



UNIVERSITY OF WOLVERHAMPTON

For the Year Ended 31 July 2019

2018 - 2019

Contents

BOARD OF GOVERNORS.....	3
STATEMENT OF PRIMARY RESPONSIBILITIES OF THE BOARD OF GOVERNORS	4
REPORT OF THE BOARD OF GOVERNORS	5
PUBLIC BENEFIT STATEMENT.....	17
CORPORATE GOVERNANCE STATEMENT	22
STATEMENT OF THE BOARD OF GOVERNORS' RESPONSIBILITIES	25
INDEPENDENT AUDITOR'S REPORT TO BOARD OF GOVERNORS.....	26
REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS.....	26
STATEMENT OF ACCOUNTING POLICIES.....	28
CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME AND EXPENDITURE	35
CONSOLIDATED AND UNIVERSITY STATEMENT OF CHANGES IN RESERVES	36
CONSOLIDATED AND UNIVERSITY BALANCE SHEET	37
CONSOLIDATED CASH FLOW STATEMENT	38
NOTES TO THE ACCOUNTS.....	39

THE UNIVERSITY OF WOLVERHAMPTON

CHANCELLOR

The Lord Paul of Marylebone

BOARD OF GOVERNORS

Membership

Independent Members: Mr B Reid OBE, Chair of the Board
Ms K Carr
Professor M Chambers
Mr N Johal
Ms A Spence
Ms D Leeding
Ms P Dosanjh
Mr J Oatridge OBE
Dr O Adeyemo
Dr S Walford
Mr M Priddy (to 30 November 2018)
Mr A Collins (to 30 November 2018)

Co-opted Members: Dr P Barrow (to 31 July 2019)
Mr P Whittingham (to 31 July 2019)

Vice-Chancellor: Professor G Layer

Academic Board Nominee Members:

Dr C Lamond (to 31 July 2019)
Mr M Barden (to 31 July 2020)

Student Nominee Members:

Ms J Francis (to 30 June 2019)
Mr N Alibi (to 30 June 2019)

Clerk to the Board of Governors:

Dr E Wedge (to 21 June 2019)
Ms S Waters

Banker

Barclays Bank PLC
Queen Square
Wolverhampton
WV1 1TE

Internal Auditor

PricewaterhouseCoopers LLP
Cornwall Court
19 Cornwall Street
Birmingham
B3 2DT

External Auditor

KPMG LLP
One Snow Hill
Snow Hill Queensway
Birmingham

STATEMENT OF PRIMARY RESPONSIBILITIES OF THE BOARD OF GOVERNORS

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

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

REPORT OF THE BOARD OF GOVERNORS

Scope of the Financial Statements

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

The University of Wolverhampton Social Enterprises Limited has a wholly-owned subsidiary, University of Wolverhampton Multi-Academy Trust (formerly Education Central Multi-Academy Trust). In 2018/19 University of Wolverhampton Multi-Academy Trust was in its sixth year of operation and had a turnover of £32M (2017/18 - £38M). The University of Wolverhampton Multi-Academy Trust Board and the University Board of Governors have considered the company's governance and control arrangements during this period and believe that under current accounting standards it should not be consolidated. As accounting standards and the governance of University of Wolverhampton Multi-Academy Trust evolve the position will be kept under review.

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

Review of Financial Performance

The University's Consolidated Statement of Comprehensive Income and Expenditure position for the year to 31 July 2019 is summarised below.

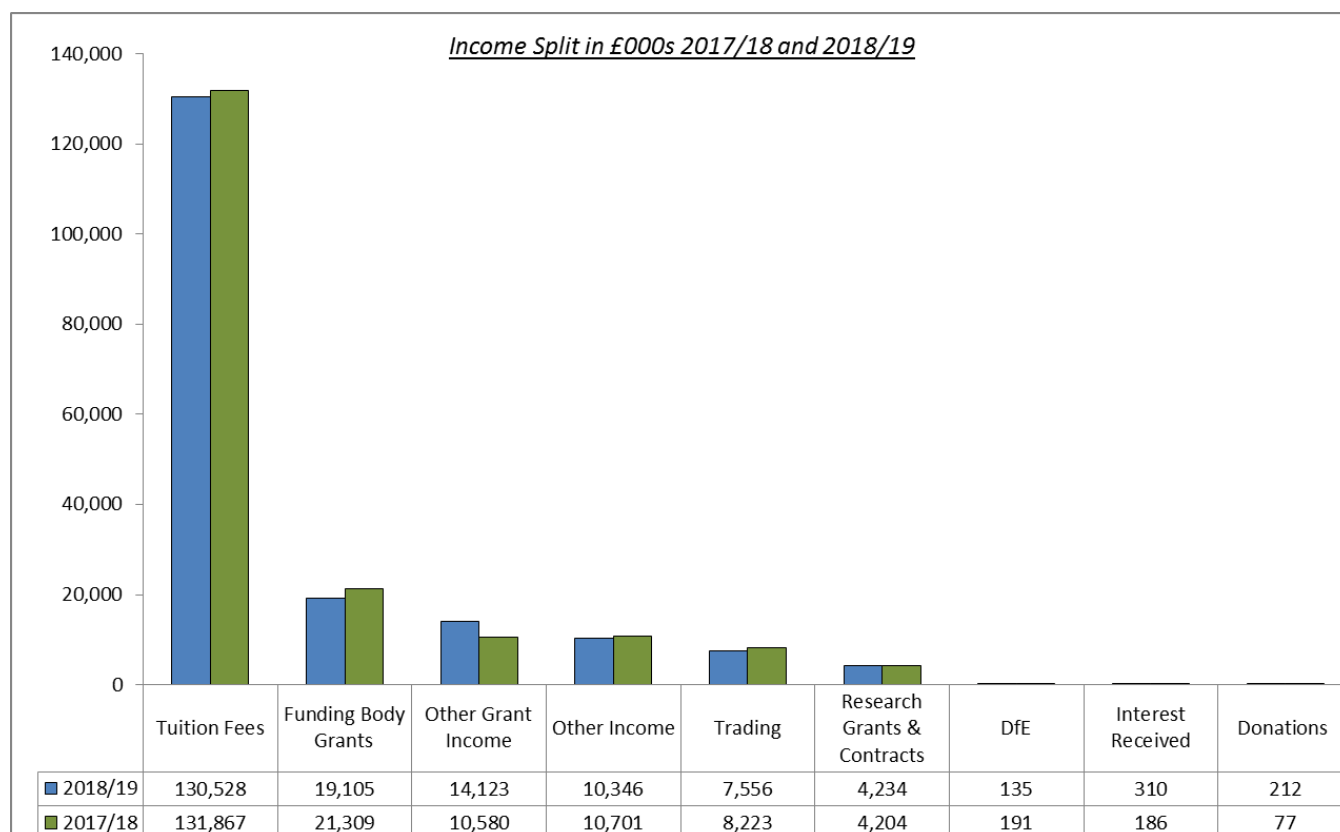
	2018/19	2017/18
	£'000	£'000
Income	186,549	187,338
Expenditure	<u>(183,385)</u>	<u>(178,324)</u>
Surplus Before Tax	3,164	9,014
Taxation	<u>(10)</u>	<u>(31)</u>
Surplus for the Year	<u>3,154</u>	<u>8,983</u>

Income

Income has fallen slightly to £186.5M, an overall decrease of less than 1% compared to 2017/18.

The University's student recruitment was slightly down on the previous year. Total tuition fee income decreased to £130.5M from £131.9M. Although overall student numbers were slightly down on 2017/18, fee income has remained broadly static due to increased fee levels and a shift in nursing students moving off contract to the standard fee. Full-time undergraduate student recruitment was slightly down by 1.4% in a competitive market. Postgraduate taught student recruitment was also slightly down by 3.6% but Postgraduate research had increased by 28%.

Overall international numbers were down on 2017/18 by 5%, but with a higher proportion of students electing to study in their own territory rather than coming to the UK to study. Part time recruitment continues to be challenging across the sector and the overall number of part-time students at the University in 2018/19 was 6% down on the previous year. The University continues to invest in making improvements to student attrition rates.



Overall funding body grants were slightly down due to a repayment of funding to Research England.

Research Grants and Contracts slightly increased and is the highest annual turnover that the University has achieved in this area.

Other Income decreased by 3.3% compared to the previous year and reflects the difficult trading conditions which is also reflected in the 8.1% decrease in Trading Income.

Expenditure

Overall staff costs increased by £7M compared to 2017/18, a 6.3% rise. The pay rise for the year was agreed at a general 1.7% with higher rates for lower-paid staff. The rest of the increase in staff costs arises from additional pension costs increases due to the latest actuarial valuation of the West Midlands Pension Fund and the USS pension scheme.

The impact of the pension adjustments under FRS102 has resulted in an increase of £2.6M in staff costs from 2017/18. The current service cost has increased significantly from last year. This is largely due to the increase in the inflation assumption that took place at 31 July 2018, which increased the assumed cost of benefits building up over the year to 31 July 2019.

Other expenses are £2.2M lower than in 2017/18 reflecting in part the fall in commercial activity and also strict control on expenditure throughout the year. The underlying depreciation charge has increased by £0.8M reflecting the level of capital investment being undertaken by the University.

The headline figure for interest payable is £0.6M lower than prior year spend, due to a reduction in interest attributable to pensions.

Cash Flow

The consolidated Cash Flow Statement shows a net decrease in cash and cash equivalents of £8.6M (2017/18: increase of £10.04M). Overall cashflow from operating activities was £5.4M compared to £15.8M in the previous

year. The University made total payments in the year on fixed assets of £30.3M (2017/18: £19.2M), spent on a range of projects, including the Elite Centre for Manufacturing Skills on the Springfield Campus and at the Thomas Dudley site, as well as enabling and remediation work at the Springfield Campus and the Hereford Cyber Security Centre. Investments also included continued spending on the Digital Campus. The University's cash position remains strong with a closing balance of £56.7M and no outstanding bank financing.

Key Future Financial Issues

The University has continued to recruit well in an increasingly competitive sector. Strong recruitment, coupled with sound financial management and targeted investment in new courses and facilities, has put the University in a sound financial position with extremely low debt and substantial cash balances. Despite this, we are conscious of the need to continue to manage our finances prudently. We will continue to manage our exposure to key financial risks, amongst which are the following:

- *Recruitment and Retention of Home and International Students.* Competition remains intense, in particular for full-time undergraduate students. This is happening against a backdrop of falling numbers of 18 year olds and alternative pathways available to school leavers through apprenticeships. International recruitment continues to be challenging. The impact of UKVI controls and increased competition in the international market in the medium term may impact on University plans for growth.
- *Investment and Borrowing.* The University is planning to invest significantly in developing and improving facilities for students, new academic provision and research. Despite the level of cash balances and ongoing cash generation, we will need to assess priorities to ensure continued financial stability. The University currently has no long term borrowing. It is essential that the University continues to maintain recruitment in existing courses, meet targets for recruitment to new provision and to target improvements in retention.
- *Loss of access to EU students and EU grant income as a result of Brexit.* Brexit will significantly impact on the University in a number of ways including access to EU research funds, EU student recruitment and the ability to recruit and retain EU staff working for the University. The extent of this impact will depend on the terms of the UK's exit from the EU. The position of EU students is protected until 2020/21, but there is already evidence of reduced numbers applying to study in the UK from the EU. There is also significant uncertainty concerning future access to EU research and structural funds and any government proposals to replace lost income streams.
- *Increases in the Costs of Employment.* Whilst recent pay rises have generally been close to inflation, the costs of employing staff has continued to rise due to increases in pension scheme contributions, auto-enrolment, National Insurance (the removal of contracting out) and the imposition of the apprenticeship levy. Further increases in payments to the Teachers' Pension Scheme during 2019-20, the increased rates and deficit recovery payments to West Midlands Pension Scheme and USS pension scheme are all adding pressures to the cost base. The University is continually looking at ways of managing the increase in its cost base without impacting on the student experience and our capacity to invest for the future.

The Student Experience

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

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

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

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

Following the announcement by Government to withdraw access to Maintenance Grants for some students, and replace these with loans, in this academic year the University continued its Travel Fund, to support full time new undergraduate entrants with the essential costs of travelling to and from the University and to work placements. The travel fund (worth £300.00 for eligible students in the first year of the scheme) provided practical assistance and encouraged public transport usage by offering a fund that could be used to purchase public transport tickets and passes across the region. As part of the University budget we set aside £1 Million in funding for this new initiative, which was well received by students, and the positive initial evaluation has informed our decision to extend the scheme for another year alongside our existing scholarships and bursaries.

We are continuing to invest in the student experience: an ongoing programme of updating classroom technologies, teaching, learning and social spaces. We have significantly increased the number of learning spaces equipped with capture technology – enabling students to review and replay taught sessions – and with the new Virtual Learning Environment (VLE), Canvas, which enables all students to benefit from enhanced access to learning materials, and provide new opportunities for teaching staff to be innovative in their practice.

The latest employability statistics show that 96 % of University of Wolverhampton graduates have a job or are in further study six months after leaving, with 72 % in managerial or professional roles.

Our focus on employability and skills continues to bring positive benefits to our students. In the most recent Destination of Leavers of Higher Education Survey (DLHE) which looks at the graduate destinations of the class of 2017 we reported that 96% of graduates were in work or further study after they had left. Nearly three quarters of our students also go into graduate level jobs with 72 % being employed in professional or managerial roles- up from 68% in the previous year.

The University has continued to make significant investment in areas of regional and national skills shortages. Amongst our areas of world leading research and national expertise our greatest impact is within our regional heartland. With 80% of our graduates working in the West Midlands region we are focussed on developing graduate opportunities and new ways of learning that will support the regional economy and our graduates into highly skilled employment.

- The University has widened access to higher education in Stafford with the launch of its second Regional Learning Centre, the University of Wolverhampton in Stafford (UWiS).
- The University is investing and developing the new Springfield Campus in the centre of Wolverhampton to transform it into Europe's largest specialist construction and built environment campus, bringing together businesses and the education sector
- The University is investing in the development of new Degree Apprenticeships to help employers in the area to use Apprenticeship Levy funds to invest in the skills needed to lead and grow a competitive workforce.
- The University is investing in a Centre for Cyber Security in Hereford in conjunction with support from Herefordshire County Council. The new Centre will offer high quality research facilities through the University's Cyber Security Research Institute as well as providing office space for cyber businesses and advanced training facilities designed specifically to tackle threats in cyberspace.

The national measure of student satisfaction, the National Student Survey (NSS) was conducted between January and April 2019 with results published recently in July 2019. The NSS asks students from all over the country how satisfied they are with their university, course, teaching, support, resources and students' union.

Overall satisfaction among students at the University of Wolverhampton is at 83.4 % – up from 83 % last year and above the sector average.

Students were particularly happy with the learning opportunities offered by the University, with 85 % reporting they were satisfied.

The quality of the learning community has risen to 80 % following the significant investment the University has made in its physical and digital learning environment over the last few years. Listening to the student voice has also improved.

Satisfaction with the learning resources remained high at 86 %, with academic support increasing to 80 %.

The University was also awarded a Silver award in the Teaching Excellence Framework (TEF), recognising the quality of the learning and teaching.

Overall, and in a highly competitive market place, the University continues to provide a high quality student experience. Maintaining and continuously improving these standards is at the heart of the new strategic plan and our ongoing investment programme. The whole University community of Students, Staff, Governors and external stakeholders and partners are involved in this process and committed to providing opportunities and an excellent student experience.

Student Numbers

In 2018/19 the University enrolled 22,553 students (2017/18 23,017), comprising 15,239 full time and sandwich students (2017/18 15,673) and 6,913 part time students (2017/18 7,344). 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 2018/19.

Home, EU and Overseas numbers	2018/19	2017/18
Home	18,361	18,154
EU	217	680
Overseas	3,975	4,183
Grand Total	22,553	23,017

Level of Study	2018/19	2017/18
Foundation	495	657
Undergraduate	17,812	18,065
Postgraduate taught	3,820	3,964
Postgraduate research	426	331
Grand Total	22,553	23,017

Campus Developments

In the changing higher education landscape, the University of Wolverhampton recognises that its campuses are a vital element in the delivery of an excellent student experience. The University seeks to consolidate what is good about the existing campuses and to create a vibrant, friendly place to study, work and live. The University is committed to maintaining and improving the quality of its physical estate and providing facilities to support high quality and innovative teaching and learning, research facilities and social learning spaces for students and staff. In support of this, there are several development opportunities under consideration for investment in budget year 2019-20 onwards.

Indicators of success include:

- A fit for purpose, vibrant University estate which supports recruitment and retention;
- Excellent and well-used Learning Centres and IT facilities for students and staff;
- Well considered and leading edge learning and teaching facilities;
- An estate which continually improves on its quality and functionality;
- Positive feedback from recognised survey data, such as NSS.

Condition of the Estate

The University of Wolverhampton commissioned chartered surveyors to undertake a Condition and Legislative Compliance Audit which has been regularly updated. This survey, together with building services surveys, is used to promote an active asset management approach to the estate, is utilised to plan annual maintenance programmes and inform the development of the Estates Strategy. The condition of the core university academic estate continues to lie above the sector norm.

Functional suitability

Investment continues to be made in updating, upgrading and refurbishing teaching and social learning spaces across the university. As a consequence, functional suitability has remained in line with the sector median

Space Utilisation

The University's performance with respect to space utilisation had steadily improved over recent years, reflecting the impact of capital investment together with the disposal of older, functionally unsuitable teaching accommodation. However 2018/19 saw a decline in occupancy and frequency of occupancy figures.

Information is gathered from the physical space audit of the occupancy of centrally timetabled space which continues to be carried out on an annual basis. This information is used as the evidence base for the Estates Management Record return to HESA. The space audit carried out in February 2018 has recorded a drop in the utilisation ratio percentage return to 21% which is less than the sector median.

Efficient use of space will continue to be considered a key issue for the University as a whole and will be balanced with maintaining a high degree of satisfaction recorded in the annual NSS survey.

Carbon Management

The Carbon Management Plan (CMP) was launched on 26th May 2010. The CMP identified carbon reduction projects to be implemented over a five-year period to deliver a 25% reduction from approximately 16,000 tonnes of CO₂ in 2007/08 to 12,000 tonnes of CO₂ by **2020**.

Actual emissions for the 2018-19 financial year indicate that the University has achieved its set target in advance of 2020. In addition, it has achieved a 41.7% reduction against the 2007/08 CMP baseline and an overall reduction of 44.3% against the HEFCE baseline year of 2005/06, both of which show a continued, positive position on year-on-year basis. Having already achieved the HEFCE required 2020 target, the university will now concentrate on small measures to further reduce its carbon emissions by up to a further 10% by 2022.

Sustainability & Environmental Management

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

Through our re-negotiated waste contract, we have been able to recycle the following: mixed glass 6.501 tonnes mixed glass; 36.94 tonnes cardboard; 7.910 tonnes mattresses; 12.14 tonnes mixed paper; 29.309 tonnes food waste; all of which equates to 107 tonnes of CO₂ saved by waste type.

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

Our catering team is focusing on several areas: Starbucks licensed store – implementation of Re-Use Your Cup And Get Rewarded Programme, cup recycling, reduction of weight of cup sleeves which are 100% recyclable paper; reduction in quantity of deliveries with consolidation of products to save on carbon from vehicles; engagement with external environmental campaigner Hubbub who invest in local sustainability initiatives; sandwich suppliers who utilise environmental packaging/plastic free; 2,028 litres of waste oil has been converted to renewable energy; engagement with an external organic waste organisation who achieve 100% recycled food waste at Telford Campus (no food is macerated into drains and BioWhale monitor remotely when tanks need emptying thereby reducing un-needed deliveries), equating to CO₂ savings of 11.8 tonnes.

Estates Strategy and Capital Programme

Development across all of the University's campuses continues in support of the University's Strategic Plan. Current major projects and initiatives include: commencement of development of the University's 12-acre Springfield Brewery site in Wolverhampton City Centre; the West Midlands Construction UTC has been completed, along with the Elite Centre for Manufacturing Skills (ECMS) Hub; work continues on the £45m development of the new School of Architecture & Built Environment (SOABE), and on developing infrastructure across the site to support further future development. Further support for a prospective National Centre for

Brownfield Research; this is supported by West Midlands Combined Authorities and discussions are ongoing associated to funding and other strategic opportunities.

The £9M construction project for the Centre for Cyber Security in Hereford in conjunction with Herefordshire Council has commenced and is expected to complete by June 2020. The new Centre will offer provide specialist support to cyber businesses and advanced training and consultancy services designed specifically to tackle threats in cyberspace. The new Centre will also offer high quality research facilities as well as providing office space for cyber businesses.

Further investments are being undertaken at Walsall and plans progressing for Telford in support of healthcare provision aligned to the increase in demand for resources from the NHS.

Sports research facilities at Walsall are receiving investment to provide improved facilities associated to Bio-mechanics and the provision of a climate-controlled chamber. In addition, the William Penny Brookes Building external façade will receive a light makeover, together with some critical window replacements.

Considerable investment has been concentrated on improving facilities for students including learning and teaching spaces at all campuses, which will see all centrally timetabled learning and support facilities having been upgraded inclusive of AV/IT where required; this is a rolling programme of investment and will be reviewed on a year-by-year basis.

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:

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

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

In 2019 we again finished high within Stonewall's Workplace Equality Index, and continued to achieve accreditation from Advance HE for our work on race and gender equality. We also successfully developed a training video about microaggressions that has been used as part of staff student induction, and in local schools and organisations. It has now been viewed over 2000 times. The University also worked with community groups to mark Black History Month, Disability History Month and International Day against Homophobia, Biphobia, and Transphobia.

The University's Equality Objectives 2016 – 2021 sets milestones within equality and diversity to meet Strategic Plan goals, and can be found at:

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

The University's Equality and Diversity Policy Statements outline its commitment to equality and diversity, and its zero tolerance towards disablism, racism, sexism, homophobia, biphobia, transphobia and enbyphobia. They can be found at:

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

An Equality and Diversity Committee works at Governor level to oversee this important area of work and monitor the University's performance against the Equality Objectives. It is supported by a newly formed Equality and Diversity Operational Group that brings together staff, students and senior leaders. Responsibility sits with all staff, supported by the Equality and Diversity Unit, to ensure that the University reflects best practice in the field of equality and diversity. More information can be found at:

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

Employment of Disabled Persons

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

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

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

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

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

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

Employee Involvement

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

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

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

The University of Wolverhampton has a number of active staff networks: BAME, Disabled, LGBT, 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 relations activity within Higher Education institutions is measured by the Ross-CASE survey each year. It tracks charitable donations to institutions and how much institutions invest in fundraising, distributing institutions into one of six categories based on their responses. Survey results were published in February 2019 and the University of Wolverhampton has continued to consolidate its national position, sitting within the “Emerging” cluster, which comprises 32 institutions in total.

Donated Income 2018-2019

Fundraising and alumni relations activity has again focused on key, high-profile projects in the 2018-2019 year. These projects will remain at the forefront of the fundraising agenda in future years, while the department looks to remain agile in order to respond to emerging opportunities. Current areas of focus include fundraising for the Springfield Campus, the School of Engineering and University of Wolverhampton Racing and the Centre for Sikh and Panjabi Studies. Other projects include Brain Tumour Research, Pancreatic Cancer Research, the Children’s University Project and student scholarships, bursaries and prizes. In May 2019, the Mayor of Wolverhampton, a UoW Alumna, announced a Mayoral Scholarship as one of her chosen charities for 2019-2020. We look forward to working with the Mayor’s Office to drive this fundraising agenda in the coming 12 months.

The University has decreased philanthropic income by £27,812 (5.7%) over the last 12 months. This is partly caused by a number of significant pledged sums falling outside the 2018-2019 financial year. The sharp rise in donations by Individuals is owing to a substantial gift made by a major donor.

Knowledge Transfer

The University of Wolverhampton continues to be a major provider of Knowledge Exchange and Innovation services with business and the wider community, predominantly in the West Midlands but also nationally and internationally. It is recognised as being at the forefront of the Higher Education sector in working with businesses demonstrated by the number of Knowledge Transfer activities delivered that include KTP (Knowledge Transfer Partnerships) and significant projects with Local Enterprise Partnerships which assist businesses to adopt new technologies, improve productivity and create new jobs. These projects often receive regional and national recognition for their impact on businesses. Such activities help to secure the profile of the University as a Research and Innovation knowledge base, contributing on a national stage to economic generation and growth.

In addition, the University is delivering new enterprise activities in the Black Country, Telford & Wrekin, Shropshire, Stafford, and Herefordshire. It continues to lead the University of Wolverhampton Science Park, as well as providing leadership for other West Midlands Universities in the delivery of a range of collaborative research and enterprise projects.

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 Centre for business, a Student / Graduate business incubator (SP/ACE) as well as facilitating University of Wolverhampton graduate start-up businesses through the Enterprise Action Programme which incorporates the legacy of the previous Student Placements Programme for Entrepreneurs in Education (SPEED).

The University’s knowledge transfer, business innovation and incubation activities are delivered primarily to business from the University of Wolverhampton Science Park, Telford Innovation Campus, and Hereford

Enterprise Zone. The new Science Centre completed the fourth phase of Science Park development in February 2018. This facility is now fully open and will eventually be home to an additional 25 tenant companies providing a new approach to commercialisation and spinout activity.

University business engagement activities continue to be strengthened through the collocation of the University's Business Solutions Centres and the National Growth Hub initiative across the Black Country and the Marches, including Telford & Wrekin and Hereford whereby University staff work in partnership with the public sector partners to deliver business support services. Currently the Business Solutions Centres work with 5 regional LEPs; 7 Growth Hubs and 21 Local Authorities.

The University continues to be particularly 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), in discussion with the West Midlands Combined Authority, Local Authority leaders and 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.

The University's engagement in the European Union is achieved primarily through the University's office in Brussels providing academic staff with access to expertise in EU funding programmes and research positioning to tackle some of the world's most pressing challenges.

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

Key Performance Indicators (KPIs)

The Board of Governors has adopted eleven Key Performance Indicators that allow us to measure our performance against the University's Strategic Plan and monitor the overall health of the Institution across a range of activities including student population, achievement, employability and satisfaction; research and business engagement; our staff and culture; financial health; campus and wider impact. Performance against these indicators continues to be formally communicated to Governors on an annual basis via the relevant University Committee, with ongoing performance reviews being conducted at Corporate Management Team level more regularly throughout the year. In alignment with our Risk Management process we have adopted the 'RAG' (Red, Amber and Green) rated scoring system to indicate the status and direction of travel of each indicator.

Key performance indicators achieving an above benchmark performance level during the 2018-19 cycle include:-

- *Our Students' Satisfaction* – according to the latest National Student Survey results, students at the University of Wolverhampton are more satisfied than they have ever been. Students were particularly happy with the teaching on their course, the learning resources they had access to and the learning opportunities available – all rising to 85% and above, consistently surpassing the national average for satisfaction levels and a reflection of our success at putting students at the heart of all that we do. It demonstrates that we listen to students' feedback and provide them with the support and experience they need to succeed.
- *Our Student Population* – we continue to over-perform against benchmark in all metrics related to the participation of under-represented groups in Higher Education. The number of young full-time first degree students from state schools and colleges sits 2% above benchmark and we remain over 5% above benchmark for those same students from low-participation neighbourhoods. A similar picture is evident for mature and part-time students where we again outperform sector indicators. We remain committed to providing our students with the opportunities presented by a first class education,

maximising individual potential for all students and transforming lives for the better as the 'University of Opportunity'.

- *Our Campus* – the University remains committed to investing in new developments, refurbishments and updating our facilities (with particular emphasis on teaching, learning and social learning spaces) to ensure the enhancement of the student experience and surpass sector benchmarks. As the University of Opportunity we have also sought to expand our footprint and to provide different types of an offer to appeal to a wider market. Significant investments in train at present include the new School of Architecture and Built Environment building (which will be finished in 2020 on the Springfield Campus), the new skills suites at Walsall, the conversion of the Jerome K Jerome building at Walsall Campus and the finishing of the Engineering and Physics facilities. Married with this we remain committed to driving forwards our digital campus programme (via the Digital Strategy "Powering Academic and Student Success through Digital Transformation") and implementing our sustainability strategy.
- *Our Students' Employability* – we continue to have an excellent graduate employability record, evidenced by the success of our students, regularly outperforming the UK average for all UK Universities. The graduating class of 2018 will be asked to take part on the newly launched Graduate Outcomes social survey 15 months after they finish their studies which will provide further insight into career destinations and development. We continue to drive forwards the Enterprise and Employability Strategy to provide our students and graduates with the opportunities, skills and competencies they need to maximise their potential. One such initiative is the Challenge Academy which enables students across all faculties to boost their employment skills by working on live projects with regional organisations and charities.

We are also proud to hold a Silver award as part of the Teaching Excellence Framework assessment. This award recognises that the University delivers provision that is of high quality and consistently exceeds the rigorous national quality requirements for UK higher education with most students achieving excellent outcomes. We were also the first university in the region to be commended by the Quality Assurance Agency, with a commendation for the enhancement of student learning opportunities. We also have a wide range of partnerships and hold a wide range of accreditations for our courses – showing that independent organisations are pleased to put their name alongside ours to meet their exacting standards.

In those areas where a less than satisfactory performance has been reported, the University is committed to reviewing statuses throughout the year, introducing and monitoring improvement measures as required to meet and surpass benchmarks where possible, even in those areas where the national trend has also seen a decline in performance levels.

Risk Management

The Corporate Risk Register is continually reviewed and maintained throughout the year by Risk Owners, Monitoring Committees and the Risk Working Group, as part of a rigorous Risk Management process. Assurances are provided that key risks are being managed appropriately for consideration by both Corporate Management Team and Audit Committee, for which the submission dates for the Local Risk Registers are also aligned. This approach ensures that the registers are treated as live working documents, so that the risks associated with the achievement of objectives are managed effectively locally whilst providing regular assurances at a corporate governance level. In addition, work continues to incorporate recommendations made the University's Internal Auditors.

Current and Future Key Risks & Issues

At present twenty three Institutional risks, lined to the corporate strategic objectives, are contained within the Corporate Risk Register with a 'RAG' (Red, Amber, Green) rated scoring system used to indicate the status and direction of travel of each indicator. The following are deemed to be key net red issues facing the University Group currently and in the near future.

- *Loss of Funding Through Shifts in Government Funding Policy* – the disbandment of, or significant cuts to, traditional funding streams and changes to key policies remain as a key risk for the University. We currently await the outcome of the Augar Review of Post-18 Education, the Government response to that review, and Brexit. There are a range of mitigating controls and activities undertaken across the University including investing in new International markets, including transnational programmes, and strengthening International links; the implementation and monitoring of the Resource Allocation Model (RAM) to enable clarification of our income earnings and performance management; regular performance review meetings with Faculties and further enhancement of Commercial Income generation processes.
- *Recruitment and Retention of Home and International Students* – the financial health and performance of the University continues to steadily be more reliant on buoyant student recruitment, conversion and increased retention levels to boost fee income and investment opportunities. This is whilst facing increased global competition, changing recruitment demographics (with fewer 18 year olds entering higher education) and visa restrictions on international recruitment. A number of established mitigations are in place to manage the risk effectively, including continued investment in our recruitment processes and our partnerships together with the recent recruitment of a Pro-Vice Chancellor International to strategically lead on all International development. Married with this, we have embarked on a journey to futureproof the University in a very challenging climate.
- *Completion of statutory and regulatory data returns* – we have identified a number of potential risks pertaining to data and our compliance within a more heavily regulated environment, in particular ensuring the quality and timely delivery of data returns for which we are currently embedding additional internal data quality assurance processes to further enhance our mitigations. Linked to this we continue to monitor the impact of compliance with the changing landscape, responding to and meeting regulatory and statutory requirements – for instance following new legislation around the introduction of the General Data Protection Regulation during last academic year coupled with a more heavily regulated environment under the remit of the Office for Students (OfS) and the pending introduction of the Graduate Survey Outcomes.

Conclusion

The University continues to be in a reasonably strong position but recognises the challenges that lie ahead. Overall student numbers in 2018/19 were at a similar level to the previous year. Despite increased competition for students from traditional providers and new entrants, student recruitment in 2019/20 is on track to be close to target in most areas. We continue to deliver employability results at record levels, and recently released NSS scores show we have maintained our position against the rest of the sector. The overall financial health of the University remains in a good position but the University is reviewing its structure through a Future Proofing Board to ensure that this position is protected. Cash balances remain strong enabling continued investment in state-of-the-art facilities. The University is developing an ambitious capital programme for delivery over the next few years and will continue to invest in the student experience.

The impact of the continuing evolution of Government policy towards higher education leads to uncertainty, and the University will need to continue to respond flexibly to the demands placed on it. However, the University's underlying financial reserves put it in a strong position to cope with any changes that emerge over the next few years.

Approved by the Board of Governors on 27th November 2019 and signed on its behalf by:

B. Reid

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. In 2016/17 the University launched its new Strategic Plan 2016-2021. This new 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 2018/19 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 2018/19, 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 HEFCE. 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's business start-up programme – Supporting the Unsung Hero – has been awarded further sponsorship. The programme is tailored to meet the needs of Armed Forces families, offering them the opportunities and advice in relation to business management and self-employment;
- 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.

- The University's entrant profile continues to exceed the national benchmarks on all widening participation measures (state school, lower socio-economic groups, low participation neighbourhoods).
- For the last three years, students from the University's Law School working with the welfare benefits office in Wolverhampton City Council have provided representation to disabled and vulnerable people when they challenge the Department of Work and Pensions over benefits including Employment and Support Allowance and Personal Independence Payments. In that time, they have supported more than 300 appeals and helped secure over £1.5m which people in Wolverhampton may otherwise have missed out on.
- Further beneficiaries of the University's work over the last year have been children from primary school age upwards throughout the region, as part of the University's objective to improve the performance of schools within the Black Country. The University recognises the key role it plays in raising aspirations amongst those who are from groups underrepresented in Higher Education and has a programme of outreach and inreach activities with schools and colleges, designed to raise both aspiration and attainment. The University demonstrates this commitment through its new Schools Engagement Strategy, which envisages holistic and joined-up engagement with academies, trusts and schools to improve the performance of schools in the region and contribute to the economic growth of the area through raising skills levels. The University has continued to deliver this in 2017/18 through a number of activities, including:
 - Through the University of Wolverhampton Multi-Academy Trust, the University sponsors 12 academy schools in the region, at both primary and secondary levels. We also sponsor 2 University Technical Colleges (UTCs) through the University of Wolverhampton Social Enterprise Ltd.
 - Continuation of the Black Country Children's University (BCCU), which is part of the national Children's University Trust. During 2018/19 the number of schools and young people involved continued to grow.
 - Continuation of Sci Fest, a festival to spark interest in Science, Technology, Engineering and Maths (STEM). The festival plays host to school pupils of all ages from around the region ranging from those studying STEM subjects at primary school, GCSE, A Level and BTEC levels. This includes a family day offering a range of free workshops, experiments, games and drop-in activities – all designed to bring STEM subjects to life

Research

The University's strategic plan recognises the importance of research and focuses on excellent research that transforms lives, makes an impact nationally and internally, and fosters global knowledge exchange and collaboration. In the most recent Research Excellence Framework, REF2014, we achieved our best ever results with 41% of our research graded as world-leading or internationally excellent. More subject areas and research staff were included than ever before, with areas of particular strength including health, history and linguistics research. Our research in Library and Information Management was especially commended, ranked joint 5th in the UK.

In 2018/2019, we launched a new research strategy with three priority pillars:

- 1) Addressing Societal Challenges,
- 2) Vibrant Research Communities and

3) Research-inspired learning.

New investments in research staff, research students, infrastructure and facilities are underway in support of these strategic objectives. Our long-standing partnership with the Royal Wolverhampton NHS Trust has been further enhanced through joint funding of 5 PhD studentships and forthcoming joint professorial appointments to address health challenges.

Researchers in the newly founded Institute for Community Research and Development are working together with local and national organisations to tackle societal issues such as violence against women and girls, youth offending and homelessness.

Our investment into research in international development is helping developing countries to better respond to disasters using existing social protection policies and programmes, and to better understand how to involve local communities in sustainable and equitable forest governance. Our 2019 Annual Research Conference was themed 'Addressing Societal Challenges', and featured 2 keynote lectures, over 70 presentations by staff and research students, and over 30 research posters. We also celebrated our impactful research with our partners at an event at the House of Lords, showcasing cutting-edge impactful research themed around our work in health, community, sustainability and cyber.

In 2018/19, research income totalled £4.23M. Notable funding successes in 2018/19 included prestigious Horizon 2020 grants research into transport modelling, for an Innovative Training Network (ITN) in socially engaged art, a Research Innovation and Staff Exchange (RISE) grant on the future of electronic systems, and Marie Skłodowska-Curie fellowships.

The Doctoral College supports research students and staff to achieve our research objectives through training, development and dissemination activities. In 2018/19, the Doctoral College ran public lecture events, over 100 research development workshops, a career development week and a researcher week. In the 2019 Postgraduate Research Student Experience Survey (PRES2019), we achieved our best-ever results with an overall ranking in 28th place (out of 103) and placed 11th for quality of supervision and 22nd for research culture.

Other highlights of the University's range of research achievements in 2018/19 include:

- For the third year running, the Statistical Cybermetrics Research Group in the Research Institute for Information and Language Processing was the highest-ranked UK University in the Library and Information Science subject area of the Academic Ranking of World Universities (ARWU), also known as the Shanghai Ranking. For average research impact, the group was ranked number 1 in the World (jointly with University of Quebec Montreal).
- The work of many researchers was formally recognised nationally and internationally. Prof Matt Wyon received two national awards for his work in dance science in the categories of research impact and dance science research, Dr Opinderjit Kaur Takhar MBE received the British Indian Award for 'Influencer of the Year', Dr Arun Arjunan received the International Association of Advanced Materials 'Young Scientist of the Year' award for the development of the Herschel-Quincke-Arjunan wavguide, Dr Roya Rahimi received two 'Outstanding Papers of the Year' awards in the 2018 Emerald Literati Awards. A new species of snake in Indonesia has been named after Professor Mark O'Shea in recognition of his work with reptiles.
- Research into cyber harassment and abuse of people with long-term chronic conditions and disabilities was used in a House of Commons report into online abuse and the experience of disabled people. A health promotion tool has since been developed to increase awareness and improve the support available to victims.

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.

Through the wide ranging services that we offer, our aim is that our students are able to develop, identify and utilise their cultural, social, psychological and human capital. The Destination of Leavers from Higher Education survey reported that 96% of our 2017 graduates were in employment and/or further study and 77% of those employed in the West Midlands is a testament of our commitment to the region and supporting its growth.

Rapid social change, a volatile economy and worldwide competition for talented students combine to make it challenging for students to transition into the jobs market. But these challenges are also opportunities for new ideas and entrepreneurship. The University has a strong reputation for its commitment to promoting enterprise in the region. The success of start-up companies through the various projects delivered with EU funding support over the last few years has supported regional economy and generated many local employment opportunities. Since 2016, the 'Enterprise Action/SPEED' project has assisted 355 individuals to be enterprise-ready and 231 businesses have been supported with non-financial and financial support across the Black Country and Marches area (including Herefordshire and Shropshire). Working as a part of the Midlands Enterprise Universities we are committed to driving productivity and growth across the Midlands through skills, innovation and enterprise.

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

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

- Encouraging students to participate in "Volunteer Central" programme that offers students the opportunity to improve their employability through supporting charitable causes in the community and local charities that matter to them. Close to 1000 students took part in the last academic year through this programme.
- Career Development Week, is a dedicated programme of events and activities held every year in Semester 2 designed to help students build new skills and gain accreditations aiding their personal development and job prospects after graduation.
- International work and study opportunities supported through the Erasmus+ 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 internship opportunities.
- Offering a scholarship and placement scheme in conjunction with Santander.
- The Challenge Academy – a hybrid short-term business/ academia collaboration project empowering students to address real life 'business challenges' through the application of their theoretical knowledge.

- Offering Knowledge Transfer Partnerships (KTPs), a three-way partnership between a graduate, a company and the University where a full-time skilled graduate is employed in a company and gains practical employment experience.

In response to the development of Degree Apprenticeships and the Apprenticeship Levy, plus a strong interest from local employers, we started offering Higher and Degree Apprenticeships to aid the development of higher level professional and technical skills. This activity is coordinated by the Apprenticeship Hub at City Campus, Wolverhampton.

Working closely with local employers, we have developed a significant portfolio of apprenticeship opportunities assisting in upskilling existing employees to address skills gaps drive growth in the local skills base for employers' current and future needs. Our ever-growing portfolio of apprenticeships covers areas including Chartered Legal Executive, Chartered Surveying, Product Design and Development Engineer, Healthcare Science, Nursing Degree Apprenticeship, Manufacturing Engineering and more.

More than 50 healthcare staff have started the new Nursing Associate Foundation Degree Apprenticeship. The role of a Nursing Associate aims to bridge the gap between healthcare support workers and registered nurses, enabling nurses to spend more time on clinical duties and take more of a lead in decisions about patient care. The apprentices are from a variety of healthcare settings and NHS trusts within the West Midlands; namely, the Walsall NHS Trust, Dudley Hospitals NHS Trust, Shrewsbury and Telford NHS Trust, The Royal Wolverhampton NHS Trust and Burton Hospitals NHS trust. There are also apprentices from independent health organisations within the region, such as Compton Care and Virgin Care.

The Business School is working with the Chartered Management Institute (CMI) and has successfully delivered the first year of the Chartered Management Degree Apprenticeship programme, which is a three year partnership with leading public sector provider SERCO.

CORPORATE GOVERNANCE STATEMENT

The Board of Governors is committed to ensuring good governance arrangements with the University. The Board conducts its corporate governance in accordance with the Committee on Standards in Public Life and the CUC Higher Education Code of Governance which the Board adopted on 26th March 2015. The Board of Governors adheres to all of the “must” elements of the Code which was updated in 2018.

A full review of governance is undertaken by the Board of Governors every five years with an interim review undertaken every two years. A full governance effectiveness review was undertaken in spring 2015 with the final report approved by the Board of Governors on 3rd July 2015. The review recommended a revised committee structure was put in place. The new committee structure became effective for the 2015/16 academic year.

The Governing Body

Members of the University’s Board of Governors are appointed in accordance with the University’s Instrument and Articles of Government. Members of the Board of Governors comprise of independent, co-opted, staff members, student members and the Vice-Chancellor. The majority of the Board are independent members. The Board’s Chair and Deputy Chairs are drawn from independent members.

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 of Governors for decisions are set out in the Education Reform Act 1988, the Articles of Government of the University and under the Office for Students terms and conditions of funding for higher education institutions in conjunction with the terms and conditions of Research England grant.

The Board of Governors 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 of Governors meets no fewer than four times a year, including one strategic away day. All meetings have minutes. The Board of Governors has the following sub-committees:

- Audit Committee
- Equality and Diversity Joint Committee
- Planning and Resources Committee
- Governors’ Estates Sub-Committee (reporting to Planning and Resources Committee)
- Nominations Committee
- Remuneration Committee
- Student Affairs and Academic Committee

These committees are formally constituted with terms of reference and are chaired by a governor. They are subject to the provision of the delegation schedule 2015/16, approved by the Board of Governors on 2nd July 2015.

The Articles of Government provide for matters of academic policy to be determined by the Academic Board. Four members of the governing body, including two designated Academic Board Nominee Governors, are also Academic Board members. A report of Academic Board business was provided to the Board of Governors at each meeting throughout the academic year.

Audit Committee

Audit Committee meets regularly throughout the year. It meets with the External Auditors and Internal Auditors of the University and reviews their work. The Committee considers detailed reports together with recommendations for improvement to the University’s systems of internal control, management’s responses and implementation plans. It reviews the External Auditors’ Management Report and the University’s Annual Financial Statements. The Committee also oversees the University’s risk management process on behalf of the Board of Governors. Whilst members of the Offices of the Vice-Chancellor attend meetings of Audit Committee as necessary, they are not members of the Committee. Audit Committee members have the opportunity to meet with the Internal and External Auditors in private for independent discussions, at least once a year. Audit Committee submits a formal

Annual Report to the Board of Governors and the Vice-Chancellor as Accountable Officer and this Annual Report, once approved, is one of the documents that are submitted to the OfS annually.

Equality and Diversity Joint Committee

This Committee is chaired by a Governor with membership comprising of governors, staff, Academic Board members, Trade Unions and students. The Committee acts on behalf of the Board of Governors and Academic Board to consider and determine matters of Equality and Diversity for staff and students. The Committee meets twice a year.

Planning and Resources Committee

Planning and Resources Committee has powers to act on behalf of the Board in the consideration and determination of matters of finance except where provided by the Education Reform Act, Articles of Government or specific decision by the Board of Governors. The Committee also considers and determines employment matters for all non-senior staff pay scales. Planning and Resources Committee advises the Board of Governors on health and safety policy and procedures, has oversight of the capital programme and strategy. It has oversight of the Governors' Estates Sub-Committee. The Committee considers strategic priorities and makes recommendations to the Board of Governors. The Committee monitors the delivery of the annual plan. Planning and Resources Committee meets six times a year.

Governors' Estates Sub-Committee

The Committee has oversight of the Capital Estates Programme with regard to the completion and prioritisation of projects. The Committee considers and makes recommendations to the Board regarding the acquisition and disposal of freehold and leasehold property, making recommendations to Planning and Resources Committee. The Committee also has oversight of the estates key performance indicators. The Committee meets five times a year but has the option for a sixth meeting, if required.

Nominations Committee

Nominations Committee considers and recommends nominations to fill vacancies in the independent and co-opted categories of Board membership. The committee meets three times a year.

Remuneration Committee

The Remuneration Committee has powers to consider and approve the remuneration and conditions of service of senior posts and senior staff and where appropriate, approves severance payments and early retirement applications for senior posts. The Remuneration Committee is responsible for considering the remuneration for the University's Vice Chancellor in fulfilling this responsibility it considers the outcomes of appraisal, performance against targets and benchmarking against peer group institutions. The Committee reports to the Governing Body providing a note of its methodology and rationale for its decisions.

The committee composes of three independent Governors and meets twice a year and follows the best practice recommended by Committee of University Chairs (CUC), web link:-

<https://www.universitychairs.ac.uk/publications/>

Student and Academic Affairs Committee

The role of the Student and Academic Affairs Committee is to review the quality of academic provision and the overall student experience, providing assurances to the Board of Governors.

Internal Control

The University is ultimately responsible for the University's system of internal control and for reviewing its effectiveness. The system of internal control is based on an ongoing process integrated with the strategic planning process and designed to identify the principal risks to the achievement of policies, aims and objectives; to evaluate the nature and extent of those risks; and to manage them efficiently, effectively and economically. This is undertaken in the following ways:

- a. an approved Risk Management Policy;

- b. a ranked Corporate University Risk Register and local risk registers within Academic Faculties and Service Departments;
- c. a risk and business continuity update delivered to every Audit Committee, in addition to the Corporate Risk Register
- d. the development of a risk appetite statement. This was approved by the Board of Governors on 6th July 2016;
- e. an annual assurance report;
- f. the further development of risk registers for all Academic Faculties and Service Departments across the University and a process to escalate and de-escalate risks to/from the Corporate Risk Register; and
- g. the identification of key risks by Offices of the Vice-Chancellor members in conjunction with the approved strategic plan.

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

- a. Audit Committee provides oversight of the process of internal control. The Board receives reports from Audit Committee including minutes after each meeting;
- b. Audit Committee receives reports from the Internal Audit Service on the adequacy and effectiveness of specific systems of internal control together with recommendations for improvement;
- c. The Internal Audit Service report annually to Audit Committee on their independent opinion on the adequacy and effectiveness of the system of internal control, together with recommendations for improvement;
- d. The Internal Audit services' assignment review of Risk Management;
- e. Comments made by the External Auditors in their management letter and other reports;
- f. The Annual Assurance Report to Audit Committee regarding the operation of risk management processes; and
- g. The work of officers within the University, who have responsibility for the development and maintenance of the internal control framework, and by comments made by other external review agencies and stakeholders e.g. QAA, TA, OfS etc.

Governors are satisfied internal control processes have been in place throughout the year to 31 July 2019 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 University has a strong cash position at year end, with no outstanding bank debt and a healthy reserves position. The University adopts a prudent approach to investment of cash balances, placing deposits with institutions with a Fitch long term rating of "A", and limiting total amounts deposited with a single institution.

The University is budgeting for a reasonable surplus in 2019/20 and has included budget provision for planned capital and revenue developments. We will continue to maintain pressure on pay and non-pay expenditure to ensure financial sustainability. The University is looking to reduce overall support costs over the coming year, whilst maintaining and enhancing the student experience. Financial forecasts covering a 5 year period are produced for the Board at least annually, the latest in July 2019. The Board believe that, despite intensifying competition for undergraduate and international students, projections indicate that University is well placed to

manage its business risks successfully, and has adequate resources to continue in operational existence for the foreseeable future.

The University strategic plan which takes us through until 2021 addresses the challenges for the University head-on and is structured to maintain sound finances in the years to come.

For the reasons set out above the Board of Governors continue to adopt the going concern basis in preparing the financial statements.

STATEMENT OF THE BOARD OF GOVERNORS' RESPONSIBILITIES

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

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

They are required to prepare group and parent University financial statements in accordance with UK accounting standards and applicable law (UK Generally Accepted Accounting Practice), including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland*. The terms and conditions of funding further require the financial statements to be prepared in accordance with the 2015 Statement of Recommended Practice – Accounting for Further and Higher Education, in accordance with the requirements of the Accounts Direction issued by the Office for Students. The Board of Governors are required to prepare financial statements which give a true and fair view of the state of affairs of the group and parent University and of their income and expenditure, gains and losses and changes in reserves for that period.

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

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

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

The Board of Governors are also responsible for ensuring that:

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

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

INDEPENDENT AUDITOR'S REPORT TO BOARD OF GOVERNORS

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Opinion

We have audited the financial statements of University of Wolverhampton ("the University") for the year ended 31 July 2019 which comprise the Consolidated and University Statements of Comprehensive Income and Expenditure, Consolidated and University Statements of Changes in Reserves, Consolidated and University Balance Sheets, 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 the University's affairs as at 31 July 2019, and of the Group's and the University's income and expenditure, gains and losses and changes in reserves, and of the Group's cash flows, for the year then ended;
- 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*, and with the 2015 *Statement of Recommended Practice – Accounting for Further and Higher Education*; and
- meet the requirements of the Accounts Direction dated 19 June 2018 issued by the Office for Students, other than where the University has applied the allowance to early adopt the requirements of paragraph 12(d) of the Accounts Direction dated 25 October 2019 issued by the Office for Students.

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.

The impact of uncertainties due to the UK exiting the European Union on our audit

Uncertainties related to the effects of Brexit are relevant to understanding our audit of the financial statements. All audits assess and challenge the reasonableness of estimates made by the directors and related disclosures and the appropriateness of the going concern basis of preparation of the financial statements. All of these depend on assessments of the future economic environment and the Group's future prospects and performance.

Brexit is one of the most significant economic events for the UK, and at the date of this report its effects are subject to unprecedented levels of uncertainty of outcomes, with the full range of possible effects unknown. We applied a standardised firm-wide approach in response to that uncertainty when assessing Group's future prospects and performance. However, no audit should be expected to predict the unknowable factors or all possible future implications for a University Group and this is particularly the case in relation to Brexit.

Going concern

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

We are required to report to you if we have concluded that the use of the going concern basis of accounting is inappropriate or there is an undisclosed material uncertainty that may cast significant doubt over the use of that basis for a period of at least a year from the date of approval of the financial statements. In our evaluation of the Board of Governors' conclusions, we considered the inherent risks to the Group's business model, including the impact of Brexit, and analysed how those risks might affect the Group and the University's financial resources or ability to continue operations over the going concern period. We have nothing to report in these respects.

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 absence of reference to a material uncertainty in this auditor's report is not a guarantee that the Group or the University will continue in operation.

Other information

The Board of Governors is responsible for the other information, which comprises the Report of the Board of Governors, Public Benefit Statement and Corporate Governance Statement. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or 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 their statement set out on page 26, the Board of Governors is responsible for: the preparation of the financial statements and for being satisfied that they give a true and fair view; such internal control as it determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error; assessing the Group and parent University's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and using the going concern basis of accounting unless it either intends to liquidate the Group or the parent University or to cease operations, or has no realistic alternative but to do so.

Auditor's responsibilities

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

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

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

We are required to report on the following matters under the Office for Students and Research England Audit Codes of Practice issued under the Further and Higher Education Act 1992.

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; and
- funds provided by the Office for Students and Research England have been applied in accordance with the terms and conditions attached to them.

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

Mark Dawson
for and on behalf of KPMG LLP, Statutory Auditor
Chartered Accountants
One Snowhill
Snow Hill Queensway
Birmingham
B4 6GH

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 2015 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 2019. 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 £174,761 in 2018/2019 (£141,480 in 2017/2018). This has not been separately disclosed in the University's Consolidated Financial Statements. University of Wolverhampton Science Park Limited has, therefore, also been included in the Consolidated Financial Statements of the University.

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

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

The University of Wolverhampton Students' Union is an "independent" constituted body and, therefore, is not included in the Consolidated Financial Statements of the University. During the financial year the University made payments to the Students' Union of £804K and received £12.5K 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 2015 FE HE SORP, are measured on the basis of deemed cost, being the revalued amount at the date of that revaluation.

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

(a) Land and Buildings

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

The deemed costs was undertaken on a Fair Value basis, with specialised properties valued by reference to Depreciated Replacement Cost, and with non-specialised operational properties

valued on a Fair Value basis equating to Market Value on the assumption of a continuation of the existing use.

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

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

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

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

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

Freehold land is not depreciated.

(b) Equipment

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

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

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

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

9. Investments

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

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

10. Stock

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

11. Cash and cash equivalents

Cash includes cash in hand, deposits repayable on demand and overdrafts. Deposits are repayable on demand if they are in practice available within 24 hours without penalty.

Cash equivalents are short term, highly liquid investments that are readily convertible to known amounts of cash with insignificant risk of change in value.

12. Provisions, contingent liabilities and contingent assets

Provisions are recognised in the financial statements when:

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

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

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

A contingent asset arises where an event has taken place that gives the University a possible asset whose existence will only be confirmed by the occurrence or otherwise of uncertain future events not wholly within the control of the University.

Contingent assets and liabilities are not recognised in the Balance Sheet but are disclosed in the notes.

13. Taxation

The University is an exempt charity within the meaning of Part 3 of the Charities Act 2011. It is therefore a charity within the meaning of Para 1 of schedule 6 to the Finance Act 2010 and accordingly, the University is potentially exempt from taxation in respect of income or capital gains received within categories covered by section 478-488 of the Corporation Tax Act 2010 (CTA 2010) or section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied to exclusively charitable purposes.

The University is partially exempt in respect of Value Added Tax, so that it can only recover a minor element of VAT charged on its inputs. Irrecoverable VAT on inputs is included in the costs of such inputs and added to the cost of tangible fixed assets as appropriate, where the inputs themselves are tangible fixed assets by nature.

The trading activities undertaken by the University are administered through the companies, University of Wolverhampton Corporate Services Limited, University of Wolverhampton Social Enterprises Limited, and University of Wolverhampton Enterprise Limited (including its subsidiary University of Wolverhampton Science Park Limited), which as commercial organisations are liable to Corporation Tax. These companies, however, transfer their profits to the University under a deed of covenant on an annual basis.

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

15. Financial Instruments

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

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

Financial assets

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

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

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

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

Financial liabilities

Basic financial liabilities include trade and other payables, bank loans, and intra-group loans. These liabilities are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Debt instruments are subsequently carried at amortised cost using the effective interest rate method.

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

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

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

16. Reserves

Reserves are classified as restricted or unrestricted. Restricted endowment reserves include balances which, through endowment to the University, are held as a permanently restricted fund which the University must hold in perpetuity.

Other restricted reserves include balances where the donor has designated a specific purpose and therefore the University is restricted in the use of these funds.

17. Critical Accounting estimates and judgements

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

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

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

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

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

Retirement benefit obligations - The cost of defined benefit pension plans and other post-employment benefits are determined using actuarial valuations. The actuarial valuation involves making assumptions about discount rates, future salary increases, mortality rates and future pension increases. Due to the complexity of the valuation, the underlying assumptions and the long term nature of these plans, such estimates are subject to significant uncertainty. Further details are given in note 29.

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 2017 actuarial valuation, which defines the deficit payment required as a percentage of future salaries until 2034. These contributions will be reassessed within each triennial valuation of the scheme. The provision is based on management's estimate of expected future salary inflations, changes in staff numbers and the prevailing rate of discount. Further details are set out in note 29.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME AND EXPENDITURE

For the year ended 31 July 2019

	Note	Year ended 31 July 2019		Year ended 31 July 2018	
		Consolidated £'000	University £'000	Consolidated £'000	University £'000
Income					
Tuition fees and education contracts	1	130,528	129,785	131,867	131,823
Funding body grants	2	19,240	19,240	21,500	21,500
Research grants and contracts	3	4,234	4,234	4,204	4,204
Other income	4	32,025	26,283	29,504	24,595
Investment income	5	310	363	186	257
Total income before endowments and donations		186,337	179,905	187,261	182,379
Donations and endowments	6	212	212	77	77
Total income		186,549	180,117	187,338	182,456
Expenditure					
Staff costs	7	119,900	118,493	112,830	111,543
Other operating expenses	8	48,659	45,160	50,830	47,384
Depreciation and Impairment	11	12,424	12,100	11,628	11,297
Interest and other finance costs	9	2,402	2,400	3,036	3,035
Total expenditure	10	183,385	178,153	178,324	173,259
Surplus before tax		3,164	1,964	9,014	9,197
Taxation		(10)	0	(31)	0
Surplus for the year		3,154	1,964	8,983	9,197
Other comprehensive income					
Actuarial gain/(loss) in respect of pension schemes	29	(13,812)	(13,812)	24,700	24,700
Total comprehensive income for the year		(10,658)	(11,848)	33,683	33,897
Represented by:					
Unrestricted comprehensive income for the year		(10,798)	(11,988)	33,683	33,897
Endowment comprehensive income for the year		128	128	0	0
Restricted comprehensive income for the year		12	12	0	0
		(10,658)	(11,848)	33,683	33,897
Non-controlling interest		0	0	0	0
		(10,658)	(11,848)	33,683	33,897

All items of income and expenditure relate to continuing activities

CONSOLIDATED AND UNIVERSITY STATEMENT OF CHANGES IN RESERVES
For the year ended 31 July 2019

Consolidated	Endowment Reserve £'000	Income and Expenditure Account		Revaluation Reserve £'000	Total £'000
		Restricted £'000	Unrestricted £'000		
Balance at 1 August 2018	240	0	199,597	28,947	228,784
Surplus from the income and expenditure statement	128	12	3,014	0	3,154
Other comprehensive income	0	0	(13,812)	0	(13,812)
Transfers between revaluation and income and expenditure reserve	0	0	948	(948)	0
Release of restricted funds spent in year	0	0	0	0	0
Total comprehensive income for the year	128	12	(9,850)	(948)	(10,658)
Balance at 31 July 2019	368	12	189,747	27,999	218,126

University	Endowment Reserve £'000	Income and Expenditure Account		Revaluation Reserve £'000	Total £'000
		Restricted £'000	Unrestricted £'000		
Balance at 1 August 2018	240	0	193,076	26,812	220,128
Surplus from the income and expenditure statement	128	12	1,824	0	1,964
Other comprehensive income	0	0	(13,812)	0	(13,812)
Transfers between revaluation and income and expenditure reserve	0	0	948	(948)	0
Release of restricted funds spent in year	0	0	0	0	0
Total comprehensive income for the year	128	12	(11,040)	(948)	(11,848)
Balance at 31 July 2019	368	12	182,036	25,864	208,280

CONSOLIDATED AND UNIVERSITY BALANCE SHEET
For the year ended 31 July 2019

	Note	As at 31 July 2019	As at 31 July 2018		
		Consolidated £'000	University £'000		
		Consolidated £'000	University £'000		
Non-current assets					
Fixed assets	11	275,042	262,286	257,254	245,742
Investments	12	161	661	121	621
		275,203	262,947	257,375	246,363
Current assets					
Stock	13	108	108	134	125
Trade and other receivables	14	33,603	36,168	22,319	24,400
Investments	15	4,077	4,077	4,077	4,077
Cash and cash equivalents		56,703	51,243	65,322	64,683
		94,491	91,596	91,852	93,285
Less: Creditors: amounts falling due within one year	16	(30,518)	(28,713)	(26,152)	(25,229)
Net current assets		63,973	62,883	65,700	68,056
Total assets less current liabilities		339,176	325,830	323,075	314,419
Creditors: amounts falling due after more than one year	17	(3,588)	(88)	(88)	(88)
Provisions					
Pension provisions	18	(112,943)	(112,943)	(89,720)	(89,720)
Other provisions	18	(4,519)	(4,519)	(4,483)	(4,483)
Total net assets		218,126	208,280	228,784	220,128
Restricted Reserves					
Income and expenditure reserve - endowment	19	368	368	240	240
Income and expenditure reserve - restricted		12	12	0	0
Unrestricted Reserves					
Income and expenditure reserve - unrestricted		189,747	182,036	199,597	193,076
Revaluation reserve	20	27,999	25,864	28,947	26,812
		218,126	207,900	228,784	220,128
Non-controlling interest		0	0	0	0
Total Reserves		218,126	208,280	228,784	220,128

The financial statements were approved by the Board of Governors on 27 November 2019 and were signed on its behalf on that date by:

B. Reid

Chairman of the Board of Governors

Professor G. Layer

Vice Chancellor and Accountable Officer

G Butler

Chief Financial Officer

CONSOLIDATED CASH FLOW STATEMENT

For the year ended 31 July 2019

	Note	Year ended 31 July 2019 £'000	Year ended 31 July 2018 £'000
Cash flow from operating activities			
Surplus for the year		3,154	8,983
Adjustment for non-cash items			
Depreciation	11	12,424	11,628
Decrease/(increase) in stock	13	26	(14)
Decrease/(increase) in debtors	14	(11,284)	(3,293)
Increase/(decrease) in creditors	16,17	7,866	(763)
Increase/(decrease) in pension provision	18	9,447	7,583
Increase/(decrease) in other provisions	18	0	0
Adjustment for investing or financing activities			
Investment income	5	(310)	(186)
Capital Grant Income	1,2,4	(12,349)	(8,361)
Interest Payable	9	58	121
Loan Repayable	17	(3,500)	126
Endowment Income	19	(140)	(53)
Net cash inflow from operating activities		5,392	15,771
Cash flows from investing activities			
Withdrawal of deposits		0	5,138
Investment income		310	186
Capital Grant Income		12,349	8,361
Payments made to acquire fixed assets		(30,252)	(19,220)
		(17,593)	(5,535)
Cash flows from financing activities			
Interest paid		(58)	(121)
Endowment cash received		140	53
New unsecured loans		0	0
Receipt / (Repayment) of amounts borrowed		3,500	(126)
		3,582	(194)
(decrease) / increase in cash and cash equivalents in the year		(8,619)	10,042
Cash and cash equivalents at beginning of the year		65,322	55,280
Cash and cash equivalents at end of the year		56,703	65,322

NOTES TO THE ACCOUNTS

1	Tuition fees and education contracts	Year Ended 31 July 2019		Year Ended 31 July 2018	
		Consolidated £'000	University £'000	Consolidated £'000	University £'000
	Full-time home and EU students	100,329	100,329	99,147	99,129
	Full-time international students	8,986	8,986	10,961	10,961
	Part-time students	7,005	6,958	6,472	6,446
	Franchised Courses	3,034	3,034	3,498	3,498
	Apprentices	2,236	2,236	606	606
	Education Contracts	8,152	8,152	11,183	11,183
	Continuing Professional Development	786	90	0	0
		130,528	129,785	131,867	131,823
2	Funding body grants	Year Ended 31 July 2019		Year Ended 31 July 2018	
		Consolidated £'000	University £'000	Consolidated £'000	University £'000
	Recurrent grant				
	Higher Education Funding Council	0	0	8,543	8,543
	Office for Students	11,273	11,273	3,014	3,014
	Capital grant - HEFCE	0	0	1,441	1,441
	Capital Grant - OFS	3,830	3,830	1,456	1,456
	Specific grants				
	Higher Education Academic Subject Centres - HEFCE	0	0	2,474	2,474
	Higher Education Innovation Fund – HEFCE	0	0	2,535	2,535
	Higher Education Academic Subject Centres - OFS	3,537	3,537	786	786
	Higher Education Innovation Fund – OFS	465	465	1,060	1,060
	Department for Education	135	135	191	191
		19,240	19,240	21,500	21,500
3	Research Grants and Contracts	Year Ended 31 July 2019		Year Ended 31 July 2018	
		Consolidated £'000	University £'000	Consolidated £'000	University £'000
	Research councils	340	340	281	281
	Research charities	390	390	348	348
	Government (UK and overseas)	2,638	2,638	2,454	2,454
	Industry and commerce	170	170	126	126
	Other	696	696	995	995
		4,234	4,234	4,204	4,204

4	Other income	Year Ended 31 July 2019		Year Ended 31 July 2018	
		Consolidated £'000	University £'000	Consolidated £'000	University £'000
	Residences, catering and conferences	7,556	7,548	8,223	8,164
	Other revenue grants	5,604	4,269	5,116	4,069
	Other capital grants	8,519	7,214	5,464	5,464
	Other income	10,346	7,252	10,701	6,898
		32,025	26,283	29,504	24,595

5	Investment income	Year Ended 31 July 2019		Year Ended 31 July 2018	
		Consolidated £'000	University £'000	Consolidated £'000	University £'000
	Investment income on endowments	1	1	0	0
	Other investment income	309	362	186	257
		310	363	186	257

6	Donations and endowments	Year Ended 31 July 2019		Year Ended 31 July 2018	
		Consolidated £'000	University £'000	Consolidated £'000	University £'000
	Donations with Restrictions	195	195	77	77
	Unrestricted donations	17	17	0	0
		212	212	77	77

7 Staff costs	Year Ended 31 July 2019		Year Ended 31 July 2018	
	Consolidated	University	Consolidated	University
Staff Costs :	£'000	£'000	£'000	£'000
Salaries	87,211	86,068	84,469	83,428
Social security costs	8,668	8,580	8,426	8,333
Holiday Accrual	586	586	(122)	(122)
Movement on USS provision	789	789	(35)	(35)
Other pension costs	22,646	22,470	20,092	19,939
Total	119,900	118,493	112,830	111,543

Severances of £263K (51 staff) paid during 2018/19 are included within the salaries costs. (£919K 2017/18 – 85 staff).

The Remuneration Committee is responsible for considering the remuneration for the University's Vice Chancellor in fulfilling this responsibility it considers the outcomes of appraisal, performance against targets and benchmarking against peer group institutions. The Committee reports to the Governing Body providing a note of its methodology and rationale for its decisions.

Emoluments of the Vice-Chancellor:	£'000	£'000	£'000	£'000
Salary	284	284	277	277
Benefits	0	0	4	4
Pension contributions to USS	6	6	6	6
	290	290	287	287

The head of the provider's basic salary is 8.30 times (£283,838 ÷ £34,188) (2017/18 7.8 times) the median pay of staff, where the median pay is calculated on a full-time equivalent basis for the salaries paid by the provider to its staff.

The head of the provider's total remuneration salary is 8.23 times (£289,685 ÷ £35,210) (2017/18 8.14 times) the median total remuneration of staff, where the median pay is calculated on a full-time equivalent basis for the salaries paid by the provider to its staff.

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

	No.	No.	No.	No.
£100,000 to £104,999	0	0	0	0
£105,000 to £109,999	1	1	1	1
£110,000 to £114,999	1	1	1	1
£115,000 to £119,999	1	1	0	0
£120,000 to £124,999	0	0	0	0
£125,000 to £129,999	1	1	2	2
£130,000 to £134,999	0	0	1	1
£135,000 to £139,999	1	1	0	0
£140,000 to £145,999	0	0	2	2
	5	5	7	7

Average staff numbers by major category

	No.	No.	No.	No.
Academic	891	891	859	859
Technical	1,094	1,094	1,072	1,072
Other	261	261	279	279
	2,246	2,246	2,210	2,210

7 Staff costs (continued)

Key management personnel

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

Staff costs include compensation paid to key management personnel.

	Year ended 31 July 2019 £ '000	Year ended 31 July 2018 £ '000
Key management personnel compensation	1,013	1,104
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 2018/19.

The total expenses paid to or on behalf of trustees was £2,172 (2017/18 - £1,282). This represents travel and subsistence expenses incurred in attending meetings and training events connected with their roles as trustees.

8 Other Operating Expenses	Year Ended 31 July 2019		Year Ended 31 July 2018	
	Consolidated	University	Consolidated	University
	£'000	£'000	£'000	£'000
Residences, Catering and Conferences	1,328	1,285	1,276	1,246
Books and Consumables	2,345	2,327	2,339	2,286
Equipment	4,490	4,423	4,546	4,423
Printing and Stationery	873	863	1,223	1,185
Heat, Light, Water and Power	3,076	2,755	3,518	3,223
Repairs and Maintenance	4,825	4,011	3,705	2,858
Grants to University of Wolverhampton Students' Union	804	804	800	800
Rents	1,627	1,549	1,531	1,478
Rates	791	733	794	714
Auditors' Remuneration	201	165	282	263
Auditors' Remuneration in Respect of Non-Audit Services	50	47	66	62
Equipment Operating Lease Rentals	127	126	80	78
Franchise Payments to Colleges	2,454	2,454	2,758	2,758
Staff Travel and Subsistence	1,896	1,734	2,199	2,026
Staff Recruitment Costs	228	225	247	205
Staff Development	656	650	859	854
Student Scholarships, Bursaries, Placements & Travel Costs	4,761	4,760	4,948	4,947
Payments to Partners	3,968	3,379	4,289	3,882
Consultancies on External Projects	1,578	1,233	1,515	954
Other Consultancies	937	937	1,210	1,210
Telecommunications and Postage	582	501	609	542
Provision for Bad Debts	232	261	1,213	1,161
Cleaning Costs	648	621	681	657
Legal, Professional and Other	4,745	4,609	4,732	4,494
Insurance	455	429	459	442
Publicity	2,382	2,310	2,612	2,573
Transport Intersite	0	550	0	569
Subscriptions	1,461	1,456	1,289	1,282
Other	1,136	(37)	1,050	212
Total	48,659	45,160	50,830	47,384
Auditors Remuneration includes:				
External Audit				
Financial Statements Audit	84	48	64	41
Project Audits	22	19	59	59
Tax	9	9	67	67
Advisory	19	19	39	39
Internal Audit	117	117	119	119
Total	251	212	348	325

9 Interest and other finance costs

	Note	Year Ended 31 July 2019		Year Ended 31 July 2018	
		Consolidated	University	Consolidated	University
		£'000	£'000	£'000	£'000
Loan interest		2	1	1	0
Exchange differences		44	43	110	110
USS Interest Payment		12	12	10	10
Net charge on pension scheme	29	2,344	2,344	2,915	2,915
		2,402	2,400	3,036	3,035

10 Analysis of total expenditure by activity

	Year Ended 31 July 2019		Year Ended 31 July 2018	
	Consolidated	University	Consolidated	University
	£'000	£'000	£'000	£'000
Academic Departments	75,425	75,425	72,171	72,171
Academic Services	10,682	10,682	10,448	10,448
Administration and central services	43,030	43,065	42,879	42,950
Premises	15,708	13,730	14,648	12,893
Residences, catering and conferences	5,580	5,580	6,019	6,019
Research grants and contracts	4,359	4,359	4,182	4,182
Other expenses	28,601	25,312	27,976	24,595
	183,385	178,153	178,323	173,258

11 Fixed Assets

Consolidated	Freehold Land and Buildings	Vehicles	Fixtures, Fittings and Equipment	Assets in the Course of Construction	Total
	£'000	£'000	£'000	£'000	£'000
At 1 August 2018	367,996	151	46,842	6,671	421,660
Additions	5,647	0	3,638	21,311	30,596
Transfers	970	0	7	(977)	0
Disposals	0	0	0	(384)	(384)
At 31 July 2019	374,613	151	50,487	26,621	451,872

Depreciation

At 1 August 2018	121,925	82	42,399	0	164,406
Charge for the year	10,887	14	1,523	0	12,424
Impairment	0	0	0	0	0
Disposals	0	0	0	0	0
At 31 July 2019	132,812	96	43,922	0	176,830

Net book value

At 31 July 2019	241,801	55	6,565	26,621	275,042
------------------------	----------------	-----------	--------------	---------------	----------------

At 31 July 2018	246,071	69	4,443	6,671	257,254
-----------------	---------	----	-------	-------	---------

University	Freehold Land and Buildings	Vehicles	Fixtures, Fittings and Equipment	Assets in the Course of Construction	Total
	£'000	£'000	£'000	£'000	£'000
At 1 August 2018	350,142	151	45,833	6,487	402,613
Additions	5,647	0	3,638	19,743	29,028
Transfers	970	0	7	(977)	0
Disposals	0	0	0	(384)	(384)
At 31 July 2019	356,759	151	49,478	24,869	431,257

Depreciation

At 1 August 2018	115,448	82	41,341	0	156,871
Charge for the year	10,563	14	1,523	0	12,100
Impairment	0	0	0	0	0
Disposals	0	0	0	0	0
At 31 July 2019	126,011	96	42,863	0	168,971

Net book value

At 31 July 2019	230,748	55	6,614	24,869	262,286
------------------------	----------------	-----------	--------------	---------------	----------------

At 31 July 2018	234,694	69	4,492	6,487	245,742
-----------------	---------	----	-------	-------	---------

12 Non-Current Investments

Consolidated	Subsidiary Companies	Subsidiary Investment In spinouts	Other fixed assets investments	Total
	£'000	£'000	£'000	£'000
At 1 August 2018	85	0	36	121
Additions	40	0	0	40
Disposals	0	0	0	0
Impairment	0	0	0	0
At 31 July 2019	125	0	36	161

University	Subsidiary Companies	Subsidiary Investment In spinouts	Other fixed assets investments	Total
	£'000	£'000	£'000	£'000
At 1 August 2018	585	0	36	621
Additions	40	0	0	40
Disposals	0	0	0	0
Impairment	0	0	0	0
At 31 July 2019	625	0	36	661

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

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

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

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

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

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

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

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

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

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

13 Stock

	Year ended 31 July 2019		Year ended 31 July 2018	
	Consolidated £'000	University £'000	Consolidated £'000	University £'000
General consumables	108	108	134	125
	108	108	134	125

14 Trade and other receivables

	Year ended 31 July 2019		Year ended 31 July 2018	
	Consolidated £'000	University £'000	Consolidated £'000	University £'000
<i>Amounts falling due within one year:</i>				
Other receivables	31,443	29,305	19,769	18,719
Prepayments and accrued income	2,160	2,155	2,550	2,541
Amounts due from subsidiary companies	0	4,708	0	3,140
	33,603	36,168	22,319	24,400

15 Current Investments

	Year ended 31 July 2019		Year ended 31 July 2018	
	Consolidated £'000	University £'000	Consolidated £'000	University £'000
Short term deposits	4,077	4,077	4,077	4,077
	4,077	4,077	4,077	4,077

16 Creditors : amounts falling due within one year

	Year ended 31 July 2019		Year ended 31 July 2018	
	Consolidated £'000	University £'000	Consolidated £'000	University £'000
Subsidiary Companies	0	0	0	344
Trade payables	15,820	15,254	14,130	13,984
Social security and other taxation payable	3,059	3,112	3,159	3,190
Accruals and deferred income	10,274	8,982	8,084	6,932
Holiday Accrual	1,365	1,365	779	779
	30,518	28,713	26,152	25,229

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 2019		Year ended 31 July 2018	
	Consolidated £'000	University £'000	Consolidated £'000	University £'000
Research grants received on account	2,083	2,083	975	975
Grant income	7,818	6,631	6,701	5,679
Other income	373	268	408	278
	10,274	8,982	8,084	6,932

17 Creditors : amounts falling due after more than one year

	Year ended 31 July 2019		Year ended 31 July 2018	
	Consolidated £'000	University £'000	Consolidated £'000	University £'000
Unsecured loans	3,588	88	88	88
	3,588	88	88	88
<i>Analysis of secured and unsecured loans:</i>				
Due within one year or on demand (Note 16)	0	0	0	0
Due between one and two years	88	88	88	88
Due between two and five years	0	0	0	0
Due in five years or more	3,500	0	0	0
Due after more than one year	3,588	88	88	88
Total secured and unsecured loans	3,588	88	88	88
Unsecured loans repayable by 2023	3,588	88	88	88
	3,588	88	88	88

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

18 Provisions for liabilities

Consolidated	Obligation to fund deficit on USS Pension £'000	Enhanced Pensions £'000	Defined Benefit Obligations (Note 29) £'000	Total Pensions Provisions £'000
At 1 August	557	4,483	89,163	94,203
Created in Year				
Utilised in year	0	(219)	(17,744)	23,259
Additions in 2018/19	801	255	40,166	0
At 31 July 2019	1,358	4,519	111,585	117,462

University	Obligation to fund deficit on USS Pension £'000	Enhanced Pensions £'000	Defined Benefit Obligations (Note 29) £'000	Total Pensions Provisions £'000
At 1 August	557	4,483	89,163	94,203
Created in Year				
Utilised in year	0	(219)	(17,744)	23,259
Additions in 2018/19	801	255	40,166	0
At 31 July 2019	1,358	4,519	111,585	117,462

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.

19 Endowment Reserves

	Unrestricted permanent endowments £'000	restricted permanent endowments £'000	Expendable endowments £'000	2019 Total £'000	2018 Total £'000
Balances at 1 August 2018					
Capital	0	0	0	0	0
Accumulated income	240	0	0	240	187
	<u>240</u>	<u>0</u>	<u>0</u>	<u>240</u>	<u>187</u>
New endowments					
Investment income	197	16	0	213	58
Expenditure	(69)	(4)	0	(73)	(5)
	<u>140</u>	<u>12</u>	<u>0</u>	<u>140</u>	<u>53</u>
(Decrease)/increase in market value of investments	0	0	0	0	0
	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
At 31 July 2019	<u>368</u>	<u>12</u>	<u>0</u>	<u>380</u>	<u>240</u>
Represented by:					
Capital	0	0	0	0	0
Accumulated income	368	12	0	380	240
	<u>368</u>	<u>12</u>	<u>0</u>	<u>380</u>	<u>240</u>
Analysis by type of purpose:					
Lectureships	0	0	0	0	0
Scholarships and bursaries	0	0	0	0	0
Research support	0	0	0	0	0
Prize funds	0	0	0	0	0
General	368	12	0	380	240
	<u>368</u>	<u>12</u>	<u>0</u>	<u>380</u>	<u>240</u>
Analysis by asset					
Fixed assets				0	0
Current and non-current asset investments				0	0
Cash & cash equivalents				380	240
				<u>380</u>	<u>240</u>

20 Revaluation Reserve

	Year ended 31 July 2019		Year ended 31 July 2018	
	Consolidated £'000	University £'000	Consolidated £'000	University £'000
Balance b/fwd at 1 August	28,947	26,812	29,895	27,760
Release to the Income and Expenditure Account	(948)	(948)	(948)	(948)
At 31 July	<u>27,999</u>	<u>25,864</u>	<u>28,947</u>	<u>26,812</u>

21 Capital and other commitments

Provision has not been made for the following capital commitments at 31 July 2019.

	Year ended 31 July 2019 Consolidated £'000	Year ended 31 July 2018 Consolidated £'000
Commitments contracted for at 31 July	23,457	51,000
Authorised but not Contracted at 31 July	24,572	1,500
	48,029	52,500

22 Contingent liabilities

The University has no contingent liabilities.

23 Lease Obligations

Total rentals payable under operating leases:

	31 July 2019		31 July 2018	
	Other Leases Consolidated £'000	Total £'000	Other Leases Consolidated £'000	Total £'000
Payable during the year				
Future minimum lease payments due:				
Within One Year	219	219	219	219
Due between One and Two Years	219	219	219	219
Three Years	219	219	219	219
Four Years	98	98	219	219
Over Five years	49	49	146	146
Total lease payments due	804	804	1,024	1,024

24 Events after the reporting period

There are no events to report.

25 Teacher Training Bursaries

	Year ended 31 July 2019	Year ended 31 July 2018
	Consolidated	Consolidated
	£'000	£'000
Balance Unspent / (Overspent) as at 1 August	(6)	396
Department for Education	2,473	1,518
	2,467	1,914
Disbursed to Students	(2,475)	(1,920)
	(8)	(6)

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 12.

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 £2,172 (2017/18 - £1,282). 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 £802K and received £12.5K from the Students' Union.

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

Directorships/Ownerships
declared in the register

2018/19

Purchases

Sales

Page

52

The Refugee and Migrant Centre Ltd. Company	£2,520	0
Nachural Music Ltd.	£5,000	0
Chartered Institute of Building Benevolent Fund	£4,680	£3,500
FBC Manby Bowdler LLP	£3,000	£6,500
Black Country Living Museum	£3,433	£48,577

28 Connected Charitable Institutions

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

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

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

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

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

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

	Opening Balance £000	Income £000	Expenditure £000	Change in Market Value £000	Closing Balance £000
Consolidated	0	0	0	0	0
Not Consolidated					
University of Wolverhampton					
Multi-Academy Trust	74,930	31,802	(30,829)	973	79,848
Health Futures UTC	8,902	1,984	(2,709)	(725)	8,177

Both University of Wolverhampton Multi-Academy Trust and Health Futures UTC financial year run from 1st September to 31st August. At the time the University's accounts were approved, UWMAT's and HFUTC's accounts for 2018/19 had yet to be finalised. The figures shown above are in draft.

29 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.

	2018/19	2017/18
	£'000	£'000
TPS and USS contributions	6,561	6,443
WMMAPF contributions	9,448	8,377
WMMAPF - FRS Adjustment	<u>6,369</u>	<u>5,088</u>
	22,378	19,908
Enhanced Pensions	<u>268</u>	<u>(54)</u>
Total per Note 7	<u>22,646</u>	<u>19,854</u>
Enhanced Pensions Interest Cost	103	163
Benefits paid	(335)	(343)
Total Movement on EPP (note 18)	<u>36</u>	<u>(234)</u>

29 Pension Schemes (continued)

Universities' Superannuation Scheme (USS)

The total benefit charged to the profit and loss account is (£801K) (2017 Charge: £24K) as shown in notes 7 and 9.

The latest available complete actuarial valuation of the Retirement Income Builder is at 31 March 2017 (the valuation date), which was carried out using the projected unit method. A valuation as at 31 July 2019 is underway but not yet complete.

Since the institution cannot identify its share of USS Retirement Income Builder assets and liabilities, the following disclosures reflect those relevant for those assets and liabilities as a whole.

The 2017 valuation was the fourth valuation for the scheme under the scheme-specific funding regime introduced by the Pensions Act 2004, which requires schemes to adopt a statutory funding objective, which is to have sufficient and appropriate assets to cover their technical provisions. At the valuation date, the value of the assets of the scheme was £60.0 billion and the value of the scheme's technical provisions was £67.5 billion indicating a shortfall of £7.5 billion and a funding ratio of 89%.

The key financial assumptions used in the 2017 valuation are described below. More detail is set out in the Statement of Funding Principles.

Pension increases (CPI)	Term dependent rates in line with the difference between the Fixed Interest and Index Linked yield curves, less 1.3% p.a.
Discount rate (forward rates)	Years 1-10: CPI – 0.53% reducing linearly to CPI – 1.32% Years 11-20: CPI + 2.56% reducing linearly to CPI + 1.7% by year 21 Years 21 +: CPI + 1.7%

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 2017 actuarial valuation. The mortality assumptions used in these figures are as follows:

2017 valuation

Mortality base table	Pre-retirement: 71% of AMC00 (duration 0) for males and 112% of AFC00 (duration 0) for females Post retirement: 96.5% of SAPS S1NMA "light" for males and 101.3% of RFV00 for females
Future improvements to mortality	CMI_2016 with a smoothing parameter of 8.5 and a long term improvement rate of 1.8% pa for males and 1.6% pa for females

The current life expectancies on retirement at age 65 are:

	2019	2018
Males currently aged 65 (years)	24.6	24.5
Females currently aged 65 (years)	26.1	26.0
Males currently aged 45 (years)	26.6	26.5
Females currently aged 45 (years)	27.9	27.8

A new deficit recovery plan was put in place as part of the 2017 valuation, which requires payment of 5% of salaries over the period 1 April 2020 to 30 June 2034. The 2019 pension liability provision reflects this plan. The provision figures have been produced using the following assumptions as at 31 March 2018 and 2019.

	2019	2018
Discount rate	2.44%	2.64%
Pensionable salary growth	n/a	n/a
Pension increases (CPI)	2.11%	2.02%

29 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 an increased contribution rate of 23.68% from September 2019 (this includes the administration levy of 0.8%). The timing of the implementation is to align its introduction with employers' budget planning cycles. Until then, employers will pay the current rate of 16.48%.

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.

Employer contributions increased on 1 September 2015 from 14.1% to 16.4%. In addition, and on the same date, employers commenced payment of a 0.08% contribution to cover administration expenses. The average contribution rate for employees was 9.8%.

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 set contributions for the period from 1 April 2017 to 31 March 2020. There are no minimum funding requirements in the LGPS but the contributions are generally set to target a funding level of 100% using the actuarial valuation assumptions.

29 Pension Schemes (continued)

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

	2018-19	2017-18
	£000s	£000s
Net (liability)		
Opening position as at 31 July	(89,163)	(106,023)
Past Service Cost	0	0
Current Service Cost	(15,580)	(13,470)
Net interest Cost	(2,241)	(2,752)
Administration Expenses	(117)	(93)
Total defined benefit cost recognised in SOCl	(17,938)	(16,315)
Employer LGPS contributions	9,328	8,475
Net Cost Recognised in SOCl	(27,266)	(24,790)
Total remeasurements recognised in SOCl	(13,812)	24,700
Closing position as at 31 July 2019	(111,585)	(89,163)

	At Year End 31/07/2019	At Year End 31/07/2018
	£'000	£'000
Present Value of Defined Benefit Obligation	357,779	316,148
Fair Value of Fund Assets (bid value)	246,194	226,985
Deficit/(Surplus)	111,585	89,163
Present Value of unfunded obligation	0	0
Unrecognised Past Service Cost	0	0
Impact of Asset Ceiling	0	0
Net Defined benefit liability/ (asset)	111,585	89,163

29 Pension Schemes (continued)

Asset and benefit obligation reconciliation for the year to 31 July 2019

	At Year End 31/07/2019 £'000	At Year End 31/07/2018 £'000
Opening Defined Benefit Obligation	316,148	317,835
Current Service Cost	12,771	13,233
Interest Cost	8,320	8,534
Change in Financial Assumptions	40,909	(19,916)
Change in Demographic Assumptions	(18,681)	0
Experience loss/(gain) on defined benefit obligation	0	0
Estimated benefits paid net of transfers in	(6,946)	(6,111)
Past Service Cost	2,809	237
Contributions by scheme participants and other employers	2,449	2,336
Closing Defined Benefit Obligation	357,779	316,148

Change in Plan Assets

	At Year End 31/07/2019 £'000	At Year End 31/07/2018 £'000
Opening fair value of Fund Assets	226,985	211,812
Interest on Assets	6,079	5,782
Return on Assets less Interest	8,416	4,784
Other actuarial gains/(losses)	0	0
Administration expenses	(117)	(93)
Contributions by employer including unfunded	9,328	8,475
Contributions by scheme participants and other employers	2,449	2,336
Estimated benefits paid net of transfers in	(6,946)	(6,111)
Closing Defined Benefit Obligation	246,194	226,985

The total return on the fund assets for the year to 31 July 2019 is £14,495,000.

29 Pension Schemes (continued)

Assets

The return on the Fund (on a bid value basis) for the year to 31 July 2019 is estimated to be 5%.

The estimated asset allocation for the University of Wolverhampton as at 31 July 2019 is as follows:

Asset breakdown	31/07/2019		31/07/2018	
	£000s	%	£000s	%
Equities	148,014	60%	143,633	63%
Government bonds	23,316	9%	16,327	7%
Other bonds	9,315	4%	8,406	4%
Property	20,098	8%	18,421	8%
Cash/liquidity	8,890	4%	8,511	4%
Other	36,561	15%	31,687	14%
Total	246,194	100%	226,985	100%

Financial Assumptions as at	31/07/2019	31/07/2018
	% p.a.	% p.a.
Discount Rate	2.10%	2.65%
Pension increases	2.40%	2.35%
Salary increases	3.90%	3.85%

These assumptions are set with reference to market conditions as at 31 July 2019. The estimate of duration of the Employer's liabilities is 20 years.

The discount rate is the annualised yield at the 20 year point on the Merrill Lynch AA rate corporate bond yield curve.

Assumed life expectations on retirement at age 65 are:

Retiring today	31/07/2019	31/07/2018
Males	20.9	21.9
Females	23.2	24.4
Retiring in 20 years		
Males	22.6	24.1
Females	25.0	26.7

The actuaries have allowed for the estimated impact of the recent McCloud judgement as a past service cost and have estimated the impact on the total liabilities as at 31 July 2019 to be £2,710,000 (or 0.8% as a percent of total liabilities).