



2022-23 FINANCIAL STATEMENTS





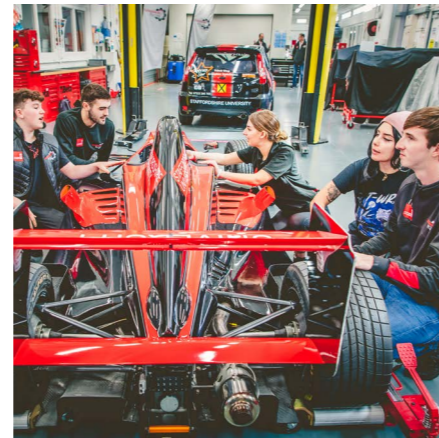
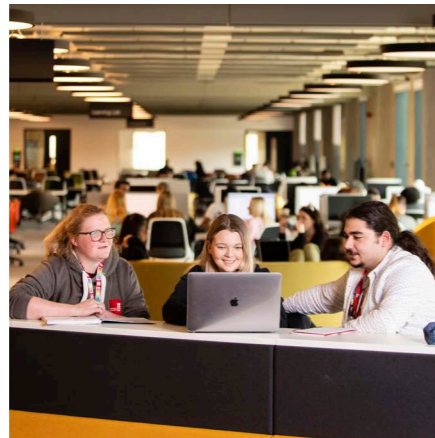
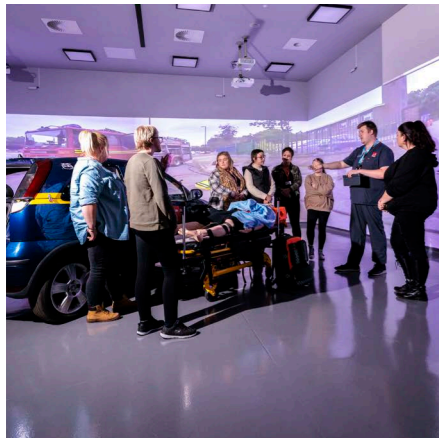
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UNIVERSITY STRATEGIC PLAN

(2022 - 2027)

The new Strategic Plan was approved by the Board of Governors in April 2022. The “Catalyst for Change” Strategic Plan is explained below and represented as a dynamic flywheel.



We are Staffordshire University. We are a ‘catalyst for change’. We are a force for social good. We are here to transform the lives of people, who will transform our society and transform the places in which we live. This isn’t a new mission. It has been in our DNA for over 100 years. In these turbulent times, where inequalities pervade, achieving our mission is more important than ever. People, societies and places, depend upon us. ‘Catalyst for Change’, positioned in the centre, therefore, beats like a heart for Staffordshire University.

We will be this catalyst for change through our four interdependent priorities: next generation education, next generation experience, next generation engagement and next generation environment. And the focus on ‘next generation’ is important – if we are going to be that catalyst for change, we need to be different to what has gone before, be different from our competitors and lead the way in embracing technology in how we live, work and study. We are after all, a university that has led the field of digital education for over 60 years.

NEXT GENERATION EDUCATION

We will create and deliver next generation education. Our portfolio of awards will reflect the ever-changing needs of business and society, recognising the global shift in demand for new skills and knowledge, in a post-pandemic age. Our awards will not only be shaped by the impact of digital innovations, they will be delivered with digital innovation at their core. Entrepreneurism, developing entrepreneurs and a focus on enterprise will equip our graduates with skills to transcend traditional career boundaries. And our increasing global attraction of staff and students will expand our global

mindsets. In short, our graduates will be ‘world-ready’, for the roles of the future, in careers that have yet to exist.

NEXT GENERATION EXPERIENCE

We will deliver this all through our next generation experience. We will tailor the delivery of our courses so that students can learn in a way that meets their needs, and develops both their subject knowledge and hones their life skills. Our learning will be through phenomena - building subject expertise and developing an academic mindset, through focusing on real world issues.

We will deliver beyond the traditional confines of a subject, as we recognise that boundaries are historical and the future will be blurred and transdisciplinary. And with our digital credentials, it is unsurprising that the future of learning is immersive or simmersive even – using technology to enter environments that were previously unobtainable.

NEXT GENERATION ENGAGEMENT

Next generation engagement increasingly matters. We are the connected university and have strong civic roots. This means we are committed to playing our role in transforming the regions in which we are based – Staffordshire and London. Our civic roots and our aspirations align perfectly with the Government’s ‘levelling up’ agenda. We will continue to work with civic institutions, businesses and industries to regenerate our region and provide better opportunities for all, through the educational opportunities we provide. We will focus our innovative research, increasing its quality and quantity, so that it is applied to real world issues and delivers an impact for broader society. Our research, enterprise, innovative ecosystem will matter. We will



work in partnership with the region’s established businesses and industries, and support and nurture the growth of the new and emerging, so that all can flourish. No region is an island. As we do this, we must always face outwards, beyond our regions, which is why our focus on internationalisation is pivotal. By this, we mean that we will attract staff and students from across the world, to work and study with us, shape our thinking and our culture. Our focus is regional, but globally informed.

NEXT GENERATION ENVIRONMENT

Our people will work and study in next generation environments. We will transform our campus, building by building, to reflect the learning and teaching and working environments of tomorrow. We will be more sustainable and work actively to reduce our carbon footprint. We will harness all that digital developments have to offer, using new smart technologies, to ensure that we work and study in the most impactful ways. We will deliver together a strong, customer centric approach that places our students at the heart of all that we do. We will continue to promote diversity in all its forms, respecting and celebrating differences, and ensuring we are inclusive to all. We will promote and safeguard academic freedom of speech. We will all flourish in a healthy, creative and empowering place to work and study. In short, we will be known as one of the most innovative, vibrant and exciting places to work and study in the UK.

DELIVERY AND IMPACT

The only way we can achieve all of this, is through our people – attracting the most talented to work and study with us. This is why our values are so important. Our values shape who we are and how we act. So we want all of our staff and our students

to be fair and inclusive, curious and daring, innovative and enterprising and ambitious and inspirational, every day. And it’s a given, that every student and every member of staff, should always be ‘Proud to be Staffs’.

If we focus on these priority areas, giving our best, living our values we will achieve our central purpose of transforming people, transforming society and transforming places. And what will the University look like by the end of this strategic plan? We will have achieved sustained growth in our undergraduate student numbers, reflecting gains in regional, national and international numbers. Our apprenticeship numbers will continue to be an important part of our provision, maintaining our apprenticeship numbers year on year, following our rapid growth during the last strategic plan. We will also increase our postgraduate student numbers, significantly in the taught provision together with modest growth in the research provision.

Our finances will be stronger still, boosted by our growth trajectory in our student numbers, together with increased revenues from our growing research profile and growing enterprise activities.

Our reputation within and beyond the sector will be cemented as the consistently best modern university in the UK, with strong academic, research and enterprise credentials, pivotal in leading the development of regions in which we are based.

This is who we are. This is what we are about. Together we can make it happen, for us and for everyone.



TO BE ACHIEVED BY 2027 KEY PERFORMANCE INDICATORS:

- Grow full-time undergraduate on-campus students to 0.7% of market share
- Grow full-time postgraduate on-campus students to 0.7% market share with increases reflected in domestic and international student numbers
- 75% of graduates in graduate level roles, classified in accordance with Graduate Outcomes Survey
- Delivery of Carbon Net Zero (Scope 1 & 2) by 2030*
- Student Demographic Profile that mirrors the post-92 sector norms
- Staff Demographic Profile that mirrors the regional profile
- £5m income from externally-funded research per annum
- 55% of our research outputs will be internationally co-authored as measured by Scopus
- Secure entry into the QS World University Rankings by 2024-25 and progress to 'Top 1,000'
- 5% of Staffordshire young people progressing into HE at Staffordshire University
- 20% graduate retention in graduate roles within Staffordshire as proportion of all graduates
- 20% of all impactable spend will be spent in the Staffordshire postcode area
- Teaching Excellence Framework - Gold Rating
- Top 50% of the key UK league tables
- Reduction in all awarding gaps to less than 10%

*KPI extends beyond the life of the plan



DELIVERY OF PUBLIC BENEFIT

Staffordshire University is an exempt charity under the terms of the Charities Act 2011 and therefore is a public benefit entity. In setting and reviewing the University's objectives and activities, the Board of Governors has had due regard to the Charity Commission's guidance on the reporting of public benefit and particularly to its supplementary public benefit guidance on the advancement of education.

TEACHING

Our mission is to provide next generation opportunities so students are ready for the future challenges of the workplace.

We have placed digital innovation, personalised learning and simulation-based education at the heart of our curriculum. It means students can develop their skills by immersing themselves in simulated environments which mirror the real world. We have also embedded enterprise and employability across our courses.

Teaching is delivered through four academic schools: the School of Digital, Technologies and Arts; the School of Health, Science and Wellbeing; the School of Justice, Security and Sustainability; and the Institute of Education.

But our reach extends beyond the University's campuses. We also offer a wide range of short courses to support local businesses and to give individuals the chance to upskill and reskill. Our work has included developing a suite of microcredentials, which enable learners to study at their own pace and are designed to meet the skills needs of local employers.

RESEARCH AND INNOVATION

At Staffordshire University, our research is having a tangible impact on improving the quality of people's lives locally, nationally and globally.

Our academics are involved in a diverse range of projects, including transforming healthcare technology, addressing microplastic pollution and pursuing advances in forensic techniques. Through participatory action research, they are also working with communities to address issues such as poverty and other inequalities. Our researchers collaborate with businesses as well, helping them to innovate and develop new products and services.

Much of the work is delivered through our network of research centres. These provide a platform for staff to engage in scholarly activity, share ideas and establish new external partnerships.

We have ambitious plans to grow our research profile and increase the number of academics who are research-active. It builds on our achievements in the 2021 Research Excellence Framework, where 68% of the University's research was deemed to be "internationally excellent" or "world-leading".

ACCESS AND PARTICIPATION

We are determined to provide the right opportunities for people to access higher education and improve their life chances. Our approach is outlined in the University's Access and Participation Plan, which looks at every stage of the student journey, including outreach, transition and post-entry support.

We have several targeted programmes designed to deliver a range of informative, immersive and supportive confidence building activities aimed at supporting students with attainment goals from pre-16 to pre-higher education, regardless of whether this is a full-time degree or degree apprenticeship. Students in sixth forms or FE colleges who are thinking about their next steps can take part in our FE2HE programme which is delivered face to face and is available as a suite of online microcredentials. The programme equips students with key academic, digital, university and learning skills so that they can hit the ground running and be completely confident on their new courses.

At transition, we have launched the Staffordshire Campus Connect app. It is aimed at offer holders and enables them to make connections with other students and build a sense of belonging. They can also join live Q&As and get advice about finance, accommodation and student support. Other steps to help students settle in have included peer mentoring, a digital support hub and an extended student induction.



BURSARIES AND SCHOLARSHIPS

The University offers a range of financial help to eligible students. This includes support for specific groups such as estranged students and care leavers, along with bursaries and scholarships.

There is also the Horizon Fund, which was set up to aid students in lots of different ways. It receives donations from alumni, staff, students and other supporters. There are also fundraising campaigns to ensure as many students as possible can benefit from the awards.

The Horizon Fund Opportunity Awards, for instance, are aimed at enhancing the student experience and giving people once-in-a-lifetime opportunities. Examples include helping students to exhibit projects at major shows, improve their employability or enrich their studies through international trips.

As well as support for undergraduates, there are some bursaries and scholarships open to particularly talented athletes who can also join the University's High Performance Academy and gain scholarships or other personal development support.

EMPLOYABILITY

Staffordshire University places a focus on employability skills throughout a student's time with us. We provide a guaranteed offer of work experience to every student and some choose to undertake year-long placements.

Opportunities include placements through our Innovation Enterprise Zone and subject-specific placements. Students can also find different roles with local businesses through Staffordshire University's branch of Unitemps.

Our Career Connect team offers further support, including one-to-one career coaching, help with interview techniques and CV writing, and professional mentoring. For those interested in launching a start-up, there is also enterprise and self-employment support.

We have two key performance indicators related to employability, which reflect our commitment to students. We aim to see:

- 75% of our graduates in graduate-level roles.
- 20% graduate retention in graduate roles within Staffordshire as a proportion of all graduates.

STUDENT WELLBEING

We offer a comprehensive range of support services to help students achieve their academic potential and overcome personal, financial or health issues.

The student inclusion team works with applicants to help plan any additional support they might need once they start at the University.

All students also have access to an academic mentor during their studies. And there is an academic skills team that works with individual students on research and study skills.

For students who face mental health challenges, the student wellbeing service can offer a variety of options, such as counselling. Other help available includes a free 24-hour online service for students to talk to someone confidentially and a team of wellbeing peer mentors.

Student safety is paramount as well. There is a campus safety and security service, which can be contacted round-the-clock, and an on-campus police officer. Students have access to the SafeZone app as part of a wider range of safeguarding support measures.

EQUALITY, DIVERSITY AND INCLUSION

Staffordshire University is committed to promoting a positive culture where staff, students and visitors are confident to be their authentic selves. We focus on inclusion as a way to ensure equality of opportunity and to demonstrate our commitment to diversity and human rights.

We have identified key equality objectives and strategic outcomes, which cover:

- The student journey: our inclusive approach to the student experience promotes diversity and enables all our students to flourish and leave with the best possible outcomes.
- The staff journey: we have inclusive practices for recruitment and progression, enabling staff across the University to develop themselves and their careers.
- The academic journey: we have an inclusive learning environment that draws on the knowledge, experience, international perspective and cultural capital of our diverse students and staff.

ENVIRONMENTAL, SOCIETAL AND GOVERNANCE (ESG)

Environmental, societal and governance (ESG) are the main categories of non-financial risk which we are disclosing to our stakeholders. These additional factors give stakeholders a broader view of the short-term and long-term sustainability of the University, beyond our financial sustainability.

These risk factors are also used to inform investment appraisal and business decisions within our organisation, as well as setting strategic objectives and personal objectives. Our considerations focus on 'material items' only.

Our material risks, objectives and actions are set out below, as well as a description of the disclosures which we will use to monitor these risks over time. There are currently no mandatory reporting requirements for the higher education

sector in relation to these risks, so these disclosures have been developed specifically for our organisation. A number of disclosures also appear in our Strategic Plan as Key Performance Indicators and these have been highlighted below.

An annual report showing progress to date against each risk is available on the University's website at www.staffs.ac.uk/about/corporate-information/finance/financial-statements



ENVIRONMENTAL RISK AND DISCLOSURE

The Environmental Pillar covers:

- BIODIVERSITY
- EMISSIONS SUCH AS GREENHOUSE GASES
- WASTE AND RECYCLING
- WATER CONSUMPTION
- CONSTRUCTION

	Risk	Objective	Actions	Disclosure
Biodiversity	Loss of biodiversity within habitats and spaces managed by the University, as climate changes	Preserving and improving biodiversity	Biodiversity policy and update	Net Biodiversity Gain (NBG) with each new development
Emissions (Scope 1 and 2)	Failure to reduce emissions to reach Carbon Net Zero	Delivering Carbon Net Zero (Scopes 1 and 2) by 2030	Carbon Reduction Plan Scopes 1 and 2	Emissions scope 1 and 2*
Emissions (Scope 3)	Failure to reduce emissions to reach Carbon Net Zero	Delivering Carbon Net Zero (Scope 3) by 2050	Carbon Reduction Plan Scope 3	Emissions scope 3
Waste and recycling	Overconsumption and failure to create a circular economy	Reducing waste and increasing recycling	Waste Management policy and update	Volume of waste per staff/student FTE and % of recycling
Water consumption	Overuse of water, taking more than a fair share of resources	Reducing water consumption	Water Management policy and update	Volume of water consumed per staff/student FTE
Construction	Lost opportunity to create climate resistant buildings and to reduce energy consumption	Setting standard for new build and refurbishment projects	Sustainable Construction policy and update	Project specific metrics

SOCIETAL RISK AND DISCLOSURE

The Societal Pillar covers:

- EMPLOYEE DEVELOPMENT AND LABOUR PRACTICES
- HEALTH AND SAFETY
- SUPPLY CHAIN LABOUR ISSUES
- ACCESS FOR UNDERPRIVILEGED SOCIAL GROUPS
- COMMUNITY INVOLVEMENT

Risk	Objective	Actions	Disclosure	
Employee development and labour practices	University does not have skills required for future growth and development through lack of diversity in the workforce	Creating an inclusive workplace with a diverse workforce	Policy supported by Diversity in the Workforce mandatory training	Staff demographic that mirrors the regional profile*
Employee development and labour practices	University not able to maximise opportunities	Promoting wellbeing and a positive culture amongst staff	Staff Makes Staffs culture programme	Staff Makes Staffs Survey results
Employee development and labour practices	University suffers reputational damage for not being an inclusive employer	Promoting equality of employment	Gender pay gap reporting	Gender pay gap report
Health and Safety	University does not protect staff, students and other visitors against hazards within University property and estates	Creating a healthy and safe work environment	Policy supported by mandatory training	% completing mandatory training
Supply chain labour issues	University buys goods and services from suppliers who do not adhere to basic human rights	Ensuring that no forced labour is used in the production of goods and services bought by the organisation	Modern Slavery Act statement and engaging with suppliers	Number of suppliers completing NetPositives survey
Anti-corruption and bribery	University risks prosecution for bribery	Creating an environment of zero tolerance to corruption and bribery	Policy supported by mandatory training	% completing mandatory training
Access for underprivileged social groups	Education is not available to all	Ensuring equality of access and participation in higher education	Access and participation plan	5% of Staffordshire young people progressing into HE at Staffordshire University*
Access for underprivileged social groups	Education is not available to all	Ensuring equality of access and participation in higher education	Access and participation plan	Student demographic profile that mirrors the post-92 norms*
Access for underprivileged social groups	Students from underprivileged social groups do not achieve same results as other students	Ensuring equality achievement in higher education	Access and participation plan	Reduction in awarding gaps to less than 10%*
Community involvement	University does not support regional economy	Increasing procurement expenditure within the region	Sustainability Procurement plan	20% of all impactable spend will be spent within the Staffordshire postcode area*
Community involvement	University does not support regional economy	Increasing graduate retention in the region	Employability strategy	20% graduate retention in graduate roles within Staffordshire as proportion of all graduates*

GOVERNANCE RISK AND DISCLOSURE

The Governance Pillar covers:

- GOOD GOVERNANCE
- BOARD DIVERSITY
- EXECUTIVE COMPENSATION

Risk	Objective	Actions	Disclosure	
Good governance	University governance does not reflect generally accepted principles of good governance	Compliance with the Committee of University Chairs' (CUC) Code of Governance	Annual confirmation	Compliance confirmed
Diversity of board (in terms of age, gender, educational and professional background)	University governance does not benefit from skills and experience from a diverse governing body	Setting targets for Board composition	Managed through Nominations Committee	Equal gender balance within Board of Governors
Executive compensation	Executive compensation is not supported by performance	Setting expectations for executive performance and remuneration	Remuneration Committee	Ratio of VC salary disclosed in financial statements

*Key performance indicator within Strategic Plan 2030



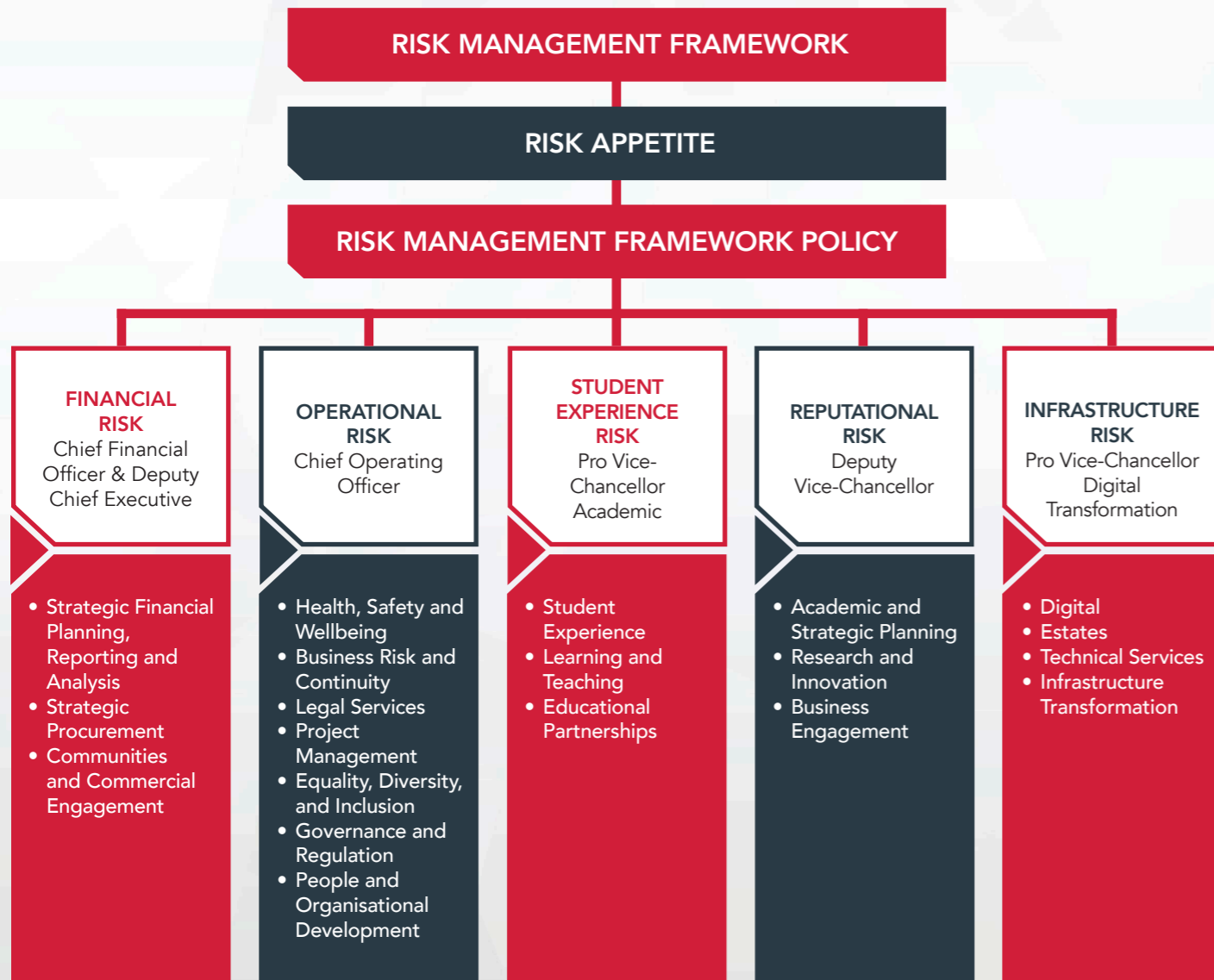
RISK MANAGEMENT FRAMEWORK

The University has in place a robust risk management framework, which has been growing in maturity over a number of years.

The overall risk appetite of the University is open. However there are a number of risk appetites below this related to specific areas of the University's operations which range in the level of risk appetite or aversion.

What does 'open' as a risk appetite mean?

Our approach to achieving our aims and objectives is creative; and we are prepared for elevated levels of risk exposure. Our expectation around potential rewards and benefits from risk-taking is high. Our organisational culture is one of empowering all managers, supervisors and selected staff. We expect to retain control over core activities, but are able to allow considerable latitude around other activities.



ACADEMIC SCHOOLS - Health, Science and Wellbeing (HSW), Justice Security and Sustainability (JSS), Digital, Technologies, and Arts (DTA), Institute of Education (IoE), Staffordshire University London (SUL)

The University has identified the following potential high-level risks which it is actively managing.

Within the University, the Board of Governors is provided with assurance that the key risk areas of the University are being appropriately managed, in line with our risk appetites. This information is shared through a number of University-level risk registers.

- The opportunity to improve and sustain our undergraduate market share is not realised impacting the delivery of the strategic plan.
- The opportunity to improve and sustain our postgraduate market share is not realised impacting on the delivery of the strategic plan.
- The University does not gain and maintain TEF Gold, due to below par student metrics and wider student experience.
- Research capability and capacity is not realised, impacting upon the delivery of our Research Strategy and future REF performance.
- Work-based learning is not developed and grown, to take advantage of the opportunities of an evolving sector.
- Enterprise activity is not developed into a coherent, mainstream activity, of the University.
- Financial sustainability, through income growth and cost reduction, creating annual surpluses to invest in our future, becomes unachievable and the Strategic Financial Plan is not delivered.
- Vulnerabilities in IT infrastructure may result in a potentially successful attack on our critical IT assets compromising our business continuity and reputation of the University.
- The evolving demands of the regulators, often introduced at pace, are not foreseen or responded to effectively.
- Changes in Government policy that impacts upon the delivery of the Strategic Plan, are not foreseen or responded to effectively.
- Measures to enhance the University's reputation, and those to protect the reputation in challenging times, are ineffective.
- Legislative compliance is breached and/or positive action has minimal impact.
- University fails to address non-financial risks including climate change, environmental, societal and governance risks.

In addition to these University-level risk registers, each School and Service has a risk register containing information specific to its strategic and operational delivery of the Strategic Plan, School/Service Business Plans and the achievement of our key performance indicators.

CORPORATE GOVERNANCE

This statement outlines for readers of the financial statements the corporate governance procedures adopted by the Board of Governors, covering the period from 1 August 2022 to 31 July 2023, and the subsequent period up until the date of approval of the financial statements.

CHARITABLE STATUS

The University is a 'Higher Education Corporation', as defined under the Education Reform Act 1988.

The powers of Higher Education Corporations are defined in Section 124 of the Act. They include the power to provide higher and further education and to carry out research and publish the results of that research.

The University was incorporated in November 1988. On 1 April 1989 all properties, rights and liabilities which had been used or held by Staffordshire County Council for the purposes of the University were transferred to the Higher Education Corporation.

The University also enjoys exempt charitable status under the Act. On 16 June 1992, the Privy Council confirmed its formal approval of a change of name from Staffordshire Polytechnic to Staffordshire University under the terms of the Further and Higher Education Act 1992.

GOVERNANCE STRUCTURE

Staffordshire University is committed to best practice in all aspects of corporate governance, as outlined by the Higher Education Code of Governance published by the Committee of University Chairs (CUC) (revised September 2020).

STATEMENT OF PRIMARY RESPONSIBILITIES OF THE BOARD OF GOVERNORS

Section 3(i) of the University's Instrument of Government states that the Board of Governors shall be responsible for:

- The determination of the educational character and mission of the University and for oversight of its activities.
- The effective and efficient use of resources, the solvency of the institution and the Corporation and for safeguarding their assets.
- Approving annual estimates of income and expenditure.
- The appointment, grading, assignment, appraisal, suspension, dismissal and determination of the pay and conditions of service of holders of senior posts.
- Setting a framework for the pay and conditions of service of all other staff.

In particular, the Board will:

- Approve the mission and strategic vision of the institution, long-term business plans, KPIs and annual budgets, and ensure that these meet the interests of stakeholders.
- Appoint the head of the institution, as Chief Executive and put in place suitable arrangements for monitoring their performance.
- Ensure the establishment and monitoring systems of control and accountability, including financial and operational controls and risk assessment, clear procedures for handling internal grievances and for managing conflicts of interest.
- Monitor institutional performance against plans and approved KPIs which, where possible and appropriate, will be benchmarked against other institutions.

This statement is also available on the University's website.

SUMMARY OF THE CORPORATE GOVERNANCE STRUCTURE

The University's Board of Governors comprises independent, staff and student members, appointed under the University's Instrument of Government.

The roles of the Chair and the Deputy Chair of the Board of Governors are separated from the role of the University's Chief Executive – the Vice-Chancellor. All matters specially reserved for the Board of Governors to decide on are set out in the Articles of Government.

Under the regulatory framework for the Office for Students (OfS), the Board of Governors is responsible for the ongoing strategic direction of the University, the approval of major developments and the receipt of regular reports from executive officers on the day-to-day operations of its business and its subsidiary companies.

The Board of Governors meets four times a year and has five committees:

1. Sustainability and Resources
2. Nominations and Governance
3. Audit and Risk
4. Remuneration
5. Strategy and Performance

These committees are formally constituted with annually reviewed terms of reference. In addition, the University convenes two strategic events per annum with the Board of Governors and the University's Executive Board.

The role and responsibilities of each committee is outlined here.

Strategy and Performance Committee

The Strategy and Performance Committee develops and reviews the direction and implementation of the University's Strategic Plan and supporting strategies. The Committee monitors performance through the review of key performance indicators.

Sustainability and Resources Committee

This committee recommends the University's annual revenue and capital budgets to the Board of Governors and monitors performance in relation to those budgets once they are approved. It also reviews the University's annual financial statements and its accounting policies. The committee is responsible for advising the Board of Governors on its estates' strategy and monitoring estates and infrastructure-related projects, information technology/digital developments, sustainability and organisational development and human resource matters.

Nominations and Governance Committee

The Nominations and Governance Committee considers nominations and expressions of interest for vacancies on the Board of Governors, reappoints members, determines the composition of committees and advises the Board on general governance. It also leads the governance effectiveness review and oversees the implementation of any subsequent recommendations.

Audit and Risk Committee

The Audit and Risk Committee meets with the external auditors and internal auditors of the University to review their work. The committee approves the annual internal audit plan and considers detailed internal audit reports arising from the plan, as well as overseeing the implementation of any subsequent recommendations. It is responsible for overseeing the implementation of recommendations arising from the

external auditors' management report, following their audit of the financial statements. The committee is also responsible for reviewing the University's risk management infrastructure and is responsible for overseeing the response to any public interest disclosures received by the University, and the implementation of recommendations arising from the investigation.

Remuneration Committee

The Remuneration Committee is chaired by the Deputy Chair of the Board. The Vice-Chancellor is in attendance at Remuneration Committee in relation to Executive remuneration only but is not present for items relating to his own remuneration. The Chief Operating Officer/Clerk to the Board is in attendance at the Remuneration Committee but is also absent for discussions relating to their own pay. No member of staff is present for the discussion of their own remuneration.

The Remuneration Committee sets the performance objectives for the Vice-Chancellor and approves the performance objectives for all other members of Executive. At the end of each academic year the Remuneration Committee evaluates the performance of the Vice-Chancellor against his objectives and will have oversight of the Vice-Chancellor's evaluation of Executive performance against objectives. At the end of the year, the Committee reviews the base salaries of senior postholders, taking account of market intelligence and affordability. Following the publication of the CUC Senior Staff Remuneration Code in June 2018, the committee reviewed its operating protocols and at its first meeting of the 2018-19 academic year, approved new Terms of Reference and the Remuneration of Senior Postholders Policy. The Remuneration Committee approves the Annual Statement of Senior Postholder Remuneration, which is received by the Board and is available on the University's website.

CORPORATE GOVERNANCE

GOVERNANCE REVIEW

During summer/autumn 2019, the University carried out a Governance Effectiveness Review in the form of a self-assessment against the CUC Higher Education Code of Governance. The resulting output was reviewed by the University's internal auditors, RSM, and their report, which was rated as "substantial assurance", was presented to the Audit and Risk Committee and Nominations and Governance Committee and subsequently to the Board of Governors.

A more focused and in-depth Board Effectiveness Review, in conjunction with an external partner, started in spring/summer 2020 and the findings from this review were presented to the Nominations and Governance Committee and Board of Governors in autumn 2020. These recommendations are now in the process of being implemented. A new Governance Effectiveness Review has commenced in autumn 2023.

The University maintains a Register of interests of members of the Board of Governors, which is available to view on the University's public website. The Chief Operating Officer has been designated Clerk to the Board and in that capacity, provides independent advice on matters of governance to all Board members.

STATEMENT OF INTERNAL CONTROL

The Board of Governors is responsible for maintaining a robust system of internal control that supports the achievement of our objectives. The internal control system also needs to safeguard the public and other funds and assets for which the University is responsible, in accordance with the responsibilities assigned in the University's Instrument and Articles of Government and the Office for Students regulatory framework.

The system of internal control is designed to manage, rather than eliminate, the risk of failure to achieve our objectives. Its effectiveness can therefore only be reasonably, not absolutely, assured.

Our internal control system is based on an ongoing process to identify risks, evaluate the nature and extent of those risks, and manage them efficiently and effectively. This process was in place for the year ended 31 July 2023 and up to the date of approval of the Financial Statements.

As part of its responsibilities for reviewing the effectiveness of our internal controls, the Board has established the following processes:

- It meets four times a year to consider the plans and strategic direction of the University.
- It receives regular reports from the Audit and Risk Committee concerning internal control, and it requires regular reports from managers on the steps they are taking to manage risks in their areas of responsibility, including progress reports on key projects.
- Risk management is a regular item on the agenda of both the full Board and the Audit and Risk Committee.
- The Audit and Risk Committee provides oversight of the risk management process within the University as a key aspect of its terms of reference.
- The Audit and Risk Committee receives regular reports from the University's appointed internal auditors. The reports include their independent opinion on the adequacy and effectiveness of the University's system of internal control, together with recommendations for improvement.
- The Audit and Risk Committee receives reports from the University's appointed external auditors including the management letter.

In addition, the University employs a Business Risk Manager to embed risk management within the University.

RESPONSIBILITY OF THE BOARD OF GOVERNORS

The Board of Governors is responsible for preparing 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 2019 Statement of Recommended Practice – Accounting for Further and Higher Education, in accordance with the requirements of the Accounts Direction issued by the Office for Students.

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

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

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

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

The Board of Governors are also responsible for ensuring that:

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

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

Chair of the Board of Governors

GOVERNORS, EXECUTIVES AND ADVISORS

BOARD OF GOVERNORS

Colin Hughes (Chair)

Hannah Blackburn (to 31.07.23)

Jonathan Chapman

Mohit Dhingra (from 16.11.22)

Kevin Gould

Saima Hussain (from 01.08.22)

Professor Martin Jones

Baljinder Kuller

Kim Newell Chebator (from 16.11.22)

Juliet Oosthuysen

Martin Pugh (from 16.11.22)

Baroness Anderson of Stoke-on-Trent
(from 01.01.23 to 28.06.23)

Dr Simon Smith (to 31.07.23)

Victoria Sylvester (to 10.05.23)

Hayden Tsang (01.08.22 to 31.07.23)

Jonathan Vardon (to 19.10.22)

Sara Williams (to 31.07.23)

CO-OPTED COMMITTEE MEMBERS

Mike Herbert

Ian Jenkinson

CHANCELLOR

The Lord Stafford DL FRAGS

EXECUTIVE TEAM

Professor Martin Jones Vice-Chancellor and
Chief Executive

Ian Blachford Chief Operating Officer

Professor Kevin Hetherington Deputy Vice-Chancellor

Professor Annabel Kiernan Pro Vice-Chancellor
(Academic)

Sally McGill Chief Financial Officer and
Deputy Chief Executive

Professor Raheel Nawaz Pro Vice-Chancellor
(Digital Transformation)

PROFESSIONAL ADVISORS

External Auditors BDO LLP
Two Snowhill
Birmingham
B4 6GA

Internal Auditors KPMG LLP
One Snowhill
Snowhill Queensway
Birmingham B4 6GH

Bank Lloyds Bank Plc
5 Market Square
Stafford ST16 2JL

Solicitors Shakespeare Martineau
No 1 Colmore Square
Birmingham B4 6AA



FINANCIAL REVIEW

SCOPE OF THE FINANCIAL STATEMENTS

The Financial Statements comprise the consolidated results for the University and its wholly owned subsidiary undertakings, Staffordshire University Services Limited, Staffordshire University Student Services Limited, and Staffordshire University Unitemps Limited, and are prepared in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102) and the Statement of Recommended Practice: Accounting for Further and Higher Education 2015 (FE HE SORP 2015). The taxable profits of the wholly owned subsidiary undertakings are gifted back to the University under a covenant arrangement.

RESULTS FOR THE YEAR

The inclusion of non-cash adjustments including pension adjustments, capital disposals and exceptional items within the surplus for this year, which have been required since the introduction of FRS102 in 2015, present a challenge in terms of understanding the University's underlying operating performance year on year. The non-cash pension adjustments arise from the annual restatement of the long-term pension liability.

The University's Statement of Comprehensive Income for the year to 31 July 2023, as presented in the accounting statements, should be considered with reference to the following summary statement that isolates the relevant non-cash adjustments identified above within the overall performance for this financial year:

	2022-23 Operating Activities £'000	2022-23 Pensions Adjustment £'000	2022-23 Capital Disposals / Revaluations £'000	2022-23 Total £'000	2021-22 Total £'000
Total Income	168,075	0	0	168,075	150,461
Total Expenditure	154,713	(1,810)	0	152,903	138,568
Operating surplus for the year	13,362	1,810	0	15,172	11,893
Loss on disposal of fixed assets	0	0	(2,953)	(2,953)	(20)
Unrealised (loss) on revaluation of investment properties	0	0	(515)	(515)	0
Actuarial (loss)/gain in respect of pension schemes net of pension asset restriction	0	(1,810)	0	(1,810)	104,618
Total comprehensive income and expenditure for the year	13,362	0	(3,468)	9,894	116,491

OVERALL PERFORMANCE

FRS102 requires the LGPS scheme actuaries to prepare an annual revaluation of the scheme's liabilities based on the last triennial review, which took place as at 31 March 2022. The pension liability report received from the scheme actuaries as at 31 July 2023 (on an FRS102 basis) reports net assets of £40.8m compared to net assets reported in the financial statements for the year ended 31 July 2022 on the same basis of £12.0m. The net assets as at 31 July 2023 and 31 July 2022 were both restricted to £nil within the financial statements. This is due to there being no reduction in the future contributions and no refunds made to the University.

Excluding the adjustments for non-cash items, the operating performance for the year shows a surplus of £13.4m, representing 8.0% of total income (with the comparable figures for 2021-22 being £14.8m and 9.9%).

INCOME

The University's total income has grown by £17.6m to £168.1m (2021-22 £150.5m), an increase of 11.7%. The University has seen rapid growth within income from overseas students, as well as income from apprenticeship courses and partnership contracts. Income from tuition fees and education contracts has increased by 12.6% to £139.1m from £123.6m in 2021-22, representing 82.8% of total income. Full-time UK/EU taught income has decreased by £3.4m due to the reduced recruitment in the School of Digital, Technologies & Art, the Institute of Education and the School of Justice, Security & Sustainability, partially offset by increases in recruitment for Staffordshire University London and the School of Health, Science & Wellbeing. There was a substantial increase in income from overseas students of £10.7m, an increase of 169.7% compared to 2021-22, as an effect of the review of the international recruitment strategy.

The University's apprenticeship education provision has seen an increase of £1.2m in income to £17.2m (2021-22 £16.0m), an increase of 7.8%, this reflects the continued expansion of apprenticeship education as a strategic priority and particularly the continuing development of the Police Apprenticeship Contracts.

The University's partnership activity has seen an increase of £8.0m in income to £23.3m (2021-22 £15.3m), an increase of 51.9% due to increased recruitment of students, especially with the University's largest UK partners where there was a May intake for the first time this year.

Other education contract income has decreased in the year by £1.0m, compared to 2021-22, to £6.8m, reflecting a reduction in income from the NHS due to the continuing replacement of NHS contract income relating to nursing education with tuition fees.

Funding body grants decreased to £13.6m in 2022-23, compared to £13.8m in 2021-22, a decrease of £0.2m. Teaching and research grants increased by £0.3m.

The University received income of £14.0m from other sources, compared to £12.1m in 2021-22, which represents 8.3% of total income (2021-22 was 8.0%). Income from student accommodation and catering increased by £0.4m, along with an increase in income from educational visits as the University recovered from the impact of the Covid-19 pandemic on these income streams. Funding received from various fundings bodies and relating to projects, has decreased by £0.7m in 2022-23, as a result of a reduction in funding from UK central government and public sector bodies and EU-related sources. Income received from Staffordshire University Unitemps Limited and the University Nursery have increased in 2022-23 by £0.3m and £0.2m respectively.

Investment income has increased by £1.6m due to the increase in the Bank of England base rate in 2022-23 which underpins the returns on investments held.

EXPENDITURE

Excluding non-cash pension adjustments, salary costs have increased by £6.5m reflecting contractual incremental pay awards, the national pay award, and the recruitment of additional administration, professional and clerical staff in order to deliver additional income.

Academic and Technician staff numbers (expressed as Full-time Equivalents or FTEs) decreased from 656 in 2021-22 to 626 in 2022-23. Administration, Professional and Clerical staff numbers increased to 829 in 2022/23 from 728 in 2021/22. Overall FTEs increased from 1,446 to 1,517 (4.9%) over the same period.

Other operating expenses have increased by £11.7m (24.1%) to £60.2m. This cost increase includes £6.6m relating to associated costs linked to the increased income from the University's partnership provision and additional costs of utilities. Further increases include additional international recruitment agent costs following the increased number of international students at the University in 2022-23. This increase in international students, at the University, has led to an increase of the doubtful debt provision of £1.9m provided to reflect the additional steps which may be required to collect tuition fees from overseas students.

Depreciation of fixed and intangible assets increased by £1.0m to £12.4m in 2022-23 which equates to 8.1% of total expenditure (2021-22 8.2%).

CASH FLOW

The University continues to generate healthy levels of cash inflows from operating activities which are required to service existing debts and to continue to invest in the Estate and student experience. The University generated cash inflows from operating activities of £16.4m (2021-22 £24.8m), which was 9.8% of income in 2022-23 (compared to 16.4% in 2021-22).

LIQUIDITY AND LONG-TERM FINANCING

The University had net liquidity of £49.5m at 31 July 2023 (2021-22 £38.3m). Cash and cash equivalents and cash deposits (short-term investments) were £82.8m (2021-22 £73.4m).

The University has two term loans totaling £50m, of which £33.3m remained repayable at 31 July 2023. These facilities were arranged with Lloyds TSB, and their purpose was to provide funding for the University's capital programme. The University originally took £16m as a term loan in 2007, repayable over 27 years and interest payable on this loan is fixed at 5.38% for its duration. The remaining £34m was drawn down in September 2013 over a 25-year term, at a fixed interest rate of 3.19%. The University was within its banking covenants for the purposes of these borrowings at the year end.

The University has subjected its finances to stress-testing as part of its review of its going concern status. Sensitivity analysis showed that the University's likelihood of failing the OfS liquidity test is extremely remote within the going concern assessment period to 31 July 2025. Likewise, the University's likelihood of failing the bank covenants is also extremely remote within the going concern assessment period. Further details of the going concern assessment can be found in the Statement of Accounting Policies.

TREASURY AND FINANCING

Cash deposits are invested in accordance with the University's Treasury Management Policy. The prime requirement of the Policy is to ensure that the capital sum is not at risk, whilst achieving a rate of return commensurate with deposit rates achievable on the London Money Market. The risk to the University is spread by investing funds with a variety of different banking and money market institutions.

Interest payable at £0.9m consists of a FRS102 adjustment of £0.4m relating to a net interest gain arising from an external pension scheme and loan interest payments of £1.3m on the University's borrowings.

CAPITAL INVESTMENT

The University continues to invest in its digital and physical infrastructure, developing teaching facilities and investing in the student experience, as well as improving University systems. During 2022-23 the University invested £5.6m in total in capital projects for both tangible and intangible assets.

DEFINED BENEFIT PENSION SCHEME

Under UK Financial Reporting Standards, the financial results of the University must include a disclosure of liabilities relating to the pension funds to which past and present employees belong. The assets and liabilities of the Staffordshire Pension Scheme (LGPS) can be attributed to individual employers and therefore are shown in full detail in the Notes to the Financial Statements (Note 26).

A full actuarial review of the Staffordshire Pension Scheme was undertaken in 2022 as part of the triennial cycle. An updated calculation of the assets and liabilities within the scheme (as required by FRS102) was performed by the scheme's

actuaries as at 31 July 2023, based on the March 2022 triennial review. The net result shows the University's calculated share of the overall scheme is a net asset position of £40.8m at 31 July 2023 compared to a net asset position of £12.0m in 2021-22, recorded as £nil in the balance sheet, for both years.

The Teachers' Pension Scheme (TPS) is deemed a multi-employer scheme, and the University's share of its assets and liabilities cannot be separately identified. As such the University has taken advantage of the exemption in FRS102 and has accounted for its contributions to the scheme as if it were a defined contribution scheme.

The Staffordshire University Pension Scheme (SUPS) is a defined contribution scheme which is open to all new staff and to all staff employed by Staffordshire University Services Limited. Nest is a defined contribution scheme open to employees of Staffordshire University Unitemps Limited and Staffordshire University Student Services Limited.

INDEPENDENT AUDITOR'S REPORT

TO THE BOARD OF GOVERNORS OF STAFFORDSHIRE UNIVERSITY

OPINION ON THE FINANCIAL STATEMENTS

In our opinion, the financial statements:

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

We have audited the financial statements of Staffordshire University ("the University") and its subsidiaries ("the Group") for the year ended 31 July 2023 which comprise the Consolidated and University Statement of Comprehensive Income and Expenditure, the Consolidated and University Statement of Changes in Reserves, the Consolidated and University Balance Sheet, the Consolidated Cash Flow Statement and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We are independent of the Group and the University in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the Board of Governors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Group and the University's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

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

Other information

The Board of Governors is responsible for the other information. The other information comprises the information included in the Annual Report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information we are required to report that fact.

We have nothing to report in this regard.

INDEPENDENT AUDITOR'S REPORT

TO THE BOARD OF GOVERNORS OF STAFFORDSHIRE UNIVERSITY

Opinion on other matters required by the Office for Students ("OfS"), UK Research and Innovation (including Research England), Department for Education and Education and Skills Funding Agency ("ESFA")

In our opinion, in all material respects:

- Funds from whatever source administered by the University for specific purposes have been properly applied to those purposes and managed in accordance with relevant legislation.
- Funds provided by the OfS, 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.
- The requirements of the OfS's Accounts Direction (OfS 2019.41) have been met.

We have nothing to report in respect of the following matters in relation to which the OfS requires us to report to you if, in our opinion:

- The University's grant and fee income, as disclosed in note 3 to the accounts, has been materially misstated.
- The University's expenditure on access and participation activities for the financial year, as has been disclosed in note 9a to the accounts, has been materially misstated.

Responsibilities of the Board of Governors

As explained more fully in the Responsibility of the Board of Governors Statement, the Board of Governors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for

such internal control as the Board of Governors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Board of Governors are responsible for assessing the Group and the University's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Governors either intends to liquidate the Group or the University or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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

Extent to which the audit was capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our

responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

Non-compliance with laws and regulations

Based on:

- Our understanding of the Group and the sector in which it operates;
- Discussion with management, the Legal & Governance team, those charged with governance and the Audit and Risk Committee;
- Obtaining an understanding of the Group's policies and procedures regarding compliance with laws and regulations; and
- Direct representation from the Accountable Officer.

We considered the significant laws and regulations to be the Financial Reporting Standard 102, the Statement of Recommended Practice: Accounting for Further Education and Higher Education (FEHE SORP 2019), the OfS' Accounts Direction (OfS 2019.41) and UK tax legislation.

The Group is also subject to laws and regulations where the consequence of non-compliance could have a material effect on the amount or disclosures in the financial statements, for example through the imposition of fines or litigations. We identified such laws and regulations to be registration with the Office for Students and their ongoing conditions of registration.

Our procedures in respect of the above included:

- Review of minutes of meeting of those charged with governance for any instances of non-compliance with laws and regulations;
- Review of correspondence with regulatory and tax authorities for any instances of non-compliance with laws and regulations;
- Review of financial statement disclosures and agreeing to supporting documentation;
- Involvement of tax specialists in the audit; and
- Review of legal expenditure accounts to understand the nature of expenditure incurred.

Fraud

We assessed the susceptibility of the financial statements to material misstatement, including fraud. Our risk assessment procedures included:

- Enquiry with management and those charged with governance regarding any known or suspected instances of fraud;
- Obtaining an understanding of the Group's policies and procedures relating to:
 - Detecting and responding to the risks of fraud; and
 - Internal controls established to mitigate risks related to fraud.
- Review of minutes of meeting of those charged with governance for any known or suspected instances of fraud;
- Discussion amongst the engagement team as to how and where fraud might occur in the financial statements; and
- Performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud.

Based on our risk assessment, we considered the areas most susceptible to fraud to be management override including the posting of inappropriate journals to manipulate financial results and management bias in accounting estimates. In addition, we considered revenue recognition an area to be susceptible to fraud, particularly in relation to the recognition of tuition fee revenue in line with course dates and the posting of manual journals to material revenue streams.

Our procedures in respect of the above included:

- Testing a sample of journal entries throughout the year, which met a defined risk criteria, by agreeing to supporting documentation;
- Assessing significant estimates made by management for bias, including bad debt provision, useful economic lives of both intangible and tangible fixed assets and assumptions applied in defined benefit pension calculations; and
- Comparing the level of deferred tuition fee income to expectations and testing a sample of deferrals to ensure correct treatment at the balance sheet date.

We also communicated relevant identified laws and regulations and potential fraud risks to all engagement team members and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

Our audit procedures were designed to respond to risks of material misstatement in the financial statements, recognising that the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery,

misrepresentations or through collusion. There are inherent limitations in the audit procedures performed and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we are to become aware of it.

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

Use of our report

This report is made solely to the governors, as a body, in accordance with Section 75 of the Higher Education Research Act 2017 and the charters and statutes of the University. Our audit work has been undertaken so that we might state to the University's board 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 as a body, for our audit work, for this report, or for the opinions we have formed.

DocuSigned by:

Samantha Lifford

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Samantha Lifford (Senior Statutory Auditor)
For and on behalf of BDO LLP, Statutory Auditor
Birmingham, UK

Date: 05 January 2024

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127).

CONSOLIDATED AND UNIVERSITY STATEMENT OF COMPREHENSIVE INCOME AND EXPENDITURE YEAR ENDED 31 JULY 2023

	Notes	Year ended 31 July 2023		Year ended 31 July 2022	
		Consolidated £'000	University £'000	Consolidated £'000	University £'000
Income					
Tuition fees and education contracts	1	139,128	139,128	123,584	123,584
Funding body grants	2	13,556	13,556	13,768	13,768
Research grants and contracts	3	1,376	1,376	964	964
Other income	4	12,128	11,526	11,838	11,781
Investment income	5	1,585	1,576	23	23
Donations and endowments	6	302	302	284	284
Total income		168,075	167,464	150,461	150,404
Expenditure					
Staff costs	7/9a	79,456	46,920	75,644	53,447
Other operating expenses	9/9a	60,183	92,024	48,501	70,641
Depreciation, amortisation and impairment	11a/11b	12,391	12,391	11,402	11,402
Interest and other finance costs	8	873	873	3,021	3,021
Total expenditure	9	152,903	152,208	138,568	138,511
Surplus before other gains losses and share of operating surplus of joint ventures and associates.					
		15,172	15,256	11,893	11,893
Loss on disposal of fixed/heritage assets		(2,953)	(2,953)	(20)	(20)
Unrealised (loss) on revaluation of investment properties		(515)	(515)	0	0
Surplus before tax		11,704	11,788	11,873	11,873
Taxation	10	0	0	0	0
Surplus after tax		11,704	11,788	11,873	11,873
Actuarial gain in respect of pension schemes		27,009	27,009	116,608	116,608
Restriction of pension asset recognised		(28,819)	(28,819)	(11,990)	(11,990)
Total comprehensive income and expenditure for the year		9,894	9,978	116,491	116,491
Represented by:					
Endowment comprehensive income for the year		0	0	0	0
Restricted comprehensive income for the year		0	0	0	0
Unrestricted comprehensive income for the year		9,894	9,978	116,491	116,491
		9,894	9,978	116,491	116,491

All items of income and expenditure relate to continuing activities.

CONSOLIDATED AND UNIVERSITY STATEMENT OF CHANGES IN RESERVES YEAR ENDED 31 JULY 2023

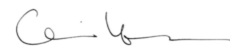
Consolidated	Income and expenditure account			Total £'000
	Endowment £'000	Restricted £'000	Unrestricted £'000	
Balance at 1 August 2021	26	4,588	54,269	58,883
Utilised restricted reserves	0	0	0	0
Surplus from the income and expenditure statement	0	0	11,873	11,873
Other comprehensive income	0	0	104,618	104,618
Total comprehensive income/(loss) for the year	0	0	116,491	116,491
Balance at 1 August 2022	26	4,588	170,760	175,374
Utilised restricted reserves	0	0	0	0
Surplus from the income and expenditure statement	0	0	11,704	11,704
Other comprehensive income	0	0	(1,810)	(1,810)
Total comprehensive income for the year	0	0	9,894	9,894
Balance at 31 July 2023	26	4,588	180,654	185,268
University				
	Income and expenditure account			Total £'000
	Endowment £'000	Restricted £'000	Unrestricted £'000	
Balance at 1 August 2021	26	4,588	54,268	58,882
Utilised restricted reserves	0	0	0	0
Surplus from the income and expenditure statement	0	0	11,873	11,873
Other comprehensive income	0	0	104,618	104,618
Total comprehensive income/(loss) for the year	0	0	116,491	116,491
Balance at 1 August 2022	26	4,588	170,759	175,373
Utilised restricted reserves	0	0	0	0
Surplus from the income and expenditure statement	0	0	11,788	11,788
Other comprehensive income	0	0	(1,810)	(1,810)
Total comprehensive income for the year	0	0	9,978	9,978
Balance at 31 July 2023	26	4,588	180,737	185,351

CONSOLIDATED AND UNIVERSITY BALANCE SHEET

YEAR ENDED 31 JULY 2023

Notes	As at 31 July 2023		As at 31 July 2022		
	Consolidated £'000	University £'000	Consolidated £'000	University £'000	
Non-current assets					
Intangible assets	11b	2,635	2,635	3,496	3,496
Fixed assets	11a	168,538	168,538	177,915	177,915
Heritage assets	11a/12	1,300	1,300	1,300	1,300
Investments	13	74	74	74	74
		172,547	172,547	182,785	182,785
Current assets					
Trade and other receivables due within one year	14	27,401	28,110	15,416	15,830
Cash and cash equivalents	15	45,897	44,681	37,077	36,399
Investments	22	36,878	36,878	36,300	36,300
		110,176	109,669	88,793	88,529
Less: Creditors: amounts falling due within one year	17	(40,153)	(39,563)	(35,926)	(35,663)
Net current assets		70,023	70,106	52,867	52,866
Total assets less current liabilities		242,570	242,653	235,652	235,651
Creditors: amounts falling due after more than one year	18	(56,273)	(56,273)	(59,377)	(59,377)
Provisions					
Pension provisions	26	0	0	0	0
Other provisions	19	(1,029)	(1,029)	(901)	(901)
Total net assets		185,268	185,351	175,374	175,373
Restricted Reserves					
Income and expenditure reserve - endowment reserve	20	26	26	26	26
Income and expenditure reserve - restricted reserve	21	4,588	4,588	4,588	4,588
Unrestricted Reserves					
Income and expenditure reserve - unrestricted including pension reserve		180,654	180,737	170,760	170,759
Total Reserves		185,268	185,351	175,374	175,373

The financial statements were approved by the Board of Governors on 28 November 2023 and were signed on its behalf on that date by:



Colin Hughes, Chair of the Board of Governors



Professor Martin Jones, Vice-Chancellor

CONSOLIDATED CASH FLOW STATEMENT

YEAR ENDED 31 JULY 2023

Notes	Year ended 31 July 2023 £'000	Year ended 31 July 2022 £'000	
Cash flow from operating activities			
Surplus for the year	11,704	11,873	
Adjustment for non-cash items			
Depreciation	11a	10,877	10,175
Impairment of fixed assets	11a	262	0
Amortisation of intangibles	11b	1,252	1,227
(Increase)/decrease in debtors		(11,922)	761
Increase/(decrease) in creditors		4,346	(177)
(Decrease)/increase in pension provision	7/8	(1,810)	2,956
Increase/(decrease) in other provisions	19	128	(69)
Gain on investment		(0)	(1,222)
Adjustment for investing or financing activities			
Capital grant income		(1,636)	(2,123)
Investment income	5	(1,585)	(23)
Interest payable	8	1,316	1,385
Unrealised loss on revaluation of investment properties	11a/11b	515	0
Loss on the sale of tangible and intangible assets	11a/11b	2,953	20
Net cash inflow from operating activities	16,400	24,783	
Cash flows from investing activities			
Capital grants receipts		186	1,324
Investment income		943	23
Payments made to acquire fixed assets		(5,176)	(25,795)
Payments made to acquire intangible assets		(391)	(455)
Withdrawal of investment to cash		0	8,000
Net cash outflow from investing activities	(4,438)	(16,903)	
Cash flows from financing activities			
Interest paid		(1,329)	(1,385)
Repayments of amounts borrowed		(1,813)	(1,747)
Net cash outflow from financing activities	(3,142)	(3,132)	
Increase in cash and cash equivalents in the year	8,820	4,748	
Cash and cash equivalents at beginning of the year		37,077	32,329
Cash and cash equivalents at end of the year	15	45,897	37,077

STATEMENT OF ACCOUNTING POLICIES**YEAR ENDED 31 JULY 2023**

The following accounting policies have been applied consistently in detailing items which are considered material in relation to the financial statements.

BASIS OF PREPARATION

The University financial statements have been prepared in accordance with United Kingdom Accounting Standards, including Financial Reporting Standard 102 (FRS 102) and the Statement of Recommended Practice (SORP): Accounting for Further and Higher Education (2019 edition). They have also been prepared in accordance with the Accounts Direction issued by the Office for Students (OfS), the Terms and conditions of funding for higher education institutions issued by the Office for Students and the Terms and conditions of Research England Grant.

The University is a public benefit entity and therefore has applied the relevant public benefit requirement of the applicable UK laws and accounting standards.

BASIS OF ACCOUNTING

The financial statements are prepared in accordance with the historical cost convention (modified by the revaluation of fixed assets). Presentational and functional currency of the financial statements are GBP.

GOING CONCERN

The Group and parent University activities, together with the factors likely to affect its future development, performance and position, are set out in the Chair of the Board of Governors Foreword. The Financial Review also describes the financial position of the Group and parent University, its cash flows, liquidity position and borrowing facilities.

The financial statements have been prepared on a going concern basis which the Board of Governors consider to be appropriate for the following reasons. The Group and parent University has modelled a number of going concern scenarios and has prepared a 2023/24 Budget and Five Year Strategic Financial Plan which have both been approved by the Board of Governors.

The student numbers for the September 2023 intake, when compared to the budget for 2023/24, were lower than expected. As a result of this management have prepared a forecast as at October 2023 reflecting the current position and management have prepared a plan to mitigate the lower recruitment.

After reviewing these forecasts the Board of Governors is of the opinion that, taking account of severe but plausible downsides, the Group and parent University will have

sufficient funds to meet their liabilities as and when they fall due over the going concern assessment period to 31 July 2025.

The Group and parent University is budgeting to achieve an operating surplus and a net cash inflow from operating activities in 2023/24 and subsequent years.

The budget for 2023/24 and the plans for the subsequent years have been assessed against the Group and parent University's financial tests which are the University's own strategic goals, bank covenant tests and the OfS liquidity test. The University ensures there is more than sufficient headroom within the Five Year Strategic Financial Plan to meet the bank covenant tests and the OfS liquidity test.

Sensitivity analysis has shown that the University's likelihood of failing the OfS liquidity test is extremely remote. Likewise, the University's likelihood of failing the bank covenants is also extremely remote. If required, the University could reduce its capital programme in order to protect its cash position and take other operating steps as required.

There have been no post balance sheet changes to liquidity, specifically there have been no new lending facilities taken out, no extensions of existing facilities or renegotiation or waiving of bank covenants. Consequently, the Board of Governors is confident that the 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.

BASIS OF CONSOLIDATION

The consolidated financial statements include the University and all its subsidiaries for the financial year to 31 July 2023. The results of subsidiaries acquired or disposed of during the period are included in the Consolidated Statement of Comprehensive Income and Expenditure from the date of acquisition or up to the date of disposal. Intra-group transactions are eliminated on consolidation.

The consolidated financial statements do not include those of Staffordshire University Union of Students, as the University does not exert control or dominant influence over policy decisions.

INCOME RECOGNITION

Income recognition is determined by the nature of the transaction, income source and whether or not the transaction has commercial substance.

STATEMENT OF ACCOUNTING POLICIES**YEAR ENDED 31 JULY 2023****Transactions with commercial substance**

Where a transaction has commercial substance, it is accounted for as a revenue transaction or service and referenced to the terms of the contact or service.

Tuition fees and educational contracts

Fee income and UK partnerships are stated gross of any expenditure which is not a discount and credited to the Consolidated Statement of Comprehensive Income and 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 of expenditure and not deducted from income.

Overseas partnerships are recognised in line with the terms of the partnership agreement. UK and overseas partnerships are disclosed as partnerships in note 1.

Sale of goods and services

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

Agency Income

Funds the University receives and disburses as a 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.

Transactions without commercial substance

Where the University receives income on a basis that is without commercial substance it accounts for this on the Non-Exchange Transaction basis. A Non-Exchange Transaction is defined as when an entity receives value from another entity without directly giving approximately equal value in exchange.

Grant funding

Grants are either classified as a grant relating to revenue or a grant relating to assets. Grants relating to revenue are recognised in income on a systematic basis over the periods in which the University recognises the related costs for which the grant is intended to compensate. A grant that becomes receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the University with no future related costs, shall be recognised as income in the period in which it becomes receivable.

Grants relating to assets are recognised in income on a systematic basis over the expected useful life of the asset.

Government Grants

Both revenue and capital government grants are accounted for under the Accrual Model.

Funding Grants

For funding grants relating to a single academic year, income is recognised in full in the period to which the grant relates. Grants relating to more than a single year are recognised pro-rata across the term of the grant.

Non-Government Grants, Donations and Endowments

Grant and donation income, received from a non-governmental source, is accounted for under the Performance Model. Income is recognised as Donation and Endowment income, with the exception of funding for the purposes of research which is recognised as 'Research Grants and Contracts'.

Non-government grants and donation income is split into four classes:

- (i) Non-government grants and donated income with performance conditions.
- (ii) Donations with restrictions.

A donation is considered to have a restriction when the gift agreement contains; 'A requirement that limits or directs the purposes for which a resource may be used that does not meet the definition of a performance-related condition'.

Income with restrictions, but no performance conditions, is recognised within the Statement of Comprehensive Income and Expenditure when the grant is receivable (legal/contractual commitment) and recorded within restricted reserves. As the funding is expended against the restriction it is transferred to unrestricted reserves by way of a reserves transfer.

- (iii) Donations without restrictions

Income with neither restrictions nor performance conditions is recognised within the Consolidated Statement of Comprehensive Income and Expenditure when the grant is receivable (legal/contractual commitment) and recorded within unrestricted reserves.

STATEMENT OF ACCOUNTING POLICIES**YEAR ENDED 31 JULY 2023****Non-Government Grants, Donations and Endowments (continued)**

(iv) Endowments

Refer to Endowment policy for income recognition on endowments.

Capital Grants

Government Grants for the purchasing or construction of specific assets are recognised across the useful life of the asset.

RESEARCH INCOME

Income recognition for research funding is dependent upon the source of the funding and the nature of the transaction. Income is classified as 'Research Grants and Contracts' regardless of source when it meets the Frascati definition of research.

The following specific research income recognition criteria has been applied:

Where funding is from a government body, expenditure on the grant purpose is presumed to be the performance condition unless specifically disallowed under the funding agreement.

Funding from charities and industry is accounted for as non-government grant income unless it is demonstrable that a revenue transaction has taken place with near equal value being exchanged.

ENDOWMENTS

Endowments are a class of donation where the donor requires the original gift to be invested, with the return to be spent against the donor's charitable aims. The donor can specify that the capital can be spent (expendable endowment) or maintained in perpetuity (permanent endowments).

Endowments are Non-Exchange transactions without performance-related conditions. Endowments with donor imposed restrictions are recognised within the Consolidated Statement of Comprehensive Income and Expenditure when the University is entitled to the income. 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.

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.

POST RETIREMENT BENEFITS

Retirement benefits to employees of the University are provided by the Teachers' Pension Scheme (TPS), the Local Government Pension Scheme (LGPS), Staffordshire University Pension Scheme (SUPS) and Nest. The TPS is a defined benefit scheme but is accounted for as a defined contribution scheme and LGPS is a defined benefit scheme. SUPS and Nest are both defined contribution schemes.

Contributions to the TPS scheme are charged to the income and expenditure account so as to spread the cost of pensions over employees' working lives with the University in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by qualified actuaries on the basis of quinquennial valuations using a prospective benefit method.

The assets of the LGPS are measured using closing market values. LGPS liabilities are measured using 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 increase in the present value of the liabilities of the scheme which are expected to arise from employee service in the period is charged to the operating surplus. The expected return of the scheme's assets and the increase during the period in the present value of the scheme's liabilities, arising from the passage of time, are included in pension finance costs. Actuarial gains and losses are recognised in the statement of changes in reserves.

Further details of the pension schemes are given in note 26.

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. A liability is recognised at each balance sheet date to the extent that employee holiday allowances have been accrued but not taken, the expense being recognised as staff costs in the Consolidated Statement of Comprehensive Income and Expenditure.

STATEMENT OF ACCOUNTING POLICIES**YEAR ENDED 31 JULY 2023****OPERATING LEASES**

Costs in respect of operating leases are charged on a straight-line basis over the lease term. Future commitments under operating leases are disclosed in note 24.

Foreign Currency

Transactions in foreign currencies are recorded at the rate of exchange on the transaction date. Monetary assets and liabilities denominated in foreign currencies are reported at the rates of exchange prevailing at the balance sheet date. Non-monetary assets and liabilities measured at historical cost in a foreign currency are translated using the exchange rate at the date of the transaction.

Foreign exchange differences arising on translation are recognised in the Consolidated Statement of Comprehensive Income and Expenditure.

FIXED ASSETS -PROPERTY, PLANT & EQUIPMENT, FIXTURES & FITTINGS, AND INTANGIBLE ASSETS

Fixed assets are stated at cost less accumulated depreciation and accumulated impairment losses as disclosed in note 11a and 11b.

Where parts of a fixed asset have different economic lives, they are accounted for as separate items with the appropriate depreciation rate.

Land and Buildings

Buildings under construction are accounted for at cost. They are not depreciated until they are brought into use.

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

Land and buildings inherited from Staffordshire County Council are stated in the balance sheet at valuation on the basis of depreciated replacement cost as the open market value for existing use is not readily obtainable.

Certain items of fixed assets that had been re-valued to fair value on the date of transition to FRS102, are measured on the basis of deemed cost being the re-valued amount at the date of that revaluation.

Equipment

Equipment (including computers and software) costing less than £10,000 per item is charged to the Consolidated Statement of Income and Expenditure in the year of acquisition. All other equipment is capitalised at cost and depreciated according to the periods listed below.

DEPRECIATION AND AMORTISATION

Depreciation is not provided on freehold land. Freehold buildings have been depreciated over the estimated remaining useful life of each building with a base date of 1 August 2014. All other tangible and intangible fixed assets are depreciation/amortised on a straight line basis over their expected useful lives as follows:-

New Buildings	50 years
Building Refurbishments	10 -15 years
Computer Equipment	3 -10 years
Fixtures and Fittings	5 -10 years
Plant and Machinery	5 -10 years
Vehicles	3 years
Software	3 -10 years

Expenditure which extends the useful life of an asset has been depreciated over the assessed extended life of the asset.

Assets held under finance leases are depreciated over the life of the lease if this is a shorter period.

BORROWING COSTS

Borrowing costs are recognised as an expense in the Consolidated Statement of Comprehensive Income and Expenditure in the period in which they are incurred.

HERITAGE ASSETS

Works of art and other valuable artefacts valued at over £25,000 are capitalised and recognised at their cost or value where reasonably obtainable. Assets initially received as donations are initially recognised at fair value.

Heritage assets are not depreciated as their long economic life residual value mean that any depreciation would not be material.

STATEMENT OF ACCOUNTING POLICIES**YEAR ENDED 31 JULY 2023****INVESTMENT PROPERTIES**

Investment property is land and building held for rental income or capital appreciation rather than for use in delivering services.

Investment properties are measured initially at cost and subsequently at fair value with movements recognised in the Consolidated Statement of Comprehensive Income and Expenditure. Properties are not depreciated but are revalued or reviewed annually according to market conditions as at the 31 July each year.

INVESTMENTS

Non current investments relate to investment in subsidiary companies, spinout companies and other fixed asset investments and are held on the Balance Sheet at amortised cost less impairment.

Investments in listed shares and venture capital vehicles (where shares are publicly traded or their fair value can be reliably measurable) are measured at market value.

CASH AND CASH EQUIVALENTS

Cash includes cash in hand, cash at bank, 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, high liquid investments that are readily convertible to known amounts of cash with insignificant risk of change in value. These include term deposits and other instruments with less than three months maturity held as part of the University's treasury management activities.

PROVISIONS, CONTINGENT LIABILITIES AND CONTINGENT ASSETS

Provisions are recognised in the financial statements when:

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

TAXATION STATUS

The University is an exempt charity within the meaning of schedule 3 of the Charities Act 2011 and as such is a charity within the meaning of Para 1 of Schedule 6 to the Finance Act 2010. Accordingly, the University is potentially exempt from taxation in respect of income or capital gains received within categories covered by Sections 478 to 488 of the Corporation Tax Act 2010 (formerly enacted in Section 505 of the Income and Corporation Taxes Act 1988) or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes. The University receives no similar exemption in respect of Value Added Tax. 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 University's subsidiary companies are subject to corporation tax.

DEFERRED TAXATION

Deferred taxation is recognised on all timing differences at the balance sheet date where transactions or events that gives the company an obligation to pay more tax in the future, or right to pay less tax in the future, have occurred.

Deferred tax assets are recognised when it is more likely than not that they will be recovered. Deferred tax is measured using rates of tax that have enacted or substantively enacted by the balance sheet date.

STATEMENT OF ACCOUNTING POLICIES**YEAR ENDED 31 JULY 2023****ACCOUNTING ESTIMATES AND JUDGEMENTS**

The Preparation of financial statements requires the use of accounting estimates and assumptions. It also requires management to exercise its judgement in the process of applying accounting policies. Estimates, assumptions and judgements are continually evaluated based on available information and experience. Estimates based on assumptions and judgements could differ significantly from actual results. The areas most affected by the use of estimates and judgements are described below:

(i) Tangible fixed assets

Tangible Fixed assets, other than investment properties, are depreciated over their useful lives taking into account residual values, where appropriate. Investment properties are not depreciated but are revalued or reviewed annually according to market conditions as at the 31 July each year.

The actual lives of the assets and residual values are assessed annually and may vary depending on a number of factors. In re-assessing asset lives, factors such as technological innovation and maintenance programmes are taken into account. Residual value assessments consider issues such as future market conditions, the remaining life of the asset and projected disposal values.

(ii) Local Government Pension Scheme

The Present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost (income) for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 26, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2022 has been used by the actuary in valuing the pensions liability at 31 July 2023.

(iii) Debtor recoverability

The recoverability of aged trade receivables based on the knowledge of the individuals or market. Where conditions suggest the full recoverability is doubtful, a provision will be recognised.

FINANCIAL INSTRUMENTS

All loans, investments and short term deposits held by the Group are classified as basic financial instruments in accordance with FRS102. These instruments are initially recorded at the transaction price less any transaction costs (historical cost). FRS 102 requires that basic financial instruments are subsequently measured at amortised cost, however the University has calculated that the difference between the historical cost and amortised cost basis is not material and so these financial instruments are stated on the balance sheet at historical cost. Loans and investments that are payable or receivable within one year are not discounted.

NOTES TO THE ACCOUNTS
YEAR ENDED 31 JULY 2023

	Year Ended 31 July 2023		Year Ended 31 July 2022	
	Consolidated	University	Consolidated	University
	£'000	£'000	£'000	£'000
1 Tuition fees and education contracts				
Full time Students - UK/EU	71,614	71,614	74,984	74,984
Full time Students - Overseas	17,019	17,019	6,311	6,311
Part-time Fees	3,126	3,126	3,094	3,094
Apprenticeships (ESFA)	17,222	17,222	15,979	15,979
Partnerships	23,301	23,301	15,341	15,341
Other Education Contracts	6,846	6,846	7,875	7,875
	139,128	139,128	123,584	123,584

	Year Ended 31 July 2023		Year Ended 31 July 2022	
	Consolidated	University	Consolidated	University
	£'000	£'000	£'000	£'000
2 Funding body grants				
Office for Students - Teaching	8,812	8,812	9,607	9,607
Research England - Research	2,177	2,177	1,107	1,107
Higher Education Innovation Fund	1,204	1,204	1,137	1,137
Office for Students Capital grants - other release	1,363	1,363	1,917	1,917
	13,556	13,556	13,768	13,768

	Year Ended 31 July 2023		Year Ended 31 July 2022	
	Consolidated	University	Consolidated	University
	£'000	£'000	£'000	£'000
3 Research grants and contracts				
Research Councils	278	278	66	66
UK Based Charities	224	224	182	182
UK Industry & Commerce	61	61	19	19
UK Central Government/Health Authorities	727	727	547	547
European Community Programmes	59	59	141	141
Other Research Grants & Contracts	27	27	9	9
	1,376	1,376	964	964

The source of grant and fee income, included in notes 1 to 3 is as follows:

	Year Ended 31 July 2023		Year Ended 31 July 2022	
	Consolidated	University	Consolidated	University
	£'000	£'000	£'000	£'000
Grant and Fee income				
Grant income from the OfS	10,175	10,175	11,524	11,524
Grant income from other bodies	4,757	4,757	3,208	3,208
Fee income from taught awards (excl of VAT)	137,081	137,081	121,579	121,579
Fee income for research awards (excl of VAT)	730	730	603	603
Fee income from non-qualifying courses (excl of VAT)	1,317	1,317	1,402	1,402
	154,060	154,060	138,316	138,316

NOTES TO THE ACCOUNTS
YEAR ENDED 31 JULY 2023

	Year Ended 31 July 2023		Year Ended 31 July 2022	
	Consolidated	University	Consolidated	University
	£'000	£'000	£'000	£'000
4 Other income				
Residences, catering and conferences	5,380	5,380	4,975	4,975
Consultancy/Self Financing Fees	2,743	2,743	3,408	3,408
Other Rents/lettings	968	968	633	633
Governments Grants	0	0	2	2
Other Income	2,765	2,163	2,614	2,557
Release from deferred capital grants (non-funding council)	272	272	206	206
	12,128	11,526	11,838	11,781

	Year Ended 31 July 2023		Year Ended 31 July 2022	
	Consolidated	University	Consolidated	University
	£'000	£'000	£'000	£'000
5 Investment income				
Other investment income	1,585	1,576	23	23
	1,585	1,576	23	23

	Year Ended 31 July 2023		Year Ended 31 July 2022	
	Consolidated	University	Consolidated	University
	£'000	£'000	£'000	£'000
6 Donations and endowments				
Restricted donations	291	291	274	274
Unrestricted donations	11	11	10	10
	302	302	284	284

	Year Ended 31 July 2023		Year Ended 31 July 2022	
	Consolidated	University	Consolidated	University
	£'000	£'000	£'000	£'000
7 Staff costs				
Salaries	62,924	35,161	56,157	37,149
Social security costs	6,761	4,155	5,041	3,325
Other pension costs	10,422	8,255	12,439	10,966
LGPS pension provision movement	(1,367)	(1,367)	1,320	1,320
Redundancy/ Managed Severance Scheme	716	716	687	687
Total	79,456	46,920	75,644	53,447

Redundancy/managed severance scheme payments were made to 33 people (2021/22 - 35 people.)

NOTES TO THE ACCOUNTS

YEAR ENDED 31 JULY 2023

7 Staff costs (continued)

	Year Ended 31 July 2023		Year Ended 31 July 2022	
	Consolidated	University	Consolidated	University
	£'000	£'000	£'000	£'000
Emoluments of the Vice-Chancellor Professor E Barnes to 31 December 2021				
Salary	0	0	102	102
Performance-related pay	0	0	0	0
Taxable benefits - Health Care Insurance	0	0	2	2
Non -taxable benefits	0	0	0	0
	0	0	104	104
Pension contributions to Teachers Pensions' Fund	0	0	24	24
	0	0	128	128

	Year Ended 31 July 2023		Year Ended 31 July 2022	
	Consolidated	University	Consolidated	University
	£'000	£'000	£'000	£'000
Emoluments of the Vice-Chancellor Professor M Jones from 1 January 2022				
Salary	230	230	123	123
Performance-related pay	0	0	0	0
Taxable benefits - Health Care Insurance	1	1	2	2
Non -taxable benefits	0	0	0	0
	231	231	125	125
Pension contributions to Teachers Pensions' Fund	54	54	29	29
	285	285	154	154

The Vice Chancellor's basic salary is 6.0 times the median pay of staff (2021/22 - 5.8 Professor M Jones, 6.7 Professor E Barnes), where the median pay is calculated on a full-time equivalent basis for the salaries paid by the provider to its staff. The ratio reflects the full year basic salary equivalent for the Vice Chancellor.

The head of the provider's total remuneration is 6.0 times the median total remuneration of staff (2021/22 - 5.8 Professor M Jones, 6.7 Professor E Barnes), where the median total remuneration is calculated on a full-time equivalent basis for the total remuneration by the provider of its staff. The ratio reflects the full year basic salary equivalent for the Vice Chancellor.

NOTES TO THE ACCOUNTS

YEAR ENDED 31 JULY 2023

7 Staff costs (continued)

The Remuneration Committee also considers the performance of the institution when reviewing the remuneration of the Vice Chancellor and Chief Executive. During the academic year 2022-2023 the focus has been upon the following areas:

- Implementing the first year of the new 'Catalyst for Change' Strategic Plan, supported by a refreshed set of 15 key performance indicators, to shape the strategic direction and measure performance for the five-year period 2022- 2027.
- Recruitment of a number of senior roles to lead the delivery of the new strategic plan at both Executive, University Executive Board and Senior Leadership Team level.
- Strengthening local, regional and national connections and partnerships to support the delivery of the 'Catalyst for Change' Strategic Plan.

During the 2022-2023 academic year, the University has secured the following achievements:

- Achieved Silver in the Teaching Excellence and Student Outcomes Framework
- Awarded a top five position in the UK University Student Crowd Awards 2022
- Achieved top ten for career prospects and top twenty for facilities in the Student Choice Awards 2023.
- Delivered a strong financial performance, for the year ended 31 July 2023.
- Staffordshire University's Centre for Health Innovation has been recognised by the International Nursing Association for Clinical Simulation and Learning (INACSL) for its healthcare simulation standards.
- Runner Up in the FE Week/AELP award for Protective Services Provider of the Year for our apprenticeship provision.
- The Woodlands Day Nursery and Forest School, which opened in October, was shortlisted in the 2022 CEF Excellence Awards in the GB & Rol General Construction Projects of the Year Awards category.
- Staffordshire University has been successful in its application to offer teacher training courses from September 2024. This means our Institute of Education can continue to offer high quality Teacher Training, producing great teachers for Stoke-on-Trent, Staffordshire and beyond.
- Implemented the two tranche pay award for all staff and managed the complexities of the national industrial action, in order that every student was able to graduate at the Summer 2023 ceremonies with their degree classification.
- Launched the Peter Coates MSc in Entrepreneurship with its first cohort in January 2023 with the opportunity either a growth grant of up to £20,000 or equity investment of up to £200,000 from the Peter Coates Foundation in early 2024.
- Unitemps Branch of the Year 2023, recognising the success of our temporary work agency, providing students to the local and regional employers.
- The University was recognised as a Carbon Literate Organisation and achieved a Bronze Award.
- Finalist in the Universities Human Resources (UHR) Awards in the award for Equality, Diversity and Inclusion (EDI) category.

The University has experienced mixed fortunes in the main university league tables. The current league table positions are: Guardian University Guide - 68th place; Complete University Guide - 108th place; and The Times/Sunday Times Good University Guide - 93rd place. The new Daily Mail survey placed the University at 71st place.

NOTES TO THE ACCOUNTS
YEAR ENDED 31 JULY 2023
7 Staff costs (continued)

Remuneration of other higher paid staff earning over £100,000, excluding employer's pension contributions are shown before any salary sacrifice:

	Year Ended 31 July 2023	Year Ended 31 July 2022
	No.	No.
£100,000 to £104,999	2	1
£105,000 to £109,999	1	0
£110,000 to £114,999	0	0
£115,000 to £119,999	0	0
£120,000 to £124,999	0	0
£125,000 to £129,999	1	1
£130,000 to £134,999	0	0
£135,000 to £139,999	1	0
£140,000 to £144,999	0	0
£145,000 to £149,999	1	2
£150,000 to £159,999	1	0
£160,000 to £164,999	1	0
	8	4

Average staff numbers by major category :

	No.	No.
Academic	575	603
Academic Technicians	51	53
Administrative, Professional & Clerical Staff	829	728
Management (Academic)	29	24
Management (Non Academic)	33	38
	1,517	1,446

Key management personnel

Key management personnel are the Senior Leadership Team (SLT) who have authority and responsibility for planning, directing and controlling the activities of the University. SLT had 28 members (26 FTE's), (2021/22 - SLT had 38 members; 22 FTE's). This includes compensation paid to key management personnel.

	Year Ended 31 July 2023	Year Ended 31 July 2022
	£'000	£'000
Key management personnel	3,160	3,160

Board of Governors

The University's Board of 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.

One external Board member received £25k remuneration from the group during the year (2022 - £nil)

The total expenses paid to or on behalf of seven Board members was £7k (2021/22 - £5k to five Board members). This represents travel and subsistence expenses incurred in attending Board meetings, Committee meetings and Charity events in their official capacity.

NOTES TO THE ACCOUNTS
YEAR ENDED 31 JULY 2023
8 Interest and other finance costs

	Notes	Year Ended 31 July 2023		Year Ended 31 July 2022	
		Consolidated £'000	University £'000	Consolidated £'000	University £'000
Loan interest		1,316	1,316	1,385	1,385
Net charge on pension scheme	26	(443)	(443)	1,636	1,636
		873	873	3,021	3,021

9 Analysis of total expenditure by activity

	Year Ended 31 July 2023		Year Ended 31 July 2022	
	Consolidated £'000	University £'000	Consolidated £'000	University £'000
Academic and Related Expenditure	73,822	64,468	62,657	58,572
Administration and Central Services	50,566	64,999	45,318	53,766
Premises	15,946	12,954	15,459	13,256
Research Grants and Contracts	1,170	988	726	659
Residences, Catering and Conferences	4,624	3,207	5,060	3,836
Other Expenditure	6,775	5,592	9,348	8,422
	152,903	152,208	138,568	138,511

Other Operating Expenses include fees paid to the External Auditors for audit services of £173k (2021/22 - £158k), and fees for non-audit services were £13k (2021/22 - £9k)

9a Access and Participation

	Year Ended 31 July 2023		Year Ended 31 July 2022	
	Consolidated £'000	University £'000	Consolidated £'000	University £'000
Access Investment	1,394	1,394	1,300	1,300
Financial Support	802	802	834	834
Disability Support	974	974	888	888
Research and Evaluation	428	428	445	445
	3,598	3,598	3,467	3,467

£1,840k (2021/22 - £1,731k) of these costs are already included in the overall staff cost figures included in Note 7 of the financial statements.

The approved Access and Participation plan for the university can be found within the following link:
<https://www.staffs.ac.uk/about/corporate-information/access-agreements>

10 Taxation

The taxation charge for the University and Group in the year was £nil (2021/22 : £nil).

NOTES TO THE ACCOUNTS

YEAR ENDED 31 JULY 2023

11a Fixed Assets

Consolidated & University

	Freehold Land and Buildings	Assets in the Course of Construction	Investment Properties	Computer Equipment	Other Equipment & Fittings	Motor Vehicles	Heritage Assets	Total
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Cost or valuation								
At 1 August 2022	221,663	6,922	2,265	12,366	25,951	24	1,300	270,491
Additions	1,592	1,737	0	1,109	767	25	0	5,230
Reclassification	3,957	(4,292)	0	7	328	0	0	0
Revaluation	0	0	(515)	0	0	0	0	(515)
Disposals	0	(2,928)	0	(2,640)	(2,417)	0	0	(7,985)
At 31 July 2023	227,212	1,439	1,750	10,842	24,629	49	1,300	267,221
Depreciation and impairment								
At 1 August 2022	67,575	0	0	8,380	15,297	24	0	91,276
Charge for the year	7,018	0	0	1,427	2,429	3	0	10,877
Impairments	262	0	0	0	0	0	0	262
Disposals	0	0	0	(2,640)	(2,392)	0	0	(5,032)
At 31 July 2023	74,855	0	0	7,167	15,334	27	0	97,383
Net book value								
At 31 July 2023	152,357	1,439	1,750	3,675	9,295	22	1,300	169,838
At 31 July 2022	154,088	6,922	2,265	3,986	10,654	0	1,300	179,215

Freehold Buildings at the University's Stoke Campus and Blackheath Lane were revalued on a depreciated replacement cost basis by GVA Bilfinger, an Independent Chartered Surveyor, as at 1 August 2014. Freehold land was revalued on an open market, existing use basis at the same date. At 31 July 2023, Freehold land and buildings included £18.1 million (2021/22: £17.5 million) in respect of Freehold land which is not depreciated. The University has used those fair values as its deemed cost at 1 August 2014 in accordance with FRS102 Paragraph 35.10(c).

Investment Properties at Stafford and Lichfield were revalued by Avison Young (UK) Limited, an Independent Chartered Surveyor, as at 31 July 2023, these properties are not depreciated but are revalued or reviewed annually according to market conditions. The Board of Governors have determined that the revaluation as at the 31 July 2023 should be reflected in these Financial Statements.

11b Intangible Assets

	Consolidated £'000	University £'000
Software		
Cost		
At 1 August 2022	10,905	10,905
Additions on the year	391	391
Disposals	(249)	(249)
At 31 July 2023	11,047	11,047
Amortisation		
At 1 August 2022	7,409	7,409
Amortisation charge for the year	1,252	1,252
Disposals	(249)	(249)
At 31 July 2023	8,412	8,412
At 31 July 2023	2,635	2,635
At 31 July 2022	3,496	3,496

NOTES TO THE ACCOUNTS

YEAR ENDED 31 JULY 2023

12 Heritage assets

The Thornhill Bequest, a collection of medieval Chinese pottery is owned by the University. The value is based on a valuation made for insurance purposes as at November 2013. The valuation was undertaken by professional advisors expert in this field.

	Year Ended 31 July 2023 £'000	Year Ended 2022 £'000
Valuation	1,300	1,300
Additions	0	0
Disposals	0	0
	1,300	1,300

13 Non-Current Investments

Consolidated	Other non-current investments £'000	Subsidiary companies £'000	Subsidiary investment in spinouts £'000	Total £'000
At 1 August 2022	74	0	0	74
Additions	0	0	0	0
Disposals	0	0	0	0
Impairment	0	0	0	0
At 31 July 2023	74	0	0	74
University	£'000	£'000	£'000	£'000
At 1 August 2022	74	0	0	74
Additions	0	0	0	0
Disposals	0	0	0	0
Impairment	0	0	0	0
At 31 July 2023	74	0	0	74

	Consolidated and University £'000
Other non-current investments consist of:	
CVCP Properties PLC	33
Mercia Asset Management PLC	41
	74

Non-Current investments represent £33k investment (0.78% of the issued share capital) in CVCP Properties PLC, which is a Company registered in Great Britain and incorporated in England and Wales and £41k investment (0.0003% of the issued share capital) in Mercia Asset Management PLC previously known as Mercia Technologies PLC.

NOTES TO THE ACCOUNTS

YEAR ENDED 31 JULY 2023

13 Non-Current Investments (continued)

The group holds shares in three wholly owned subsidiaries and a spin out company.

The group shareholding is as follows:

	University Holding	Value
Subsidiary Companies		
Staffordshire University Unitemps Limited	100%	£1
Staffordshire University Services Limited	100%	£1
Staffordshire University Student Services Limited	100%	£1
Spinout Companies		
Grand Independent Limited	30%	£0

Staffordshire University Unitemps Limited, a company incorporated in and operating in Great Britain and registered in England and Wales, was established to act as an employment agency primarily employing students and providing services both internally and externally to the University.

Staffordshire University Services Limited is a company incorporated in and operating in Great Britain and registered in England and Wales, whose primary activity is the provision of staff to the University.

Staffordshire University Student Services Limited, a company incorporated in and operating in Great Britain and registered in England and Wales, was established to act as an employment agency primarily employing students and providing services externally to the University.

The group has chosen not to attribute any value to the shares in Grand Independent Limited within the financial statements.

14 Trade and other receivables

Amounts falling due within one year:

	Year Ended 31 July 2023		Year Ended 31 July 2022	
	Consolidated £'000	University £'000	Consolidated £'000	University £'000
Other trade receivables	18,884	18,714	7,038	6,813
Other receivables	288	267	254	253
Prepayments and accrued income	8,229	8,191	8,124	8,092
Amounts due from subsidiary companies	0	938	0	672
	27,401	28,110	15,416	15,830

15 Cash and Cash Equivalents

Cash and Cash equivalents

	Year Ended 31 July 2023		Year Ended 31 July 2022	
	Consolidated £'000	University £'000	Consolidated £'000	University £'000
Cash and Cash equivalents	45,897	44,681	37,077	36,399
	45,897	44,681	37,077	36,399

Deposits are held with banks and building societies operating in the London market and licensed by the Financial Services Authority with less than three months maturity from the acquisition date. The interest rates for these deposits are fixed for the duration of the deposit at time of placement.

NOTES TO THE ACCOUNTS

YEAR ENDED 31 JULY 2023

16 Consolidated reconciliation of net funds

At 1 August 2022	£'000	1,992
Movement in cash and cash equivalents		8,820
Repayment of unsecured loans		1,813
Non-cash movement		13
At 31 July 2023		12,638
Increase in net funds		10,646

Analysis of net funds

	Year Ended 31 July 2023 £'000	Year Ended 31 July 2022 £'000
Cash and Cash Equivalents	45,897	37,077
Borrowings: amounts falling due within one year		
Unsecured loans	(1,893)	(1,825)
Borrowings: amounts falling due after more than one year		
Unsecured loans	(31,366)	(33,260)
Net funds	12,638	1,992

17 Creditors : amounts falling due within one year

	Year Ended 31 July 2023		Year Ended 31 July 2022	
	Consolidated £'000	University £'000	Consolidated £'000	University £'000
Unsecured loans	1,893	1,893	1,825	1,825
Trade payables	6,151	6,151	8,553	8,546
Social security and other taxation payable	3,007	2,281	2,687	2,220
Accruals and deferred income	27,591	27,046	21,690	21,484
Other Creditors	1,511	1,491	1,171	1,151
Amounts owed to subsidiary companies	0	701	0	437
	40,153	39,563	35,926	35,663

18 Creditors : amounts falling due after more than one year

	Year Ended 31 July 2023		Year Ended 31 July 2022	
	Consolidated £'000	University £'000	Consolidated £'000	University £'000
Deferred income	24,907	24,907	26,117	26,117
Unsecured loans	31,366	31,366	33,260	33,260
	56,273	56,273	59,377	59,377

Analysis unsecured loans:

	Year Ended 31 July 2023		Year Ended 31 July 2022	
	Consolidated £'000	University £'000	Consolidated £'000	University £'000
Due within one year or on demand (Note 17)	1,893	1,893	1,825	1,825
Due between one and two years	1,976	1,976	1,893	1,893
Due between two and five years	6,410	6,410	6,172	6,172
Due in five years or more	22,980	22,980	25,195	25,195
Due after more than one year	31,366	31,366	33,260	33,260
Total unsecured loans	33,259	33,259	35,085	35,085

Deferred income represents deferred capital government grants which are required under FRS102 to be reported as a long term creditor based on the timing of the amounts due to be released to the Statement of Comprehensive Income and Expenditure.

The University has two term loans, the first was drawn down in 2007 for £16m at 5.38% fixed for 27 years and the second of £34m was drawn down in 2013 at 3.19% fixed for 25 years.

NOTES TO THE ACCOUNTS
YEAR ENDED 31 JULY 2023
19 Provisions for liabilities

Consolidated	Pension enhancements on termination	Onerous Lease/ Dilapidations	Restructuring	Total
	£'000	£'000	£'000	£'000
At 1 August 2022	41	830	30	901
Utilised in year	(41)	(11)	(30)	(82)
Additions/(Release) in 2022/23	58	(52)	204	210
At 31 July 2023	58	767	204	1,029

University	Pension enhancements on termination	Onerous Lease/ Dilapidations	Restructuring	Total
	£'000	£'000	£'000	£'000
At 1 August 2022	41	830	30	901
Utilised in year	(41)	(11)	(30)	(82)
Additions/(Release) in 2022/23	58	(52)	204	210
At 31 July 2023	58	767	204	1,029

20 Endowment Reserves - Consolidated & University

Restricted net assets relating to endowments are as follows:

	Restricted Permanent endowments	Year Ended 2023 Total	Year Ended 2022 Total
	£'000	£'000	£'000
Balances at 1 August			
Capital	26	26	26
Accumulated income	0	0	0
	26	26	26
New endowments	0	0	0
Investment income	0	0	0
Expenditure	0	0	0
(Decrease) / increase in market value of investments	0	0	0
Total endowment comprehensive income for the year	0	0	0
At 31 July	26	26	26
Represented by:			
Capital	26	26	26
Accumulated income	0	0	0
	26	26	26
Analysis by type of purpose:			
Prize funds	26	26	26
	26	26	26

NOTES TO THE ACCOUNTS
YEAR ENDED 31 JULY 2023
21 Restricted Reserves - Consolidated & University

Reserves with restrictions are as follows:

Balances at 1 August

New grants	0	0
New donations	0	0
Investment income	0	0
Utilised donations and reserves	0	0
Gain on disposal	0	0
(Decrease) / increase in market value of investments	0	0

Total restricted comprehensive income/(loss) for the year**At 31 July****Analysis of other restricted funds /donations by type of purpose:**

Lectureships	0	0
Scholarships and bursaries	0	0
Research support	0	0
Prize funds	0	0
General	4,588	4,588

At 31 July**22 Investments**

	At 31st July 2023	Cash Flows	At 1st August 2022
	£'000	£'000	£'000
Consolidated and University			
Short-term investments	36,878	578	36,300
	36,878	578	36,300

Short-term investments are held with banks and building societies operating in the London market and licensed by the Financial Services Authority with more than three months maturity at the acquisition date.

NOTES TO THE ACCOUNTS

YEAR ENDED 31 JULY 2023

23 Capital and other commitments

Provision has not been made for the following capital commitments

	Year ended 31 July 2023		Year ended 31 July 2022	
	Consolidated £'000	University £'000	Consolidated £'000	University £'000
Commitments contracted for	4,723	4,723	1,770	1,770
	4,723	4,723	1,770	1,770

24 Lease obligations

Total rentals payable under operating leases:

	Year ended 31 July 2023			31 July 2022
	Land and Buildings £'000	Other leases £'000	Total £'000	£'000
Consolidated & University				
Payable during the year	3,776	141	3,917	3,899
Future minimum lease payments due:				
Not later than 1 year	2,574	152	2,726	2,999
Later than 1 year and not later than 5 years	7,825	204	8,029	7,478
Later than 5 years	17,296	0	17,296	19,079
Total lease payments due	27,695	356	28,051	29,556

Due to service charges varying due to inflation there is no direct correlation between the amounts due not later than 1 year and payments made the following year.

25 Contingent Liabilities

The University is a member of U.M. Association Limited (UMAL), a company limited by guarantee, formed to provide a mutual association for insuring risk. Under the terms of its membership, each member acts as insurer and insured. If the association as a whole suffers a shortfall in any underwriting year, the members are liable for their pro-rated share, spread using a bank facility over seven years. The University is a guarantor, on a joint and several basis, with a bank facility. No liability has yet arisen under this guarantee.

NOTES TO THE ACCOUNTS

YEAR ENDED 31 JULY 2023

26 Pension Costs

Retirement benefits for employees of the University are provided by defined benefit and defined contribution schemes, which are funded by contributions from the University and employees. Payments are made to the Teachers' Pension Scheme for academic staff, the Staffordshire County Council Superannuation Scheme (LGPS) for non-academic staff, Staffordshire University Pension Scheme for Staffordshire University Services Ltd staff, and Nest. These are independently administered schemes.

Total employees and employers contributions to the Teachers' Pension Scheme for 2022/23 were £8,146k (2021/22 £8,615k), Staffordshire University Pension Scheme £3,058k (2021/22 £2,097k) and Nest £83k (2021/22 £61k).

The commitment at 31 July 2023 to the Teachers' Pension Scheme was £661k (2021/22 £687k), Staffordshire University Pension Scheme was £2k (2021/22 £18k) and Nest £7k (2021/22 £6k). These commitments are disclosed in social security and other taxation payable.

Staffordshire University Services Ltd

The pension scheme for Staffordshire University Services Ltd with Aviva is a defined contribution plan, a post employment benefit plan under which Staffordshire University Services Ltd pays fixed contributions into a separate entity and has no legal or constructive obligation to pay further amounts. Obligations for contributions to defined contribution pension plans are recognised as an expense in the income statement in the year during which services are rendered by employees.

Teachers' Pension Scheme

The University is a member of the Teachers' Pension Scheme England and Wales (TPS) for academic and related staff.

The Teachers' Pension Scheme (TPS) is a statutory, contributory, defined benefit scheme, governed by the Teachers' Pension Scheme Regulations 2014.

The TPS is an unfunded scheme to which both the member and employer makes contributions, as a percentage of salary - these contributions are credited to the Exchequer. Retirement and other pension benefits are paid by public funds provided by Parliament.

Valuation of the Teachers' Pension Scheme

The Government Actuary, using normal actuarial principles, conducts a formal actuarial review of the TPS in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014 published by HM Treasury every four years.

The aim of the review is to specify the level of future contributions. Actuarial scheme valuations are dependent on assumptions about the value of future costs, design of benefits and many other factors.

The latest actuarial valuation of the TPS was carried out as at 31 March 2020. The valuation report was published by the Department for Education on 26 October 2023.

The key elements of the valuation and subsequent consultation are:

- employer contribution rates set at 28.6% of pensionable pay (including a 0.08% administration levy).
- total scheme liabilities (pensions currently in payment and the estimated cost of future benefits) for service to the effective date of £262,000 million and notional assets (estimated future contributions together with the notional investments held at the valuation date) of £222,200 million, giving a notional past service deficit of £39,800 million.

The next valuation result is due to be implemented from 1 April 2024.

A copy of the valuation report and supporting documentation is on the Teachers' Pensions website.

Under the definitions set out in FRS 102, the TPS is an unfunded multi-employer pension scheme. The University has accounted for its contributions to the scheme as if it were a defined contribution scheme. The University has set out above the information available on the scheme.

NOTES TO THE ACCOUNTS
YEAR ENDED 31 JULY 2023
26 Pension Costs (Continued)
Staffordshire County Council Superannuation Scheme (LGPS)

The LGPS is a defined benefit statutory scheme, administered in accordance with the Local Government Pension Scheme (Benefits, Membership and Contributions) Regulations 2007, the Local Government Pension Scheme (Administration) Regulations 2008 and the Local Government Pension Scheme (Transitional Provisions) Regulations 2008. It is contracted out of the State Second Pension.

The agreed contribution rates for future years is 23.3% plus additional annual employer contributions, 2022/23 £1,255k (2021/22 - £1,233k). The average contribution rate for employees is 8.6%.

The latest formal valuation of the Fund for the purpose of setting employers' actual contributions was as at 31 March 2022, with the next formal valuation due as at 31 March 2025.

A valuation of the Fund's liabilities as at 31 July 2023 has been undertaken by the Fund's actuary for the purpose of FRS 102 "Retirement Benefits". The following valuation data has been used for the purposes of this disclosure.

The individual membership data submitted as at the 31 March 2022 for the purpose of the funding valuation at that date (or for employers which have joined the Fund after 31 March 2022, membership data as at the date of joining);

The individual pensioner data in respect of LGPS unfunded pensions and teachers' pensions where appropriate;

The latest numbers of employees, deferred pensioners and pensioners;

Actual payroll data information up to the latest available date;

Employer and employee contributions up to the latest available date (in order to estimate contribution income and pensionable payroll for the accounting period this year);

The actual split of the fund assets as at the latest available date;

The actual Fund returns provided up to the latest available date;

Local Government Pension Scheme
Any new early retirements from 1 August 2019 to the latest available date on unreduced pensions which are not anticipated in the normal employer service cost (e.g. non ill-health retirements before the member's benefits can be taken unreduced), as set out in Section 1 of the Results Schedule.

The following information is based upon a full actuarial valuation of the Fund at 31 March 2022.

Changes to the Local Government Pension Scheme (LGPS under regulation 3 of the LGPS (Amendment) Regulations 2006 (statutory Instrument 2006/966) permits employees retiring on or after 6 April 2006 to take an extra increase in their lump sum payment on retirement in exchange for a reduction in their future annual pension.

Commutation

An allowance is included for future retirements to elect to take 50% of the maximum additional tax-free cash up to HMRC limits for the pre-April 2008 service and 75% of the maximum tax-free cash for post-April 2008 service.

The financial assumptions used in the valuation of the Fund's liabilities as at 31 July 2023 are summarised below:

	At 31 July 2023	At 31 July 2022
Rate of increase in salaries	3.50%	3.15%
Rate of increase for pensions	3.00%	2.75%
Discount rate for liabilities	5.05%	3.50%

NOTES TO THE ACCOUNTS
YEAR ENDED 31 JULY 2023
26 Pension Costs (continued)
Sensitivity Analysis

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

Change in assumptions

	At 31 July 2023		At 31 July 2022	
	Approximate % increase to Defined Benefit Obligation	Approximate monetary amount (£000)	Approximate % increase to Defined Benefit Obligation	Approximate monetary amount (£000)
0.1% decrease in Real Discount Rate	2%	3,444	2%	4,590
0.1% increase in the Salary Increase Rate	0%	210	0%	263
1 year increase in member life expectancy	4%	7,843	4%	8,878
0.1% Increase in the Pension Increase (CPI)	2%	3,297	2%	4,352

Consumer Price Inflation (CPI) - Pension Increase Rate

The CPI assumption is derived based on a deduction from the Retail Price Inflation (RPI) assumption, known as the RPI-CPI wedge or gap which is the actuary's estimate of the long term differences between RPI and CPI.

Mortality Assumptions

Life expectancy is based on the Fund's VitaCurves with improvements in line with the CMI2021 model, with a 0% weighting of 2021 (and 2020) data, standard smoothing (Sk7), initial adjustment of 0.25% and a long term rate of improvement of 1.5% p.a. for both males and females.

	Males	Females
Current Pensioners	20.8years	23.9 years
Future Pensioners*	22.3 years	25.4 years

* Figures assume member aged 45 as at the last formal valuation date.

Historic Mortality

Life expectancy for the prior year end is based on the Fund's VitaCurves. The allowance for the future life expectancies are shown below:

NOTES TO THE ACCOUNTS
YEAR ENDED 31 JULY 2023
26 Pensions Cost (continued)

Year Ended	Prospective Pensioners	Pensioners
31 July 2023	CMI 2021 model, with a 0% weighting of 2021 (and 2020) data, standard smoothing (Sk7), initial adjustment of 0.25% and a long term rate of improvement of 1.5% p.a.	CMI 2021 model, with a 0% weighting of 2021 (and 2020) data, standard smoothing (Sk7), initial adjustment of 0.25% and a long term rate of improvement of 1.5% p.a.

The assets in the scheme and the expected rates of return were:

	Proportion of each asset type at 31 July 2023	Value at 31 July 2023 £'000	Proportion of each asset type at 31 July 2022	Value at 31 July 2022 £'000
Equities	68%	161,089	73%	170,773
Bonds	23%	54,486	15%	35,090
Property	7%	16,583	8%	18,715
Cash	2%	4,738	4%	9,357
Total Market Value of Assets		236,896		233,935

	Year ended 31 July 2023 £'000	Year ended 31 July 2022 £'000
Group's estimated asset share	236,896	233,935
Present value of scheme liabilities	(196,087)	(221,945)
Surplus in the scheme	40,809	11,990
Pension surplus not recognised	(40,809)	(11,990)
Pension liability recognised in the consolidated and University balance sheet	0	0

In accordance with FRS102, the Board of Governors have deemed that the surplus should not be recognised and therefore have restricted the asset valuation to £nil. An entity shall recognise a plan surplus as a defined benefit plan asset only to the extent that it is able to recover the surplus either through reduced contributions in the future or through refunds from the plan.

NOTES TO THE ACCOUNTS
YEAR ENDED 31 JULY 2023
26 Pension Costs (continued)**ANALYSIS OF THE AMOUNT CHARGED TO THE INCOME AND EXPENDITURE ACCOUNT**

	Year Ended 31 July 2023 £'000	Year Ended 31 July 2022 £'000
Employer service cost (net of employee contributions)	2,668	5,754
Past service cost	-	-
Curtailed and Settlements	-	-
Total operating cost	2,668	5,754

Analysis of pension finance income/(costs)

	Year Ended 31 July 2023 £'000	Year Ended 31 July 2022 £'000
Expected return on pension scheme assets	8,151	3,746
Interest on pension scheme liabilities	(7,708)	(5,382)
Pension finance income / (costs)	443	(1,636)

Amounts recognised in the Statement of Comprehensive Income & Expenditure (SOCl)

	Year Ended 31 July 2023 £'000	Year Ended 31 July 2022 £'000
Actuarial gain recognised in SOCl	27,009	116,608

Reconciliation of defined benefit obligation

	Year Ended 31 July 2023 £'000	Year Ended 31 July 2022 £'000
Opening Defined Benefit Obligation	221,945	336,337
Current service cost	2,668	5,754
Interest Cost	7,708	5,382
Contributions by Members	718	782
Actuarial Gains	(30,430)	(120,268)
Past Service Costs (including Curtailments)	-	-
Unfunded Benefits Paid	(712)	(716)
Benefits Paid	(5,810)	(5,326)
Closing Defined Benefit Obligation	196,087	221,945

LGPS Funded liabilities comprise of approximately £188m in respect of employee members, deferred pensioners and pensioners and unfunded liability comprise of £8.0m.

Reconciliation of fair value of employer assets

	Year Ended 31 July 2023 £'000	Year Ended 31 July 2022 £'000
Opening Fair Value of Employer Assets	233,935	234,675
Expected Return on Assets	8,151	3,746
Contribution by Members	718	782
Contributions by the Employer	3,323	3,718
Contributions in respect of Unfunded Benefits	712	716
Actuarial (Losses)	(3,421)	(3,660)
Estimated Unfunded Benefits paid	(712)	(716)
Estimated Benefits Paid	(5,810)	(5,326)
Closing Fair Value of Employer Assets	236,896	233,935

NOTES TO THE ACCOUNTS

YEAR ENDED 31 JULY 2023

26 Pension Costs (continued)

Movement in deficit during the year

	Year Ended 31 July 2023 £'000	Year Ended 31 July 2022 £'000
Surplus in scheme as 1 August	11,990	(101,662)
Pension surplus not recognised	(11,990)	0
Pension liability recognised in the consolidated and University balance sheet	0	(101,662)
Movement in year:		
Current service charge	(2,668)	(5,754)
Contributions	3,323	3,718
Contributions in respect of Unfunded Benefits	712	716
Past service costs	0	0
Net interest on assets	443	(1,636)
Actuarial gain	27,009	116,608
Surplus in scheme as 31 July	28,819	11,990
Pension surplus not recognised	(28,819)	(11,990)
Pension liability recognised in the consolidated and University balance sheet	-	-

27 Department for Education (DfE)

	Year Ended 31 July 2023 £'000	Year Ended 31 July 2022 £'000
Student Bursaries		
Opening fund balance	(21)	(20)
Net DfE grants received in year	245	284
Disbursed to students	(183)	(285)
Reclaim/ adjustment	0	0
Balance at 31 July	41	(21)

28 Related Party Transactions

Due 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.

Included with the accounts for the period are transactions between:

Staffordshire University and Staffordshire University Students Union. The University provided a grant of £832k to the Student's Union (2021/22: £867k), and purchases from the Student's Union amounted to £192k (2021/22: £94k), and Sales £2k (2021/22: £nil). The balance outstanding payable to the Students Union amounted to £15k (2021/22: receivable from the Students Union: £1k).

Staffordshire University Academies Trust and Staffordshire University, where a number of Staffordshire University governors/employees are on the board of the Trust. Purchases by the University amounted to £36k (2021/22: £24k) and sales £15k (2021/22: £6k). The balance outstanding payable to the Trust amounted to £5k (2021/22 receivable from the Trust: £4k).



CATALYST FOR CHANGE