

UNIVERSITY OF  
**WOLVERHAMPTON**  
KNOWLEDGE ▪ INNOVATION ▪ ENTERPRISE

# UNIVERSITY OF WOLVERHAMPTON

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**For the Year Ended 31 July 2023**

**2022 – 2023**

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**THE UNIVERSITY OF WOLVERHAMPTON**

**CHANCELLOR**

The Lord Paul of Marylebone

**BOARD OF GOVERNORS**

**Membership**

**Independent Members:**

Ms Angela Spence, Chair of the Board (from April 2022, previously Deputy Chair)  
Mr Alan Edwards, Deputy Chair (from July 2022)  
Mr Amrit Singh (started September 2021) Deputy Chair (from July 2022)  
Ms Kim Carr, Deputy Chair (Resigned July 2023)  
Mr Ninder Johal (started October 2015)  
Dr Olubukola Adeyemo (started March 2018)  
Prof Chris Handy (started September 2021)  
Ms Elaine Siew (started September 2021)  
Mr Chris Wood (started October 2022)  
Mr David Ferriday (started November 2022)  
Mr Dean Cullis (Resigned September 2022)  
Mr Peter Price (Resigned January 2023)

**Professional Services Governor:**

Ms Kimberly Forlini-Softley (started September 2021)

**Academic Governor:**

Dr Ada Adeghe, (started September 2021)

**Vice-Chancellor:**

Prof Ian Campbell (resigned January 2023)  
Prof John Raftery (started February 2023)  
Professor Ebrahim Adia (Started October 2023)

**Student Nominee Members:**

Ms Bisola Olatunji (Term started July 2023)  
Ms Yetundi Adedipe (Term started July 2023)  
Ms Tayabah Mahmood (Term ended June 2023)  
Ms Gagandeep Kaur (Term ended June 2023)

**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  
B4 6GH

## STATEMENT OF PRIMARY RESPONSIBILITIES OF THE BOARD OF GOVERNORS

At the University of Wolverhampton, we endeavour to provide any student who is admitted on to a programme of study the best possible student experience, not only on their course but also outside it, so that by the time they leave us our students are prepared in the best possible way to gain employment or go onto further study so they can go on to fulfil their dreams.

This Statement is based on the Model Statement contained in the Higher Education (HE) Code of Governance published by the Chairs of University Committees (CUC) in September 2020, adapted to reflect the powers and responsibilities that the Board of Governors of the University of Wolverhampton derives from its Instrument and Articles of Government. Accordingly, this Statement should be read alongside the Instrument and Articles of Government.

The Board of Governors, under the Instrument and Articles of Government, is the governing body of the University.

Consistent with the University's constitution, the primary responsibilities of the Board of Governors are as follows:

### Principal Responsibilities

The Board of Governors is unambiguously and collectively responsible for overseeing the University's activities, determining its future direction and fostering an environment in which the University's mission is achieved and the potential of all learners is maximised. It does this through this statement of primary responsibilities:

1. To approve the mission and strategic vision and values of the institution, long-term academic and business plans and key performance indicators, and to ensure that these meet the interests of stakeholders especially staff, students and alumni.
2. To ensure that processes are in place to monitor and evaluate the performance and effectiveness of the University against the strategy and plans and approved key performance indicators, which should be, where possible and appropriate, benchmarked against other comparable institutions.
3. To delegate authority to the Vice Chancellor, as Chief Executive, for the academic, corporate, financial, estate and human resource management of the University, 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 Vice Chancellor.
4. To ensure the establishment and monitoring of systems of control and accountability, including financial and operational controls, risk assessment, value for money arrangements and procedures for handling internal grievances and managing conflicts of interest.
5. To establish processes to monitor and evaluate the performance and effectiveness of the Board of Governors itself and monitor and evaluate the performance and effectiveness of Academic Board.
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 Vice Chancellor as the University's Chief Executive and to put in place suitable arrangements for monitoring their performance.
9. To appoint a Clerk to the Board 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 University and to be accountable for establishing an appropriate human resources strategy.
11. To be the principal financial and business authority of the University, to ensure that proper books of account are kept, to approve the annual budget and financial statements, and to have overall accountability for the University's assets, property and estate.
12. To be the University's legal authority and, as such, to ensure systems are in place for meeting all the institution's legal obligations, including those arising from contracts and other legal commitments made in the institution's name. This includes accountability for health, safety and security and for equality, diversity and inclusion.
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 University.
15. To ensure that the University's constitution is always followed, and that appropriate advice is available to enable this to happen.
16. To promote a culture which supports inclusivity and diversity across the University.
19. To maintain and protect the principles of academic freedom and freedom of speech legislation.
20. To ensure that all students and staff have opportunities to engage with the governance and management of the University, and that this allows for a range of perspectives to have influence.
21. In accordance with the Office for Students' (OfS) Condition E3, the University Board must: (i) accept responsibility for the interactions between the University and the OfS and its designated bodies; (ii) ensure the University's compliance with all of its conditions of registration and with the OfS's accounts direction; and (iii) nominate to the OfS a senior officer as the 'accountable officer' who has the responsibilities set out by the OfS for an accountable officer from time to time
22. To ensure the financial health and solvency of the University.

Approved by the Board of Governors of the University of Wolverhampton – September 2023

## 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 are consolidated into the University Group accounts.

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 2023 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.

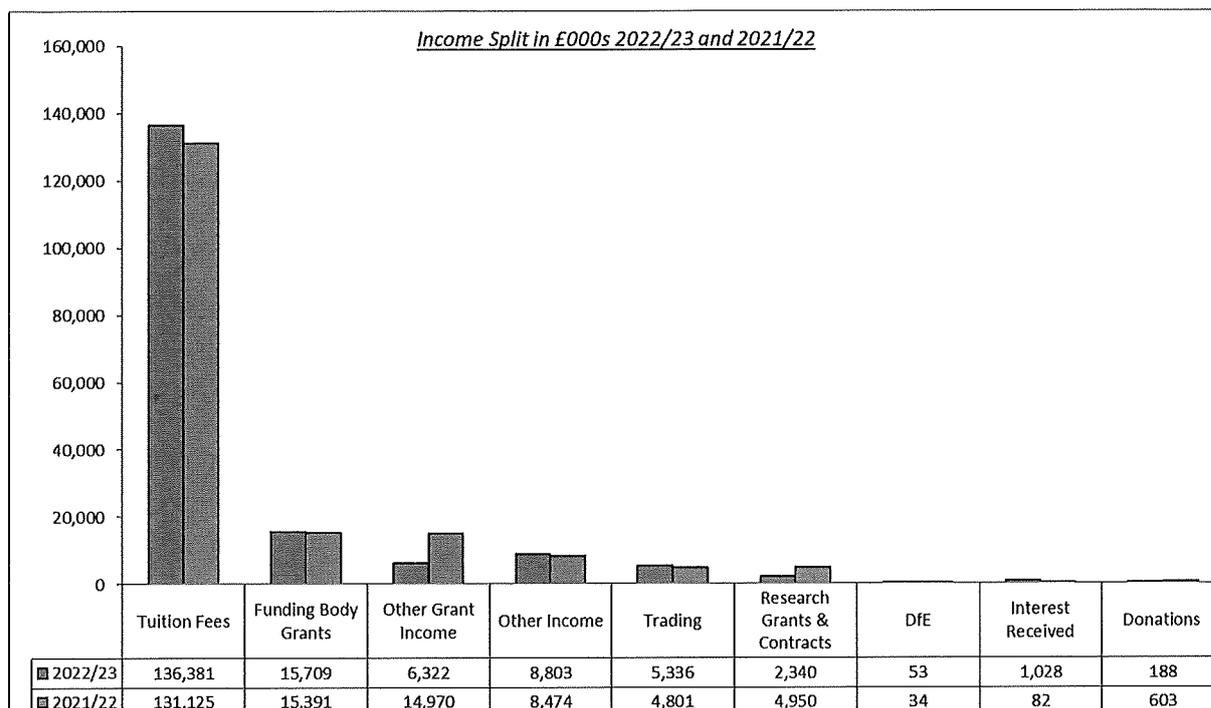
	2022-23			2021-22		
	Operating Activities £000s	LGPS Adjustments £000s	Total £000s	Operating Activities £000s	LGPS Adjustments £000s	Total £000s
<b>Total Income</b>	176,160	0	176,160	180,430	0	180,430
<b>Total Expenditure</b>	(181,326)	(6,704)	(188,030)	(192,689)	(15,559)	(208,248)
<b>Taxation Gain on Fixed Asset Disposal</b>	(2)	0	(2)	9	0	9
<b>Surplus/(Loss) for the Year</b>	<b>(5,168)</b>	<b>(6,704)</b>	<b>(11,872)</b>	<b>(12,241)</b>	<b>(15,559)</b>	<b>(27,800)</b>

### Income

Income has decreased to £176.2M, an overall decrease of 2.4% compared to 2021/22.

Tuition fee income increased to £136.4M from £131.1M in 2022/23. Overall student numbers were down 3.5% on 2021/22. Undergraduate student recruitment was down by 9.9% in a competitive market and Post graduate research student numbers also fell by 4.9%. However, this reduction was compensated by an 12.2% increase in Postgraduate taught student recruitment.

The University increased its total home students by 1.9%, however, overseas student numbers reduced by 24.7%.



Overall funding body grants increased by 2%.

Research Grants and Contracts fell by 53%. Other Income increased by 3.9% from 2021/22.

### Expenditure

Overall staff costs decreased by £21.6M compared to 2021/22, a 16.5% decrease, following a restructuring plan.

There was a 3% pay rise in 2022/23 paid in July 2023. Pension costs increased due to the latest actuarial valuation of the West Midlands Pension Fund (a £3.9M adjustment). There was a decrease of £128K to the annual leave provision, the provision reflects untaken leave during 2022/23.

The impact of the pension adjustments under FRS102 has resulted in a decrease of £8.1M in staff costs from 2021/22. The current service cost has decreased by £11.8M from last year. The charge to the SOFA is based on financial conditions at the start of the year using a discount rate of 3.5%. The projected charge to the SOFA for next year is likely to decrease compared to the charge for this year, as a result of a higher net discount rate of 5.05%.

Other expenses are £9.5M higher than in 2021/22, the university increased spend on Student Scholarships, Bursaries, Placements and Travel Costs by £1.1M, Legal and Professional fees £4.3M and repairs and Maintenance £1.5M

Interest and other finance costs has decreased by £670K due a decrease in the interest cost charged to the LGPS provision.

## Cash Flow

The consolidated Cash Flow Statement shows a net increase in cash and cash equivalents of £12M (2021/22: decrease of £17.9M). Overall cashflow from operating activities was a cash inflow of £20.7M compared to £205K cash outflow in the previous year. The University made total payments in the year on fixed assets of £10.1M (2021/22: £28.3M), spent on a range of projects, including improvements to our digital platforms and improvements to the University's estate. The University's cash position increased by £12M to a closing balance of £39.1M the University had no outstanding bank financing as at 31<sup>st</sup> July 2023.

## Key Future Financial Issues

The University has maintained its levels of student recruitment in an increasingly competitive sector and expects to meet its recruitment targets for 2023/24. Over the past two years the University has implemented a transformation programme to review its operations and control expenditure. This programme will be key to informing the University's future financial strategy against a backdrop of increasing operating costs as a result of inflationary increases. The University does not have any long-term bank borrowing so is protected from increasing interest rates.

The University is targeting improvements in retention of students and continues to place the student experience at the forefront of financial strategy.

## The Student Experience

The University Students and Education Sub-strategy details the following aspects, ambitions and commitments for where the University will be in 2030:

Aspect	Ambition	Commitment
Access	We welcome all who want to benefit from higher education	Embed our role as the University of Opportunity, offering access and supporting success to all those who can benefit
	We provide higher education at the place of need	Offer students choice about how and when they learn
		Offer students choice about how and when they are assessed
Belonging	All our students and staff believe they belong	Work in partnership based on excellence in teaching and support from staff and on responsibility for engagement in their learning from students
	Our students and staff have flexible and supported access to services	Recognise and reward excellence in inclusive teaching and student support
		Provide an individual programme of personal and professional development for each student
		Provide student-centred support that integrates the academic and non-academic to meet the needs of the individual

Aspect	Ambition	Commitment
		Support students to manage their own well-being during and after university
Achievement	<p>All our students and staff achieve their potential</p> <p>We raise and enable the ambition of our place</p> <p>Our students and alumni transform our region and their communities</p>	<p>Match our students' ambition to the needs of the local economy</p> <p>Embed a scaffolded approach to employability in all undergraduate programmes and ensure that we have a distinct masters level employability offering for postgraduate students</p> <p>Embed well-being, sustainability, digital and community engagement within each programme</p>

All 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 offered the WLV Wallet bursary for the first time in 2022/23 to new UK-funded undergraduate full-time students studying on a University campus. Following an approved variation to the Access and Participation Plan, the new bursary offers a £200 payment in the first year and a further £100 on enrolment to the next level of study. Payment is made through an online portal. There were 3,446 eligible students totalling £689,200 and, at the time of writing, a total of £491,144.56 had been spent, with a further £189,924.42 being reserved for students to spend in 2023/24.

#### Access Bursary

The University continues to offer an Access Bursary to eligible new students who are Care Leavers, Estranged or Deaf/hard of hearing. This is paid through the Student Loans Company on behalf of the University and is worth £2,000 payable over two years (£1,000 each year). In 2022/23 this was paid to:

	First Year	2 <sup>nd</sup> Year
Care Leavers	7,000	8,000
Deaf/hard of hearing	7,000	11,000
Estranged students	17,000	13,000
<b>TOTAL</b>	<b>£31,000</b>	<b>£32,000</b>

#### Dennis Turner Fund

The budget for the Hardship Fund was £630,000, plus £68,162 repurposed deduction of strike pay and an additional payment of £192,619 from the Office for Students to contribute to cost of living crisis. For the second year the fund was made available to international students who could evidence that their financial circumstances had changed. The spend was broken down as follows:

Total payments for the year (all funds/grants):	1,399 (in numbers)	DTHF £834,600 (in £)
Single students	470	248,765
Students with children	355	298,250
Care leavers	49	32,450
Estranged students	112	114,025
International students	65	26,100
Dyslexia testing	105	40,710
DSA equipment	77	15,400
Housing payments direct to University accommodation	19	6,941
Food vouchers	20	975
Support for University projects	49	19,995
Emergency loans repaid from DTH	78	30,989
Emergency loans outstanding	46	16,714

We asked students applying for the Hardship Fund to identify the reason(s) for their request. The following is a breakdown of reasons given:

Reason (awarded only)	UK	Int	Total	Percentage of students awarded
Digital poverty	276	22	<b>298</b>	<b>21%</b>
General living costs	750	62	<b>812</b>	<b>58%</b>
Childcare	112	0	<b>112</b>	<b>8%</b>
Rent Arrears	130	12	<b>142</b>	<b>10%</b>
Other/Extenuating	175	4	<b>179</b>	<b>13%</b>

Students have been adversely affected by the cost-of-living crisis, so a number of initiatives have been put in place across the University to offer support, for example:

- Chaplaincy
  - offering pre-loved events for kitchenware and children's clothes
  - offering free cooked lunches once a week and free drinks throughout the week
- Various departments – Free hot and cold drinks, breakfast/lunch clubs
- Access to microwaves and hot water
- For students in extreme hardship a catering voucher identified as a “prize winner” can be given
- Catering outlets offered half price meals and low-cost items
- “Good to go” fridges have been placed in libraries, filled by Catering with short-dated sandwiches, etc.
- Library – free water, fruit and hot drinks during assessment periods
- Free sanitary products are available across all campuses as part of Period Dignity campaign

In 2022/3 the University was awarded £50,000 from Santander and we had £10,000 from Lord Paul for UK internships for widening participation students. Following Brexit, the UK Government introduced the Turing scheme which is the UK equivalent to Erasmus. In 2022/3 the University was awarded a total of £85,680 to support international work experience (not virtual internships).

## Student Numbers

In 2022/23 the University enrolled 19,984 students (2021/22 20,655), comprising 13,734 full time and sandwich students (2021/22 13,811) and 6,250 part time students (2021/22 6,844). 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 2022/23.

Home, EU and Overseas numbers	2022/23	2021/22
Home	16,805	16,464
Overseas	3,179	4,191
<b>Grand Total</b>	<b>19,984</b>	<b>20,655</b>

Level of Study	2022/23	2021/22
Foundation	180	227
Undergraduate	12,653	14,039
Postgraduate taught	6,816	6,040
Postgraduate research	335	349
<b>Grand Total</b>	<b>19,984</b>	<b>20,655</b>

## Campus Development

In the continuing changing landscape of higher education, the University of Wolverhampton recognises the vital role that its campuses play 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 spaces for students and staff.

Although the University continue to be very aware of its financial position, and actively looking to improve this we have continued to have a focus on the facilities being offered to Staff and Students. We have two main projects that have progressed during this academic year.

The first is due to the proposed exit of Starbucks UK Franchise that had been operating at the University for the last 7 years, the proposed exit was due to their inability to offer a continuation of the existing offer and contract terms and conditions. We have therefore moved to a new partnership with COSTA. This was introduced in time for the new academic year 2022/23 and has been welcomed by both staff and Students alike.

In addition, the University made an application for funds under the Office for Students of £5.8m to support the further development of facilities at our Walsall Campus. This project has seen the removal of our swimming pool (in our William Penny Building, which is no longer in use, or fit for use) and a Strength, Conditioning, Rehab and Prehab gym built in its place. The existing changing room facilities became learning facilities, a foyer and observation room developed. Physiotherapy moved to an alternative building whilst the DEXA bone scanner

has been installed on first floor of the Willam Penny Building. In addition to this Sister Dora (another building on the Walsall Campus), has seen the installation of an orthotics laboratory, the transfer of physiotherapy which has now been developed in to a physiotherapy suite, and some minor alteration to a recently refurbished podiatry room. The application for funding was made at the end of the academic year 2021/22 but was not confirmed until December 2022 the project was then progressed to a live project very quickly so as to ensure delivery within agreed timescale, this has seen the project straddle two academic years and will be completed during October 2023.

In addition to this we have been able to undertake additional small projects across the Estate over the latter part of the academic year to ensure a proactive stance to management of assets and facilities.

The University is conducting a review of its estate including a Condition survey to be undertaken of the buildings across its campuses. This will confirm the position and the potential cost implication to bring it up to an acceptable standard.

In conjunction to the Condition Survey we have also progressed with the proposal to undertake an Estates Master Plan and a Carbon Reduction Roadmap, all of the activities will assist in identifying what facilities are required for the future, those assets that we would look to continue to use and invest in and how we can look to meet our targets on Net Zero whilst creating the physical University of Wolverhampton of the Future.

The condition survey was completed by the end of academic year 2022/23 and is already being used to inform the maintenance and lifecycle programme, the Estates Master Plan and Carbon Reduction Roadmap however will not be delivered for review until the end of Academic Year 2023/24 by our Executive Board and Board of Governors for consideration due to the level of extensive work required. We will be working alongside the wider University Community and Stakeholders (internal and external) to understand plans, aspirations and requirements to deliver an exceptional academic provision and student experience.

### **Sustainability**

The University Vision 2030 set goals for the University of Wolverhampton to be Carbon Neutral and emit Zero Waste by 2030. Estates and Facilities commenced work during 2023 to develop a 'Carbon Reduction Roadmap' to Carbon Neutral in line with the University Vision 2030.

In preparation for the Roadmap, a supply chain partner will be appointed following a procurement exercise with surveys beginning September 2023. This partner will complete a high-level building study across the Estate, this study will detail the capital costs, running cost implications, and carbon savings potential that can be derived from any building improvements and renewable energy generation that is identified, this will feed into a detailed feasibility study for the university to review and identify the projects that it feels it would like to progress with. The University has secured £243,600 Low Skills Carbon Funding to assist in the feasibility study, this is being used to enable the University to work with a partner who has more experience in this field and can support the work required to create these studies. This will support the identification and production of new Carbon Management Plan

### **Estates Strategy and Capital Programme**

2022/23 has seen increased activity associated to the maintenance of the estate as well as the two projects mentioned earlier in the document. This has seen some refurbishment programmes of toilet facilities, redecoration of general areas and a proactive approach to ensuring we are managing the requirements of the estates appropriately. With the output of the condition survey, decarbonisation roadmap and the estates masterplan will allow a strategy to be developed for the future years of the capital projects that are required to ensure appropriate management of the estate and projects to develop the estate that delivers the needs of the University of the future.

### **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.

To a University like Wolverhampton, which has a proud record of serving its communities going back over 180 years, the issues of Equality, Diversity and Inclusion are of paramount importance. As the University of Opportunity, it is crucial that we do everything we can to enable all individuals to succeed. This is not simply about promoting acceptance of equal opportunity for all; that is giving everyone the identical opportunity; but is more about recognising the different journeys people have in front of them, understanding and meeting their needs.

This includes supporting our Disabled, Global Majority, LGBT+ and Women's Staff networks. We also work 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 our Race Equality Charter Action Plan. These have included developing a 'Reverse Mentoring' pilot

programme for our Global Majority staff and students. We had 15 Mentors and 15 Mentees. This included the VC, Deputy VC and the Deans of our Faculties volunteering as Mentees.

We have also delivered 'Respect and Dignity in the workplace training to the majority of our Estates and Facilities staff on campuses at Walsall, Telford and Wolverhampton. This will be eventually rolled out to all staff at the University either on campus or on-line.

An on-line incident reporting tool has been developed and launched, which also allows staff and students to report anonymously, this can be found at <https://www.wlv.ac.uk/about-us/corporate-information/equality-diversity--inclusion/reporting-an-incident/>

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. This can be found at <https://www.wlv.ac.uk/about-us/corporate-information/equality-diversity--inclusion/policies-and-governance/>

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-diversity--inclusion/policies-and-governance/edi-governance/>

### **Employment of Disabled Persons**

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.

We continue to work with our Disabled Staff network, drawing on their lived experience working at the University. In partnership with them we have developed and are in the process of implementing the Disability Equality Action Plan, which can be found at <https://www.wlv.ac.uk/about-us/corporate-information/equality-diversity--inclusion/policies-and-governance/disability-equality-group/>

## 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 to ask questions of the Vice-Chancellor 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 engagement activities in Higher Education are measured and benchmarked by the CASE-Ross survey each year. The survey tracks charitable income to HE institutions in the UK based on a wide range of variables including: total donations received, donations received from new sources of income, largest donations, total number of donors, type of donors (individuals, charitable trusts, corporates), average fundraising costs per £1 received and the average number of fundraising staff in the institution. This information is then used by CASE-Ross to distribute the participating universities into one of six clusters to enable like-for-like benchmarking. Consistent with previous years, the University of Wolverhampton has consolidated its national position in the *Emerging* cluster, which comprises 23 of the 95 participating institutions.

## Donated Income

The 2022/23 financial year proved challenging for philanthropy and donated income to the University. Already a small fundraising team, the loss of a senior member of the team had a significant impact on the capacity for pursuing philanthropic income. The HE sector has experienced extreme difficulty in recruiting fundraisers, and as a consequence, the position remained vacant for the duration of the 2022/23 financial year. Combined with the difficulty of the fundraising environment, in which individuals, trusts and corporate supporters all re-evaluated their giving priorities, these factors have led to a reduction in donated income in 2022/23.

However, Student Support continued to receive philanthropic interest, with continued support for nursing students through the Joan Argyle Shambaugh Bursary, as well as five scholarships to promote Women in Engineering were issued as part of our commitment to promoting diversity in

the engineering work force. Four scholarships were also awarded to female computer science students, facilitating their post-graduate research projects.

Donated graduation prizes have increased, to reward and acknowledge new graduates for their hard work. Individual philanthropists also supported new projects aimed at alleviating student hardship, with alumni and staff supporting a Period Dignity project (providing free of charge sanitary products) and a "breakfast club" aimed at ensuring students experiencing financial hardship could eat breakfast on campus free of charge.

Corporate support focussed on the Department of Engineering, with the University of Wolverhampton Racing Team continuing to attract sponsorship from a broad variety of sponsors, both financially and "in kind", while the School of Architecture and Built Environment secured two new "room" sponsors, with multi-year agreements securing funding to contribute to the operation of the school for the coming five years.

Donated funding for research projects focused on the School of History, Politics and War Studies, where an innovative project to find the lost wreck of *HMS Captain* garnered philanthropic support from around the world, as well as media attention to promote the project and the University as a whole.

The diverse portfolio of philanthropic projects remains strong, and with a new fundraiser recruited and significant prospects developed for upcoming donations, we look ahead to the 2023/24 financial year with positivity.

### **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.

Through Research England's Knowledge Exchange Framework (KEF) the University receives significant recognition for its role in public and community engagement and local growth and regeneration. The KEF covers the diverse contributions of universities to help level up their local areas and 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. In September 2022 outcomes of Research England's refreshed approach to the knowledge exchange framework found the University of Wolverhampton has very high engagement in Public and Community engagement and Local Growth and regeneration and high engagement in IP and Commercialisation and Working with Public and the Third Sector. KEF3 results are due to be published in September 2023.

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.

Furthermore, the University was recently announced as a finalist in the 'business impact and transformation' category in Innovate UKs KTP awards for its KTP with Johnson Test Papers Ltd and we recently commenced our third KTP with the company.

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 National Brownfield Institute officially opened in October 2022 and is now delivering a number of knowledge exchange and business support programmes to local businesses. The University is working with the West Midlands Combined Authority, Black Country LEP and City of Wolverhampton Council to position the institute as the nationally significant deliverer of brownfield research and knowledge exchange as part of the city council's future investment zone plans.

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

The University has a number of centres that provide services to individuals and businesses for business start-up and incubation, including: an 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.

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.

## Risk Management

During the 2022/23 academic period, responsibility for Risk Management moved from Strategic Planning to Corporate Compliance. The risk management framework was reviewed to reflect changes in the organisational structure and to ensure that it remains aligned with organisational objectives.

The Risk Policy has been updated and is available on the University webpages. Risk Management and Business Continuity internal webpages have also been developed to promote information sharing, best practice and to provide useful and supportive resources for staff.

Strategic and Corporate risks have been consolidated into one organisational risk register to further promote organisational efficiency and transparency. This continues to be overseen by the University Executive Board with accountability to Audit and Risk Committee and the Board of Governors.

Local risk registers are now being updated and developed where they are required due to organisational change with provision of appropriate training and support.

## Risk Appetite, Current and Future Key Risks & Issues

A Risk Appetite Statement (see table below) has been prepared focussing on the key organisational objectives established by the University in early 2023.

Objective	Risk Appetite	Justification/Rationale
Strengthened focus on the outcomes for our students.	Open	The university recognises the need to be open to new ideas and opportunities that promote and continually improve our student experience.
Quality of the experience we give to our staff.	Open	The university recognises the importance of its people and the need to be ambitious in its approach to their recruitment, management and retention. Staff wellbeing is at the centre of all our activities as is staff performance so that our values and standards are aligned.
The financial health of our community.	Averse	The university is averse to risks that threaten the long-term stability of the organisation. Whilst the university's financial picture has improved considerably in recent months, a higher level of risk will not be considered until the financial position is further improved and consolidated.
Research and Knowledge Exchange	Moderate	The university acknowledges the need to be ambitious regarding its research and knowledge exchange programme. Movement in the university's appetite for financial risk combined with improvement in regulatory compliance and associated project management framework tools, will give us the confidence to fulfil our ambition to be more open to research and knowledge exchange related risks.
Regulatory compliance.	Averse	The university has no appetite for risks that may lead to breaches of legislation,

		regulation, professional standards or ethics. The university has policies that cover bribery, corruption and fraud will not tolerate risks that compromise these standards.
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The priority risks on the Organisational Risk Register relate to:

- Student Outcomes
- Compliance Culture
- Externally Funded and Partnership Project Delivery
- Financial sustainability
- Research and Knowledge Exchange
- Staff and workforce planning
- International student recruitment
- Information and data.

**Student Outcomes:** A programme dedicated to the improvement of student outcomes has been developed. Recruitment is underway for a Pro Vice-Chancellor (Student Outcomes) who will sponsor this programme. Priorities will focus on retention, internal progression between levels, continuation, completion, achievement and graduate outcomes.

**Compliance culture:** The University continues to develop our compliance culture across the University building on the mitigations developed and outlined in the 2021/22 Annual Report. A Corporate Compliance Directorate has now been established and is developing the Corporate Compliance Framework to ensure accountability and compliance with policies and procedures, to deliver the required compliance outcomes. A programme for organisational development has commenced. Its focus will be on staff efficiencies, services levels, productivity and performance which will help with risk management and mitigation in this area. The sponsor for this programme is the Chief Operating Officer.

**Externally Funded and Partnership Project Delivery:** The University is updating its project delivery framework. This includes control measures which reflect local, project and organisational risks and delivery of a training programme to ensure that these measures are reflected in business-as-usual activity. This work is part of the Programme for Organisational Development.

**Financial sustainability:** The University's financial position has improved significantly in the last year but still remains a challenge. Focus must be maintained on challenges, in particular from external sources, that may continue to impact the University's financial position. These include student fees, student demographic and take up, Government policy and reputational challenges.

**Research and Knowledge Exchange:** The University has appointed a Pro Vice-Chancellor for Research and Knowledge Exchange. Their focus is to review the current research portfolio, review existing priorities and resources. This will provide the foundation for future strategy. They are also the sponsor for a new programme dedicated to the improvement of research and knowledge exchange. The programme's priorities include increasing research and knowledge exchange income, increasing impact and improving quality of research, all of which will underpin future strategy.

**Staff and workforce planning:** During the last year a Continuous Improvement team has been developed. This team has been tasked with focussing on feedback from staff engagement sessions and combining "quick wins" with longer term planning. Staff terms and conditions have been improved to reduce attrition, improve the University's position within the market and to

support our recruitment plan, so that we are seen as an employer of choice. A workforce plan to reflect the university's current position is priority for the year ahead and is part of the Programme for Organisational Development.

International student recruitment: The University is dependent upon International student take up to support its recruitment and financial objectives. It is important that we recognise risks associated with international recruitment that may be linked to influences including Government policy changes (visas) and other external influences.

Information and data: The University recognises the need to refine its information and data processes to improve accuracy and efficiency as well as ensuring that all information and data is managed in a compliant way. A Data Governance project has been identified as a University priority for the year ahead to put control measures in place to mitigate this risk.

Work continues to refine the University's Risk Management Framework and in particular ensure that risk registers are developed as supportive working tools that help guide the decision-making process, ensure information exchange, lessons learned and best practice is shared across the University. Training content is being developed and delivered internally to facilitate this with support as required from external sources. Regular updates continue to be provided in line with policy to the University Executive Board, Audit and Risk Committee and the Board of Governors.

### **Conclusion**

The University ended 2022/23 with a deficit of £11.9M which is a £15.9M improvement on 2021/22 and is in line with the University's financial plan. The University's cash position improved by £12M giving a closing cash balance of £39.1M. The improvement in the University's financial position is as a result of a successful transformation programme.

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 29<sup>th</sup> November 2023 and signed on its behalf by:



A Spence

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

### **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 2022/23 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 2022/23, 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.

## Research

This year, we were delighted to welcome Prof. Prashant Pillai as our Pro Vice Chancellor Research and Knowledge Exchange. This key appointment will drive research and knowledge exchange agendas.

The actual Research Income in 2022/23, is £2.3m.

Notable funding successes were achieved in a variety of areas, including partnering in a large European project to explore the use of delivery bots to make city logistics economically, environmentally and socially sustainable; a project to advance the clinical viability of a potential substance that could prevent male fertility, which would be easily reversible; a project to research stigmatisation and discrimination of people who experience gambling harm in Great Britain; a project to explore the aims, achievements and limitations of the UK School Meals Service from its inception in 1906; and work to undertake a mixed-methods process and impact evaluation of the locally-funded interventions and place-based pilots to reduce violence.

Other highlights of the University's range of research achievements in 2022/23 include:

- The University hosted the launch of the West Midlands Local Action Plan in July 2023, welcoming Innovate UK and the West Midlands Combined Authority to the impressive Springfield campus. The launch was a great success and strengthened the University's relationship with these strategic organisations supporting research and innovation.
- The University's dedication to the Place agenda continues via working closely with the Wolverhampton City Council and with the West Midlands Combined Authority to develop an innovation prospectus to gain funding and support more business-led green R&D and innovation in and around the Wolverhampton Green Innovation Corridor. Building upon Wolverhampton's credentials in sustainable construction, green innovation and circular economy, the development of a Green Innovation Corridor will drive the Green Industrial Revolution. The Corridor will connect key assets at the Springfield Campus at University of Wolverhampton with the University of Wolverhampton Science Park and the core city centre, introducing new development opportunities, Programmes to foster green innovation, incubation space, and improvements to the City's green and blue networks.

- Researchers from the Additive Manufacturing Functional Materials (AMFM) research group and the Catholic University of Valencia's Biomaterials and Bioengineering Lab have been recognised for their contribution to outstanding scholarly research after being announced as the winners of the Emerald Literati Award 2022. The team of researchers were announced as winners after a successful collaboration project in 2021 found that a 3D printing material kills 100% of the Covid-19 virus.
- The University is working with partners from the Black Country Integrated Care System (ICS) to improve healthcare for Black African and Caribbean communities. The Head of Nursing in the Faculty of Education, Health and Wellbeing will carry out work to help discover the barriers Black African and Caribbean women face when attending breast screening and GP appointments with the aim to raise awareness of the signs and symptoms of breast cancer and the importance of early diagnosis. This will then inform a set of solution-focused initiatives with Black African and Caribbean communities in partnership with health professionals and commissioners across the Black Country
- A Reader in War Studies in the Department of History, Politics and War Studies, in consultation with the British Ministry of Defence, is leading an international, multi-institutional effort to find the wreck of a warship that has great historical significance. They are leading the hunt for HMS Captain—the most powerful ironclad-battleship in the world at the height of the 'Pax Britannica'—which sank off Cape Finisterre, Spain, in 1870. Her loss was one of the most infamous disasters in naval history.
- A lecturer in Sociology in the Faculty of Arts, Business and Social Sciences was selected for a prestigious Palestine Book Award 2022 for their work on the experience of hunger strikers in their struggle for freedom and emancipation. The Middle East Monitor (MEMO) announced the books shortlisted for its 2022 Palestine Book Awards earlier this year. The awards event, now in its eleventh year, honours and celebrates books in English about Palestine. It encourages authors and publishers to produce more books on Palestine.
- A Professor in Exercise Physiology is working in collaboration with Ochanomizu University in Japan to investigate how fatigue affects ballet dancers via Xsens motion capture suits. Xsens suits are lycra suits worn to analyse human movement and gain an insight to improve wellbeing or performance. The project will help inform how dancers are trained and potentially have cross-over benefits to other high-skill sports and professions.
- A PhD candidate in the School of Humanities and a member of the University's Centre for Transnational and Transcultural Research has won 2 prestigious prizes for their research looking at the supplementary writing in the slave narrative *The History of Mary Prince* (1831) as well as the nineteenth-century public response to the book. They have been awarded both the British Association for Romantic Studies (BARS) President Prize and is one of two awardees of the Keats-Shelley Association Carl H. Pforzheimer, Jr. Grant.

#### **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, 89% of our UK

domiciled graduates were in work or further study 15 months after graduating. Of those UoW graduates in employment in the UK, 78% were working in the West Midlands.

In 2020/2021, the pandemic led to a rise in virtual opportunities including internships at home and abroad. The demand from students for virtual internships has continued into 2023. This has broadened the number and diversity of opportunities available to students.

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 Santander or 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 638 individuals to be enterprise-ready and 384 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 Careers and Employability team have built strong relations with local and regional employers so we are their preferred choice for any recruitment needs. We ensure that each and every student achieves the highest quality graduate outcome 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 volunteering 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 Turing and Santander 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 scholarships and a placement scheme in conjunction with Santander and additional funding from alumni gifts.
- All graduates have been offered group (workshops) and bespoke, one-to-one careers development support with the Careers and Employment team to help support them into graduate employment.

- 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**

The Board of Governors is unambiguously and collectively responsible for overseeing the University's activities, determining its future direction and fostering an environment in which the University's mission is achieved and the potential of all learners is maximised. It does this through this statement of primary responsibilities which are listed on page 4.

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 10), 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 has also embedded the Senior Independent Governor position into the role of the Chair of the Workforce, Remuneration and Culture Committee with clearly defined responsibilities.

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 has in place 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 has this year moved to amalgamate Remuneration Committee with our Workforce and Culture Committee. In addition, the terms of reference for the Joint Equality and Diversity Committee were reviewed along with its membership. This has resulted in an Equality, Diversity & Inclusivity Committee with a stronger membership from the Board of Governors.

The Board had asked the Governance and Nominations Committee to develop and oversee a prioritised action plan for taking forward recommendations which would be implemented during 2021/22. All actions were implemented during 2022/23 and an effectiveness review will be undertaken in 2023/24.

### **Academic Governance**

The Articles of Governance 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 & Academic Committee and the Board of Governors. Student Affairs & Academic Committee receive 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, Diversity & Inclusivity Committee  
Finance & Resources Committee  
Governance & Nominations Committee  
Remuneration Committee  
Student Affairs & Academic Committee  
Workforce, Remuneration & 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 5 times a year.

**Equality, Diversity & Inclusivity Committee.** The Committee considers and determines matters of Equality, Diversity and Inclusion for staff and students receiving reports from the Staff Network Groups. The Committee meets 4 times a year.

**Finance & Resources 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 5 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.

**Student Affairs & Academic 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, Remuneration & 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 is responsible for determining the remuneration of the University's senior post holders as determined by the Board; overseeing the annual performance objectives of the Vice-Chancellor; ensuring that the appropriate procedures are in place for the assessment of the performance of Designated Senior Post Holders 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 4 times a year with Remuneration being an item at least twice a year and follows best practice recommendations by CUC.

### **University Executive**

The Vice Chancellor is supported by the University Executive, who meet on a weekly basis. The University Executive comprises of the Vice Chancellor, Pro-Vice Chancellor, Chief Financial Officer and Chief Operating Officer/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.

In 2022 the Interim Vice Chancellor disbanded the previous Corporate Management Board and created the University Executive Board which provides collective advice and guidance to the Vice

Chancellor and the Board of Governors, to enable them to understand and interpret strategic issues affecting the sector and how these impact upon the University, looking at the strategic environment in which the University operates, including the rapid and effective dissemination of key policy, funding and performance information and engaging the University community regarding key strategic choices in order to facilitate informed and evidence-based decision-making. The University Executive Board comprises of the University Executive, Deans of Faculties, Director of Human Resources and Head of Communications. In 2023 the composition was widened out to include the Professional Services Directors and the Student Union President. 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:

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

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

- Oversight by the Audit and Risk Committee of the processes of internal control;
- Receipt of reports from Internal Audit on the adequacy and effectiveness of specific systems of internal control together with recommendations for improvement;
- Annual Internal Audit report on their independent opinion on the adequacy and effectiveness of the system of internal control, together with recommendations for improvement;
- Internal Audit's assignment review of the University's Risk Management Framework;
- External Auditors narrative in their management letter and associated reports; and
- 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. Quality Assurance Agency, Office for Students 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 2023 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 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 no outstanding bank debt and a healthy reserves position. As a result of financial challenges in 2021/22, in January 2022 the University agreed a revolving credit facility and overdraft facility with its bankers providing working capital security for the future, the facility was not accessed in 2022/23.

The University is budgeting for an operating surplus in 2023/24 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 manage its overall support costs through a continuing transformation programme over the coming year, whilst maintaining and enhancing the student experience. Financial forecasts covering a 5-year period are produced for the Board annually, the latest in January 2023. A revised 5-year forecast for OfS will be produced in December 2023, 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 is responsible for preparing the Annual Report 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.

It is required to prepare the 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 requirements of the Accounts Direction dated 25 October 2019 issued by the Office for Students ('the Accounts Direction') and the 2019 Statement of Recommended Practice – Accounting for Further and Higher Education

The Board of Governors is required to prepare financial statements which give a true and fair view of the state of affairs of the group and of the parent University and of their income and expenditure, gains and losses and changes in reserves, and of the Group's cash flows for that period. In preparing each of the group and parent University financial statements, the Board of Governors is 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 and the 2019 Statement of Recommended Practice – Accounting for Further and Higher Education 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 it either intends 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 adequate accounting records that are sufficient to show and explain the parent University's transactions and disclose with reasonable accuracy at any time the financial position of the parent University. It is responsible for 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, and has general responsibility for taking such steps as are reasonably open to it to safeguard the assets of the group and to prevent and detect fraud and other irregularities.

The Board of Governors is 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, UK Research and Innovation (including Research England) and the Education and Skills Funding Agency and the Department for Education 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 2023 which comprise the Consolidated and University Statements of Comprehensive Income and Expenditure, the Consolidated and University Statement of Changes in Reserves, the Consolidated and University Balance Sheets, the Consolidated Cash Flow Statement and related notes, including the Statement of Accounting Policies. In our opinion the financial statements:

- give a true and fair view of the state of the Group's and of the University's affairs as at 31 July 2023, and of the Group's and of 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 it does not intend to liquidate the Group or the University or to cease their operations, and as it has concluded that the Group and the University's financial position means that this is realistic. It has 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**

### *Identifying and responding to risks of material misstatement due to fraud*

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 Board of Governors, the Audit and Risk 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 Committee, and Finance Committee meeting 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 that Group management may be in a position to make inappropriate accounting entries. We also perform procedures to address the risk of fraudulent revenue recognition, in particular the risk that income from tuition fees for courses that span the year-end could be manipulated to record future income in the current year.

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 those containing a revenue impact posted to unusual accounts and those containing a cash or borrowings impact posted to unusual accounts.
- Identifying and responding to risks of material misstatement due to non-compliance with laws and regulations.

### *Identifying and responding to risks of material misstatement related to 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 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 management the policies and procedures regarding compliance with laws and regulations.

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 (including related charities legislation,

taxation legislation, pensions legislation and higher education financial reporting related regulation. 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. We identified the following areas as those most likely to have such an effect: compliance with regulatory requirements of the Office for Students. Auditing standards limit the required audit procedures to identify non-compliance with these laws and regulations to enquiry of the Board of Governors and 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.

We have reported separately on the University's use of funds in the section of our audit report dealing with other legal and regulatory requirements.

*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 Operating and Financial Review, the University's Statement of Public Benefit, the statement of Corporate Governance and Internal Controls and the Financial Review. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or 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.

**Board of Governors responsibilities**

As explained more fully in its 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](http://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;
- 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.

### **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 in accordance with paragraph 10.1 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  
18 December 2023

## 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 2023. 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 £273,888 in 2022/2023 (£247,277 in 2021/2022). 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 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 £1,019K and received £1K 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 12.

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 2023 equates to plus or minus £2.0m. Further details are given in note 28.

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 2020 actuarial valuation, which defines the deficit payment required as a percentage of future salaries until 2038. 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 28.

## 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 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 no outstanding bank debt and a healthy reserves position. As a result of financial challenges in 2021/22, in January 2022 the University agreed a revolving credit facility and overdraft facility with its bankers providing working capital security for the future, the facility was not accessed in 2022/23.

The University is budgeting for an operating surplus in 2023/24 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 manage its overall support costs through a continuing transformation programme over the coming year, whilst maintaining and enhancing the student experience. Financial forecasts covering a 5-year period are produced for the Board annually, the latest in January 2023. A revised 5-year forecast for OfS will be produced in December 2023, 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 2023

	Note	Year ended 31 July 2023		Year ended 31 July 2022	
		Consolidated £'000	University £'000	Consolidated £'000	University £'000
<b>Income</b>					
Tuition fees and education contracts	1	136,381	136,328	131,125	131,067
Funding body grants	2	15,762	15,612	15,425	15,425
Research grants and contracts	3	2,340	2,320	4,950	4,918
Other income	4	20,461	15,154	28,245	23,191
Investment income	5	1,028	1,080	82	202
Donations and endowments	6	188	188	603	570
<b>Total income</b>		<b>176,160</b>	<b>170,682</b>	<b>180,430</b>	<b>175,373</b>
<b>Expenditure</b>					
Staff costs	8	109,319	107,849	130,892	129,324
Restructuring costs		(893)	(893)	6,526	6,526
Other operating expenses	9	57,816	53,397	48,350	44,937
Depreciation and Impairment	12	18,588	18,008	18,610	18,036
Interest and other finance costs	10	3,200	2,948	3,870	3,634
<b>Total expenditure</b>	11	<b>188,030</b>	<b>181,308</b>	<b>208,248</b>	<b>202,457</b>
<b>Deficit before other gains/(losses)</b>		<b>(11,870)</b>	<b>(10,626)</b>	<b>(27,818)</b>	<b>(27,084)</b>
Gain on disposal of Fixed Assets		0	0	9	9
<b>Deficit before tax</b>		<b>(11,870)</b>	<b>(10,626)</b>	<b>(27,809)</b>	<b>(27,075)</b>
Taxation		(2)	0	9	0
<b>Deficit for the year</b>		<b>(11,872)</b>	<b>(10,626)</b>	<b>(27,800)</b>	<b>(27,075)</b>
<b>Other comprehensive income</b>					
Actuarial gain in respect of pension schemes	28	84,515	84,515	150,279	150,279
<b>Total comprehensive income for the year</b>		<b>72,643</b>	<b>73,889</b>	<b>122,479</b>	<b>123,204</b>
Unrestricted comprehensive income for the year		72,739	73,985	122,408	123,133
Endowment comprehensive income / (Expenditure) for the year		(5)	(5)	38	38
Restricted comprehensive income / (Expenditure) for the year		(91)	(91)	33	33
<b>Total comprehensive income for the year</b>		<b>72,643</b>	<b>73,889</b>	<b>122,479</b>	<b>123,204</b>

All items of income and expenditure relate to continuing activities

**CONSOLIDATED AND UNIVERSITY STATEMENT OF CHANGES IN RESERVES**  
For the year ended 31 July 2023

Consolidated	Endowment Reserve £'000	Income and Expenditure Account		Revaluation Reserve £'000	Total £'000
		Restricted £'000	Unrestricted £'000		
<b>Balance at 1 August 2022</b>	115	630	221,973	24,743	247,461
(Deficit) / Surplus from the income and expenditure statement	(5)	(91)	(24,230)	0	(24,326)
Other comprehensive income	0	0	96,969	0	96,969
Transfers between revaluation and income and expenditure reserve	0	0	780	(780)	0
Release of restricted funds spent in year	0	0	(76)	0	(76)
<b>Total comprehensive income for the year</b>	(5)	(91)	73,443	(780)	72,567
<b>Balance at 31 July 2023</b>	<b>110</b>	<b>539</b>	<b>295,416</b>	<b>23,963</b>	<b>320,028</b>

University	Endowment Reserve £'000	Income and Expenditure Account		Revaluation Reserve £'000	Total £'000
		Restricted £'000	Unrestricted £'000		
<b>Balance at 1 August 2022</b>	115	630	213,558	22,607	236,910
(Deficit) / Surplus from the income and expenditure statement	(5)	(91)	(22,983)	(0)	(23,079)
Other comprehensive income	0	0	96,969	0	96,969
Transfers between revaluation and income and expenditure reserve	0	0	780	(780)	0
Release of restricted funds spent in year	0	0	0	(0)	0
<b>Total comprehensive income for the year</b>	(5)	(91)	74,766	(780)	73,890
<b>Balance at 31 July 2023</b>	<b>110</b>	<b>539</b>	<b>288,324</b>	<b>21,827</b>	<b>310,800</b>

CONSOLIDATED AND UNIVERSITY STATEMENT OF CHANGES IN RESERVES  
For the year ended 31 July 2023

Consolidated	Endowment Reserve £'000	Income and Expenditure Account		Revaluation Reserve £'000	Total £'000
		Restricted £'000	Unrestricted £'000		
<b>Balance at 1 August 2021</b>	77	597	98,205	26,104	124,982
(Deficit)/Surplus from the income and expenditure statement	38	33	(27,871)	0	(27,800)
Other comprehensive income	0	0	150,279	0	150,279
Transfers between revaluation and income and expenditure reserve	0	0	1,361	(1,361)	0
Release of restricted funds spent in year	0	0	0	0	0
<b>Total comprehensive income for the year</b>	<b>38</b>	<b>33</b>	<b>123,769</b>	<b>(1,361)</b>	<b>122,479</b>
<b>Balance at 31 July 2022</b>	<b>115</b>	<b>630</b>	<b>221,973</b>	<b>24,743</b>	<b>247,461</b>

University	Endowment Reserve £'000	Income and Expenditure Account		Revaluation Reserve £'000	Total £'000
		Restricted £'000	Unrestricted £'000		
<b>Balance at 1 August 2021</b>	77	597	89,064	23,968	113,706
Surplus from the income and expenditure statement	38	33	(27,146)	0	(27,075)
Other comprehensive income	0	0	150,279	0	150,279
Transfers between revaluation and income and expenditure reserve	0	0	1,361	(1,361)	0
Release of restricted funds spent in year	0	0	0	0	0
<b>Total comprehensive income for the year</b>	<b>38</b>	<b>33</b>	<b>124,494</b>	<b>(1,361)</b>	<b>123,204</b>
<b>Balance at 31 July 2022</b>	<b>115</b>	<b>630</b>	<b>213,558</b>	<b>22,607</b>	<b>236,910</b>

**CONSOLIDATED AND UNIVERSITY BALANCE SHEET**  
For the year ended 31 July 2023

	Note	As at 31 July 2023		As at 31 July 2022	
		Consolidated £'000	University £'000	Consolidated £'000	University £'000
<b>Non-current assets</b>					
Fixed assets	12	303,845	286,199	312,381	294,256
Investments	13	221	721	221	721
		<u>304,066</u>	<u>286,920</u>	<u>312,602</u>	<u>294,977</u>
<b>Current assets</b>					
Stock	14	74	74	89	89
Trade and other receivables	15	44,563	48,383	44,174	47,728
Investments	16	0	0	0	0
Cash and cash equivalents		39,129	37,722	27,155	24,779
		<u>83,766</u>	<u>86,179</u>	<u>71,418</u>	<u>72,596</u>
Less: Creditors: amounts falling due within one year	17	(57,875)	(56,787)	(43,226)	(41,497)
<b>Net current assets</b>		25,891	29,392	28,192	31,099
<b>Total assets less current liabilities</b>		<u>329,957</u>	<u>316,312</u>	<u>340,794</u>	<u>326,076</u>
Creditors: amounts falling due after more than one year	18	(4,417)	0	(4,167)	0
<b>Provisions</b>					
Pension provisions	19	(549)	(549)	(79,001)	(79,001)
Other provisions	19	(4,963)	(4,963)	(10,165)	(10,165)
<b>Total net assets</b>		<u><b>320,028</b></u>	<u><b>310,800</b></u>	<u><b>247,461</b></u>	<u><b>236,910</b></u>
<b>Restricted Reserves</b>					
Income and expenditure reserve - endowment	20	110	110	115	115
Income and expenditure reserve - restricted		539	539	630	630
<b>Unrestricted Reserves</b>					
Income and expenditure reserve - unrestricted		295,416	288,324	221,973	213,558
Revaluation reserve	21	23,963	21,827	24,743	22,607
		<u>320,028</u>	<u>310,800</u>	<u>247,461</u>	<u>236,910</u>
<b>Total Reserves</b>		<u><b>320,028</b></u>	<u><b>310,800</b></u>	<u><b>247,461</b></u>	<u><b>236,910</b></u>

The financial statements were approved by the Board of Governors on 29<sup>th</sup> November 2023 and were signed on its behalf on that date by:

A Spence



Chair of the Board of Governors

E Adia



Vice Chancellor and Accountable Officer

D Reeve



Chief Financial Officer

**CONSOLIDATED CASH FLOW STATEMENT**

For the year ended 31 July 2023

	Note	Year ended 31 July 2023 £'000	Year ended 31 July 2022 £'000
<b>Cash flow from operating activities</b>			
Deficit for the year after tax		(11,872)	(27,800)
<b>Adjustment for non-cash items</b>			
Depreciation	12	18,589	18,610
Decrease/(increase) in stock	14	15	(23)
Decrease/(increase) in debtors	15	(389)	(4,489)
Increase/(decrease) in creditors	17,18	14,899	2,374
Increase/(decrease) in pension provision	19	862	21,703
Increase/(decrease) in other provisions	19	0	0
<b>Adjustment for investing or financing activities</b>			
Investment income	5	(1,028)	(82)
Capital Grant Income	1,2,4	(523)	(10,489)
Interest Payable	10	291	306
Loan Repayable	18	(250)	(235)
Endowment Income	20	96	(71)
Profit on Sale of Fixed Assets		(0)	(9)
<b>Net cash (outflow) / inflow from operating activities</b>		<b>20,690</b>	<b>(205)</b>
<b>Cash flows from investing activities</b>			
Proceeds from Sales of Fixed Assets		(0)	9
Investment income		953	82
Capital Grant Income		523	10,489
Placing of Deposits		0	0
Payments made to acquire fixed assets		(10,055)	(28,324)
		<b>(8,579)</b>	<b>(17,744)</b>
<b>Cash flows from financing activities</b>			
Interest paid		(291)	(306)
Endowment cash received		(96)	71
New unsecured loans		0	0
Receipt / (Repayment) of amounts borrowed		250	235
		<b>(137)</b>	<b>0</b>
<b>(Decrease) / Increase in cash and cash equivalents</b>		<b>11,974</b>	<b>(17,949)</b>
Cash and cash equivalents at beginning of the year		27,155	45,104
Cash and cash equivalents at end of the year		39,129	27,155

NOTES TO THE ACCOUNTS

1	Tuition fees and education contracts	Year Ended 31 July 2023		Year Ended 31 July 2022	
		Consolidated £'000	University £'000	Consolidated £'000	University £'000
	Full-time home and EU students	84,447	84,447	89,798	89,798
	Full-time international students	32,408	32,408	23,825	23,825
	Part-time students	12,300	12,264	11,229	11,207
	Franchised Courses	1,791	1,791	1,922	1,922
	Apprentices	3,372	3,372	2,898	2,898
	Education Contracts	1,221	1,221	1,057	1,057
	Continuing Professional Development	842	825	396	360
		<b>136,381</b>	<b>136,328</b>	<b>131,125</b>	<b>131,067</b>
2	Funding body grants	Year Ended 31 July 2023		Year Ended 31 July 2022	
		Consolidated £'000	University £'000	Consolidated £'000	University £'000
	<b>Recurrent grant</b>				
	Office for Students	8,512	8,512	7,441	7,441
	UKRI	3,448	3,448	2,255	2,255
	Capital Grant – OFS	273	273	2,030	2,030
	Capital Grant – UKRI	292	292	147	147
	<b>Specific grants</b>				
	Higher Education Academic Subject Centres - OFS	1,709	1,709	1,909	1,909
	Higher Education Innovation Fund – UKRI	1,301	1,151	1,217	1,217
	Higher Education Academic Subject Centres- UKRI	174	174	392	392
	Department for Education	53	53	34	34
		<b>15,762</b>	<b>15,612</b>	<b>15,425</b>	<b>15,425</b>
3	Research Grants and Contracts	Year Ended 31 July 2023		Year Ended 31 July 2022	
		Consolidated £'000	University £'000	Consolidated £'000	University £'000
	Research councils	433	433	777	777
	Research charities	420	420	343	343
	Government (UK and overseas)	999	979	3,454	3,422
	Industry and commerce	326	326	163	163
	Other	162	162	213	213
		<b>2,340</b>	<b>2,320</b>	<b>4,950</b>	<b>4,918</b>

4	Other income	Year Ended 31 July 2023		Year Ended 31 July 2022	
		Consolidated £'000	University £'000	Consolidated £'000	University £'000
	Residences, catering and conferences	5,336	5,335	4,801	4,801
	Other revenue grants	6,364	4,443	6,658	5,235
	Other capital grants	(42)	21	8,312	8,429
	Other income	8,803	5,355	8,474	4,726
		<b>20,461</b>	<b>15,154</b>	<b>28,245</b>	<b>23,191</b>
<hr/>					
5	Investment income	Year Ended 31 July 2023		Year Ended 31 July 2022	
		Consolidated £'000	University £'000	Consolidated £'000	University £'000
	Investment income on endowments	20	20	2	2
	Exchange rate gain	75	75	0	0
	Other investment income	933	985	80	200
		<b>1,028</b>	<b>1,080</b>	<b>82</b>	<b>202</b>
<hr/>					
6	Donations and endowments	Year Ended 31 July 2023		Year Ended 31 July 2022	
		Consolidated £'000	University £'000	Consolidated £'000	University £'000
	Donations with Restrictions	188	188	520	520
	Unrestricted donations	0	0	83	50
		<b>188</b>	<b>188</b>	<b>603</b>	<b>570</b>
<hr/>					
7	Grant and Fee Income	Year Ended 31 July 2023		Year Ended 31 July 2022	
		Consolidated £'000	University £'000	Consolidated £'000	University £'000
	Grant income from the Office for Students	10,264	10,264	11,238	11,238
	Grant income from other bodies	14,531	12,504	23,634	22,295
	Fee income for taught awards	132,663	132,627	127,911	127,889
	Fee income for research awards	1,655	1,655	1,761	1,761
	Fee income from non-qualifying courses	1,051	891	709	645
		<b>160,164</b>	<b>157,941</b>	<b>165,253</b>	<b>163,828</b>

8 Staff costs	Year Ended 31 July 2023		Year Ended 31 July 2022	
	Consolidated	University	Consolidated	University
Staff Costs:	£'000	£'000	£'000	£'000
Salaries	82,209	80,952	90,191	88,842
Social security costs	8,327	8,251	9,283	9,216
Holiday Accrual	(128)	(128)	107	107
Movement on USS provision	(680)	(680)	336	336
Other pension costs	19,591	19,454	30,975	30,823
<b>Total</b>	<b>109,319</b>	<b>107,849</b>	<b>130,892</b>	<b>129,324</b>

Severances of £2,721K (249 staff) paid during 2022/23 are included within the salaries costs. (£574K 2021/22 – 68 staff).

Decisions on the Vice Chancellor's remuneration package is made by the University's Remuneration Committee (which is composed of independent members of the University's Governing Body) taking account of the level of responsibility, market data for the remuneration of Vice-Chancellors at competitor institutions, the achievement of strategic goals, the institution's national and international rankings and performance against key performance metrics.

The interim Vice Chancellor's salary was set based on affordability, market salary levels and the incoming Vice Chancellor's experience.

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 and to discuss the pay justification. The remuneration received in year by the University of Wolverhampton's Vice Chancellor's is as follows:

Emoluments of the Vice-Chancellor	£'000	£'000	£'000	£'000
Prof Campbell to 31 <sup>st</sup> January 2023:				
Salary	277	277	213	213
Benefits	0	0	0	0
Pension contributions to USS	0	0	0	0
	<b>277</b>	<b>277</b>	<b>213</b>	<b>213</b>
Prof Raftery from 1 <sup>st</sup> February 2023:				
Salary	166	166	0	0
Benefits	0	0	0	0
Pension contributions to USS	0	0	0	0
	<b>166</b>	<b>166</b>	<b>0</b>	<b>0</b>
Prof Layer to 31 <sup>st</sup> December 2022:				
Salary	0	0	127	127
Benefits	0	0	0	0
Pension contributions to USS	0	0	0	0
	<b>0</b>	<b>0</b>	<b>127</b>	<b>127</b>
<b>Total</b>	<b>443</b>	<b>443</b>	<b>340</b>	<b>340</b>

A new Vice Chancellor was appointed in year and the table above shows the combined salaries. The increased expenditure relates to a payment in lieu of notice to the outgoing Vice Chancellor.

The pay multiples of the two Vice-Chancellors in place during the year are as follows:

	<b>2022/23</b>	<b>2021/22</b>
<b>Basic Salary</b>		
Professor Campbell	9.13	7.80
Professor Raftery	8.86	9.41

Calculated on a full time equivalent basis for the salaries paid by the University to its staff

	<b>2022/23</b>	<b>2021/22</b>
<b>Total Remuneration</b>		
Professor Campbell	9.13	8.84
Professor Raftery	8.86	9.41

Calculated on a full time equivalent basis for the total remuneration paid by the University to its staff

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

	<b>No.</b>	<b>No.</b>	<b>No.</b>	<b>No.</b>
£100,000 to £104,999	2	2	1	1
£105,000 to £109,999	2	2	1	1
£110,000 to £114,999	1	1	1	1
£115,000 to £119,999	0	0	1	1
£120,000 to £124,999	0	0	2	2
£125,000 to £129,999	2	2	1	1
£130,000 to £134,999	0	0	0	0
£135,000 to £139,999	0	0	0	0
£140,000 to £144,999	0	0	1	1
£145,000 to £149,999	0	0	0	0
£150,000 to £154,999	0	0	1	1
£165,000 to £169,999	1	1		
£180,000 to £184,999	1	1		
£210,000 to £214,999	0	0	1	1
£260,000 to £264,999	1	1	0	0
	<b>10</b>	<b>10</b>	<b>10</b>	<b>10</b>
	<b>No.</b>	<b>No.</b>	<b>No.</b>	<b>No.</b>
<b>Average staff numbers:</b>				
Academic	850	850	966	966
Technical	877	877	974	974
Other	229	229	220	220
	<b>1,956</b>	<b>1,956</b>	<b>2,160</b>	<b>2,160</b>

### Key management personnel

Key management personnel are the members of the University Executive Board 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 2023 £ '000	Year ended 31 July 2022 £ '000
Key management personnel compensation	1,332	1,351
Number of Staff	6	6

### 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 2022/23 (2021/22 Nil).

The total expenses paid to or on behalf of trustees was £606 (2021/22 - £1,243). This represents travel and subsistence expenses incurred in attending meetings and training events connected with their roles as trustees.

**Financial Statements for the Year Ended 31 July 2023**

<b>9 Other Operating Expenses</b>	<b>Year Ended 31 July 2023</b>		<b>Year Ended 31 July 2022</b>	
	<b>Consolidated</b>	<b>University</b>	<b>Consolidated</b>	<b>University</b>
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
Residences, Catering and Conferences	910	894	581	570
Books and Consumables	2,976	2,968	2,524	2,512
Equipment	5,964	5,953	5,772	5,727
Printing and Stationery	358	355	391	386
Heat, Light, Water and Power	4,057	3,662	3,674	3,325
Repairs and Maintenance	4,863	4,124	3,333	2,497
Grants to University of Wolverhampton Students' Union	1,015	1,015	1,016	1,016
Rents	1,336	1,282	1,436	1,398
Rates	1,162	897	904	774
Auditors' Remuneration	261	226	154	110
Auditors' Remuneration in Respect of Non-Audit Services	254	249	86	86
Equipment Operating Lease Rentals	101	101	83	82
Franchise Payments to Colleges	1,332	1,332	1,488	1,488
Staff Travel and Subsistence	873	850	731	717
Staff Recruitment Costs	106	105	86	86
Staff Development	389	381	302	299
Student Scholarships, Bursaries, Placements & Travel Costs	4,122	4,120	2,978	2,978
Payments to Partners	3,199	2,251	3,555	2,888
Consultancies on External Projects	788	549	828	578
Other Consultancies	749	734	698	676
Telecommunications and Postage	629	563	682	606
Provision for Bad Debts	3,162	3,029	2,465	2,283
Cleaning Costs	737	720	592	571
Legal, Professional and Other	11,443	11,150	7,177	7,071
Insurance	858	838	583	565
Publicity	2,872	2,823	2,518	2,485
Transport Intersite	0	535	0	615
Subscriptions	1,400	1,397	2,019	2,015
Other	1,900	294	1,694	533
<b>Total</b>	<b>57,816</b>	<b>53,397</b>	<b>48,350</b>	<b>44,937</b>

**Auditor Remuneration includes:**

External Audit				
Financial Statements Audit	136	101	88	64
Project Audits	26	26	19	19
Tax	1	1	50	31
Advisory	227	222	42	42
Internal Audit	125	125	39	39
<b>Total</b>	<b>515</b>	<b>475</b>	<b>238</b>	<b>195</b>

Financial Statements audit expenditure includes annual audit fee for 2022/23 for both the university and consolidated subsidiaries of £75k (exc. VAT) and £15k (exc. VAT) respectively

**9b Access and Participation**

	Year Ended 31 July 2023		Year Ended 31 July 2022	
	Consolidated	Consolidated	University	University
	£000's	£000's	£000's	£000's
Access Investment	491	491	693	693
Financial Support	1,535	1,535	1,389	1,389
Disability Support	1,063	1,063	1,010	1,010
Research & Evaluation	151	151	150	150
	<b>3,240</b>	<b>3,240</b>	<b>3,242</b>	<b>3,242</b>

£1,463K (2021/22 £1,682K) of the above expenditure relates to staff costs.

The University had prepared its Access and Participation Plan for 2020/21 to 2024/25 and has published it on its website <https://www.wlv.ac.uk/about-us/corporate-information/access-and-participation-plans/>

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.

**10 Interest and other finance costs**

	Year Ended 31 July 2023		Year Ended 31 July 2022	
	Consolidated	University	Consolidated	University
	£'000	£'000	£'000	£'000
Loan interest	252	0	238	2
Exchange differences	0	0	61	61
USS Interest Payment	39	39	7	7
Net charge on pension scheme 28	2,909	2,909	3,564	3,564
	<b>3,200</b>	<b>2,948</b>	<b>3,870</b>	<b>3,634</b>

**11 Analysis of total expenditure by activity**

	Year Ended 31 July 2023		Year Ended 31 July 2022	
	Consolidated	University	Consolidated	University
	£'000	£'000	£'000	£'000
Academic Departments	72,365	72,365	78,335	78,335
Academic Services	15,766	15,766	15,899	15,899
Administration and central services	39,985	40,030	53,661	53,710
Premises	18,608	16,087	15,802	13,501
Residences, catering and conferences	4,820	4,820	4,526	4,526
Research grants and contracts	3,647	3,629	5,313	5,281
Other expenses	32,839	28,610	34,712	31,205
	<b>188,030</b>	<b>181,307</b>	<b>208,248</b>	<b>202,457</b>

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 2022	473,471	227	66,660	188	540,546
Additions	5,716	0	3,498	839	10,053
Transfers	(29)	0	218	(189)	0
Disposals	0	0	0	0	0
<b>At 31 July 2023</b>	<b>479,158</b>	<b>227</b>	<b>70,376</b>	<b>838</b>	<b>550,599</b>

**Depreciation**

At 1 August 2022	173,166	99	54,900	0	228,165
Charge for the year	13,095	32	5,326	0	18,453
Impairment	0	0	136	0	136
Disposals	0	0	0	0	0
<b>At 31 July 2023</b>	<b>186,261</b>	<b>131</b>	<b>60,362</b>	<b>0</b>	<b>246,754</b>

**Net book value**

<b>At 31 July 2023</b>	<b>292,897</b>	<b>96</b>	<b>10,014</b>	<b>838</b>	<b>303,845</b>
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At 31 July 2022	<b>300,305</b>	<b>128</b>	<b>11,760</b>	<b>188</b>	<b>312,381</b>
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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 2022	447,535	227	65,178	188	513,128
Additions	5,716	0	3,397	838	9,951
Transfers	189	0	0	(189)	0
Disposals	0	0	0	0	0
<b>At 31 July 2023</b>	<b>453,440</b>	<b>227</b>	<b>68,575</b>	<b>837</b>	<b>523,079</b>

**Depreciation**

At 1 August 2022	165,075	99	53,698	0	218,872
Charge for the year	12,614	31	5,227	0	17,872
Impairment	0	0	136	0	136
Disposals	0	0	0	0	0
<b>At 31 July 2023</b>	<b>177,689</b>	<b>130</b>	<b>59,061</b>	<b>0</b>	<b>236,880</b>

**Net book value**

<b>At 31 July 2023</b>	<b>275,751</b>	<b>97</b>	<b>9,514</b>	<b>837</b>	<b>286,199</b>
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At 31 July 2022	282,460	128	11,480	188	294,256
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The university has been awarded capital grants to part fund the construction of new buildings as part of the grant agreement a charge / guarantee has been levied over the building. The conditions of the grants include the University delivering against a number of performance targets over a period of time such that when these are achieved the conditions of the grants will have been satisfied and the charges then released.

List of Charges:-

<b>Building Name</b>	<b>Charge / Guarantee</b>
Lord Swraj Paul Building (MU)	Walsall Metropolitan Borough Council
Springfield Land - Cambridge Street and Grimstone Street	Walsall Metropolitan Borough Council
Springfield - Land at Stafford Street	Walsall Metropolitan Borough Council
The Elite Centre for Manufacturing Skills	Wolverhampton City Council (Guarantee)
Apprenticeship Hub	Wolverhampton City Council (Guarantee)
Springfield	Walsall Metropolitan Borough Council
Science Technology & Prototyping Centre (WSP)	Wolverhampton City Council (Guarantee)

### 13 Non-Current Investments

<b>Consolidated</b>	<b>Subsidiary Companies</b>	<b>Subsidiary Investment In spinouts</b>	<b>Other fixed assets investments</b>	<b>Total</b>
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
<b>At 1 August 2022</b>	185	0	36	221
Additions	0	0	0	0
Disposals	0	0	0	0
Impairment	0	0	0	0
<b>At 31 July 2023</b>	<b>185</b>	<b>0</b>	<b>36</b>	<b>221</b>

<b>University</b>	<b>Subsidiary Companies</b>	<b>Subsidiary Investment In spinouts</b>	<b>Other fixed assets investments</b>	<b>Total</b>
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
<b>At 1 August 2022</b>	685	0	36	721
Additions	0	0	0	0
Disposals	0	0	0	0
Impairment	0	0	0	0
<b>At 31 July 2023</b>	<b>685</b>	<b>0</b>	<b>36</b>	<b>721</b>

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  
 University of Wolverhampton Social Enterprises Limited  
 University of Wolverhampton Corporate Services Limited

100 fully paid up £1 shares  
 100 fully paid up £1 shares  
 100 fully paid up £1 shares

## Financial Statements for the Year Ended 31 July 2023

University of Wolverhampton Enterprise Limited engages primarily in the operation of the University's inter-site bus service. University of Wolverhampton Enterprise Ltd also owns 810 fully paid £1 shares in University of Wolverhampton Science Park Limited.

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.

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

The University dissolved the following non trading companies in March 2022:

University of Wolverhampton Innovation Limited

University of Wolverhampton Incubation Limited

University of Wolverhampton Ventures Limited

### 14 Stock

	Year ended 31 July 2023		Year ended 31 July 2022	
	Consolidated £'000	University £'000	Consolidated £'000	University £'000
General consumables	74	74	89	89
	<b>74</b>	<b>74</b>	<b>89</b>	<b>89</b>

### 15 Trade and other receivables

	Year ended 31 July 2023		Year ended 31 July 2022	
	Consolidated £'000	University £'000	Consolidated £'000	University £'000
<i>Amounts falling due within one year:</i>				
Other receivables	36,782	36,385	35,545	34,723
Prepayments and accrued income	7,781	7,452	8,629	8,317
Amounts due from subsidiary companies	0	4,546	0	4,688
	<b>44,563</b>	<b>48,383</b>	<b>44,174</b>	<b>47,728</b>

### 16 Current Investments

	Year ended 31 July 2023		Year ended 31 July 2022	
	Consolidated £'000	University £'000	Consolidated £'000	University £'000
Short term deposits	0	0	0	0
	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

**Financial Statements for the Year Ended 31 July 2023**

**17 Creditors : amounts falling due within one year**

	Year ended 31 July 2023		Year ended 31 July 2022	
	Consolidated	University	Consolidated	University
	£'000	£'000	£'000	£'000
Trade payables	17,724	17,623	11,811	12,072
Amount owed to Subsidiary	0	10	0	0
Social security and other taxation payable	4,504	4,291	4,486	4,485
Accruals and deferred income	34,017	33,233	25,171	23,182
Holiday Accrual	1,630	1,630	1,758	1,758
	<b>57,875</b>	<b>56,787</b>	<b>43,226</b>	<b>41,497</b>

**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 2023		Year ended 31 July 2022	
	Consolidated	University	Consolidated	University
	£'000	£'000	£'000	£'000
Research grants received on account	1,205	1,169	2,388	2,376
Grant income	3,308	3,034	5,179	3,656
Tuition Fee Income	17,249	17,249	10,807	10,807
Other income	553	399	393	260
	<b>22,315</b>	<b>21,851</b>	<b>18,767</b>	<b>17,099</b>

**18 Creditors : amounts falling due after more than one year**

	Year ended 31 July 2023		Year ended 31 July 2022	
	Consolidated	University	Consolidated	University
	£'000	£'000	£'000	£'000
Secured loans	4,417	0	4,167	0
	4,417	0	4,167	0
<b>Analysis of secured and unsecured loans:</b>				
Due within one year or on demand (Note 17)	0	0	0	0
	0	0	0	
Due between one and two years	0	0	0	0
Due between two and five years	426	0	283	0
Due in five years or more	3,990	0	3,884	0
Due after more than one year	4,416	0	4,167	0
	0	0		
Total secured and unsecured loans	4,416	0	4,167	0
	0	0		
	0	0		
Secured loans repayable by 2049	4,416	0	4,167	0
	4,416	0	4,167	0

The loan from Hereford Council is secured against the property over a 30 year period at a fixed interest rate of 5.99%.

- Loan Agreement between CQ and Herefordshire Council. No disposition of property and a legal mortgage for the value of the Loan
- Loan Agreement between CQ and University of Wolverhampton. No disposition of property and a legal mortgage for the value of the Loan
- Deed of Priority - Herefordshire Council first, University of Wolverhampton second

## 19 Provisions for liabilities

Consolidated	Obligation to fund deficit on USS Pension	Enhanced Pensions	Defined Benefit Obligations (Note 28)	Dilapidations	Restructure	Total Provisions
	£'000	£'000	£'000	£'000	£'000	£'000
At 1 August 2022	1,190	3,638	77,811	450	6,076	89,165
Created in Year	0	144	38,190	0	0	38,334
Utilised in year	(641)	(546)	(116,001)	(300)	(3,932)	(121,420)
Unused amounts reversed to the SOCI	0	0	0	0	(568)	(568)
<b>At 31 July 2023</b>	<b>549</b>	<b>3,236</b>	<b>0</b>	<b>150</b>	<b>1,576</b>	<b>5,511</b>

University	Obligation to fund deficit on USS Pension	Enhanced Pensions	Defined Benefit Obligations (Note 28)	Dilapidations	Restructure	Total Provisions
	£'000	£'000	£'000	£'000	£'000	£'000
At 1 August 2022	1,190	3,638	77,811	450	6,076	89,166
Created in Year	0	144	38,190	0	0	38,334
Utilised in year	(641)	(546)	(116,001)	(300)	(3,932)	(121,420)
Unused amounts reversed to the SOCI	0	0	0	0	(568)	(568)
<b>At 31 July 2023</b>	<b>549</b>	<b>3,236</b>	<b>0</b>	<b>150</b>	<b>1,576</b>	<b>5,511</b>

### 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	2023 Total £'000	2022 Total £'000
<b>Balances at 1 August 2022</b>					
Capital	0	0	0	0	0
Accumulated income	115	630	0	745	674
	<b>115</b>	<b>630</b>	<b>0</b>	<b>745</b>	<b>674</b>
<b>New endowments</b>					
Investment income	3	204	0	207	569
Expenditure	(8)	(295)	0	(303)	(498)
	(5)	(91)	0	(96)	(71)
(Decrease)/increase in market value of investments	0	0	0	0	0
<b>At 31 July 2023</b>	<b>110</b>	<b>539</b>	<b>0</b>	<b>649</b>	<b>745</b>
<b>Represented by:</b>					
Capital	0	0	0	0	0
Accumulated income	110	539	0	649	745
	<b>110</b>	<b>539</b>	<b>0</b>	<b>649</b>	<b>745</b>
<b>Analysis by type of purpose:</b>					
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	110	539	0	649	745
	<b>110</b>	<b>539</b>	<b>0</b>	<b>649</b>	<b>745</b>
<b>Analysis by asset</b>					
Fixed assets				0	0
Current and non-current asset investments				0	0
Cash & cash equivalents				649	745
				<b>649</b>	<b>745</b>

21 Revaluation Reserve

	Year ended 31 July 2023		Year ended 31 July 2022	
	Consolidated £'000	University £'000	Consolidated £'000	University £'000
Balance b/fwd at 1 August	24,743	22,607	26,104	23,968
Release to the Income and Expenditure Account	(780)	(780)	(869)	(869)
Impairment	(0)	(0)	(492)	(492)
<b>At 31 July</b>	<b>23,963</b>	<b>21,827</b>	<b>24,743</b>	<b>22,607</b>

## 22 Capital and other commitments

Provision has not been made for the following capital commitments at 31 July 2023.

	Year ended 31 July 2023		Year ended 31 July 2022	
	Consolidated £'000	University £'000	Consolidated £'000	University £'000
Commitments contracted for at 31 July	208	208	9,447	9,447
Authorised but not Contracted at 31 July	25,692	25,692	1,553	1,553
	<b>25,900</b>	<b>25,900</b>	<b>11,000</b>	<b>11,000</b>

## 23 Contingent liabilities

The University has no contingent liabilities.

## 24 Lease Obligations

Total rentals payable under operating leases:

	31 July 2023		31 July 2022	
	Other Leases	Total	Other Leases	Total
	Consolidated £'000	£'000	Consolidated £'000	£'000
<b>Payable during the year</b>				
<b>Future minimum lease payments due:</b>				
Within One Year	0	0	76	76
Due between One and Two Years	0	0	0	0
Three Years	0	0	0	0
Four Years	0	0	0	0
Over Five years	0	0	0	0
<b>Total lease payments due</b>	<b>0</b>	<b>0</b>	<b>76</b>	<b>76</b>

## 25 Teacher Training Bursaries

	Year ended 31 July 2023		Year ended 31 July 2022	
	Consolidated	University	Consolidated	University
	£'000	£'000	£'000	£'000
Balance Unspent/(Overspent) as at 1 August	(273)	(273)	(104)	(104)
Department for Education	1,127	1,127	1,464	1,464
	854	854	1,360	1,360
Disbursed to Students	(1,154)	(1,154)	(1,633)	(1,633)
Balance Unspent / (Overspent) as at 31 July	(300)	(300)	(273)	(273)

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.

## 26 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.

## 27 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 £606 (2021/22 - £1,243). 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 £1,019K and received £1K from the Students' Union.

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

**Financial Statements for the Year Ended 31 July 2023**

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Directorships/Ownerships declared in the register	2022/23		2021/22	
	Purchases	Sales	Purchases	Sales
Black Country Consortium	0	2,590	36,776	7,817
Canal Park Trust	0	463	0	0
Disulfican Ltd	17,535	0	0	0
Dudley College	0	0	48,424	27,208
Health futures UTC Ltd	0	0	0	16,767
Herefordshire County Council	166,161	0	0	0
ICSA and International Compliance Association	0	0	9,069	0
Nachural Music Limited	4,200	0	0	0
Principal Fellow of Higher Education Academy	0	0	16,083	0
Sheffield Collegiate Cricket Club	0	0	5,000	0
Telford College	0	0	260,763	0
Universities Association of Lifelong learning	0	0	865	0
University of Chester	0	0	46,646	0
University of Wolverhampton Multi Academy Trust	0	0	0	15,221
West Midlands Combined Authority	0	0	0	40,147
West Midlands Growth Company Limited	0	0	42,000	0
Wolverhampton City Council	23,376	18,272	689,507	65,170
Wolverhampton Grand Theatre	0	0	84,321	0
	<b>211,272</b>	<b>21,325</b>	<b>1,239,454</b>	<b>172,330</b>

## 28 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.

	2022/23	2021/22
	£'000	£'000
TPS and USS contributions	8,882	10,212
WMMAPF contributions	6,993	9,173
WMMAPF - FRS Adjustment	<u>3,915</u>	<u>12,065</u>
	19,790	31,450
Enhanced Pensions	<u>(199)</u>	<u>(475)</u>
Total per Note 8	<u>19,591</u>	<u>30,975</u>
Enhanced Pensions Interest Cost	120	70
Benefits paid	(323)	(320)
Total Movement on EPP (note 19)	<u>(402)</u>	<u>(725)</u>

28 Pension Schemes (continued)

**Universities' Superannuation Scheme (USS)**

**Deficit Recovery Liability**

The total charge to the profit and loss account is £343K (prior year Cost Released: £23K). Deficit recovery contributions due within one year for the institution are £103K (prior year £119K).

The latest available complete actuarial valuation of the Retirement Income Builder section of the Scheme is at 31 March 2020 ("the valuation date"), which was carried out using the projected unit method.

The 2020 valuation was the sixth valuation for the scheme under the scheme-specific funding regime introduced by the Pensions Act 2004, which requires schemes to have sufficient and appropriate assets to cover their technical provisions. At the valuation date, the value of the assets of the scheme was £66.5 billion and the value of the scheme's technical provisions was £80.6 billion indicating a shortfall of £14.1 billion and a funding ratio of 83%.

The latest available complete actuarial valuation of the Retirement Income Builder section of the Scheme is at 31 March 2020 ("the valuation date"), which was carried out using the projected unit method.

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

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

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

Mortality base table	<b>2020 valuation</b> 101% of S2PMA "light" for males and 95% of S£PFA for females.
Future improvements to mortality	CMI_2019 with a smoothing parameter of 7.5, an initial addition of 0.5% pa 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:

	<b>2023</b>	<b>2022</b>
Males currently aged 65 (years)	23.9	23.9
Females currently aged 65 (years)	25.5	25.5
Males currently aged 45 (years)	25.9	25.9
Females currently aged 45 (years)	27.3	27.3

A new deficit recovery plan was put in place as part of the 2020 valuation, which requires payment of 6.2% of salaries over the period 1 April 2022 until 31 March 2024 at which point the rate will increase to 6.3%. The 2023 deficit recovery liability reflects this plan. The liability figures have been produced using the following assumptions:

	<b>2023</b>	<b>2022</b>
Discount rate	5.52%	3.31%
Pensionable salary growth	2.59%	1.00%

The employers' contribution rates are as follows:

<b>Effective date</b>	<b>Rate</b>
1 October 2019 to 30 September 2021	21.10%
1 October 2021 to 31 March 2022	21.40%
1 April 2022 to 31 March 2024	21.60%
1 April 2024 to 30 April 2038	21.40%

## 28 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 2022 and set contributions from 1 April 2023. 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.

Recent changes in global and UK economic pressures and tightening of monetary policy have had a significant impact on asset markets and corporate bonds yields, which are key to the FRS102 assessment of the net pension asset or liability. In particular, AA corporate bond yields, used to set the FRS102 discount rate, have increased significantly, with corresponding falls in asset values. The markets have been exceptionally volatile and therefore both gross DBOs and assets have fallen.

As a result of high rate of inflation, LGPS Actuary has updated CPI assumption to include an appropriate allowance for the one-off higher than expected increase expected to come through in April 2024 basis expectations of the 2024 Pension Increase Order. The CPI assumption has been updated to make allowance for inflation experience since September 2022. This adjustment has resulted in the CPI assumption being 0.20% higher at medium durations (between 17 and 23 years) compared to the assumption that would have been derived using the methodology adopted at 31 July 2022. The impact of this change in methodology has increased the DBO balance by £11,280k.

28 Pension Schemes (continued)

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

	2022-23	2021-22
	£000s	£000s
<b>Net (liability) / asset</b>		
<b>Opening position as at 1 August</b>	(77,811)	(212,531)
Past Service Cost	(1,627)	(65)
Current Service Cost	(10,066)	(21,862)
Net interest Cost	(2,789)	(3,494)
Administration Expenses	(0)	(0)
Total defined benefit cost recognised in SOCl	(14,482)	(25,421)
Employer LGPS contributions	7,751	9,862
Contributions in respect of unfunded benefits paid	27	0
<b>Net Cost Recognised in SOCl</b>	(84,515)	(35,283)
Total remeasurements recognised in SOCl	96,969	150,279
Asset Ceiling Adjustment	(12,454)	0
<b>Closing position as at 31 July</b>	<b>0</b>	<b>(77,811)</b>
<b>Net Position of Asset / Liability</b>		
	<b>At Year End</b>	<b>At Year End</b>
	<b>31/07/2023</b>	<b>31/07/2022</b>
	<b>£'000</b>	<b>£'000</b>
Present Value of Defined Benefit Obligation	284,511	373,896
Present Value of unfunded obligation	(201)	0
Fair Value of Fund Assets	(297,166)	(296,085)
Deficit/(Surplus)	(12,454)	77,811
Unrecognised Past Service Cost	0	0
Impact of Asset Ceiling	12,454	0
<b>Net Defined benefit liability/ (asset)</b>	<b>0</b>	<b>77,811</b>

28 Pension Schemes (continued)

Asset and benefit obligation reconciliation for the year to 31 July 2023

	At Year End 31/07/2023 £'000	At Year End 31/07/2022 £'000
Opening Defined Benefit Obligation	373,896	497,364
Current Service Cost	10,066	21,862
Interest Cost	13,182	8,086
Change in Financial Assumptions	(80,687)	(167,852)
Change in Demographic Assumptions	(7,204)	(2,073)
Experience loss/(gain) on defined benefit obligation	(20,524)	21,597
Estimated benefits paid net of transfers in	(7,889)	(7,594)
Contributions in respect of unfunded benefits paid	(27)	0
Past Service Cost	1,627	65
Contributions by scheme participants and other employers	2,272	2,441
<b>Closing Defined Benefit Obligation</b>	<b>284,712</b>	<b>373,896</b>

	At Year End 31/07/2023 £'000	At Year End 31/07/2022 £'000
<b>Change in Plan Assets</b>		
Opening fair value of Fund Assets	296,085	284,833
Interest on Assets	10,393	4,592
Return on Assets less Interest	(11,254)	1,951
Other actuarial gains/(losses)	(192)	0
Unfunded Benefits Paid	(27)	0
Contributions in respect of unfunded benefits paid	27)	0
Contributions by employer including unfunded	7,751	9,862
Contributions by scheme participants and other employers	2,272	2,441
Estimated benefits paid net of transfers in	(7,889)	(7,594)
<b>Closing Fair Value of Fund Assets</b>	<b>297,166</b>	<b>296,085</b>

The total loss on the fund assets for the year to 31 July 2023 is £861K.

**28 Pension Schemes (continued)**

**Assets**

The return on the Fund in market value terms for the period to 31 July 2023 is estimated based on actual Fund returns as provided by the administering authority and estimated returns, where necessary. The actual returns from 1 July 2022 to 30 June 2023 is 3.3% and total returns from 1 August 2022 to 31 July 2023 is (0.3)%.

The estimated asset allocation for the University of Wolverhampton as at 31 July 2023 is as follows:

Asset breakdown	31/07/2023		31/07/2022	
	£000s	%	£000s	%
Equities	202,072	68%	192,455	65%
Bonds	62,405	21%	68,100	23%
Property	20,802	7%	23,687	8%
Cash	11,887	4%	11,843	4%
<b>Total</b>	<b>297,166</b>	<b>100%</b>	<b>296,085</b>	<b>100%</b>

Financial Assumptions as at	31/07/2023	31/07/2022
	% p.a.	% p.a.
Discount Rate	5.05%	3.50%
Pension increases (CPI)	3.00%	2.70%
Salary increases	4.00%	3.70%

These assumptions are set with reference to market conditions as at 31 July 2023. The estimate of duration of the Employer's liabilities is 19 years.

Demographic assumptions Life expectancy is based on the Fund's VitaCurves with improvements in line with the CMI 2022 model, with a 25% weighting of 2022 data, a 0% weighting of 2021 (and 2020) data, standard smoothing (Sk7), initial adjustment of 0.25% and a long term rate of improvement of 1.5% p.a. for both males and females.

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:

Retiring today	31/07/2023	31/07/2022
Males	21.0	21.2
Females	24.0	23.6

Retiring in 20 years from Triennial valuation

Males	21.7	22.9
Females	25.1	25.4

## 28 Pension Schemes (continued)

### Sensitivity analysis

The sensitivities regarding the principal assumptions used to measure the scheme obligations are set out below:

Change in assumptions at 31 July 2023	Approximate % increase to Defined Benefit Obligation	Approximate monetary amount (£000)
0.1% decrease in Real Discount Rate	2%	5,547
1 year increase in member life expectancy	4%	11,388
0.1% increase in the Salary Increase Rate	0%	600
0.1% increase in the Pension Increase Rate (CPI)	2%	5,040

### Surplus Disclosure

The minimum funding contributions are higher than the future service cost and therefore no surplus is recognisable, based on current market conditions.