



UNIVERSITY OF  
**WOLVERHAMPTON**

# UNIVERSITY OF WOLVERHAMPTON

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**For the Year Ended 31 July 2022**

**2021 – 2022**

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**THE UNIVERSITY OF WOLVERHAMPTON**

**CHANCELLOR**

The Lord Paul of Marylebone

**BOARD OF GOVERNORS**

**Membership**

**Independent Members:**

Ms Angela Spence, Chair of the Board (from April 2022, previously Deputy Chair)  
Mr Alan Edwards, Deputy Chair (from July 2022)  
Mr Amrit Singh (started September 2021) Deputy Chair (from July 2022)  
Ms Kim Carr, Deputy Chair (stepped down from Deputy Chair role July 2022)  
Mr Ninder Johal  
Dr Olubukola Adeyemo  
Prof Chris Handy (started September 2021)  
Ms Elaine Siew (started September 2021)  
Mr Dean Cullis (started September 2021)  
Mr Peter Price (started October 2021)  
Ms Julie Cunningham (resigned 30 September 2021)  
Mr James Oatridge OBE, Chair of the Board (resigned 17 February 2022)  
Ms Dawinder Bansal (started September 2021, resigned 01 June 2022)  
Ms Donna Leeding (resigned 06 July 2022)

**Professional Services Governor:**

Ms Kimberly Forlini-Softley (started September 2021)

**Academic Governor:**

Dr Ada Adeghe, (started September 2021)

**Vice-Chancellor:**

Prof Ian Campbell (started January 2022)  
Prof Geoff Layer (resigned December 2021)

**Student Nominee Members:**

Ms Tayabah Mahmood (Term started 1 July 2021)  
Mr Oluwatobi Falana (Term ended 1 July 2021)  
Ms Gagandeep Kaur (Term started 1 July 2022)

**Clerk to the Board of Governors:**

Ms S Waters

**Banker**

Barclays Bank PLC  
Queen Square  
Wolverhampton  
WV1 1TE

**Internal Auditor**

PricewaterhouseCoopers LLP  
Cornwall Court  
19 Cornwall Street  
Birmingham  
B3 2DT

**External Auditor**

KPMG LLP  
One Snow Hill  
Snow Hill Queensway  
Birmingham  
B4 6GH

**STATEMENT OF PRIMARY RESPONSIBILITIES OF THE BOARD OF GOVERNORS**

On 26<sup>th</sup> 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 and values of the institution, long-term academic and business plans and key performance indicators, and to ensure that these meet the interests of stakeholders especially staff, students and alumni.
2. To ensure that processes are in place to monitor and evaluate the performance and effectiveness of the University against the strategy and plans and approved key performance indicators, which should be, where possible and appropriate, benchmarked against other comparable institutions.
3. To delegate authority to the Vice Chancellor, as Chief Executive, for the academic, corporate, financial, estate and human resource management of the University, and to establish and keep under regular review the policies, procedures and limits within such management functions as shall be undertaken by and under the authority of the Vice Chancellor.
4. To ensure the establishment and monitoring of systems of control and accountability, including financial and operational controls, risk assessment, value for money arrangements and procedures for handling internal grievances and managing conflicts of interest.
5. To establish processes to monitor and evaluate the performance and effectiveness of the Board of Governors itself and monitor and evaluate the performance and effectiveness of Academic Board.
6. To conduct its business in accordance with best practice in HE corporate governance and with the principles of public life drawn up by the Committee on Standards in Public Life.
7. To safeguard the good name and values of the institution.
8. To appoint the Vice Chancellor as the University's Chief Executive and to put in place suitable arrangements for monitoring their performance.
9. To appoint a Clerk to the Board and to ensure that, if the person appointed has managerial responsibilities in the institution, there is an appropriate separation in the lines of accountability.
10. To be the employing authority for all staff in the University and to be accountable for establishing an appropriate human resources strategy.
11. To be the principal financial and business authority of the University, to ensure that proper books of account are kept, to approve the annual budget and financial statements, and to have overall accountability for the University's assets, property and estate.
12. To be the University's legal authority and, as such, to ensure systems are in place for meeting all the institution's legal obligations, including those arising from contracts and other legal commitments made in the institution's name. This includes accountability for health, safety and security and for equality, diversity and inclusion.
13. To receive assurance that adequate provision has been made for the general welfare of students.

14. To act as trustee for any property, legacy, endowment, bequest or gift in support of the work and welfare of the University.
15. To ensure that the University's constitution is always followed, and that appropriate advice is available to enable this to happen.
16. To promote a culture which supports inclusivity and diversity across the University.
17. To maintain and protect the principles of academic freedom and freedom of speech legislation.
18. To ensure that all students and staff have opportunities to engage with the governance and management of the University, and that this allows for a range of perspectives to have influence.
19. In accordance with the Office for Students' (OfS) Condition E3, the University Board must: (i) accept responsibility for the interactions between the University and the OfS and its designated bodies; (ii) ensure the University's compliance with all of its conditions of registration and with the OfS's accounts direction; and (iii) nominate to the OfS a senior officer as the 'accountable officer' who has the responsibilities set out by the OfS for an accountable officer from time to time
20. To ensure the financial health and solvency of the University.

The Boards primary responsibilities are reviewed annually and are published on the University of Wolverhampton's website <https://www.wlv.ac.uk/about-us/governance/board-of-governors-and-co-opted-members/duties-and-powers/>

**REPORT OF THE BOARD OF GOVERNORS**

**Scope of the Financial Statements**

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

The University of Wolverhampton Social Enterprises Limited had a wholly-owned subsidiary, University of Wolverhampton Multi-Academy Trust. In 2021/22 University of Wolverhampton Multi-Academy Trust changed its name to Greenheart Learning Partnership and are now independent to the University. 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.

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 2022 is summarised below. The impact of the Local Government Pension Scheme is shown separately in order to highlight the impact that it has on the financial performance of the University.

	2021-22			2020-21		
	Operating Activities £000s	LGPS Adjustments £000s	Total £000s	Operating Activities £000s	LGPS Adjustments £000s	Total £000s
<b>Total Income</b>	180,430	0	180,430	185,567	0	185,567
<b>Total Expenditure</b>	(192,689)	(15,559)	(208,248)	(181,018)	(8,609)	(189,627)
<b>Taxation</b>	9	0	9	0	0	0
<b>Gain on Fixed Asset Disposal</b>	9	0	9	0	0	0
<b>Surplus/(Loss) for the Year</b>	<b>(12,241)</b>	<b>(15,559)</b>	<b>(27,800)</b>	<b>4,549</b>	<b>(8,609)</b>	<b>(4,060)</b>

**Income**

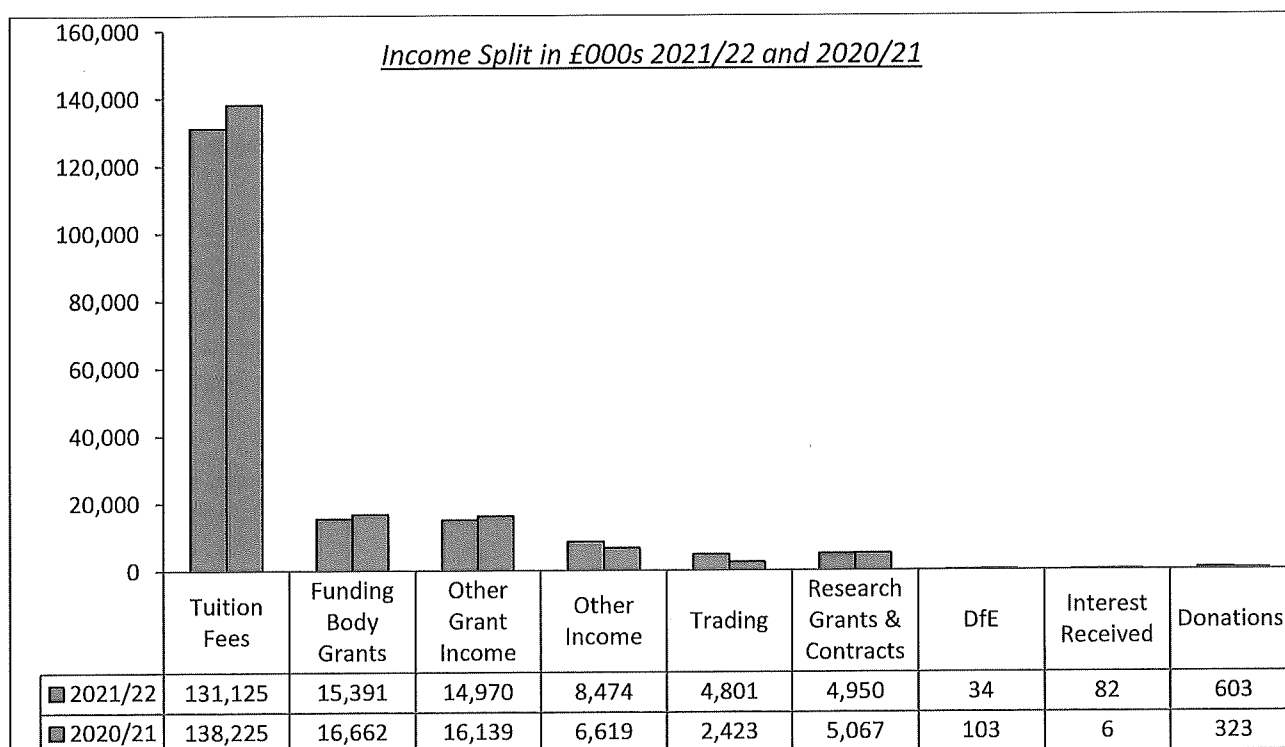
Income has decreased to £180.4M, an overall decrease of 2.8% compared to 2020/21.

Student recruitment was lower than 2020/21 the total tuition fee income decreased to £131.1M from £138.2M. Overall student numbers were down 3.1% on 2020/21. Undergraduate student recruitment was down by 7.1% in

## University of Wolverhampton Financial Statements for the Year Ended 31 July 2022

a competitive market and Post graduate research student numbers also fell by 23%. However, this reduction was compensated by an 11.1% increase in Postgraduate taught student recruitment.

As the University emerges from the pandemic overseas recruitment has increased in year by 148.1%, which is an increase of 1,348 students. This has partway offset a 12% reduction in home students.



Overall funding body grants were down by 8%.

Research Grants and Contracts fell by 2%. Other Income increased by 28% from 2020/21 which was affected by the pandemic.

### Expenditure

Overall staff costs increased by £7.9M compared to 2020/21, a 6% increase. There was a 1.5% pay rise in 2021/22. Pension costs increased due to the latest actuarial valuation of the West Midlands Pension Fund (a £12.1M adjustment). There was an increase of £107K to the annual leave provision, the provision reflects untaken leave during 2021/22.

The impact of the pension adjustments under FRS102 has resulted in an increase of £12.15M in staff costs from 2020/21. The current service cost has increased by £5.3M from last year. The charge to the SOFA is based on financial conditions at the start of the year using a discount rate of 1.6%. The projected charge to the SOFA for next year is likely to decrease compared to the charge for this year, as a result of a higher net discount rate of 3.5%.

Other expenses are £3.1M higher than in 2020/21 due to the return to campus and the subsequent reopening of catering facilities. In addition the University spend on equipment increased by £1.5M.

Interest and other finance costs has returned an increase of £1.2M due an increase in the interest cost charged to the LGPS provision.

### **Cash Flow**

The consolidated Cash Flow Statement shows a net decrease in cash and cash equivalents of £17.9M (2020/21: increase of £7.8M). Overall cashflow from operating activities was a cash outflow of £205K compared to £19.4M cash inflow in the previous year. The University made total payments in the year on fixed assets of £28.3M (2020/21: £22.4M), spent on a range of projects, including National Brownfield Institute, Screen School, Pharmacy Facility and Student Accommodation. The University's cash position reduced by £17.9M to a closing balance of £27.2M the University had no outstanding bank financing as at 31<sup>st</sup> July 2022.

### **Key Future Financial Issues**

The University has maintained its levels of student recruitment in an increasingly competitive sector and has met its recruitment targets for 2022/23. As the University emerges from the pandemic international student recruitment is looking strong. The University is targeting improvements in retention of students and continues to place the student experience at the forefront of financial strategy.

The University will consolidate its financial position in 2022/23 and as such are not planning any large fixed asset investments. To achieve this the University has embarked on a transformation programme to control expenditure and provide a stable financial position for the future.

The University does not have any long term borrowing.

### **The Student Experience**

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

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



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

All our energies, intellectual capacity and financial investment continue to be directed at enhancing the student experience in developing the physical campus – particularly following students' return to the campus following the pandemic lockdowns – developing digital capability, and innovation and quality in teaching and learning.

The University offered the travel fund to new UK-funded undergraduate full-time students studying on a University campus for the final year. From 2022/23, the University will be replacing the travel fund with a new WLV Wallet bursary (and a variation to the Access and Participation Plan has been approved). In 2021/22 there were 3,264 eligible students and the following choices were made:

No choice/no longer eligible 405 students

A further 439 chose the travel option but did not activate their accounts by the 31<sup>st</sup> May 2021 deadline.

<b>Category</b>	<b>Number of Students and Amount</b>	<b>Total</b>
Travel	1300 activated	£390,000
Accommodation	232 Students x £300	£69,600
Donations	21 Students x £50	£1,050
Printer	168 Students x £300	£ 50,400
Online store	720 x £300	£216,000
<b>Total</b>		<b>£727,050</b>

#### **Access Bursary**

The University continues to offer an Access Bursary to new students who are a Care Leaver or a Deaf/hard of hearing student. In addition, in 2021/22 we introduced a new bursary for students who are estranged from their family. This is paid through the Student Loans Company on behalf of the University and is worth £2000 payable over two years (£1000 each year). In 2021/2 this was paid to:

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	<b>First Year</b>	<b>2<sup>nd</sup> Year</b>
Care Leavers	14	21
Deaf/hard of hearing	12	9
Estranged students	25	N/A
<b>TOTAL</b>	<b>£51,000</b>	<b>£30,000</b>

**Dennis Turner Fund**

The budget for the Hardship Fund was £587,357 (£630,000 less £42,643 overspend from 2021/2). For the first time the fund was made available to international students who could evidence that their financial circumstances had changed. The spend was broken down as follows:

<b>Total payments for the year (all funds/grants):</b>	<b>1,480 (in numbers)</b>	<b>£594,363 (in £)</b>
single students	451	128,899
students with children	387	128,899
Care leavers	66	44,625
Estranged students	110	124,650
International students	163	42,400
Dyslexia Testing	113	33,885
DSA equipment	82	16,400
Emergency Loan/Same day payments	91	28,382

In 2021/2 the University was awarded £40,250 from Santander and we had £20,000 from Lord Paul for UK internships for widening participation students. Following Brexit, the UK Government introduced the Turing scheme which is the UK equivalent to Erasmus. In 2021/2 the University was awarded a total of £119,975 to support international work experience (not virtual internships).

**Mental Health and Wellbeing**

With regard to allocated Mental Health and Wellbeing Practitioners in academic year 2021/22, there has been 1 FTE full time Team Manager plus 4.2 FTE Practitioners. This has been increased to 4.93 FTE practitioners from May 2022 to manage demands for the service through to the conclusion of December 2022, at which point it will be reviewed. This increase has allowed the team to maintain a 2-week waiting time for one-to-one sessions with Practitioners.

The Mental Health and Wellbeing Team has increased the mental health offer by facilitating group workshops on anxiety management through a 4-week course offered from April 2022. This will continue with further workshops into the new academic year.

The subscription to the 24/7/365 mental health and wellbeing platform 'TogetherAll' has completed the 2nd year of a 3-year subscription in academic year 2021/22. This will continue for academic year 2022/23 and is being reviewed.

The University's 'Three minutes to save a life' training was renewed with our three in-house train-the-trainers being re accredited. The training helps participants to support students experiencing emotional distress and promotes student resilience to develop strategies for help and support. From June 2021-May 2022, 226 members of staff have undertaken the training, which equates to around two full day sessions per month.

The Office for Students-funded PACE project completed its first year of delivery. PACE is a co-explored and co-created project, working directly with students, to address the mental health difficulties of students who undertake placement learning in Nursing, Education and Engineering. £103,534 of the funding was spent in the first year.

### **Student Numbers**

In 2021/22 the University enrolled 20,655 students (2020/21 21,313), comprising 13,811 full time and sandwich students (2020/21 16,113) and 6,844 part time students (2020/21 5,200). 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 2021/22.

<b>Home, EU and Overseas numbers</b>	<b>2021/22</b>	<b>2020/21</b>
Home	16,464	18,714
EU	1,933	321
Overseas	2,258	2,278
<b>Grand Total</b>	<b>20,655</b>	<b>21,313</b>

<b>Level of Study</b>	<b>2021/22</b>	<b>2020/21</b>
Foundation	227	313
Undergraduate	14,039	15,111
Postgraduate taught	6,040	5,436
Postgraduate research	349	453
<b>Grand Total</b>	<b>20,655</b>	<b>21,313</b>

### **Campus Development**

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

In support of this, the University has continued to support projects with both internal and external financial support through academic year 20/21 and 21/22. As experienced in the whole construction some of our projects were delayed by COVID impacts across this period, however through continuing to work closely with our contractors they have continued to deliver projects that enable academic schedules for teaching to be met and new innovative locations to support the delivery.

The University will look to review the estate and assess requirements for future years and the need for any potential projects for refurbishments/or new builds and the implementation of a proactive maintenance plan. Following the successful completion of the Passive fire protection in the student accommodation across all of our campuses there will be a program of works to be undertaken accords our academic estate,

which will be prioritised associated to the risk level they present. All of these will obviously investments from the University or alternative funding avenues if they are to enable them to progress.

Indicators of success include:

A fit for purpose, vibrant University estate which supports recruitment and retention; Excellent and well-used Learning Centres and IT facilities for students and staff;

Well considered and leading edge learning and teaching facilities;

An estate which continually improves with regards to safety, compliance, quality and functionality;  
Positive feedback from recognised survey data, such as NSS.

### **Condition of the Estate**

It is several years since the University commissioned chartered surveyors to undertake a Condition and Legislative Compliance Audit, these surveys, together with building services surveys, and a passive fire survey are used to identify the activities required to maintain the estates and meet safety, regulations and legislation requirements. These surveys are also used to assist in developing the estate strategy for the future and provide a level of detail upon which an active asset management approach and program can be produced. We have historically undertaken maintenance programmes across the state however they have been prioritized to ensure statutory and legislative activities are completed rather than a proactive program of activity, as a result we have a significant backlog of maintenance. A condition survey will be undertaken on the estate through the academic year 22/23. This supplemented by the information of historical maintenance program of the building assets, the results from the passive fires survey and the new Academic Strategy will inform the requirements for the estate program of maintenance and projects for the future estate. This will take significant investment over a planned program, to ensure a proactive approach to managing the estate to ensure it meets regulatory compliance, the academic strategy and University future vision.

### **Functional suitability**

Investment in new facilities and the opening of facilities at our Springfield campus continues to show the commitment to providing quality facilities for students and staff. However, as a consequence of this and the specialist engineering nature of the rooms vacated by SOABE staff, functional suitability in Grades 1 and 2 dropped from 90.9% in 19/20 to 89.4% in 20/21, just below the sector median of 90.0% for the year 19/20. Unfortunately, the sector median figure for the latest year will not be available until after September 22.

### **Space Utilisation**

No survey on space utilisation was undertaken in the year 20/21 and therefore the most recent figures remain as reported for 19/20. Namely that, the University's performance with respect to overall space utilisation showed a steady improvement over recent years, reflecting the impact of capital investment together with the disposal of older, functionally unsuitable teaching accommodation. 2019/20 saw a small drop in occupancy from the previous year down from 34.3% to 33.0%, which is likely to be an impact over the pandemic lockdowns, but an increase in the frequency of occupancy figures. Information is gathered from the physical space audit of the occupancy of centrally timetable, this information is used as the evidence base for the Estates Management Record return to HESA. The space audit carried out for 2019/20 recorded a 5% increase in the utilisation ratio percentage return to 25.2 % which is 4% higher

than the sector (Post 92) median figure for the year 19/20. Efficient use of our space will continue to be considered a key issue for the University as a whole taking into account the demonstrable success of blended learning approaches and will be balanced with maintaining a high degree of satisfaction recorded in the annual NSS survey

### **Carbon Management**

The Carbon Management Plan (CMP) was launched on 26th May 2010. The CMP identified carbon reduction projects to be implemented over a seven-year period to deliver a 25% reduction from approximately 16,000 tonnes of CO<sub>2</sub> in 2007/08 to 12,000 tonnes of CO<sub>2</sub> by 2020.

The University saw a slight increase in carbon emissions in the year 2020/2021 rising to 9,286 tCO<sub>2</sub>e, up from 9,145t in 19/20. Whilst both electricity consumption and emissions were reduced, gas consumption and emissions were significantly increased primarily as a result of the increased ventilation, and therefore heating requirements, caused by imposed operating practices as a result of the Coronavirus pandemic. The university will continue to work on further improving its reduction in electricity consumption and related carbon emissions plus by adopting a heat de-carbonisation plan move towards the removal of fossil fuel burning heating equipment across its campus's thus consolidating on our efforts to achieve net zero by 2030.

We have recently developed a new Environmental Sustainability Strategy and revamped our Energy Management Policy. All of these will underpin our new CMP and help us accelerate towards meeting our targets. We will deepen our work and strengthen our collaboration with our various partners across the West Midlands and beyond, to make this a reality.

### **Sustainability & Environmental Management**

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

Through our current waste management contract, recycling and landfill avoidance have been central priorities, and we have been able to strengthen our environmental management and sustainability credentials. Because of these we have been able to recycle the following: 1.19 tonnes of mixed glass, 16.36 tonnes of cardboard and paper and 4.28 tonnes of food waste. These figures are lower than the previous year which can be attributed to the reduced presence on site due to lockdowns.

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 have focused on several areas, although the impact has been limited by vastly reduced trading due to the successive lock downs: Starbucks licensed store -continued operation of Re-Use Your Cup And Get Rewarded Programme, cup recycling, reduction of weight of cup sleeves which are 100% recyclable paper; a reduction in quantity of deliveries with consolidation of products to save on carbon from vehicles; engagement with external environmental campaigner Hubbub who invest in local sustainability initiatives; sandwich suppliers who utilise environmental packaging/plastic free. The prior engagement with an external organic waste organization, OWL, to recycle food waste via use of an onsite BioWhale has ended as the company pulled out due to the quantities produced being too low to be economically viable, likely caused by lockdowns.

The cashless systems we introduced at all sites in the academic year 2020/21, accelerated by the covid pandemic, has continued to thrive and have realized further carbon reduction through reduced need for cash in transit services.

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

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

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

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

Development across all of the University's campuses has continued to support of the University's Strategic Plan. Major projects initiatives include the continued further development of the University's 12-acre Springfield Brewery site in Wolverhampton City Centre. This has seen the development of the West Midlands Construction UTC which is now having further development of an extension following the school transferring to the Thomas Telford Academy, this will see children from the age of eleven being taught in this facility. The extension will be handed over and operational from September 2022. The Elite Centre of Manufacturing (ECMS) continues to be operational welcoming learners studying traditional manufacturing methods and other education programs. The School of Architecture and Built Environment (SOABE) is now fully operational and has been successful in winning construction industry related awards for architecture. The SOABE building has been well received by staff, students and visitors, with the facility being used for a number of national and international events.

The £14.85m National Brownfield Institute (NBI) achieved practical completion March 2022. The NBI houses the largest igloo immersive cylinder space outside of North America and has already been used by the local authority to showcase future developments within the City. This provided great publicity for the facility.

The Midlands Centre for Cyber Security in Hereford continues to offer specialist support to cyber businesses and advanced training and consultancy services designed specifically to tackle threats in cyberspace. The Centre also offers high quality research facilities as well as providing office space for cyber businesses. The project was successful in winning the regional constructing excellence awards for building project of the year and innovation and collaborative working.

In November 2021 the University accepted handover of the Screen School and Pharmacy refurbishment projects on the City campus. The School of Pharmacy refurbishment has transformed dilapidated spaces within the Wulfruna building into contemporary skills and simulation labs and a team-based learning teaching space. The refurbishment included the introduction of pharmacy branding, creating a clear identify and presence for the school.

The Screen School project was undertaken to reinvigorate the Art School and transform existing facilities within the Alan Turing building. The £5M refurbishment has created sector leading facilities for courses such as Animation, Computer Games design, Film and Television Production, Multimedia and Sports Journalism

(including visual effects, computer science programming modules, cyber psychology as a growing cross disciplinary aspect of this provision).

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

A significant programme of passive fire protection works has been undertaken across the student residences estate in 21/22. The student residences were prioritised given they are sleeping accommodation and as such pose a higher risk. The student residences passive fire protection works was successfully completed and plans are now being created to identify the most at risk teaching and academic buildings.

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

In January 2022 the School of Art hosted the prestigious British Arts Show 9 (BAS9) within the George Wallis building. Building works were undertaken to improve facilities for visitors and to accommodate requirements of the exhibiting artists. BAS9 increased footfall within the building.

August 2021 saw British Judo move to their new administration HQ within the WA building. British Judo made a strategic decision to relocate their administration staff for the whole of the UK from Perry Barr to our Walsall campus. This allows the administration team to work closer with the performance and physio team already located at Walsall.

### **Payment of Creditors**

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

### **Equality and Diversity**

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

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

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

1. eliminate discrimination, harassment, victimisation and any other conduct that is prohibited by or under this Act;

2. advance equality of opportunity between persons who share a relevant protected characteristic and persons who do not share it;
3. foster good relations between persons who share a relevant protected characteristic and persons who do not share it.

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

This includes supporting our Disabled, Global Majority, LGBT+ and Women's Staff networks. We also work closely with the local community to organise events that raise awareness of equality and celebrate diversity.

We continued our work on implementing our Athena SWAN Gender Equality Action Plan, and our Race Equality Charter Action Plan. These have included developing a 'Reverse Mentoring' pilot programme for our Global Majority staff and students. We had 15 Mentors and 15 Mentees. This included the VC, Deputy VC and the Deans of our Faculties volunteering as Mentees.

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

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

The University's Equality and Diversity Policy Statements outline its commitment to equality and diversity, and its zero tolerance towards disablism, racism, sexism, homophobia, biphobia, transphobia and enbyphobia. This can be found at <https://www.wlv.ac.uk/about-us/corporate-information/equality-diversity--inclusion/policies-and-governance/>

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

### **Employment of Disabled Persons**

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

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



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

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

### **Employee Involvement**

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

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

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

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

### **Development Strategy**

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

### **Donated Income**

Following a challenging year of fundraising during the COVID-19 pandemic and lockdown, in which many of our corporate supporters deferred their support, and many Trusts and Foundations changed their funding criteria to support those charities worst affected by the pandemic, the University saw increases in donated income to many of our strategic priorities.

Student Support continued to receive philanthropic interest, with continued support for nursing students through the Joan Argyle Shambaugh Bursary, as well as a new source of Scholarship Funding for students from the Wolverhampton area through the Mayoral Alumni Scholarship. Introduced by the then Mayor of Wolverhampton as one of her chosen charities, and match-funded by one of our major donors, a fund of over £25,000 is now available for one annual scholarship per Faculty, with further fundraising to follow. Additionally, five scholarships to promote Women in Engineering were issued as part of our commitment to promoting diversity in the engineering work force.

*In memoriam* donations played a significant role in the University's fundraising this year, with gifts dedicated to alumni and friends of the University who passed away in recent years assisting projects as diverse as Brain Tumour Research, early career researchers and travel bursaries for Graphic Design students. Three new annual Graduation Prizes were also created to acknowledge graduates.

Major gifts in the financial year included the final instalment of the pledged £500,000 from our Chancellor, Lord Paul, in memory of his son, Angad Paul, which will continue to fund early career researchers, teaching excellence and student enterprise at the University. Two corporate supporters, Highclear Investments and Hadley Group, donated a combined total of £250,000 to University of Wolverhampton Racing team to facilitate the team's expansion into a new racing competition, the Praga Cup, supporting student engineers in their career paths into motorsport and enabling greater success with this USP project.

### **Knowledge Transfer**

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

Earlier this year the University received significant recognition for its role in public and community engagement and local growth and regeneration through Research England's Knowledge Exchange Framework (KEF) which covers the diverse contributions of universities to help level up their local areas. It looks at the performance of universities from different perspectives, including public and community engagement, working with partners ranging from big businesses to small local firms, and how they commercialise their research. In September 2022 outcomes of Research England's refreshed approach to the knowledge exchange framework found the University of Wolverhampton has very high engagement in Public and Community engagement and Local Growth and regeneration and high engagement in IP and Commercialisation and Working with Public and the Third Sector. This recognition from within the Higher Education sector identifies the University as being actively engaged in working with industry, demonstrated by the number of Knowledge Transfer activities delivered through KTP (Knowledge Transfer Partnerships), ERDF funded support projects, Degree Apprenticeship programmes and significant projects with Local Enterprise Partnerships which assist businesses to adopt new technologies, improve productivity, upskill their workforce and create new jobs.

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

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

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

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

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

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

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

### **Key Performance Indicators (KPIs)**

In October 2020 the University formally launched our new Strategic Plan 2030 to delineate the university's vision of the University over the next ten years and in 2021 developed a series of sub-strategies to drive forwards the university's goals and objectives with key focuses on Students and Education; Global Opportunities; Regional Engagement and Research. Part of this involved groundwork towards the creation of a new set of key indicators to measure the Institution's health and performance going forwards.

Since the launch of the new strategy, the regulatory environment for the higher education sector has undergone significant and rapid change, as evidenced by the current consultations from the Office for Students and the Department for Education on thresholds for student outcomes, the Teaching Excellence Framework, limits on numbers being able to access higher education and the Lifelong Loan Entitlement. Alongside the changes in the external environment, the University is facing substantial financial challenges.

Therefore, as part of the University's transformation programme and recovery plan a formal review and re-focusing of both the Strategic Plan and its Sub-Strategies will take place during 2022-23 for which a refined set of key performance indicators will be finalised. This work will help ensure the sustainable future of the University. During this period, we will continue to monitor a number of key student success measures – particularly those relating to our Access and Participation Plan ('gaps' in student access, outcomes and awards), Office for Student (OfS) Student Outcome metrics (Continuation; Completion, Progression) and National Student Survey results to ensure we are making progress against key inclusivity and student outcome targets. We have also introduced new financial contribution targets that all academic Schools are regularly measured against and continue to measure Faculty and University performance against student number targets (for both new and continuing students). These will continue to be formally communicated to Governors via the relevant University Committee, with ongoing performance reviews being conducted regularly throughout the year.

### **Risk Management**

The 2021-22 academic period again saw further enhancements to our approach to Risk Management as we progress the new framework, with the support of our internal auditors PwC:- changing the way we assess and monitor risk in order to more fluidly ensure new risks are effectively captured and discussed, facilitating the reduction and eventual removal of residual risks.

The overarching Risk Management Policy and Framework documentation was approved by the Audit and Risk Management Committee in December 2021 and launched through a series of workshops with senior staff responsible for leading and managing risks locally, corporately and embedding through our committee structure. Specific workshops focussing on the development of the new Strategic and Corporate Risk Registers also took place in order to agree the major risks that we believe the University faces, including discussion at the Risk Management Group, Corporate Management Team, University Executive, and relevant Governor Committees.

From these workshops, a complete set of Local Risk Registers are now in place for all Faculties and Directorates. The Strategic and Corporate Risk Registers are also complete. The Strategic Register was approved by the Audit & Risk Committee and consists of the major risks facing the University, the Corporate Register is overseen by the University Executive Board via the Risk Management Group and consists of university-wide risks that crosscut each Directorate and Faculty.

### **Current and Future Key Risks & Issues**

The Strategic Risk Register has now been completed and consists of nine overarching risks that are of greatest concern to the University at present. They fall into the following categories:

- Student Experience
- Government Policy Changes
- Culture
- External grant funding
- Financial Sustainability
- Data & Information
- Reputation

The Strategic Risk Register Net Risk map demonstrates that our highest risks are Compliance Culture; Externally Funded Project Delivery and Reputation closely followed by Staff Attraction, Information & Data Flow, Student Experience and Government Funding Changes. The first five are currently considered Likely to materialise.

- An inability to improve our compliance culture across the University – mitigations currently in place include a Policy Regulation Framework; Policy Tracker; Central Policy Hub and Compliance Action Plan

with further actions planned to design and introduce a Corporate Compliance Framework that integrates essential structures, policies, processes and procedures to achieve the desired compliance outcomes and act to prevent, detect and respond to noncompliance. A risk-based approach for the assessment of the compliance obligations will also be developed along with compiling a Compliance Register.

- Failure to deliver the terms and conditions of major grant agreements – current controls include financial oversight by University Executive Board and Board of Governors together with internal meetings to review progress and assess risks and barriers to delivery. Further actions are planned to improve business case processes and accompanying management information to ensure due consideration of project viability and establishing a Project Compliance Team to ensure full OVC oversight.
- Threats to the institution's reputation as it undertakes transformation in a challenging environment – robust controls and mitigations are in place including a dedicated communications team; appointments of a Transformation Director and PR Agency; dedicated sprint groups led by OVC members for specific risk areas identified; brand building marketing campaigns; active stakeholder engagement and implementation of an agreed communications strategy.
- If we do not improve the culture of the University we may be unable to develop an inclusive approach – a comprehensive set of mitigations are established to control the risk including an Employee Engagement Strategy and steering group; Staff engagement surveys; local champions for staff engagement; appraisal scheme; line manager training; staff development programmes; local action plans; staff awards; join union committee; agile working policy; health and wellbeing support offered to staff; benefits package; staff networks. Further actions are also planned to improve brand awareness as an employer of choice; improving terms and condition to be more attractive; senior pay review for professoriate and corporate management colleagues; improve completion and compliance with staff policies; reinstate some of the University's festivals and events that staff and students could participate in.
- An inability to properly integrate systems and processes to ensure timely and accurate data and information flow and produce coherent management information effectively – mitigations in place include the Information and Data Quality Committee; data quality and management information business cases; transformation programme; Digital Strategy; initial scoping of Learner Analytics with further actions planned to provide a full analysis via the transformation process of strategy, resources and process together with consideration of all business cases.

Following approval at Board of Governors the Strategic Risk Register is updated quarterly in line with the agreed dates for Audit & Risk Committee. All Strategic Risks have been allocated Governor and Management committees who have responsibility for overseeing actions and helping to ensure the allocated risks are being managed appropriately in order to reach their target risk levels.

Further work to implement and embed the new Risk Management Framework will continue as we move towards the start of the new academic year including further briefing sessions with Local Risk Register owners to ensure embedding of the new processes; briefings with Committee Chairs with regards to the risks they have oversight of; a risk appetite session with University Executive Board and Board of Governors; assessment of the potential benefits of the introduction of Risk Dashboards in order to help embed the use of Risk Management as a useful tool across the University.

**Conclusion**

The University ended 2021/22 with a significant deficit. The university has embarked on a transformation programme to control expenditure addressing the deficit position. The aim of the transformation programme is to provide a stable financial platform for the future providing an excellent student experience.

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

Approved by the Board of Governors on 30<sup>th</sup> November 2022 and signed on its behalf by:



A Spence

Chairman of the Board of Governors

## **PUBLIC BENEFIT STATEMENT**

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

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

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

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

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

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

### **Opportunity: social inclusion and social change**

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

During 2021/22 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 2021/22, the University continued its commitment to being a key player in raising aspirations and skills levels within the region through its work with schools, colleges, adult education, employers and the community. This is evidenced by a number of activities undertaken during the last academic year, all aimed at social inclusion and social change.

Examples of such work are:

- The continued delivery of the National Collaborative Outreach Project funded by OfS. This programme is targeted at young people in areas where progression to higher education is at a lower rate than would be expected compared to the rest of the country.
- The continuation of a scheme aimed at encouraging more Looked after Children into Higher Education. The University works with three Local Authority 'Virtual Schools', co-ordinating research and delivering a dedicated mentoring programme for Looked after Children;

- The University continues to work on the development of Learning Cities and Regions; the project will develop and sustain a network of stakeholders across the public, private and third sectors creating impact across the region and developing a culture where learning - whether at home, work, in formal educational institutions or in civic life - is widely accessible by all and transformational for our communities.
- Further beneficiaries of the University's work over the last year have been children from primary school age upwards throughout the region, as part of the University's objective to improve the performance of schools within the Black Country.

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

The University has continued to deliver this in 2021/22 through a number of activities, including:

- Through the University of Wolverhampton Multi-Academy Trust, the University sponsors 12 academy schools in the region, at both primary and secondary levels. We also sponsor 2 University Technical Colleges (UTCs) through the University of Wolverhampton Social Enterprise Ltd.
- Continuation of the Black Country Children's University (BCCU), which is part of the national Children's University Trust. During 2019/20 the number of schools and young people involved continued to grow.
- Continuation of Sci Fest, a festival to spark interest in Science, Technology, Engineering and Maths (STEM). The festival plays host to school pupils of all ages from around the region ranging from those studying STEM subjects at primary school, GCSE, A Level and BTEC levels. This includes a family day offering a range of free workshops, experiments, games and drop-in activities – all designed to bring STEM subjects to life

## **Research**

The Research and Innovation Sub-strategy has a vision to address societal challenges and improve lives through world-class research. We commit to increase the capacity for and the quality of our research across the portfolio of subjects in science, technology, social sciences, arts and humanities. The Research and Innovation Sub-strategy focuses on three strategic priorities: 1) Addressing societal challenges, 2) Vibrant research communities and 3) Research-inspired learning.

The Funding Bodies published the outcomes of the national research assessment - Research Excellence Framework REF2021 – in March of 2022. We submitted 75% more staff compared to REF2014, 4 new Units of Assessment and it was our most inclusive submission to date as we returned a higher number and proportion of women, global majority and disabled staff than ever before. Our KPI was to increase the proportion of internationally excellent (3\*) and world-leading research (4\*) from 40% in REF2014 to 50% in REF2021. We exceeded this target with 52% (weighted average) of our research being rated 3\* and 4\*. We saw increases in quality ratings for all three components of the submission – outputs, impact and environment. Outputs continue to be the highest scoring element of our submission. Table 1 compares the results of our REF2014 and REF2021 submissions.



Table 1: REF2014 and REF2021 University of Wolverhampton Submissions and Results

	REF2014	REF2021
Number of submissions	13	17
FTE staff submitted	169.75	296.32
Overall GPA (unweighted)	2.32	2.60
Overall Percentage 3* and 4* (unweighted)	40.4	54.8
Impact GPA	2.16	2.55
Impact Percentage 3* and 4*	38.5	53.9
Outputs GPA	2.39	2.69
Outputs Percentage 3* and 4*	43.6	59.2
Environment GPA	2.23	2.33
Environment Percentage 3* and 4*	28.3	38.7

All but one Unit of Assessment had elements of world-leading research, and eleven Units of Assessment had more than 50% of their research judged as 3\* and 4\*. The highest scoring Units of Assessment are **UoA27 English Language and Literature** (GPA 3.20, 92% 3\* and 4\*), **UoA25 Area Studies** (GPA 3.10, 78% 3\* and 4\*) and **UoA32 Art and Design** (GPA 2.91; 75% 3\* and 4\*). All but two Units of Assessment increased their grade point average compared to REF2014. Table 2 provides a breakdown of the results by Unit of Assessment.

Table 2: REF2021 Units of Assessment, staffing and overall quality rating

Unit of Assessment	Full-time equivalent staff	% 3* and 4*	Grade Point Average
3 Allied Health Professions, Dentistry, Nursing and Pharmacy	47.50	55.0	2.66
4 Psychology, Psychiatry and Neuroscience (new)	18.50	41.0	2.37
11 Computer Science and Informatics (new)	11.00	32.0	2.01
12 Engineering	29.10	49.0	2.49
13 Architecture, Built Environment and Planning	19.20	53.0	2.55
17 Business and Management Studies	16.00	54.0	2.60
18 Law	12.00	63.0	2.75
20 Social Work and Social Policy (new)	15.30	34.0	2.26

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23 Education	24.60	27.0	2.08
24 Sport and Exercise Sciences, Leisure and Tourism	13.32	68.0	2.79
25 Area Studies	11.30	78.0	3.10
26 Modern Languages and Linguistics	9.70	62.0	2.73
27 English Language and Literature	9.50	92.0	3.20
28 History	19.80	53.0	2.62
32 Art and Design: History, Practice and Theory	12.50	75.0	2.91
33 Music, Drama, Dance, Performing Arts, Film and Screen Studies ( <b>new</b> )	16.00	27.0	2.20
34 Communication, Cultural and Media Studies, Library and Information Management	11.00	69.0	2.88

In 2021/22, research income totalled £4,950K. Notable funding successes included a large NERC grant on the origin and expansion of endemic biodiversity in western Melanesia, several Innovate UK funded projects including KTPs, a UKRI funded project on the Responsible Use of Technology-Assisted Research Assessment, and Horizon Europe funded projects on information overload and safety solutions in urban environments. We were also awarded funding from the OfS/Research England competition to increase access and participation for global majority students in research study. The project, *That's Me!*, is in collaboration with Birmingham City University and 14 regional employers and seeks to improve access to research study in education, health, business and law in the West Midlands.

Other highlights of the University's range of research achievements in 2021/22 include:

- Researchers at the Business School completed a project for the Midlands Engine on women in business leadership. The data showed that the Midlands was lagging behind other UK regions when it comes to gender diversity on boards and women-owned small businesses. The report provided a set of recommendations to redress these disparities.
- A team of researchers in the Statistical Cybermetrics Research Group at the University of Wolverhampton have been working with the United Nations Food and Agriculture Organization (FAO) to evidence the reduced risk of food shortages due to Covid-19. The results were able to identify which initiatives were most and least successful, making way for improvements in future pandemics and similar situations.
- A researcher and former PhD student was awarded the 'Hind Rattan Award 2022' for his dedication to health and education. The award is granted annually to eminent non-resident persons of Indian origin (NRIs) by the NRI Welfare Society of India.
- The University was part of a regional consortium piloting an Early Career Researcher Network supported by the British Academy. The project will be responsive to the career ambitions, needs, and interests of ECRs in Humanities and Social Sciences, through skills development, networking opportunities, research showcasing opportunities, workshops, and events.

- The University of Wolverhampton joined a consortium of 18 universities – members of the UK Reproducibility Network – which has received funding from Research England to drive uptake of open research practices across the sector, furthering the UK's position at the forefront of rigorous and reproducible research.

### External engagement: Enterprise & Employability

The world of work is undergoing dramatic changes and whilst geographical and industry-specific particularities might still exist, the macro shift in today's open talent economy is global and applies to almost every industry sector. These changes have influenced what employers need and expect from the workforce, particularly those workers who hold a university degree. By remaining attuned to the needs of the employers in our area, we have developed the next generation of future-ready global talent and connected graduates. In the Graduate Outcomes Survey, 89.5% of our UK domiciled graduates were in work or further study 15 months after graduating. Of those UoW graduates in employment in the UK, 78% were working in the West Midlands.

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

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

Since January 2016, the 'Enterprise Action/SPEED' project has assisted 617 individuals to be enterprise-ready and 379 businesses have been supported with non-financial and financial support across the Black Country and Marches area. Working as a part of the Midlands Enterprise Universities we are committed to driving productivity and growth across the Midlands through skills, innovation and enterprise.

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

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

- Encouraging students to participate in volunteering that offers students the opportunity to improve their employability through supporting charitable causes in the community and local charities that matter to them.
- International work and study opportunities supported through the Turing and Santander funding to develop their global outlook.
- Offering work experience placement for students and graduates of the University through our many schemes; for example, our continued working relationship with a number of professional football clubs and suppliers has resulted in both virtual and in person internship opportunities.

- Offering a scholarship and placement scheme in conjunction with Santander and additional funding from alumni gifts.
- All graduates for Class of 2021-22 have been offered, bespoke, one-to-one careers development support with a Careers Development Consultant to help them cope with the unprecedented situation in which they have found themselves.
- Competitions to encourage entrepreneurial development and graduate business growth through financial support from Santander and alumni gifts.
- Competitions to encourage entrepreneurial development and graduate business growth through financial support from Santander and alumni gifts.

### **CORPORATE GOVERNANCE STATEMENT**

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

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

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

#### **Board of Governors**

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

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

The Board comprises of 15 members, the majority being independent members (currently 11), the Vice Chancellor, Academic and Professional Service Staff members, Students' Union representative and Co-opted members. The Board's Chair and Deputy Chair(s) are drawn from independent members. This year the University has also embedded the Senior Independent Governor position into the role of the Chair of the Remuneration Committee with clearly defined responsibilities.

The composition of the Board and appointment of Board members is in accordance with the University's Instrument of Government and Articles of Government. Members serve for a three-year term, which may be extended for a further two terms after review by the Chair of the Board and the Governance and Nominations

Committee. The roles of the Chair and Deputy Chair of the Board of Governors are separated from the role of the University's designated Accountable Officer, the Vice-Chancellor.

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

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

### **Governance Effectiveness**

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

The Board has in place a Scheme of Delegation, which takes account of guidance from CUC on appropriate delegation. The Scheme of Delegation identifies the powers and responsibilities of the Board and the delegations, primarily to the Executive and Board Committees.

In accordance with the CUC Higher Education Code of Governance, the Board keeps its effectiveness under regular review and has this year moved to amalgamate Estates and Facilities Committee with our Finance Committee to create the Finance and Resources Committee ensuring that Finance, Estate and Digital are aligned and decision-making encapsulates all aspects of our physical and digital estate. The Board is now considering the amalgamation of Remuneration Committee with our Workforce and Culture Committee.

The Board had asked the Governance and Nominations Committee to develop and oversee a prioritised action plan for taking forward recommendations which would be implemented during 2021/22. All actions were implemented during 2021/22 and an effectiveness review will be undertaken in 2023/34.

### **Academic Governance**

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

### **Committees of the Board**

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

Audit and Risk Committee  
Equality and Diversity Joint Committee  
Finance & Resources Committee  
Governance & Nominations Committee  
Remuneration Committee  
Student Affairs Committee  
Workforce & Culture Committee

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

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

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

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

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

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

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

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

## **University Executive**

The Vice Chancellor is supported by the University Executive, who meet on a weekly basis. The University Executive comprises of the Vice Chancellor, Deputy Vice Chancellor, Pro-Vice Chancellor, Chief Financial Officer and Chief Compliance Officer. The Executive supports the Vice Chancellor in providing strategic leadership and management to ensure that the University remains a financially and academically successful institution, operating in accordance with the strategic plan, policies and procedures.

In 2022 the Interim Vice Chancellor disbanded the previous Corporate Management Board and created the University Executive Board which provides collective advice and guidance to the Vice Chancellor and the Board of Governors, to enable them to understand and interpret strategic issues affecting the sector and how these impact upon the University, looking at the strategic environment in which the University operates, including the rapid and effective dissemination of key policy, funding and performance information and engaging the University community regarding key strategic choices in order to facilitate informed and evidence-based decision-making. The University Executive Board comprises of the University Executive, Deans of Faculties, Director of Human Resources and Head of Communications. The academic activity of the University is organised into three Faculties, Faculty of Health, Education and Wellbeing, Faculty of Science and Engineering and Faculty of Arts, Business and Social Sciences.

## **Internal Control**

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

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

Ensure that there are appropriate financial and management controls in place to safeguard public funds and funds from other sources; to safeguard the University's assets and prevent and detect fraud; and

Secure the economical, efficient and effective management of the University's resources and expenditure.

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

The University has:

An approved Risk Management Framework;

A ranked Corporate Risk Register drawing from local risk registers within Faculties and Professional Service Directorates and taking a view of collective risks;

Risk appetite statement.

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

Oversight by the Audit and Risk Committee of the processes of internal control;

Receipt of reports from Internal Audit on the adequacy and effectiveness of specific systems of internal control together with recommendations for improvement;

Annual Internal Audit report on their independent opinion on the adequacy and effectiveness of the system of internal control, together with recommendations for improvement;

Internal Audit's assignment review of the University's Risk Management Framework;

External Auditors narrative in their management letter and associated reports; and Work of officers within the University, who have responsibility for the development and maintenance of the internal control framework, and by comments made by other external review agencies and stakeholders e.g. QAA, TA, OfS etc.

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

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

Governors are satisfied internal control processes have been in place throughout the year to 31 July 2022 and up to the date of signing these accounts.

### **Going Concern**

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

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

The Board of Governors has prepared cash flow forecasts for a period of 12 months from the date of approval of these financial statements. After reviewing these forecasts the Board of Governors is of the opinion that the Group and parent University will have sufficient funds to meet their liabilities as they fall due over the period of 12 months from the date of approval of the financial statements (the going concern assessment period).

The University has no outstanding bank debt and a healthy reserves position. As a result of financial challenges in 2021/22, in January 2022 the University agreed a 12 month overdraft facility with its bankers to maintain working capital balances which provided the University with the security to meet its liabilities in year. The overdraft facility was not accessed in 2021/22. The existing overdraft agreement expires in January 2023. The University is looking to put a Revolving Credit Facility (RCF) in place to providing working capital security for the future.

The University is budgeting for a deficit in 2022/23 and has included budget provision for planned capital and revenue developments. The University will continue to maintain pressure on pay and non-pay expenditure to ensure financial sustainability. The University is looking to reduce overall support costs through a transformation programme over the coming year, whilst maintaining and enhancing the student experience. Financial forecasts covering a 5 year period are produced for the Board annually, the latest in January 2022. A revised 5 year forecast for OfS will be produced in December 2022, when more certainty around student recruitment is known. The Board believes that, despite intensifying competition for undergraduate and international students, projections indicate that University is well placed to manage its business risks successfully.



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

## STATEMENT OF THE BOARD OF GOVERNORS' RESPONSIBILITIES

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

The Board of Governors is responsible for preparing the Annual Report and the financial statements in accordance with the requirements of the Office for Students' Terms and Conditions of Funding for Higher Education Institutions and Research England's Terms and Conditions of Research England Grant and applicable law and regulations.

It is required to prepare the group and parent University financial statements in accordance with UK accounting standards and applicable law (UK Generally Accepted Accounting Practice), including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland*. The Terms and Conditions of Funding further require the financial statements to be prepared in accordance with the requirements of the Accounts Direction dated 25 October 2019 issued by the Office for Students ('the Accounts Direction') and the 2019 Statement of Recommended Practice – Accounting for Further and Higher Education

The Board of Governors is required to prepare financial statements which give a true and fair view of the state of affairs of the group and of the parent University and of their income and expenditure, gains and losses and changes in reserves, and of the Group's cash flows for that period. In preparing each of the group and parent University financial statements, the Board of Governors is required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK accounting standards and the 2019 Statement of Recommended Practice – Accounting for Further and Higher Education have been followed, subject to any material departures disclosed and explained in the financial statements;
- assess the group and parent University's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- use the going concern basis of accounting unless it either intends to liquidate the group or the parent University or to cease operations, or have no realistic alternative but to do so.

The Board of Governors is responsible for keeping adequate accounting records that are sufficient to show and explain the parent University's transactions and disclose with reasonable accuracy at any time the financial position of the parent University. It is responsible for such internal control as it determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and has general responsibility for taking such steps as are reasonably open to it to safeguard the assets of the group and to prevent and detect fraud and other irregularities.

The Board of Governors is also responsible for ensuring that:

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

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

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

**REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS**

**Opinion**

We have audited the financial statements of the University of Wolverhampton ("the University") for the year ended 31 July 22 which comprise the Consolidated and University Statements of Comprehensive Income and Expenditure, the Consolidated and University Statement of Changes in Reserves, the Consolidated and University Balance Sheets, the Consolidated Cash Flow Statement and related notes, including the Statement of Accounting Policies.

In our opinion the financial statements:

- give a true and fair view of the state of the Group's and of the University's affairs as at 31 July 2022, and of the Group's and of the University's income and expenditure, gains and losses and changes in reserves, and of the Group's cash flows, for the year then ended; and
- have been properly prepared in accordance with UK accounting standards, including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland*.

**Basis for opinion**

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

**Going concern**

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

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

Our conclusions based on this work:

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

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

**Fraud and breaches of laws and regulations – ability to detect**

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

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

- Enquiring of the Board of Governors, the Audit and Risk Committee, internal audit and inspection of policy documentation as to the Group's high-level policies and procedures to prevent and detect fraud, including

the internal audit function, and the Group's channel for "whistleblowing", as well as whether they have knowledge of any actual, suspected or alleged fraud.

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

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

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

We did not identify any additional fraud risks.

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

We also performed procedures including:

- Identifying journal entries and other adjustments to test based on risk criteria and comparing the identified entries to supporting documentation. These included those containing a revenue impact posted to unusual accounts, those containing a cash or borrowings impact posted to unusual accounts, those posted to seldom-used accounts and those made by individuals who typically do not make journal entries.
- Assessing whether the judgements made in making accounting estimates are indicative of a potential bias.

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

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

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

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

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

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

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

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

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

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

#### **Other information**

The Board of Governors is responsible for the other information, which comprises the 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 its statement set out on page 34, the Board of Governors is responsible for: the preparation of the financial statements and for being satisfied that they give a true and fair view; such internal control as it determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error; assessing the Group and parent University's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and using the going concern basis of accounting unless it either intends to liquidate the Group or the parent University or to cease operations, or has no realistic alternative but to do so.

#### **Auditor's responsibilities**

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

A fuller description of our responsibilities is provided on the FRC's website at [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities).

#### **REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS**

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

In our opinion, in all material respects:

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

#### **Matters on which we are required to report by exception**


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

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

We have nothing to report in these respects.

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

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



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

*Chartered Accountants*  
One Snowhill  
Snow Hill Queensway  
Birmingham  
B4 6GH

13 December 2022

## STATEMENT OF ACCOUNTING POLICIES

### 1. Basis of preparation

These financial statements have been prepared in accordance with the Statement of Recommended Practice (SORP): Accounting for Further and Higher Education 2019 and in accordance with Financial Reporting Standards (FRS102). The University is a public benefit entity and therefore has applied the relevant public benefit requirement of FRS 102. The financial statements are prepared in accordance with the historical cost convention (modified by the revaluation of fixed assets). The financial statements are also prepared in accordance with OFS's accounts direction.

### 2. Basis of consolidation

The consolidated financial statements show the position of the University and all its subsidiary undertakings for the financial year to 31 July 2022. 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 £247,277 in 2021/2022 (£232,024 in 2020/2021). This has not been separately disclosed in the University's Consolidated Financial Statements. University of Wolverhampton Science Park Limited has, therefore, also been included in the Consolidated Financial Statements of the University.

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

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

The University of Wolverhampton Students' Union is an "independent" constituted body and, therefore, is not included in the Consolidated Financial Statements of the University. During the financial year the University made payments to the Students' Union of £1,032K and received £8K from the Students' Union.

### 3. Income recognition

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

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

Investment income is credited to the statement of income and expenditure on a receivable basis.

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

### **Grant funding**

Grant funding including funding council block grant, research grants from government sources, grants (including research grants) from non-government sources are recognised as income when the University is entitled to the income and performance related conditions have been met. Income received in advance of performance related conditions being met is recognised as deferred income within creditors on the balance sheet and released to income as the conditions are met.

Grants (including research grants) from non-government sources are recognised in income when the University is entitled to the income and performance related conditions have been met. Income received in advance of performance related conditions being met is recognised as deferred income within creditors on the balance sheet and released to income as the conditions are met.

### **Donations and endowments**

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

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

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

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

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



### Capital grants

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

#### 4. Accounting for retirement benefits

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

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

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

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

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

**5. Employment benefits**

Short term employment benefits such as salaries and compensated absences are recognised as an expense in the year in which the employees render service to the University. Any unused benefits are accrued and measured as the additional amount the University expects to pay as a result of the unused entitlement.

**6. Leases**

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

**7. Foreign currency**

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

**8. Fixed assets**

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

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

**(a) Land and Buildings**

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

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

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

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

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

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

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

Freehold land is not depreciated.

### **(b) Equipment**

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

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

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

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

## **9. Investments**

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

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

## **10. Stock**

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

## **11. Cash and cash equivalents**

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

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

## 12. Provisions, contingent liabilities and contingent assets

Provisions are recognised in the financial statements when:

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

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

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

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

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

## 13. Taxation

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

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

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

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

## 15. Financial Instruments

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

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

### Financial assets

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

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

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

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

### Financial liabilities

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

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

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

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

#### **16. Reserves**

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

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

#### **17. Critical Accounting estimates and judgements**

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

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

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

**Useful lives of property, plant and equipment** - Property, plant and equipment represent a significant proportion of the Institution's total assets. Therefore, the estimated useful lives can have a significant impact on the depreciation charged and the Institution's reported performance. Useful lives are determined at the time the asset is acquired and reviewed regularly for appropriateness. The lives are based on historical experience with similar assets as well as anticipation of future events. Details of the carrying values of property, plant and equipment are shown in note 12.

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

Retirement benefit obligations - The cost of defined benefit pension plans and other post-employment benefits are determined using actuarial valuations. The actuarial valuation involves making assumptions about discount rates, future salary increases, mortality rates and future pension increases. Due to the complexity of the valuation, the underlying assumptions and the long term nature of these plans, such estimates are subject to significant uncertainty. Management reviewed these assumptions and felt that they were reasonable and acceptable.

Asset values are reported using estimated asset allocations prepared by the scheme Actuary. This asset value is calculated at each triennial valuation. Thereafter it is rolled forward for accounting valuation purposes using investment returns, contributions received, and benefits paid out. During each annual reporting period between triennial valuations asset returns are estimated using 11 months of market experience and one month of extrapolation being assumed. As such actual investment returns over a full year might deviate from those reported by the Actuary in the FRS 102 valuation. A sensitivity analysis to reflect a plus or minus 1% movement in the fair value of fund assets as at 31 July 2022 equates to plus or minus £2.0m. 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 2020 actuarial valuation, which defines the deficit payment required as a percentage of future salaries until 2038. These contributions will be reassessed within each triennial valuation of the scheme.

The provision is based on management's estimate of expected future salary inflations, changes in staff numbers and the prevailing rate of discount. Further details are set out in note 29.

## 18. Going Concern

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

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

The Board of Governors has prepared cash flow forecasts for a period of 12 months from the date of approval of these financial statements. After reviewing these forecasts the Board of Governors is of the opinion that the Group and parent University will have sufficient funds to meet their liabilities as they fall due over the period of 12 months from the date of approval of the financial statements (the going concern assessment period).

The University has no outstanding bank debt and a healthy reserves position. As a result of financial challenges in 2021/22, in January 2022 the University agreed a 12 month overdraft facility with its bankers to maintain working capital balances which provided the University with the security to meet its liabilities in year. The overdraft facility was not accessed in 2021/22. The existing overdraft agreement expires in January 2023. The University is looking to put a Revolving Credit Facility (RCF) in place to providing working capital security for the future.

The University is budgeting for a deficit in 2022/23 and has included budget provision for planned capital and revenue developments. The University will continue to maintain pressure on pay and non-pay expenditure to ensure financial sustainability. The University is looking to reduce overall support costs through a transformation programme over the coming year, whilst maintaining and enhancing the student experience. Financial forecasts covering a 5 year period are produced for the Board annually, the latest in January 2022. A revised 5 year forecast for OfS will be produced in December 2022, when more certainty around student recruitment is known. The Board believes that, despite intensifying competition for undergraduate and international students, projections indicate that University is well placed to manage its business risks successfully.

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



**CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME AND EXPENDITURE**

For the year ended 31 July 2022

	Note	Year ended 31 July 2022		Year ended 31 July 2021	
		Consolidated	University	Consolidated	University
		£'000	£'000	£'000	£'000
<b>Income</b>					
Tuition fees and education contracts	1	131,125	131,067	138,225	138,180
Funding body grants	2	15,425	15,425	16,765	16,765
Research grants and contracts	3	4,950	4,918	5,067	5,067
Other income	4	28,245	23,191	25,181	21,038
Investment income	5	82	202	6	143
Donations and endowments	6	603	570	323	283
<b>Total income</b>		<b>180,430</b>	<b>175,373</b>	<b>185,567</b>	<b>181,476</b>
<b>Expenditure</b>					
Staff costs	8	130,892	129,324	123,012	122,169
Restructuring costs		6,526	6,526	0	0
Other operating expenses	9	48,350	44,937	45,162	42,332
Depreciation and Impairment	12	18,610	18,036	18,810	18,286
Interest and other finance costs	10	3,870	3,634	2,643	2,421
<b>Total expenditure</b>	11	<b>208,248</b>	<b>202,457</b>	<b>189,627</b>	<b>185,208</b>
<b>Deficit before other gains/(losses)</b>		<b>(27,818)</b>	<b>(27,084)</b>	<b>(4,060)</b>	<b>(3,732)</b>
Gain on disposal of Fixed Assets	9	9	9	0	0
<b>Deficit before tax</b>		<b>(27,809)</b>	<b>(27,075)</b>	<b>(4,060)</b>	<b>(3,732)</b>
Taxation	9	9	0	0	0
<b>Deficit for the year</b>		<b>(27,800)</b>	<b>(27,075)</b>	<b>(4,060)</b>	<b>(3,732)</b>
<b>Other comprehensive income</b>					
Actuarial loss in respect of pension schemes	29	150,279	150,279	(56,726)	(56,726)
<b>Total comprehensive income for the year</b>		<b>122,479</b>	<b>123,204</b>	<b>(60,786)</b>	<b>(60,458)</b>
Unrestricted comprehensive income for the year		122,408	123,133	(60,783)	(60,455)
Endowment comprehensive income for the year		38	38	(12)	(12)
Restricted comprehensive income for the year		33	33	9	9
<b>Total comprehensive income for the year</b>		<b>122,479</b>	<b>123,204</b>	<b>(60,786)</b>	<b>(60,458)</b>

All items of income and expenditure relate to continuing activities

**CONSOLIDATED AND UNIVERSITY STATEMENT OF CHANGES IN RESERVES**  
For the year ended 31 July 2022

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

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

**CONSOLIDATED AND UNIVERSITY STATEMENT OF CHANGES IN RESERVES**  
For the year ended 31 July 2022

Consolidated	Endowment Reserve £'000	Income and Expenditure Account		Revaluation Reserve £'000	Total £'000
		Restricted £'000	Unrestricted £'000		
<b>Balance at 1 August 2020</b>	89	588	158,040	27,051	185,768
Surplus from the income and expenditure statement	(12)	9	(4,067)	0	(4,070)
Other comprehensive income	0	0	(56,726)	0	(56,726)
Transfers between revaluation and income and expenditure reserve	0	0	948	(948)	0
Release of restricted funds spent in year	0	0	0	0	0
<b>Total comprehensive income for the year</b>	(12)	9	(59,845)	(948)	(60,786)
<b>Balance at 31 July 2021</b>	77	597	98,205	26,103	124,982

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

University of Wolverhampton Financial Statements for the Year Ended 31 July 2022

**CONSOLIDATED AND UNIVERSITY BALANCE SHEET**  
For the year ended 31 July 2022

	Note	As at 31 July 2022		As at 31 July 2021	
		Consolidated £'000	University £'000	Consolidated £'000	University £'000
<b>Non-current assets</b>					
Fixed assets	12	312,381	294,256	302,667	283,849
Investments	13	221	721	221	721
		<u>312,602</u>	<u>294,977</u>	<u>302,888</u>	<u>284,570</u>
<b>Current assets</b>					
Stock	14	89	89	66	66
Trade and other receivables	15	44,174	47,728	39,685	43,476
Investments	16	0	0	0	0
Cash and cash equivalents		<u>27,155</u>	<u>24,779</u>	<u>45,104</u>	<u>42,931</u>
		71,418	72,596	84,855	86,473
Less: Creditors: amounts falling due within one year	17	(43,226)	(41,497)	(41,087)	(39,595)
<b>Net current assets -</b>		<b>28,192</b>	<b>31,099</b>	<b>43,768</b>	<b>46,878</b>
<b>Total assets less current liabilities</b>		<b>340,794</b>	<b>326,076</b>	<b>346,656</b>	<b>331,448</b>
Creditors: amounts falling due after more than one year	18	(4,167)	0	(3,932)	0
<b>Provisions</b>					
Pension provisions	19	(79,001)	(79,001)	(213,378)	(213,378)
Other provisions	19	(10,165)	(10,165)	(4,364)	(4,364)
<b>Total net assets</b>		<b>247,461</b>	<b>236,910</b>	<b>124,982</b>	<b>113,706</b>
<b>Restricted Reserves</b>					
Income and expenditure reserve - endowment	20	115	115	77	77
Income and expenditure reserve - restricted		630	630	597	597
<b>Unrestricted Reserves</b>					
Income and expenditure reserve - unrestricted		221,973	213,558	98,205	89,064
Revaluation reserve	21	24,743	22,607	26,103	23,968
		<u>247,461</u>	<u>236,910</u>	<u>124,982</u>	<u>113,706</u>
<b>Total Reserves</b>		<b>247,461</b>	<b>236,910</b>	<b>124,982</b>	<b>113,706</b>

The financial statements were approved by the Board of Governors on 30<sup>th</sup> November 2022 and were signed on its behalf on that date by:

A Spence 

Chair of the Board of Governors

I Campbell 

Vice Chancellor and Accountable Officer

D Reeve 

Chief Financial Officer

**CONSOLIDATED CASH FLOW STATEMENT**

For the year ended 31 July 2022

	Note	Year ended 31 July 2022 £'000	Year ended 31 July 2021 £'000
<b>Cash flow from operating activities</b>			
Deficit for the year before tax		(27,800)	(4,060)
<b>Adjustment for non-cash items</b>			
Depreciation	12	18,610	18,810
Decrease/(increase) in stock	14	(23)	14
Decrease/(increase) in debtors	15	(4,489)	2,243
Increase/(decrease) in creditors	17,18	2,374	4,912
Increase/(decrease) in pension provision	19	21,703	8,296
Increase/(decrease) in other provisions	19	0	0
<b>Adjustment for investing or financing activities</b>			
Investment income	5	(82)	(6)
Capital Grant Income	1,2,4	(10,489)	(11,001)
Interest Payable	10	306	445
Loan Repayable	18	(235)	(222)
Endowment Income	20	(71)	3
Profit on Sale of Fixed Assets		(9)	0
<b>Net cash (outflow) / inflow from operating activities</b>		<b>(205)</b>	<b>19,434</b>
<b>Cash flows from investing activities</b>			
Proceeds from Sales of Fixed Assets		9	0
Investment income		82	6
Capital Grant Income		10,489	11,001
Placing of Deposits		0	0
Payments made to acquire fixed assets		(28,324)	(22,404)
		<b>(17,744)</b>	<b>(11,397)</b>
<b>Cash flows from financing activities</b>			
Interest paid		(306)	(445)
Endowment cash received		71	(3)
New unsecured loans		0	0
Receipt / (Repayment) of amounts borrowed		235	222
		<b>0</b>	<b>(226)</b>
<b>(Decrease) / Increase in cash and cash equivalents</b>		<b>(17,949)</b>	<b>7,811</b>
Cash and cash equivalents at beginning of the year		45,104	37,293
Cash and cash equivalents at end of the year		27,155	45,104

NOTES TO THE ACCOUNTS

1	Tuition fees and education contracts	Year Ended 31 July 2022		Year Ended 31 July 2021	
		Consolidated £'000	University £'000	Consolidated £'000	University £'000
	Full-time home and EU students	89,798	89,798	101,675	101,675
	Full-time international students	23,825	23,825	22,600	22,600
	Part-time students	11,229	11,207	7,524	7,491
	Franchised Courses	1,922	1,922	1,613	1,613
	Apprentices	2,898	2,898	3,801	3,801
	Education Contracts	1,057	1,057	771	771
	Continuing Professional Development	396	360	241	229
		<b>131,125</b>	<b>131,067</b>	<b>138,225</b>	<b>138,180</b>
2	Funding body grants	Year Ended 31 July 2022		Year Ended 31 July 2021	
		Consolidated £'000	University £'000	Consolidated £'000	University £'000
	<b>Recurrent grant</b>				
	Office for Students	7,441	7,441	8,346	8,346
	UKRI	2,255	2,255	2,130	2,130
	Capital Grant – OFS	2,030	2,030	1,098	1,098
	Capital Grant – UKRI	147	147	113	113
	<b>Specific grants</b>				
	Higher Education Academic Subject Centres - OFS	1,909	1,909	3,465	3,465
	Higher Education Innovation Fund – UKRI	1,217	1,217	1,458	1,458
	Higher Education Academic Subject Centres- UKRI	392	392	52	52
	Department for Education	34	34	103	103
		<b>15,425</b>	<b>15,425</b>	<b>16,765</b>	<b>16,765</b>
3	Research Grants and Contracts	Year Ended 31 July 2022		Year Ended 31 July 2021	
		Consolidated £'000	University £'000	Consolidated £'000	University £'000
	Research councils	777	777	525	525
	Research charities	343	343	485	485
	Government (UK and overseas)	3,454	3,422	3,613	3,613
	Industry and commerce	163	163	309	309
	Other	213	213	135	135
		<b>4,950</b>	<b>4,918</b>	<b>5,067</b>	<b>5,067</b>

4	Other income	Year Ended 31 July 2022		Year Ended 31 July 2021	
		Consolidated £'000	University £'000	Consolidated £'000	University £'000
	Residences, catering and conferences	4,801	4,801	2,423	2,423
	Other revenue grants	6,658	5,235	6,349	5,420
	Other capital grants	8,312	8,429	9,790	9,485
	Other income	8,474	4,726	6,619	3,710
		<b>28,245</b>	<b>23,191</b>	<b>25,181</b>	<b>21,038</b>
5	Investment income	Year Ended 31 July 2022		Year Ended 31 July 2021	
		Consolidated £'000	University £'000	Consolidated £'000	University £'000
	Investment income on endowments	2	2	0	0
	Other investment income	80	200	6	143
		<b>82</b>	<b>202</b>	<b>6</b>	<b>143</b>
6	Donations and endowments	Year Ended 31 July 2022		Year Ended 31 July 2021	
		Consolidated £'000	University £'000	Consolidated £'000	University £'000
	Donations with Restrictions	520	520	282	282
	Unrestricted donations	83	50	41	1
		<b>603</b>	<b>570</b>	<b>323</b>	<b>283</b>
7	Grant and Fee Income	Year Ended 31 July 2022		Year Ended 31 July 2021	
		Consolidated £'000	University £'000	Consolidated £'000	University £'000
	Grant income from the Office for Students	11,238	11,238	11,684	11,684
	Grant income from other bodies	23,634	22,295	26,181	24,947
	Fee income for taught awards	127,911	127,889	135,676	135,643
	Fee income for research awards	1,761	1,761	1,536	1,536
	Fee income from non-qualifying courses	709	645	348	335
		<b>165,253</b>	<b>163,828</b>	<b>175,425</b>	<b>174,145</b>

8	Staff costs	Year Ended 31 July 2022		Year Ended 31 July 2021	
		Consolidated	Consolidated	Consolidated	University
		£'000	£'000	£'000	£'000
	Staff Costs :				
	Salaries	90,191	88,842	89,166	88,492
	Social security costs	9,283	9,216	8,868	8,822
	Holiday Accrual	107	107	(1,138)	(1,138)
	Movement on USS provision	336	336	17	17
	Other pension costs	30,975	30,823	26,099	25,976
	<b>Total</b>	<b>130,892</b>	<b>129,324</b>	<b>123,012</b>	<b>122,169</b>

Severances of £574K (68 staff) paid during 2021/22 are included within the salaries costs. (£1,071K 2020/21 – 130 staff).

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

	£'000	£'000	£'000	£'000
Emoluments of the Vice-Chancellor				
Prof Layer to 31 <sup>st</sup> December 2021:				
Salary	127	127	284	284
Benefits	0	0	0	0
Pension contributions to USS	5	5	6	6
	<b>132</b>	<b>132</b>	<b>290</b>	<b>290</b>
Prof Campbell from 1 <sup>st</sup> December				
Salary	213	213	0	0
Benefits	0	0	0	0
Pension contributions to USS	0	0	0	0
	<b>213</b>	<b>213</b>	<b>0</b>	<b>0</b>
<b>Total</b>	<b>345</b>	<b>345</b>	<b>290</b>	<b>290</b>

A new Vice Chancellor was appointed in year and the table above shows the combined salaries.

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

	2021/22	2020/21
<b>Basic Salary</b>		
Professor Layer	7.80	8.03
Professor Campbell	9.41	N/A

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



	2021/22	2020/21
<b>Total Remuneration</b>		
Professor Layer	8.84	7.70
Professor Campbell	9.41	N/A

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

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

	No.	No.	No.	No.
£100,000 to £104,999	1	1	0	0
£105,000 to £109,999	1	1	1	1
£110,000 to £114,999	1	1	4	4
£115,000 to £119,999	1	1	0	0
£120,000 to £124,999	2	2	1	1
£125,000 to £129,999	1	1	3	3
£130,000 to £134,999	0	0	0	0
£135,000 to £139,999	0	0	0	0
£140,000 to £144,999	1	1	1	1
£145,000 to £149,999	0	0	0	0
£150,000 to £154,999	1	1	0	0
£210,000 to £214,999	1	1	0	0
£280,000 to £284,999	0	0	1	1
	<b>10</b>	<b>10</b>	<b>11</b>	<b>11</b>
	<b>No.</b>	<b>No.</b>	<b>No.</b>	<b>No.</b>
<b>Average staff numbers:</b>				
Academic	966	966	964	964
Technical	974	974	1006	1006
Other	220	220	241	241
	<b>2,160</b>	<b>2,160</b>	<b>2,211</b>	<b>2,211</b>

### Key management personnel

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

Staff costs include compensation paid to key management personnel.

	Year ended 31 July 2022 £ '000	Year ended 31 July 2021 £ '000
<b>Key management personnel compensation</b>	1,351	1,187
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 2021/22 (2020/21 Nil).

The total expenses paid to or on behalf of trustees was £1,243 (2020/21 - £378). This represents travel and subsistence expenses incurred in attending meetings and training events connected with their roles as trustees.

**University of Wolverhampton Financial Statements for the Year Ended 31 July 2022**

<b>9 Other Operating Expenses</b>	<b>Year Ended 31 July 2022</b>		<b>Year Ended 31 July 2021</b>	
	<b>Consolidated</b>	<b>University</b>	<b>Consolidated</b>	<b>University</b>
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
Residences, Catering and Conferences	581	570	78	75
Books and Consumables	2,524	2,512	2,167	2,153
Equipment	5,772	5,727	4,227	4,197
Printing and Stationery	391	386	320	318
Heat, Light, Water and Power	3,674	3,325	2,895	2,591
Repairs and Maintenance	3,333	2,497	2,807	2,073
Grants to University of Wolverhampton Students' Union	1,016	1,016	1,028	1,028
Rents	1,436	1,398	1,461	1,443
Rates	904	774	888	814
Auditors' Remuneration	154	110	259	219
Auditors' Remuneration in Respect of Non-Audit Services	86	86	470	470
Equipment Operating Lease Rentals	83	82	112	112
Franchise Payments to Colleges	1,488	1,488	1,206	1,206
Staff Travel and Subsistence	731	717	472	472
Staff Recruitment Costs	86	86	81	76
Staff Development	302	299	227	226
Student Scholarships, Bursaries, Placements & Travel Costs	2,978	2,978	3,318	3,315
Payments to Partners	3,555	2,888	3,161	2,736
Consultancies on External Projects	828	578	1,155	932
Other Consultancies	698	676	1,114	1,098
Telecommunications and Postage	682	606	560	503
Provision for Bad Debts	2,465	2,283	2,760	2,745
Cleaning Costs	592	571	1,072	1,045
Legal, Professional and Other	7,177	7,071	6,441	6,338
Insurance	583	565	526	510
Publicity	2,518	2,485	1,848	1,809
Transport Intersite	0	615	0	450
Subscriptions	2,019	2,015	2,159	2,153
Other	1,694	533	2,350	1,225
<b>Total</b>	<b>48,350</b>	<b>44,937</b>	<b>45,162</b>	<b>42,332</b>

**Auditor Remuneration includes:**

External Audit				
Financial Statements Audit	88	64	99	59
Project Audits	19	19	18	18
Tax	50	31	381	381
Advisory	42	42	72	72
Internal Audit	39	39	160	160
<b>Total</b>	<b>238</b>	<b>195</b>	<b>730</b>	<b>690</b>

## University of Wolverhampton Financial Statements for the Year Ended 31 July 2022

Financial Statements audit expenditure includes annual audit fee for 2021/22 for both the university and consolidated subsidiaries of £50k (exc. VAT) and £23k (exc. VAT) respectively

### 9b Access and Participation

	Year Ended 31 July 2022		Year Ended 31 July 2021	
	Consolidated	Consolidated	University	University
	£000's	£000's	£000's	£000's
Access Investment	693	693	438	438
Financial Support	1,389	1,389	3,271	3,271
Disability Support	1,010	1,010	491	491
Research & Evaluation	150	150	27	27
	<b>3,242</b>	<b>3,242</b>	<b>4,227</b>	<b>4,227</b>

£1,682K of the above expenditure relates to staff costs.

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

The expenditure is tracked throughout the financial year through the University's Agresso Finance system. The University uses unique work orders to code expenditure against and these are then classified into the APP headings. For 2022/23, it is anticipated that quarterly reports will continue to be run to formally report "in house" on the expenditure. This is particularly in light of the on-going impact of COVID-19 and the University wishing to be flexible in its approach to supporting students. The uncertainty that has caused means that the University may wish to reprioritise its planned expenditure in order to support its students as effectively as possible.

### 10 Interest and other finance costs

	Year Ended 31 July 2022		Year Ended 31 July 2021	
	Consolidated	University	Consolidated	University
	£'000	£'000	£'000	£'000
Loan interest	238	2	222	0
Exchange differences	61	61	217	217
USS Interest Payment	7	7	6	6
Net charge on pension scheme	29	3,564	2,198	2,198
	<b>3,870</b>	<b>3,634</b>	<b>2,643</b>	<b>2,421</b>

### 11 Analysis of total expenditure by activity

	Year Ended 31 July 2022		Year Ended 31 July 2021	
	Consolidated	University	Consolidated	University
	£'000	£'000	£'000	£'000
Academic Departments	78,335	78,335	75,983	75,983
Academic Services	15,899	15,899	15,586	15,586
Administration and central services	53,661	53,710	42,688	42,726
Premises	15,802	13,501	14,694	12,589
Residences, catering and conferences	4,526	4,526	3,856	3,856
Research grants and contracts	5,313	5,281	5,432	5,432
Other expenses	34,712	31,205	31,388	29,036
	<b>208,248</b>	<b>202,457</b>	<b>189,627</b>	<b>185,208</b>

12 Fixed Assets

Consolidated	Freehold Land and Buildings £'000	Vehicles £'000	Fixtures, Fittings and Equipment £'000	Assets in the Course of Construction £'000	Total £'000
At 1 August 2021	442,866	151	60,866	8,390	512,273
Additions	22,215	127	5,794	188	28,324
Transfers	8,390	0	0	(8,390)	0
Disposals	0	(51)	0	0	(51)
<b>At 31 July 2022</b>	<b>473,471</b>	<b>227</b>	<b>66,660</b>	<b>188</b>	<b>540,546</b>

Depreciation

At 1 August 2021	159,256	124	50,226	0	209,606
Charge for the year	13,313	26	4,674	0	18,013
Impairment	597	0	0	0	597
Disposals	0	(51)	0	0	(51)
<b>At 31 July 2022</b>	<b>173,166</b>	<b>99</b>	<b>54,900</b>	<b>0</b>	<b>228,165</b>

Net book value

<b>At 31 July 2022</b>	<b>300,305</b>	<b>128</b>	<b>11,760</b>	<b>188</b>	<b>312,381</b>
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At 31 July 2021	283,610	27	10,640	8,390	302,667
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University	Freehold Land and Buildings £'000	Vehicles £'000	Fixtures, Fittings and Equipment £'000	Assets in the Course of Construction £'000	Total £'000
At 1 August 2021	416,794	151	59,401	8,390	484,736
Additions	22,351	127	5,777	188	28,443
Transfers	8,390	0	0	(8,390)	0
Disposals	0	(51)	0	0	(51)
<b>At 31 July 2022</b>	<b>447,535</b>	<b>227</b>	<b>65,178</b>	<b>188</b>	<b>513,128</b>

Depreciation

At 1 August 2021	151,673	124	49,090	0	200,887
Charge for the year	12,805	26	4,608	0	17,439
Impairment	597	0	0	0	597
Disposals	0	(51)	0	0	(51)
<b>At 31 July 2022</b>	<b>165,075</b>	<b>99</b>	<b>53,698</b>	<b>0</b>	<b>218,872</b>

Net book value

<b>At 31 July 2022</b>	<b>282,460</b>	<b>128</b>	<b>11,480</b>	<b>188</b>	<b>294,256</b>
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At 31 July 2021	265,121	27	10,311	8,390	283,849
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## University of Wolverhampton Financial Statements for the Year Ended 31 July 2022

The university has been awarded capital grants to part fund the construction of new buildings as part of the grant agreement a charge / guarantee has been levied over the building. The conditions of the grants include the University delivering against a number of performance targets over a period of time such that when these are achieved the conditions of the grants will have been satisfied and the charges then released.

List of Charges:-

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

### 13 Non-Current Investments

Consolidated	Subsidiary Companies	Subsidiary Investment In spinouts	Other fixed assets investments	Total
	£'000	£'000	£'000	£'000
<b>At 1 August 2021</b>	185	0	36	221
Additions	0	0	0	0
Disposals	0	0	0	0
Impairment	0	0	0	0
<b>At 31 July 2022</b>	<b>185</b>	<b>0</b>	<b>36</b>	<b>221</b>

University	Subsidiary Companies	Subsidiary Investment In spinouts	Other fixed assets investments	Total
	£'000	£'000	£'000	£'000
<b>At 1 August 2021</b>	685	0	36	721
Additions	0	0	0	0
Disposals	0	0	0	0
Impairment	0	0	0	0
<b>At 31 July 2022</b>	<b>685</b>	<b>0</b>	<b>36</b>	<b>721</b>

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

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

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

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

## University of Wolverhampton Financial Statements for the Year Ended 31 July 2022

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

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

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

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

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

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

University of Wolverhampton Innovation Limited

University of Wolverhampton Incubation Limited

University of Wolverhampton Ventures Limited

### 14 Stock

	Year ended 31 July 2022		Year ended 31 July 2021	
	Consolidated	University	Consolidated	University
	£'000	£'000	£'000	£'000
General consumables	89	89	66	66
	<b>89</b>	<b>89</b>	<b>66</b>	<b>66</b>

### 15 Trade and other receivables

	Year ended 31 July 2022		Year ended 31 July 2021	
	Consolidated	University	Consolidated	University
	£'000	£'000	£'000	£'000
<i>Amounts falling due within one year:</i>				
Other receivables	35,545	34,723	30,698	30,122
Prepayments and accrued income	8,629	8,317	8,987	8,908
Amounts due from subsidiary companies	0	4,688	0	4,446
	<b>44,174</b>	<b>47,728</b>	<b>39,685</b>	<b>43,476</b>

### 16 Current Investments

	Year ended 31 July 2022		Year ended 31 July 2021	
	Consolidated	University	Consolidated	University
	£'000	£'000	£'000	£'000
Short term deposits	0	0	0	0
	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

**University of Wolverhampton Financial Statements for the Year Ended 31 July 2022**

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

	Year ended 31 July 2022		Year ended 31 July 2021	
	Consolidated	University	Consolidated	University
	£'000	£'000	£'000	£'000
Trade payables	11,811	12,072	8,756	8,997
Social security and other taxation payable	4,486	4,485	4,609	4,655
Accruals and deferred income	25,171	23,182	26,071	24,292
Holiday Accrual	1,758	1,758	1,651	1,651
	<b>43,226</b>	<b>41,497</b>	<b>41,087</b>	<b>39,595</b>

**Deferred income**

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

	Year ended 31 July 2022		Year ended 31 July 2021	
	Consolidated	University	Consolidated	University
	£'000	£'000	£'000	£'000
Research grants received on account	2,388	2,376	4,209	4,209
Grant income	5,179	3,656	4,836	3,510
Tuition Fee Income	10,807	10,807	9,628	9,628
Other income	393	260	297	161
	<b>18,767</b>	<b>17,099</b>	<b>18,970</b>	<b>17,508</b>

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

	Year ended 31 July 2022		Year ended 31 July 2021	
	Consolidated	University	Consolidated	University
	£'000	£'000	£'000	£'000
Secured loans	4,167	0	3,932	0
	<b>4,167</b>	<b>0</b>	<b>3,932</b>	<b>0</b>
<b>Analysis of secured and unsecured loans:</b>				
Due within one year or on demand (Note 17)	0	0	0	0
	0	0		
Due between one and two years	0	0	0	0
Due between two and five years	283	0	166	0
Due in five years or more	3,884	0	3,766	0
Due after more than one year	4,167	0	3,932	0
	0	0		
Total secured and unsecured loans	4,167	0	3,932	0
	0	0		
	0	0		
Secured loans repayable by 2049	4,167	0	3,932	0
	4,167	0	3,932	0



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

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

**19 Provisions for liabilities**

Consolidated	Obligation to fund deficit on USS Pension £'000	Enhanced Pensions £'000	Defined Benefit Obligations (Note 29) £'000	Dilapidations £'000	Restructure £'000	Total Provisions £'000
At 1 August 2021	847	4,364	212,531	0	0	217,742
Created in Year	343	114	46,087	450	6,076	53,070
Utilised in year	0	(840)	(180,807)	0	0	(181,647)
<b>At 31 July 2022</b>	<b>1,190</b>	<b>3,638</b>	<b>77,811</b>	<b>450</b>	<b>6,076</b>	<b>89,165</b>

University	Obligation to fund deficit on USS Pension £'000	Enhanced Pensions £'000	Defined Benefit Obligations (Note 29) £'000	Dilapidations £'000	Restructure £'000	Total Provisions £'000
At 1 August 2021	847	4,364	212,531	0	0	217,742
Created in Year	343	114	46,087	450	6,076	53,070
Utilised in year	0	(840)	(180,807)	0	0	(181,647)
<b>At 31 July 2022</b>	<b>1,190</b>	<b>3,638</b>	<b>77,811</b>	<b>450</b>	<b>6,076</b>	<b>89,165</b>

**USS deficit**

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

**University of Wolverhampton Financial Statements for the Year Ended 31 July 2022**

**20 Endowment Reserves**

	Unrestricted permanent endowments £'000	restricted permanent endowments £'000	Expendable endowments £'000	2022 Total £'000	2021 Total £'000
<b>Balances at 1 August 2021</b>					
Capital	0	0	0	0	0
Accumulated income	77	597	0	674	677
	<u>77</u>	<u>597</u>	<u>0</u>	<u>674</u>	<u>677</u>
<b>New endowments</b>					
Investment income	50	519	0	569	282
Expenditure	(12)	(486)	0	(498)	(285)
	<u>38</u>	<u>33</u>	<u>0</u>	<u>71</u>	<u>(3)</u>
(Decrease)/increase in market value of investments	0	0	0	0	0
<b>At 31 July 2022</b>	<b><u>115</u></b>	<b><u>630</u></b>	<b><u>0</u></b>	<b><u>745</u></b>	<b><u>674</u></b>
<b>Represented by:</b>					
Capital	0	0	0	0	0
Accumulated income	115	630	0	745	674
	<u>115</u>	<u>630</u>	<u>0</u>	<u>745</u>	<u>674</u>
<b>Analysis by type of purpose:</b>					
Lectureships	0	0	0	0	0
Scholarships and bursaries	0	0	0	0	0
Research support	0	0	0	0	0
Prize funds	0	0	0	0	0
General	115	630	0	745	674
	<u>115</u>	<u>630</u>	<u>0</u>	<u>745</u>	<u>674</u>
<b>Analysis by asset</b>					
Fixed assets				0	0
Current and non-current asset investments				0	0
Cash & cash equivalents				745	674
				<u>745</u>	<u>674</u>

**21 Revaluation Reserve**

	Year ended 31 July 2022		Year ended 31 July 2021	
	Consolidated £'000	University £'000	Consolidated £'000	University £'000
Balance b/fwd at 1 August	26,103	23,968	27,051	24,916
Release to the Income and Expenditure Account	(869)	(869)	(948)	(948)
Impairment	(492)	(492)	0	0
<b>At 31 July</b>	<b><u>24,742</u></b>	<b><u>22,607</u></b>	<b><u>26,103</u></b>	<b><u>23,968</u></b>

**22 Capital and other commitments**

Provision has not been made for the following capital commitments at 31 July 2022.

	Year ended 31 July 2022		Year ended 31 July 2021	
	Consolidated £'000	University £'000	Consolidated £'000	University £'000
Commitments contracted for at 31 July	9,447	9,447	12,426	12,426
Authorised but not Contracted at 31 July	1,553	1,553	959	959
	<b>11,000</b>	<b>11,000</b>	<b>13,385</b>	<b>13,385</b>

**23 Contingent liabilities**

The University has no contingent liabilities.

**24 Lease Obligations**

Total rentals payable under operating leases:

	31 July 2022		31 July 2021	
	Other Leases	Total	Other Leases	Total
	Consolidated £'000	£'000	Consolidated £'000	£'000
<b>Payable during the year</b>				
<b>Future minimum lease payments due:</b>				
Within One Year	76	76	229	229
Due between One and Two Years	0	0	76	76
Three Years	0	0	0	0
Four Years	0	0	0	0
Over Five years	0	0	0	0
<b>Total lease payments due</b>	<b>76</b>	<b>76</b>	<b>305</b>	<b>305</b>

**25 Teacher Training Bursaries**

	Year ended 31 July 2022		Year ended 31 July 2021	
	Consolidated	University	Consolidated	University
	£'000	£'000	£'000	£'000
Balance Unspent/(Overspent) as at 1 August	(104)	(104)	7	7
Department for Education	1,464	1,464	2,949	2,949
	1,360	1,360	2,956	2,956
Disbursed to Students	(1,633)	(1,633)	(3,060)	(3,060)
Balance Unspent / (Overspent) as at 31 July	(273)	(273)	(104)	(104)

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

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

**26 Subsidiary undertakings**

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

**27 Related Parties Note**

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

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

The total expenses paid to or on behalf of trustees was £1,243 (2020/21 - £378). This represents travel and subsistence expenses incurred in attending meetings and training events connected with their roles as trustees.

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

The University of Wolverhampton Students' Union is an "independent" constituted body and, therefore, is not included in the Consolidated Financial Statements of the University. During the financial year the University made payments to the Students' Union of £1,032K and received £8K from the Students' Union.

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

**2021/22**

<b>Directorships/Ownerships declared in the register</b>	<b>2021/22</b>		<b>2020/21</b>	
	<b>Purchases</b>	<b>Sales</b>	<b>Purchases</b>	<b>Sales</b>
Advance HE	0	0	500	3,200
Albion Foundation	0	0	175	0
Birmingham City University (BCU)	0	0	9,096	40,223
Black Country and West Birmingham CCG	0	0	0	183,909
Black Country Chamber of Commerce	0	0	29,600	76,629
Black Country Consortium	36,776	7,817	30,134	535
Black Country Living Museum	0	0	2,782	39,968
British Council	0	0	35,451	0
City of Wolverhampton College	0	0	234,751	0
Disulfican Ltd	0	0	10,904	0
Dudley College	48,424	27,208	139,015	2,392
FBC Manby Bowdler LLP	0	0	0	7,500
Health futures UTC Ltd	0	16,767	0	19,821
ICSA and International Compliance Association	9,069	0	0	0
Midlands Enterprise Universities	0	0	0	20
Principal Fellow of Higher Education Academy	16,083	0	0	0
Royal Society of Chemistry	0	0	0	15,622
Sandwell College	0	0	135,275	10,714
Sheffield Collegiate Cricket Club	5,000	0	5,000	0
Shrewsbury & Telford Hospital NHS Trust	0	0	0	30,000
Space Audit Systems Ltd	0	0	250	0
Staffordshire University	0	0	0	900
Student Loans Company Limited	0	0	8,770	0
Telford College	260,763	0	376,486	0
Universities Association of Lifelong learning	865	0	500	0
University of Chester	46,646	0	0	0
University of Wolverhampton Multi Academy Trust	0	15,221	0	0
Universities UK	0	0	36,646	0
West Bromwich Albion Football Club	0	0	75,000	0
West Midlands Combined Authority	0	40,147	0	0
West Midlands Growth Company Limited	42,000	0	0	0
Wolverhampton City Council	689,507	65,170	706,571	(14,068)
Wolverhampton Grand Theatre	84,321	0	0	0
	<b>1,239,454</b>	<b>172,330</b>	<b>1,836,906</b>	<b>417,365</b>

## 28 Connected Charitable Institutions

There were two charitable institutions administered by or on behalf of the University which were 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.

These existed primarily to advance for the public benefit education by establishing, carrying on, managing and developing schools offering a broad and balanced curriculum.

Health Futures University Technical College (UTC) offered 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.

Both University of Wolverhampton Multi-Academy Trust and Health Futures UTC transferred to Multi Academy Trusts in 2021/22 and are therefore no longer connected to the University of Wolverhampton.

**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.

	<b>2021/22</b>	<b>2020/21</b>
	<b>£'000</b>	<b>£'000</b>
TPS and USS contributions	10,212	10,052
WMMAPF contributions	9,173	9,641
WMMAPF - FRS Adjustment	<u>12,065</u>	<u>6,472</u>
	31,450	26,165
Enhanced Pensions	<u>(475)</u>	<u>(66)</u>
Total per Note 8	<u>30,975</u>	<u>26,099</u>
Enhanced Pensions Interest Cost	70	61
Benefits paid	(320)	(331)
Total Movement on EPP (note 19)	<u>(725)</u>	<u>(336)</u>

## 29 Pension Schemes (continued)

### Universities' Superannuation Scheme (USS)

#### Deficit Recovery Liability

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

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

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

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

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

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

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

Mortality base table	<b>2020 valuation</b> 101% of S2PMA "light" for males and 95% of S£PFA for females.
Future improvements to mortality	CMI_2019 with a smoothing parameter of 7.5, an initial addition of 0.5% pa and a long term improvement rate of 1.8% pa for males and 1.6% pa for females.

The current life expectancies on retirement at age 65 are:



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

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

	2022	2021
Discount rate	3.31%	0.87%
Pensionable salary growth	1.00%	2.33%

The employers' contribution rates are as follows:

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

## 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 a contribution rate of 23.68% from September 2019 (this includes the administration levy of 0.8%).

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

Key assumptions used in the valuation were:

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

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

### Local Government Pension Scheme

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

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

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

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

Recent changes in global and UK economic pressures and tightening of monetary policy have had a significant impact on asset markets and corporate bonds yields, which are key to the FRS102 assessment of the net pension asset or liability. In particular, AA corporate bond yields, used to set the FRS102 discount rate, have increased significantly since 31 July 2022, with corresponding falls in asset values. The markets have been exceptionally volatile and therefore while both gross DBOs and assets will have fallen, it is difficult to estimate the impact of these changes on the net balance sheet position.

**29 Pension Schemes (continued)**

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

	<b>2021-22</b>	<b>2020-21</b>
	<b>£000s</b>	<b>£000s</b>
<b>Net (liability)</b>		
<b>Opening position as at 1 August</b>	(212,531)	(147,196)
Past Service Cost	(65)	(595)
Current Service Cost	(21,862)	(15,959)
Net interest Cost	(3,494)	(2,137)
Administration Expenses	(0)	(32)
Total defined benefit cost recognised in SOCl	(25,421)	(18,723)
Employer LGPS contributions	9,862	10,114
<b>Net Cost Recognised in SOCl</b>	(35,283)	(28,837)
Total remeasurements recognised in SOCl	150,279	(56,726)
<b>Closing position as at 31 July</b>	<b>(77,811)</b>	<b>(212,531)</b>
	<b>At Year End</b>	<b>At Year End</b>
	<b>31/07/2022</b>	<b>31/07/2021</b>
	<b>£'000</b>	<b>£'000</b>
Present Value of Defined Benefit Obligation	373,896	497,364
Fair Value of Fund Assets (bid value)	296,085	284,833
Deficit/(Surplus)	77,811	212,531
Present Value of unfunded obligation	0	0
Unrecognised Past Service Cost	0	0
Impact of Asset Ceiling	0	0
Net Defined benefit liability/ (asset)	77,811	212,531

29 Pension Schemes (continued)

**Asset and benefit obligation reconciliation for the year to 31 July 2022**

	At Year End 31/07/2022 £'000	At Year End 31/07/2021 £'000
Opening Defined Benefit Obligation	497,364	386,410
Current Service Cost	21,862	15,959
Interest Cost	8,086	5,766
Change in Financial Assumptions	(167,852)	87,930
Change in Demographic Assumptions	(2,073)	9,760
Experience loss/(gain) on defined benefit obligation	21,597	(4,385)
Estimated benefits paid net of transfers in	(7,594)	(7,118)
Past Service Cost	65	595
Contributions by scheme participants and other employers	2,441	2,447
<b>Closing Defined Benefit Obligation</b>	<b>373,896</b>	<b>497,364</b>

**Change in Plan Assets**

	At Year End 31/07/2022 £'000	At Year End 31/07/2021 £'000
Opening fair value of Fund Assets	284,833	239,214
Interest on Assets	4,592	3,629
Return on Assets less Interest	1,951	36,579
Other actuarial gains/(losses)	0	0
Administration expenses	0	(32)
Contributions by employer including unfunded	9,862	10,114
Contributions by scheme participants and other employers	2,441	2,447
Estimated benefits paid net of transfers in	(7,594)	(7,118)
<b>Closing Defined Benefit Obligation</b>	<b>296,085</b>	<b>284,833</b>

The total return on the fund assets for the year to 31 July 2022 is £6,543K.

**29 Pension Schemes (continued)**

**Assets**

The return on the Fund (on a bid value basis) for the year to 31 July 2022 is estimated to be 2.3%.

The estimated asset allocation for the University of Wolverhampton as at 31 July 2022 is as follows:

Asset breakdown	31/07/2022		31/07/2021	
	£000s	%	£000s	%
Equities	192,455	65%	173,748	61%
Bonds	68,100	23%	39,877	14%
Property	23,687	8%	19,938	7%
Cash	11,843	4%	51,270	18%
<b>Total</b>	<b>296,085</b>	<b>100%</b>	<b>284,833</b>	<b>100%</b>

Financial Assumptions as at	31/07/2022	31/07/2021
	% p.a.	% p.a.
Discount Rate	3.50%	1.6%
Pension increases	2.70%	2.85%
Salary increases	3.70%	3.85%

These assumptions are set with reference to market conditions as at 31 July 2022. The estimate of duration of the Employer's liabilities is 23 years.

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

Assumed life expectations on retirement at age 65 are:

	31/07/2022	31/07/2021
Retiring today		
Males	21.2	21.6
Females	23.6	24.0
Retiring in 20 years		
Males	22.9	23.4
Females	25.4	25.8

