
Multi-Academy Trust					
Health Futures UTC	7,383	1,660	(2,076)	(416)	6,967

Both University of Wolverhampton Multi-Academy Trust and Health Futures UTC financial year run from 1st September to 31st August. At the time the University's accounts were approved, UWMAT's and HFUTC's accounts for 2020/21 had yet to be finalised. The figures shown above are in draft.

30 Pension Schemes

Different categories of staff were eligible to join one of three different schemes:

- Universities' Superannuation Scheme (USS)
- Teachers Pension Scheme (TPS)
- West Midlands Metropolitan Authorities' Pension Fund (WMMAPF)

The pension charge for the period is shown below.

	2020/21 £'000	2019/20 £'000
TPS and USS contributions	10,052	9,411
WMMAPF contributions	9,641	10,385
WMMAPF - FRS Adjustment	<u>6,472</u>	<u>5,662</u>
	26,165	25,458
Enhanced Pensions	<u>(66)</u>	<u>427</u>
Total per Note 7	<u>26,099</u>	<u>25,885</u>
Enhanced Pensions Interest Cost	61	90
Benefits paid	(331)	(337)
Total Movement on EPP (note 18)	<u>(336)</u>	<u>180</u>

30 Pension Schemes (continued)

Universities' Superannuation Scheme (USS)

Deficit Recovery Liability

The total charge to the profit and loss account is £23K (prior year Cost Released: £534K). Deficit recovery contributions due within one year for the institution are £119K (prior year £41K).

The latest available complete actuarial valuation of the Retirement Income Builder is at 31 March 2018 (the valuation date), which was carried out using the projected unit method. A valuation as at 31 March 2020 is underway but not yet complete.

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 2018 valuation was the fifth valuation for the scheme under the scheme-specific funding regime introduced by the Pensions Act 2004, which requires schemes to adopt a statutory funding objective, which is to have sufficient and appropriate assets to cover their technical provisions. At the valuation date, the value of the assets of the scheme was £67.3 billion and the value of the scheme's technical provisions was £67.3 billion indicating a shortfall of £3.6 billion and a funding ratio of 95%.

The key financial assumptions used in the 2018 valuation are described below. More detail is set out in the Statement of Funding Principles.

Pension increases (CPI)	Term dependent rates in line with the difference between the Fixed Interest and Index Linked yield curves, less 1.3% p.a.
Discount rate (forward rates)	Years 1-10: CPI + 0.14% reducing linearly to CPI – 0.73% Years 11-20: CPI + 2.52% reducing linearly to CPI + 1.55% by year 21 Years 21 +: CPI + 1.55%

The main demographic assumption used relates to the mortality assumptions. These assumptions are based on analysis of the scheme's experience carried out as part of the 2018 actuarial valuation. The mortality assumptions used in these figures are as follows:

2018 valuation

Mortality base table

Pre-retirement:
71% of AMC00 (duration 0) for males and
112% of AFC00 (duration 0) for females

Post retirement:
97.6% of SAPS S1NMA "light" for males and
102.7% of RFV00 for females

Future improvements to mortality CMI_2017 with a smoothing parameter of 8.5 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:

	2021	2020
Males currently aged 65 (years)	24.6	24.4
Females currently aged 65 (years)	26.1	25.9
Males currently aged 45 (years)	26.6	26.3
Females currently aged 45 (years)	27.9	27.7

A new deficit recovery plan was put in place as part of the 2018 valuation, which requires payment of 2% of salaries over the period 1 October 2019 to 30 September 2021 at which point the rate will increase to 6%. The 2020 deficit recovery liability reflects this plan. The liability figures have been produced using the following assumptions:

	2021	2020
Discount rate	0.87%	2.59%
Pensionable salary growth	2.33%	4.20%

In the year ended 31st July 2020, the liability was based on the previous deficit recovery plan, which required payment of 5% of salaries over the period 1 April 2021 to 30 June 2034.

A further full valuation as at 31 March 2020 has now been completed post 31st July 2021.

EVENTS AFTER THE REPORTING PERIOD

As set out in Note 30 in respect of the USS pension scheme, since the year end, following the completion of the 2020 actuarial valuation, a new dual rate schedule of contributions has been agreed (subject to member consultation), with an effective date of 1 October 2021. Recalculating the USS provision on the basis of these contributions would result in an increased obligation to fund the deficit of £1,810,034, an increase of £963,738 from the provision in these financial statements.

A further change to deficit recovery contributions will become applicable under the 2020 valuation if the Joint Negotiating Committee recommended deed on benefit changes has not been executed by 28 February 2022. In this scenario, higher deficit recovery contributions will commence from 1 October 2022 at 3% and then increase every 6 months until they reach 20% at 1 October 2025. They remain at this level until 31 July 2032. Recalculating the USS provision on the basis of these contributions, and assuming all other assumptions used to calculate the provision remained unchanged, would result in a revised obligation to fund the deficit of £1,810,034 as at 31 July 2021. Negotiations continue and an increase to this level is considered remote.

If the Schedule of Contributions remains unchanged, the University's Financial Statements for the year ended 31 July 2022 will reflect these changes to the provision, subject to any other changes in financial and operational assumptions.

30 Pension Schemes (continued)

The Teachers' Pension Scheme

The latest valuation of the Teachers' Pension Scheme has now taken place, in line with directions issued by HM Treasury and using membership data as at 31 March 2016. As a result of this valuation TPS employers will pay a contribution rate of 23.68% from September 2019 (this includes the administration levy of 0.8%).

A copy of the latest valuation report can be found by following this link to [the Teachers' Pension Scheme website](#)

Key assumptions used in the valuation were:

Rate of return (discount rate)	3.60%
Rate of earnings increases*	4.2%
Rate of future pension increases	2.20%
Rate of return in excess of:	
Pension increases (CPI)	1.37%
Earnings increases*	-0.60%
Expected return on assets:	n/a

At the effective date, total Scheme liabilities for service of £191.5 billion, and notional assets of £176.6 billion, giving a notional past service deficit of £14.9 billion.

Local Government Pension Scheme

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

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

West Midlands Pension Fund is responsible for the preparation and maintenance of the Funding Strategy Statement and the Statement of Investment Principles. These should be amended when appropriate based on the Fund's performance and funding. Contributions are set every three years as a result of the actuarial valuation of the Fund required by the Regulations.

The most recent valuation was at 31 March 2019 and set contributions from 1 April 2020. There are no minimum funding requirements in the LGPS but the contributions are generally set to target a funding level of 100% using the actuarial valuation assumptions.

In response to the ongoing reform of RPI Barnett Waddingham have changed their approach to setting the CPI assumption: an increase in the Inflation Risk Premium and a reduction in the long-term difference between RPI and CPI. The combined impact of this change is a circa £72m increase to the defined benefit obligation at 31 July 2021

30 Pension Schemes (continued)

The table below summarises the movements in the year and the impact on the statement of comprehensive income (SOCl).

	2020-21	2019-20
	£000s	£000s
Net (liability)		
Opening position as at 1 August	(147,196)	(111,585)
Past Service Cost	0	0
Current Service Cost	(16,554)	(15,096)
Net interest Cost	(2,137)	(2,245)
Administration Expenses	(32)	(146)
Total defined benefit cost recognised in SOCI	(18,723)	(17,487)
Employer LGPS contributions	10,114	9,580
Net Cost Recognised in SOCI	(28,837)	(27,067)
Total remeasurements recognised in SOCI	(56,726)	(27,704)
Closing position as at 31 July	(212,531)	(147,196)

	At Year End	At Year End
	31/07/2021	31/07/2020
	£'000	£'000
Present Value of Defined Benefit Obligation	497,364	386,410
Fair Value of Fund Assets (bid value)	284,833	239,214
Deficit/(Surplus)	212,531	147,196
Present Value of unfunded obligation	0	0
Unrecognised Past Service Cost	0	0
Impact of Asset Ceiling	0	0
Net Defined benefit liability/ (asset)	212,531	147,196

30 Pension Schemes (continued)

Asset and benefit obligation reconciliation for the year to 31 July 2021

	At Year End 31/07/2021 £'000	At Year End 31/07/2020 £'000
Opening Defined Benefit Obligation	386,410	357,779
Current Service Cost	15,959	14,901
Interest Cost	5,766	7,476
Change in Financial Assumptions	87,930	(467)
Change in Demographic Assumptions	9,760	(4,476)
Experience loss/(gain) on defined benefit obligation	(4,385)	14,783
Estimated benefits paid net of transfers in	(7,118)	(6,319)
Past Service Cost	595	195
Contributions by scheme participants and other employers	2,447	2,538
Closing Defined Benefit Obligation	497,364	386,410

Change in Plan Assets

	At Year End 31/07/2021 £'000	At Year End 31/07/2021 £'000
Opening fair value of Fund Assets	239,214	246,194
Interest on Assets	3,629	5,231
Return on Assets less Interest	36,579	(128)
Other actuarial gains/(losses)	0	(17,736)
Administration expenses	(32)	(146)
Contributions by employer including unfunded	10,114	9,580
Contributions by scheme participants and other employers	2,447	2,538
Estimated benefits paid net of transfers in	(7,118)	(6,319)
Closing Defined Benefit Obligation	284,833	239,214

The total return on the fund assets for the year to 31 July 2021 is £40,208,000.

30 Pension Schemes (continued)

Assets

The return on the Fund (on a bid value basis) for the year to 31 July 2021 is estimated to be 5%.

The estimated asset allocation for the University of Wolverhampton as at 31 July 2021 is as follows:

Asset breakdown	31/07/2021		31/07/2020	
	£000s	%	£000s	%
Equities	173,503	61%	134,385	56%
Government bonds	23,536	8%	25,952	11%
Other bonds	17,437	6%	9,280	4%
Property	20,009	7%	18,029	8%
Cash/liquidity	10,488	4%	15,867	7%
Other	39,860	14%	35,701	15%
Total	284,833	100%	239,214	100%

Financial Assumptions as at	31/07/2021	31/07/2020
	% p.a.	% p.a.
Discount Rate	1.6%	1.5%
Pension increases	2.85%	1.85%
Salary increases	3.85%	2.85%

These assumptions are set with reference to market conditions as at 31 July 2021. The estimate of duration of the Employer's liabilities is 23 years.

The discount rate is the annualised yield at the 30 year point on the Merrill Lynch AA rate corporate bond yield curve.

Assumed life expectations on retirement at age 65 are:

	31/07/2021	31/07/2020
Retiring today		
Males	21.6	21.2
Females	24.0	23.4
Retiring in 20 years		
Males	23.4	22.7
Females	25.8	25.0

