



UNIVERSITY OF
WOLVERHAMPTON

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For the Year Ended 31 July 2020

2019 – 2020

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THE UNIVERSITY OF WOLVERHAMPTON

CHANCELLOR

The Lord Paul of Marylebone

BOARD OF GOVERNORS

Membership

Independent Members: Mr B Reid OBE, Chair of the Board
Ms K Carr
Professor M Chambers
Mr N Johal
Ms A Spence
Ms D Leeding
Ms P Dosanjh
Mr J Oatridge OBE
Dr O Adeyemo
Mr G Newport
Mr A Edwards
Ms J Cunningham

Co-opted Members: Dr P Barrow
Dr J Wright

Vice-Chancellor: Professor G Layer

Academic Board Nominee Members:

Mr M Barden
Dr H Morrissey

Student Nominee Members:

Mr A Falana
Mr T Falana

Clerk to the Board of Governors:

Ms S Waters

Banker

Barclays Bank PLC
Queen Square
Wolverhampton
WV1 1TE

Internal Auditor

PricewaterhouseCoopers LLP
Cornwall Court
19 Cornwall Street
Birmingham
B3 2DT

External Auditor

KPMG LLP
One Snow Hill
Snow Hill Queensway
Birmingham

STATEMENT OF PRIMARY RESPONSIBILITIES OF THE BOARD OF GOVERNORS

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

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

REPORT OF THE BOARD OF GOVERNORS

Scope of the Financial Statements

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

The University of Wolverhampton Social Enterprises Limited has a wholly-owned subsidiary, University of Wolverhampton Multi-Academy Trust (formerly Education Central Multi-Academy Trust). In 2019/20 University of Wolverhampton Multi-Academy Trust was in its seventh year of operation and had a turnover of £30M (2018/19 - £32M). The University of Wolverhampton Multi-Academy Trust Board and the University Board of Governors have considered the company's governance and control arrangements during this period and believe that under current accounting standards it should not be consolidated. As accounting standards and the governance of University of Wolverhampton Multi-Academy Trust evolve the position will be kept under review.

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

Review of Financial Performance

The University's Consolidated Statement of Comprehensive Income and Expenditure position for the year to 31 July 2020 is summarised below. The impact of the Local Government Pension Scheme is shown separately in order to highlight the impact that it has on the financial performance of the University.

	2019-20			2018-19		
	Operating Activities £000s	LGPS Adjustments £000s	Total £000s	Operating Activities £000s	LGPS Adjustments £000s	Total £000s
Total Income	181,190	0	181,190	186,549	0	186,549
Total Expenditure	(177,937)	(7,907)	(185,844)	(174,775)	(8,610)	(183,385)
Taxation	0	0	0	(10)	0	(10)
Surplus/(Loss) for the Year	3,253	(7,907)	(4,654)	11,764	(8,610)	3,154

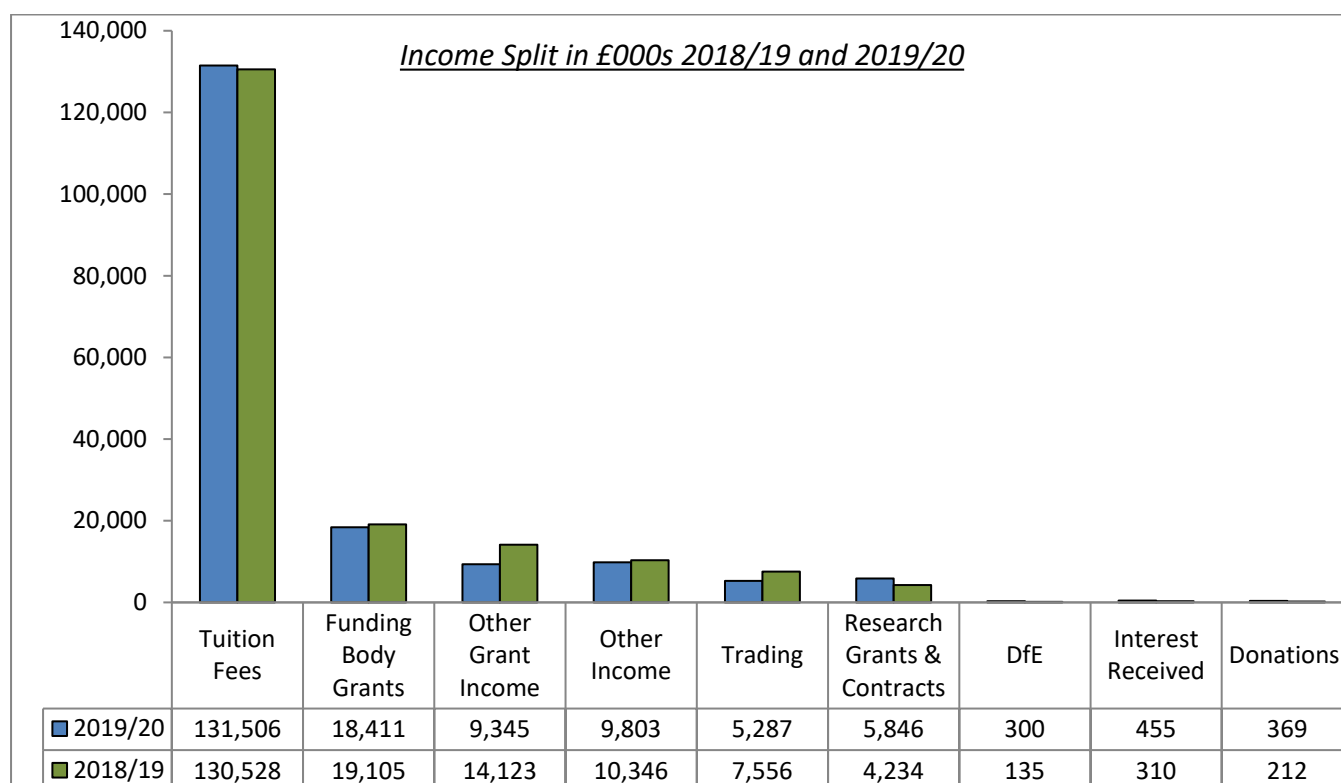
Income

Income has fallen to £181.2M, an overall decrease of 2.8% compared to 2018/19. In part this can be attributed to the impact of COVID-19 and the loss of trading income from conferencing, catering and accommodation. There was also an impact on student recruitment in the later part of the financial year. Capital Grant funding was less than the previous year, but even taking this into account the University would in usual circumstances exceeded the prior year income and returned a surplus.

The impact of COVID-19, meant that although recruitment was actually down on 2018/19 the total tuition fee income actually increased to £131.5M from £130.5M. Although overall student numbers were slightly down on 2018/19,

fee income has remained broadly static due to increased fee levels and a shift in nursing students moving off contract to the standard fee. Full-time undergraduate student recruitment was down by 11.7% in a competitive market. Postgraduate taught student recruitment was up by 13.7% and Postgraduate research had increased by 11.7%.

Overall international numbers were down on 2018/19 by 56%, but with a higher proportion of students electing to study in their own territory rather than coming to the UK to study. Part time recruitment continues to be challenging across the sector and the overall number of part-time students at the University in 2019/20 was 22.5% down on the previous year. The University continues to invest in making improvements to student attrition rates.



Overall funding body grants were slightly down by 4%.

Research Grants and Contracts increased significantly by 38% and is the highest annual turnover that the University has achieved in this area.

Other Income decreased by 5 % compared to the previous year and reflects the loss of trading income due to COVID-19 and a known reduction in Capital Grants.

Expenditure

Overall staff costs increased by £4.9M compared to 2018/19, a 4% rise. The pay rise for the year was agreed at a general 1.85% with higher rates for lower-paid staff. The rest of the increase in staff costs arises from additional pension costs increases due to the latest actuarial valuation of the West Midlands Pension Fund (a £5.7M adjustment) and an annual leave provision of c. £1.1M reflecting untaken leave during 2019/20.

The impact of the pension adjustments under FRS102 has resulted in an increase of £5.7M in staff costs from 2018/19. The current service cost has increased significantly from last year. This is largely due to the increase in the inflation assumption that took place at 31 July 2019, which increased the assumed cost of benefits building up over the year to 31 July 2020.

Other expenses are £4.5M lower than in 2018/19 reflecting the need to reduce expenditure and reduce budgets throughout the year. The underlying depreciation charge has increased by £1.5M reflecting the level of capital investment being undertaken by the University. In particular this highlights the additional investments in laptops and PCs to enable staff to work from home and students to be able to study off-campus during the lockdown imposed as a result of COVID-19.

The headline figure for interest payable is £0.4M higher than prior year spend, due to interest attributable to a loan in Cyber Quarter Limited.

Cash Flow

The consolidated Cash Flow Statement shows a net decrease in cash and cash equivalents of £19.5M (2018/19: decrease of £8.6M). Overall cashflow from operating activities was £8M compared to £5.4M in the previous year. The University made total payments in the year on fixed assets of £38M (2018/19: £30.3M), spent on a range of projects, including the School of Architecture and Built Environment at the Springfield Campus and the Hereford Cyber Security Centre. Investments also included continued spending on the Digital Campus. The University's cash position remains strong with a closing balance of £37.2M and no outstanding bank financing.

Key Future Financial Issues

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

- *The Impact of COVID-19.* The University adopted a three phased approach to operating within the pandemic as follows:
 1. **Recommence** which was identified as immediate
 2. **Recover** which was identified as likely to be the academic year 2020/21
 3. **Revive** which was identified as likely to be 2021 onwards

However there was always a clear recognition that these phases would both overlap and also that the timings could change, and indeed be paused and possibly started again. This was all mapped out within the uncertainty of the pandemic and we have all learned many lessons as part of this process.

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

The safety and wellbeing of our staff and students is our priority and a significant amount of work has been undertaken to ensure a COVID safe return to campus. A 'Business Recovery Group' has been convened which is facilitating a safe return to all University spaces. The Business Recovery Group has been working hard to assist Faculties and Directorates with arrangements for returning to our campuses and Halls of Residence, and has been putting in place measures to minimise the risk of the spread of Coronavirus for those colleagues who have already returned or have never left campus.

In consultation with our Unions and Staff Networks, the Group has created a 'Return to Campus Framework' which consists of a series of guidance documents which have been prepared to support the effective management of risk at both an individual and collective level. These documents set out the expected behaviours on campus in relation to social distancing, general behaviours and our approach to the key elements of health and safety on campus and University Halls of Residence. The Return to Campus Framework consists of the following documents:

Vulnerability and Demographic Risk Assessment: A risk assessment which ensures a consistent approach across the University of Wolverhampton for managing the risk presented to staff identified as being potentially disproportionately affected by COVID-19. The Risk Assessment provides an opportunity for staff to discuss their concerns with their line manager, HR, Occupational Health and/or Health & Safety colleagues.

Equality Impact Assessment: Local Equality Impact Assessment are conducted to assess the impact on staff returning to campus, and the Business Recovery Group are responsible for compiling a University Equality Impact Assessment so we can ensure that no group is disproportionately affected by our Return to Campus measures.

Roles and Responsibilities for Staff and Students: These documents set out the expected behaviours of staff and students in relation to social distancing and general behaviours and good practices, and our approach to the key elements of health and safety on campus. They set out the measures we have introduced around such issues as social distancing in offices, sports facilities, music, retail, entertainment facilities, accommodation, research laboratories and communal spaces, as well as measures relating to face coverings, and the use of facilities such as toilets and shared kitchen areas.

Level of Risk Scheme: The University is adopting a 3 Level of Risk Scheme designed to ensure that we always remain in line with Government and local Public Health Guidance. Each campus will have a risk level which will set down what is required of staff and students. The levels have clear requirements and the current risk level will be published on screens in each building and on the website so that staff and students become familiar with the requirements at each level.

Terms and Conditions of classroom use: A set of Terms and Conditions for the use of our classrooms so lecturers and students have a clear view as to the behaviours required from our students during face-to-face taught sessions.

Student Charter: An enhanced Student Charter which sets down our expectations of students across our campuses.

Tenant Charter: A Charter which sets down our expectations of Tenants across our campuses and the use of our facilities.

E-Package for re-orientation/re-induction: An e-package for staff and students to undertake as part of the return to campus which will form part of our mandatory training.

Covid-19 Case Management Procedure – roles, responsibilities and procedure upon notification of a positive case on campus.

Lockdown Protocols – procedure to be undertaken should the University be subject to local, regional or national restrictions.

It has been essential to establish parameters which those returning to campus must observe in order to protect each other and our families. Government guidelines focus on maintaining social distancing measures, but the Return to Campus Framework also serves to provide additional guidelines aimed at minimising the risk of spread of Coronavirus on campus.

The Business Recovery Group is continuing to monitor national and local guidance, and will put in place any additional enhanced measures which might be appropriate in the circumstances.

Building Layouts and Precautions: A University corporate risk assessment has been undertaken and this forms the basis of our return to Campus. Each Faculty and Directorate has produced a Business Recovery Implementation Plan for areas of return which includes localised risk assessments for their respective areas and associated return to work. In addition to this there is also a review and revision of current activity related risk assessments due to the different ways of working.

Cleaning Methodology: All areas have been subject to a 'deep clean' prior to initial return and the following cleaning regime has been implemented:

Standard everyday clean – this is the type of clean that is undertaken on a daily basis at the University by our housekeeping teams and this will be supplemented dependent on the level of risk the University is operating within.

Touch point cleaning has been re-prioritised to focus on touch points, for example door handles to building entrances, WC facilities, handrails and lift buttons in high footfall areas at busy times of the day. Frequencies will be determined on the level of risk the University is operating within and the activities undertaken in the building and level of occupancy.

Deep clean - this is based on best practice and industry standards. This type of clean is provided after an area has been closed, prior to re-opening or a suspected case / outbreak.

Fogging or equivalent spraying – this type of cleaning will release a fine mist spray of effective cleaning solution into the air which coats every surface as it falls.

The Director of Estates and Facilities has also set down enhanced guidance in respect of the frequency of cleaning throughout the day and enhanced sanitising measures have been put in place. These measures include:

Cleaning has been reprioritised to focus on touchpoints such as door handles, door touch plates to building entrances and toilet facilities, handrails and lift buttons in busy areas at busy times of the day.

Toilets and washrooms will be cleaned more frequently throughout the day.

Cleaning products have been provided to enable work areas and equipment to be cleaned prior to and after use.

Our Estates and Facilities team is working hard to ensure soap and hand sanitiser dispensers are kept fully stocked and working across our campuses.

Signage and Our Approach Everyone is aware of the rules around social distancing and it is essential that we maintain this approach as we return to work on campus. To help us remember the rules we have installed a number of signs within buildings across campus, this includes floor and door signage in addition to free standing signage.

- *Recruitment and Retention of Home and International Students.* Competition remains intense, in particular for full-time undergraduate students. This is happening against a backdrop of falling numbers of 18 year olds and alternative pathways available to school leavers through apprenticeships. International recruitment continues to be challenging. The impact of UKVI controls and increased competition in the international market in the medium term may impact on University plans for growth.
- *Investment and Borrowing.* The University is planning to continue invest in developing and improving facilities for students, new academic provision and research. Despite the level of cash balances and ongoing cash generation, we will need to assess priorities to ensure continued financial stability. The University currently has no long term borrowing. It is essential that the University continues to maintain recruitment in existing courses, meet targets for recruitment to new provision and to target improvements in retention.
- *Loss of access to EU students and EU grant income as a result of Brexit.* Brexit will significantly impact on the University in a number of ways including access to EU research funds, EU student recruitment and the ability to recruit and retain EU staff working for the University. The extent of this impact will depend on the terms of the UK's exit from the EU. The position of EU students is protected until 2020/21, but there is already evidence of reduced numbers applying to study in the UK from the EU. There is also significant uncertainty concerning future access to EU research and structural funds and any government proposals to replace lost income streams.

- *Increases in the Costs of Employment.* Whilst recent pay rises have generally been close to inflation, the costs of employing staff has continued to rise due to increases in pension scheme contributions, auto-enrolment, National Insurance (the removal of contracting out) and the imposition of the apprenticeship levy. Further increases in payments to the Teachers' Pension Scheme during 2019-20, the increased rates and deficit recovery payments to West Midlands Pension Scheme and USS pension scheme are all adding pressures to the cost base. The University is continually looking at ways of managing the increase in its cost base without impacting on the student experience and our capacity to invest for the future.

The Student Experience

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

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

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

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

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

The University continues to offer the travel fund to new UK-funded undergraduate full-time students studying on a University campus. In 2019-20 there were 3,691 eligible students and the following choices were made:

No choice/no longer eligible 235 students

A further 367 chose the travel option but did not activate their accounts by the 31st May 2020 deadline.

Category	Number of Students and Amount	Total
Travel	2092 Students x £300	£627,600
Accommodation	279 Students x £300	£83,700
Donations	47 Students x £50	£2,350
Printer	671 Students x £300	£201,300
Total		£914,950

Access Bursary

The University continues to offer an Access Bursary to new students who are a Care Leaver or a Deaf/hard of hearing student. This is paid through the Student Loans Company on behalf of the University. From 2019-20 this was worth £2000 payable over two years (£1000 each year) and was paid to 17 Care Leavers and 5 Deaf/HOI students.

Dennis Turner Fund As a result of the pandemic the University made available an extra £100k taking the annual budget of the Dennis Turner Opportunities Fund to £730k. To date we have made 945 awards offering support to Care Leavers, Estranged students, Internationals (since lock down), Dyslexia support and emergency loans, accommodation pre-payments with a total spend of almost £673,000. We have also assisted with extra childcare costs where courses have been extended due to COVID, i.e. placements. Our assistance has been crucial here as it has affected many final year students who have gone on to complete their studies and will eventually graduate.

In 2019-2020 the University was awarded £112,000 from Santander to support and enhance students' education and employability. The fund supported students who may be disadvantaged and from a widening participation background. The Santander bursaries gave all students an inclusive experience whether their work experience was in the UK or international. Erasmus + funds of over £300,000 was available for students to access for international work experience and there was additional financial support available for students with limited finances and/or disabilities through Erasmus+.

One of the issues that emerged during the pandemic lockdown period was the lack of IT/WIFI access that some of our students faced following the closure of the University Libraries. A lap top scheme was devised, initially targeting level 6 & 7 students, then all levels enabling them to complete their studies. This has been crucial to our students overall experience. Faculties identified those eligible students and an initial batch of 50 laptops were purchased. An additional 120 laptops have been secured and, to date, a total of 74 laptops have been issued

There has been considerable investment in 2019-20 in the improvement and development of mental health and well-being services. The inclusivity agenda of the university has approached students experiencing mental distress or illness with a specialised service within SSW. The provision of this service was reviewed externally and the re-structure was implemented to improve the service experience. This academic year has seen the recruitment of a Mental Health Nurse in the position of a Mental Health and Well Being Practitioner. Evolving the service further into a multi-disciplinary team and this approach will be beneficial for strengthening the contribution of SSW to the student experience. This is initiative work being undertaken by the university.

The University has continued to invest in the student experience, and following an external review a new restructured Mental Health and Wellbeing team was established to ensure that the service was more accessible. Students can access this service by registering online (24/7 access), while students can now access one-to-one support via telephone, via Microsoft teams and in person (when we return to campus), this leading to a minimal waiting time compared to external support. Together all has also been made available to all staff and students to ensure that students can benefit from enhanced access to wellbeing support when they need it, from wherever they need it.

The Mental Health and Well-Being Team has continued to operate through this academic year to support students, through the impact of COVID-19. With Practitioners provided the resource of laptops and mobile phones Adapting to remote working broadened the reach of the team and the number of students that they have been able to see. The effectiveness of this has reduced the waiting list that at the commencement of 2020 was at 16 weeks and is currently at 1 week. There has also been a reduction in the DNA since the university

Where there was previous limited scope due to resources for students to be seen at various university locations (City and Walsall Campuses), remote and blended services will enable greater access for students to see Practitioners. The results of this will increase equity and efficiency enhancing the student experience throughout the various faculty's and locations.

The multi faith chaplaincy works across the University of Wolverhampton supporting the spiritual and pastoral needs of students as well as the academic, community and civic functions of the University of Wolverhampton.

We began the year on the cricket field with an interfaith match between the University and Walsall for all, we ended it online. Throughout, the student experience has been at the heart of what we do. In 2020 chaplaincy staff were shortlisted for two Vice Chancellor's awards.

Examples of the transition of service delivery

Service	Pre March 20th	COVID-19 period
Pastoral Care	Face to face	Varied communication tools have expanded our one to one reach. Timely and accurate COVID-19 updates, in English, Urdu and Punjabi.
Engagement and publicity	Posters, word of mouth, limited social media	Facebook 7 day reach; week beginning 30/3/20 805, 27/4 964, 28/7 4382 Easter, Vaisakhi, Eid all marked online.
Study, prayer and training	Chaplaincy building or Students Union	Online, students continuing to attend from home. Ramadan support films shared by HE and FE institutions beyond Wolverhampton
Contribution to employability	On campus volunteer opportunities, careers within the Church of England day conference Day training for 1 st year teacher training students 'How to Lead a Visit to a Place of Worship'	3 students arranging placements for 2020/1 to develop 'multi faith chaplaincy online'. Faith communities producing information films for students
Closing BAME awarding gap	Supporting Muslim students taking exams during Ramadan, single training event with one chaplain	Replaced by online films accessible at any time. Worked with Academic Coaches to expand offer
Community outreach	Relationships with community partners led to free delivery of Hate Crime Awareness, invitations to represent the University of Wolverhampton at Holocaust Memorial Day in Walsall, on Radio Ramadan as	A process of review has taken place during lockdown, partnership events will be delivered in a safe blended style. An online Advent event is being planned involved departments including STEM Outreach,

	well as talks in various faith communities.	English, and Music and partners. Partners, University of Wolverhampton Multi Academy Trust, Lichfield Cathedral and Black Country Just Finance.
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We are continuing to invest in the student experience: an ongoing programme of updating classroom technologies, teaching, learning and social spaces. We have significantly increased the number of learning spaces equipped with capture technology — enabling students to review and replay taught sessions — and with the new Virtual Learning Environment (VLE), Canvas, which enables all students to benefit from enhanced access to learning materials, and provide new opportunities for teaching staff to be innovative in their practice.

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

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

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

Student Numbers

In 2019/20 the University enrolled 20,768 students (2018/19 22,553), comprising 15,415 full time and sandwich students (2018/19 15,239) and 5,353 part time students (2018/19 6,913). Recruitment and retention continues to be one of the University’s key corporate priorities. The following tables provide further breakdowns of the University’s student population in 2019/20.

Home, EU and Overseas numbers	2019/20	2018/19
Home	18,582	18,361
EU	444	217
Overseas	1,742	3,975
Grand Total	20,768	22,553

Level of Study	2019/20	2018/19
Foundation	227	495
Undergraduate	15,721	17,812
Postgraduate taught	4,344	3,820
Postgraduate research	476	426
Grand Total	20,768	22,553

Campus Development

In the changing higher education landscape, the University of Wolverhampton recognises that its campuses are a vital element in the delivery of an excellent student experience. The University seeks to consolidate what is good about the existing campuses and to create a vibrant, friendly place to study, work and live. The University is committed to maintaining and improving the quality of its physical estate and providing facilities to support high quality and innovative teaching and learning, research facilities and social learning spaces for students and staff. In support of this, the University will continue with its plan with several development opportunities under consideration. This will see projects with new investment from the 2020-2021 budget year whilst other projects are a continuation of the 2019-2020 plan, some of which were delayed due to the impacts of COVID 19. Indicators of success include:

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

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

Well considered and leading edge learning and teaching facilities;

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

Positive feedback from recognised survey data, such as NSS.

Condition of the Estate

The University of Wolverhampton commissioned chartered surveyors to undertake a Condition and Legislative Compliance Audit which has been regularly updated. This survey, together with building services surveys, is used to promote an active asset management approach to the estate. These are utilised to inform and plan annual maintenance programmes, and coupled with the University's Strategy helps to set the parameters and requirements upon which the Estates Strategy is developed. The condition of the core university academic estate continues to be in line with the sector norm.

Functional suitability

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

Space Utilisation

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

Information is gathered from the physical space audit of the occupancy of centrally timetabled space which continues to be carried out on an annual basis. This information is used as the evidence base for the Estates Management Record return to HESA. The space audit carried out for 2018/19 has recorded a 1% drop in the utilisation ratio percentage return to 20 % which is 1% less than the sector (Post 92) median.

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

Carbon Management

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

Actual emissions for the 2018-19 financial year indicate that the University has achieved its set target in advance of 2020. In addition, the University has achieved a 49% reduction against the 2007/08 CMP baseline and an overall reduction of 51% against the HEFCE baseline year of 2005/06, a continuation of positive year on year position. The University exceeded its 2018/19 CMP carbon reduction target by 1,411 Tonnes of CO₂ this means we have achieved our HEFCE 2020 carbon reduction target by 51% (HEFCE Baseline) and 49% (UOW Baseline). The University will continue to work on further improving its reduction of carbon emissions.

Sustainability & Environmental Management

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

Through our re-negotiated waste contract, we have been able to recycle the following: mixed glass 4.29 tonnes mixed glass; 25.72 tonnes cardboard; 18.23 tonnes food waste. The Carbon saving this generates is equal to 41 cars being off the road for one year, 376 planted trees over their lifetimes, 66 UK homes powered for one year, 1900 flights from London to Paris per person. Our preferred transport supplier for bus manufacturers takes the entire vehicle life-cycle into consideration, with 80% of the parts being completely recyclable.

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

Cashless systems are being introduced at all sites for academic year 2020/21 this will see further carbon reduction as money has previously been collected daily, and when followed it is alarming how much this travels from local sorting centres to banks and returns when change is required.

Estates Strategy and Capital Programme

Development across all of the University's campuses continues in support of the University's Strategic Plan. Current major projects and initiatives include: continued development of the University's 12-acre Springfield Brewery site in Wolverhampton City Centre; the West Midlands Construction UTC has been completed and is in the process of developing an extension to their school. The school has transferred to the Thomas Telford Academy, this will see children from the age of eleven being taught in this facility.

The Elite Centre for Manufacturing Skills (ECMS) Hub is up and running whilst work continues on the £45m development of the new School of Architecture & Built Environment (SOABE) which will be completed at the end of August 2020, this project has experienced a three month delay due to the impacts of COVID19 Pandemic.

There is continued development of the infrastructure across the Springfield site which will support further future developments. One of these is proposed to be the National Centre for Brownfield Research; through the West Midlands Combined Authorities, discussions have been ongoing and the funding to progress this project is being finalised at circa £14,895. Discussions regarding further strategic development opportunities for this site continue.

The £9M construction project for the Centre for Cyber Security in Hereford in conjunction with Herefordshire Council is expected to complete by October 2020 again this has seen a delay due to the impacts COVID19 Pandemic. The new Centre will offer specialist support to cyber businesses and advanced training and consultancy services designed specifically to tackle threats in cyberspace. The new Centre will also offer high quality research facilities as well as providing office space for cyber businesses.

Telford Campus is receiving additional investment of £5M to further develop the Healthcare provision on this campus, this project will assist in creating a significant presence and identity to train and deliver the workforce requirements across the health, allied health and social care sectors in the region. The facility will cover a range of subject disciplines –focusing initially on nursing and paramedic science – the project will provide state of art facilities that befit a centre of excellence that meets the needs to key employers and help address fundamental economic and social challenges outlined in the Marches.

Several projects and the associated funding have been identified, however these projects are on hold at RIBA stage 4 (Full design completed) until we have a full understating of the economic impact of COVID 19 on the student numbers for academic year 2020-21. The projects are focused around the academic delivery, and improving the Universities positioning within these specific areas.

Walsall has also received investment which has resulted in improved facilities associated to Bio-mechanics and the provision of a climate-controlled chamber. In addition, the William Penny Brookes Building external facade has receive a light makeover, and critical window replacements. In addition the refurbishment and extension of the Walsall Judo Facilities is being reviewed due to the cost implications brought about by COVID-19.

There has been and continues to be considerable investment in improving facilities for students including learning and teaching spaces across all campuses. The result has seen a rolling programme of upgrades across all centrally bookable areas of AV/IT where necessary.

Payment of Creditors

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

Equality and Diversity

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

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

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

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

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

In 2019/20 we secured our Athena SWAN Bronze Award from Advance HE for our work on gender equality, and successfully developed the University's first ever Race Equality Action Plan. Whilst coronavirus disrupted our programme of equality and diversity events, we successfully organised events for Black History Month and LGBT History Month, and held a virtual talk to celebrate Windrush Day.

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

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

Employment of Disabled Persons

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

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

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

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

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

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

Employee Involvement

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

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

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

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

Development Strategy

Philanthropic fundraising and alumni activity within the Higher Education sector is measured by the CASE-Ross survey each year. It tracks charitable donations to institutions based on a number of variables which include; new funds received, cash income received, largest cash gift, number of donors, averaging fundraising costs per pound received and average number of fundraising staff and distributes institutions into one of 6 clusters. Consistent with previous years the University of Wolverhampton has continued to consolidate its national position sitting within the 'Emerging' cluster which comprises of 26 institutions.

Donated Income 2019-2020

Fundraising and alumni relations activity has again focused on key high-profile projects in the 2019-20 year. A number of these projects will remain at the forefront of the fundraising agenda, however a new Engagement and Fundraising strategy is being developed for 2020 and beyond, given the possible impact of COVID-19 on individuals, trusts and foundations and corporates.

Areas of focus in 2019-20 included, Springfield Campus, the School of Engineering, Wolverhampton Racing (UWR), and the Centre for Sikh and Panjabi studies. Student centred fundraising has been around scholarships, prizes and bursaries, while research supported included Brain Tumour research and Pancreatic Cancer.

Major gifts in 2019-20 include the continued support of our Chancellor Lord Paul, who donated the second instalment of £150,000 in memory of his son Angad Paul. Other projects receiving major donations were, UWR with a donation of £50,000 and Springfield Campus receiving £49,438.

Knowledge Transfer

The University of Wolverhampton continues to be a major provider of Knowledge Exchange and Innovation services with business and the wider community, predominately in the West Midlands but also nationally and internationally. It is recognised within the Higher Education sector as being actively engaged in working with industry, demonstrated by the number of Knowledge Transfer activities delivered through KTP (Knowledge Transfer Partnerships), ERDF-funded support projects, Degree Apprenticeship programmes and significant projects with Local Enterprise

Partnerships which assist businesses to adopt new technologies, improve productivity, upskill their workforce and create new jobs.

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

The University delivers enterprise activities in the Black Country, Telford & Wrekin, Shropshire, Stafford and Herefordshire. It continues to lead the University of Wolverhampton Science Park (UoWSP), which alongside its 100 plus existing tenants across the Creative and Technology sectors, saw the opening of a new Science Centre late in 2018 and is now home to tenant companies in the life sciences automotive and aerospace sectors, and provides a new approach to commercialisation and spinout activity. Knowledge transfer, business innovation and incubation activities are delivered primarily to the business community from UoWSP, Telford Innovation Campus and Hereford Enterprise Zone, with support from Lifelong Learning Centres in Stafford & Telford.

The University has a number of centres that provide services to individuals and businesses for business start-up and incubation, including: and ICT business incubator (e-Innovation Centre), business grow-on space (Business and Technology Centre), a Creative Industries incubator for business (SP/ARK), a Student/Graduate business incubator (SP/ACE) as well as facilitating University of Wolverhampton graduate start-up businesses through the SPEED programme. The University continues to be successful in attracting both revenue and capital public sector funding to part fund many of these activities with support from Local Growth Funding and EU Structural Funding.

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

During the Covid-19 pandemic the University's Business School established a Covid-19 Business Support Hub, providing guidance to help businesses adapt and recover during the crisis. Drawing on the knowledge and expertise of academics a series of eClinics, podcasts and blogs have been shared with regional business to assist with HR, finance, leadership and resilience. In addition the University generated over £10k through fundraising to produce PPE equipment for local care homes and NHS providers.

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

Key Performance Indicators (KPIs)

In 2016 the Board of Governors adopted eleven Key Performance Indicators that have allowed us to measure our performance against the University's current Strategic Plan and monitor the overall health of the Institution across a range of activities including student population, achievement, employability and satisfaction; research and business engagement; our staff and culture; financial health; campus and wider impact. In alignment with our Risk

Management process we adopted the 'RAG' (Red, Amber and Green) rated scoring system to indicate the status and direction of travel of each indicator.

We are currently preparing our new Strategic Plan 2030 that will delineate our vision of the University over the next ten years. With the two key themes of inclusive student success and place at its core, our new strategy aims to cement our position as the University of Opportunity, ensuring our vision and ethos remain clear whilst allowing the flexibility and agility to enable us to evolve and meet the challenges we face over the next decade. Once launched, we will then develop a series of sub-strategies and key enablers to drive forward our goals and objectives. Alongside this we will adopt a new set of key indicators to measure the Institution's health and performance going forwards. As currently these will continue to be formally communicated to Governors via the relevant University Committee, with ongoing performance reviews being conducted regularly throughout the year.

Key performance indicators achieving an above benchmark performance level during the 2019-20 cycle include:-

- *Our Students' Satisfaction* – according to the National Student Survey 2020 results, the University remains above sector in seven of the ten categories. In particular, we have achieved increases for key areas which are critical to the student experience, demonstrating that we continue to listen to students' feedback and provide them with the support and experience they need to succeed. Both Learning Resources and Learning Community have continued on their upward trajectory reflecting the investment we have committed to both of those areas in terms of the physical and digital learning environment. Both categories have improved more than the sector and remain above benchmark and sector average, as have Student Voice and Teaching on My Course. We are currently consulting with students on the Student Campus Project and through this we will be focusing on student needs, endeavouring to make better use of technology and attempting to reduce the number of 'physical' points of service to provide potentially a single point of information for students wherever they are based. This exemplifies one of a portfolio of strategic projects designed to drive sustainable improvements to our performance and our students' satisfaction.
- *Our Campus* – the University remains committed to investing in new developments, refurbishments and updating our facilities (with particular emphasis on teaching, learning and social learning spaces) to ensure the enhancement of the student experience and surpass sector benchmarks. January 2020 saw the official opening of our new £4.8 million nursing and health lab facilities in Sister Dora Building at Walsall Campus, complementing our newly refurbished William Penny Brookes Building which showcases the latest sports science and research equipment on offer in the Human Movement Laboratory. We are also nearing the completion of two further significant investments with the new School of Architecture and Built Environment building (on the Springfield Campus) along with the Midlands Centre for Cyber Security building at Hereford. We recently secured £14.9 million of funding from the Government's Get Building Fund to develop a National Brownfield Institute to research and develop new sustainable construction methods and ways of regenerating contaminated land, delivering new skills, jobs and opportunities for local people in the City. The University's Walsall Campus is also set to host Team Wales for the 2022 Birmingham Commonwealth Games. We have also agreed a new partnership with Sandwell Council centred around the new Sandwell Aquatics Centre which will provide a world-class leisure facility and maximise opportunities for staff and students.
- *Our Student Population* – the 2019-20 academic year did see a reduction in our population with 20,768 students (compared to 22,553 in 2018-19). This was largely as a result of the repercussions of Covid-19 as we were unable to recruit during Semester Two as normal, negatively impacting our overall International new entrant numbers, along with expected growth in part-time, research and health related courses. As part of the 2020-21 recommence stage of our futureproofing programme, we are introducing a new academic calendar with multiple start dates and a blended learning approach. We will plan for new provision and investments in academic growth to meet the changing economic and social needs, including those relevant to both Brexit and recovery from Covid-19. At the same time, as the University of Opportunity it is strategically important to us that we maximise opportunities for all under-represented groups, exceeding

our benchmark or sector average in all areas of access is therefore a key performance indicator. We consistently perform above sector average in the intake of students from low socio-economic backgrounds, and for students from low participation neighbourhoods. A similar picture is evident for mature and part-time students. We continue to work towards the eradication of gaps in continuation and attainment between students from different socio-economic backgrounds, and between ethnicities, a cornerstone of our Access and Participation Strategy moving forward. We have recently submitted our Race Equality Action plan, developed over the past three years, to Advance HE as part of our application for a Race Equality Charter Bronze Award. We also continue to drive forwards the Enterprise and Employability Strategy to provide our students and graduates with the opportunities, skills and competencies they need to maximise their potential.

We are proud to hold a Silver award as part of the Teaching Excellence Framework assessment. This award recognises that the University delivers provision that is of high quality and consistently exceeds the rigorous national quality requirements for UK higher education with most students achieving excellent outcomes.

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

Risk Management

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

The 2019-20 academic period has seen further enhancements to our approach to Risk Management as we change the way we assess and monitor risk in order to more fluidly ensure new risks are effectively captured and discussed, facilitating the reduction and eventual removal of residual risks.

Developments to date include:- carrying out an assessment of the impact of each of the OfS registration conditions on all areas and assigning a risk category for each risk; holding feedback sessions with senior management across the Institution to review all corporate and local risks; using the Professional Services Group as a forum in which local risk registers are discussed to encourage dissemination of best practice and ensure the impact of multiple low level risks occurring concurrently is considered; presenting an abridged version of the Corporate Risk Register to the Board of Governors which focussed on the known and potential impact of Covid-19 to the University's core activities with new mitigations put in place to control the additional contributing factors; introducing a three level approach to categorising and managing risks across the Institution.

The next phase of work, in collaboration with our Internal Auditors, will include proposing risk appetites and strategies for each risk category; agreeing target dates for reducing risks to the agreed level; and producing an overarching Risk Management Strategy. Developments will be overseen by the newly formed Risk and Business Continuity Group.

Current and Future Key Risks & Issues

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

1. *Reduced recruitment of Home and International Students* - the financial health and performance of the University has become steadily more reliant on buoyant student recruitment and increased retention levels to boost fee income and investment opportunities. Challenges include market forces amplifying competitive behaviour, visa and travel restrictions for international students and uncertainty as a result of coronavirus. Established mitigations and continued investment in our admissions and recruitment processes continue, led by the PVC International and External Engagement Directorate.
2. *Failure of Faculties and Directorates to successfully balance their budgets* - We have embarked on a journey to futureproof the University in a very challenging climate, married with a three year Reconnect, Recovery and Revival programme. Financial restrictions have been imposed on Faculties and Directorates as a result for which enhanced procedures, performance reviews and financial modelling have been introduced to manage the impact on the University's financial position.
3. *Student expectations are not met, student satisfaction and retention levels decrease* – We are acutely aware of how internal and external forces may detrimentally affect our students satisfaction levels including our potential inability to offer effective blended learning, teaching and robust assessment practices; negative impacts caused by internal restructuring or introduction of new processes together with global political changes impacting the sector. A number of improvements to induction, student transition processes and student support measures are in place with continued investment in learning and teaching initiatives. Challenger groups are in place to share good practice and challenge poorly performing areas, with actions monitored via the University Academic Committee, led by our DVC Academic.
4. *Student Support and Welfare provision is not fit for purpose* – we are continually and holistically reviewing our support and welfare mechanisms to ensure all students (particularly those who are more vulnerable) receive a positive experience and do not suffer negative impacts to their health or academic performance. Monitoring is carried out at both Faculty level and via the Student Experience Committee. The Directorate of Student and Academic Support enhanced the Student Mental Health and Wellbeing Support Service with a new 247 digital self-help resource and enhance guidance launched during 2019-20.
5. *Negative impacts on staff morale and wellbeing* – the volume of change within the sector, from both internal and external factors, is a key risk to the engagement and mental health of our staff base. Human Resources have implemented a Workforce Development Strategy, Staff Engagement Policy, re-structuring plan and culture change programme to mitigate this - with regular communication to staff and promotion of mental health and wellbeing support services including a new 247 digital self-help resource and enhanced guidance.
6. *Non-compliance with Health & Safety Laws and Regulations* – we have robust and well established mechanisms in place to manage health and safety within the organisation, ensuring we do not breach national or international legislation thus incurring prosecution or sanctions by regulators. This includes the specialist advice, guidance and training provided by our H&S Department with an annual programme of audits and assurance reports monitored by the University's H&S Committee.
7. *Ineffective response to Major Disruptions, Operational Damage, Infrastructure Damage and/or Staff or Student related Critical Incidents* – the University's Major Incident Plan is in place and reviewed regularly along with specific response plans (e.g. COVID-19, Influenza Pandemic; Communicable Diseases) and critical function business continuity plans at Faculty and Directorate level, all with on-going training

programmes. Government policies and statutory regulations are closely monitored and we have continual improvements and upgrading of building life support, fire detection and emergency systems.

8. *Vulnerability to external cyber related threats* – ensuring our operating systems are safe and secure is paramount in avoiding a disruption or failure of our key services and activities through unauthorised attacks. Digital Services regularly back up central systems, oversee the physical protection of our server rooms, and ensure anti-virus and firewall software is in place and offer training and guidance to staff and students. Internal and independent audit action plans are in train with progress monitored.

9. *Inappropriate access to University Systems, Resources and Data* – our final red risk at present concerns potential IT security failures that result in data and compliance breaches and cause disruption to normal services. Our IT Security Programme has been implemented and embedded with all University laptops and desktops now fully encrypted, supported by clear policies and appropriate training for all staff (including advice regarding our data quality processes and regulatory requirements). Senior Information Risk Officer roles are also established within key business areas.

Conclusion

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

We continue to deliver employability results at record levels, and recently released NSS scores show we have maintained our position against the rest of the sector. The overall financial health of the University remains in a good position but the University is reviewing its structure through a Future Proofing Board to ensure that this position is protected. Cash balances remain strong enabling continued investment in state-of-the-art facilities.

The University is developing an ambitious capital programme for delivery over the next few years and will continue to invest in the student experience.

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

Approved by the Board of Governors on 25th November 2020 and signed on its behalf by:



B.L Reid OBE

Chairman of the Board of Governors

PUBLIC BENEFIT STATEMENT

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

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

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

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

The University is committed to advancing the education of individuals from across the Black Country, West Midlands, UK and beyond and to providing a broad range of educational opportunities focused on making a real difference to the lives of individuals, communities and businesses. In 2016/17 the University launched its new Strategic Plan 2016-2021. This new plan centres on three key pillars for University activity:

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

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

Opportunity: social inclusion and social change

The University of Wolverhampton is known as the University of Opportunity, promoting social mobility and improving individual life chances within the communities in which it operates. During 2019/20 the University continued its widening participation work for under-represented groups. This work featured significantly in the University's annual Access Agreement with the Office of Fair Access.

Throughout 2019/20, the University continued its commitment to being a key player in raising aspirations and skills levels within the region through its work with schools, colleges, adult education, employers and the community. This is evidenced by a number of activities undertaken during the last academic year, all aimed at social inclusion and social change. Examples of such work are:

- The continued delivery of the National Collaborative Outreach Project funded by OfS. This programme is targeted at young people in areas where progression to higher education is at a lower rate than would be expected compared to the rest of the country.
- The continuation of a scheme aimed at encouraging more Looked after Children into Higher Education. The University works with three Local Authority 'Virtual Schools', co-ordinating research and delivering a dedicated mentoring programme for Looked After Children;
- The University's business start-up programme – Supporting the Unsung Hero – has been awarded further sponsorship. The programme is tailored to meet the needs of Armed Forces families, offering them the opportunities and advice in relation to business management and self-employment;

- The University continues to work on the development of Learning Cities and Regions; the project will develop and sustain a network of stakeholders across the public, private and third sectors creating impact across the region and developing a culture where learning - whether at home, work, in formal educational institutions or in civic life - is widely accessible by all and transformational for our communities.
- The University's entrant profile continues to exceed the national benchmarks on all widening participation measures (state school, lower socio-economic groups, and low participation neighbourhoods).
- For the last three years, students from the University's Law School working with the welfare benefits office in Wolverhampton City Council have provided representation to disabled and vulnerable people when they challenge the Department of Work and Pensions over benefits including Employment and Support Allowance and Personal Independence Payments. In that time, they have supported more than 300 appeals and helped secure over £1.5m which people in Wolverhampton may otherwise have missed out on.
- Further beneficiaries of the University's work over the last year have been children from primary school age upwards throughout the region, as part of the University's objective to improve the performance of schools within the Black Country. The University recognises the key role it plays in raising aspirations amongst those who are from groups underrepresented in Higher Education and has a programme of outreach and inreach activities with schools and colleges, designed to raise both aspiration and attainment. The University demonstrates this commitment through its new Schools Engagement Strategy, which envisages holistic and joined-up engagement with academies, trusts and schools to improve the performance of schools in the region and contribute to the economic growth of the area through raising skills levels. The University has continued to deliver this in 2019/20 through a number of activities, including:
- Through the University of Wolverhampton Multi-Academy Trust, the University sponsors 12 academy schools in the region, at both primary and secondary levels. We also sponsor 2 University Technical Colleges (UTCs) through the University of Wolverhampton Social Enterprise Ltd.
- Continuation of the Black Country Children's University (BCCU), which is part of the national Children's University Trust. During 2019/20 the number of schools and young people involved continued to grow.
- Continuation of Sci Fest, a festival to spark interest in Science, Technology, Engineering and Maths (STEM). The festival plays host to school pupils of all ages from around the region ranging from those studying STEM subjects at primary school, GCSE, A Level and BTEC levels. This includes a family day offering a range of free workshops, experiments, games and drop-in activities – all designed to bring STEM subjects to life

Research

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

In 2019/20, we have focused on finalising preparations for the forthcoming Research Excellence Framework – REF2021. We will submit over 300 staff in 17 Units of Assessment, over 750 outputs and 43 Impact Case Studies. Our Institutional Code of Practice was approved by the Funding Bodies in August 2019. Preliminary equality impact assessments show that our submission will be much more inclusive than previous ones, including submitting a greater number and proportion of women, BAME staff and staff with disabilities.

COVID-19 has brought many challenges for research as most research laboratories and studios closed, public engagement events and conferences were cancelled or postponed and some funding streams discontinued. Our research community rose to these challenges and made many important contributions to alleviating the impact of the pandemic including:

- The Institute of Community Research and Development (ICRD) has secured the project from the West Midlands Combined Authority (WMCA) Public Service Reform Directorate that is looking to evidence the innovation and enterprise shown by the West Midlands local community in response to COVID-19.
- Professor John Traxler and the University's Education Observatory in the Faculty of Education, Health and Wellbeing are working with the EdTech Hub, to help governments around the world combat the educational challenges produced by the current pandemic.
- A team of researchers at the University of Wolverhampton, Free University (Netherlands) and the Meertens Institute (Netherlands) launched online surveys to understand the impact of fake news on the general public in the UK and in the Netherlands during the COVID-19 crisis.
- Scientists have developed proof-of-concept for a novel biocompatible nasopharyngeal swab that can navigate through the nasal cavity with significantly less stress on the surrounding tissues and can be 3D printed on demand.
- We have provided a PCR machine from our labs to help the national testing effort, and manufactured and donated PPE to local and regional health and care organisations. Research students in health and pharmacy joined frontline workers during the national lockdown.
- The Doctoral College moved all training and development for research staff and students as well as all doctoral examinations (viva voce exams) online. Our Annual Research Conference and Researcher Development Week was delivered virtually and opened to attendees from other universities, resulting in over 500 attendees.

In 2019/20, research income totalled £5.8M which represents a 38% increase on 2018/18 (£4.2M). Notable funding successes included three Marie Skłodowska-Curie fellowships, a DFID-funded 4 year programme on 'Better Social Assistance in Crises' in collaboration with IDS Sussex, and Innovate UK funding for a start-up developing an intelligent decentralised data management platform as well as research into modern methods of construction.

Other highlights of the University's range of research achievements in 2019/20 include:

- The Statistical Cybermetrics Research Group in the Research Institute for Information and Language Processing continues to be the highest-ranked UK University in the Library and Information Science subject area of the Academic Ranking of World Universities (ARWU), also known as the Shanghai Ranking.
- Research by staff in engineering was used by the UK Parliament in a POST report on 3D printing in bio-medicine.

- We have appointed seven professors of medicine, who work on research addressing problems such as anaemia in pregnancy, coronary syndrome pathophysiology, and inflammatory bowel disease and optimising health service delivery in perinatal and neonatal care.
- Professor Peter Walton was named by a law media company amongst the top global experts in insolvency and restructuring.
- An interdisciplinary team of researchers completed a 4 year project into mindful design solutions that socially engage people with dementia, which resulted among other outputs in four co-designed product, a booklet containing mindfulness exercises, a digital platform for social interaction and a discussion tool.
- Dr Rob Francis, an early career researcher in English, became the Black Country Geological Society's first ever Poet in Residence.

External engagement: Enterprise & Employability

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

In the new Graduate Outcomes Survey conducted 15 months after graduation, 90.6% of our 2018 UK-domiciled Undergraduate students were in employment and/or further study*. (**This is the percentage of graduates in employment and/or further study from those in employment, study or unemployed as defined by the Most Important Activity field in the survey.*)

For these graduates and those in employment within the UK and where the region of employment was known, 80% were working in the West Midlands.

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

Since January 2016, the 'Enterprise Action/SPEED' project has assisted 552 individuals to be enterprise-ready and 292 businesses have been supported with non-financial and financial support across the Black Country and Marches area. Working as a part of the Midlands Enterprise Universities we are committed to driving productivity and growth across the Midlands through skills, innovation and enterprise.

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

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

- Encouraging students to participate in "Volunteer Central" programme that offers students the opportunity to improve their employability through supporting charitable causes in the community and local charities that matter to them. Close to 1,000 students took part in the last academic year through this programme.
- Career Development Week, is a dedicated programme of events and activities held every year in Semester 2 designed to help students build new skills and gain accreditations aiding their personal development and job prospects after graduation.
- International work and study opportunities supported through the Erasmus+ funding to develop their global outlook.
- Offering work experience placement for students and graduates of the University through our many schemes; for example, our continued working relationship with a number of professional football clubs and suppliers has resulted in internship opportunities.
- Offering a scholarship and placement scheme in conjunction with Santander.
- All graduates for Class of 2020 have been offered, bespoke, one-to-one careers development support with a Careers Development Consultant to help them cope with the unprecedented situation in which they have found themselves.
- The Challenge Academy - a hybrid short-term business/ academia collaboration project empowering students to address real -life -'business ----challenges' Page20 through the application of their theoretical knowledge.
- Offering Knowledge Transfer Partnerships (KTPs), a three-way partnership between a graduate, a company and the University where a full-time skilled graduate is employed in a company and gains practical employment experience.

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

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

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

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

CORPORATE GOVERNANCE STATEMENT

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

A full review of governance has been undertaken by the Board of Governors and a new committee structure will become effective for the 2020/21 academic year.

The Governing Body

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

The roles of the Chair and Deputy Chair of the Board of Governors are separated from the role of the University’s designated Accountable Officer, the Vice-Chancellor. The matters reserved specifically to the Board of Governors for decisions are set out in the Education Reform Act 1988, the Articles of Government of the University and under the Office for Students terms and conditions of funding for higher education institutions in conjunction with the terms and conditions of Research England grant.

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

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

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

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

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

Audit Committee

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

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

Equality and Diversity Joint Committee

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

Planning and Resources Committee

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

Governors' Estates Sub-Committee

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

Nominations Committee

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

Remuneration Committee

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

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

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

Student and Academic Affairs Committee

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

As noted earlier a new Committee structure is being implemented during 2020-21.

Internal Control

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

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

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

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

Governors are satisfied internal control processes have been in place throughout the year to 31 July 2019 and up to the date of signing these accounts.

Going Concern

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

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

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

The University has a strong cash position at year end, with no outstanding bank debt and a healthy reserves position. The University adopts a prudent approach to investment of cash balances, placing deposits with institutions with a Fitch long term rating of "A", and limiting total amounts deposited with a single institution.

The University is budgeting for a deficit in 2020/21 and has included budget provision for planned capital and revenue developments. The University will continue to maintain pressure on pay and non-pay expenditure to ensure financial sustainability. The University is looking to reduce overall support costs over the coming year, whilst maintaining and enhancing the student experience. Financial forecasts covering a 5 year period are produced for the Board at least annually, the latest in July 2019. A revised 5 year forecast for OfS will be produced in early 2021, when more certainty around student recruitment is known. The Board believes that, despite intensifying competition for undergraduate and international students, projections indicate that University is well placed to manage its business risks successfully.

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

STATEMENT OF THE BOARD OF GOVERNORS' RESPONSIBILITIES

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

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

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

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

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

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

The Board of Governors are also responsible for ensuring that:

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

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

INDEPENDENT AUDITOR'S REPORT TO BOARD OF GOVERNORS

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Opinion

We have audited the financial statements of University of Wolverhampton ("the University") for the year ended 31 July 2020 which comprise the Consolidated and University Balance Sheets, the Consolidated and University Statements of Comprehensive Income and Expenditure, the Consolidated and University Statements of Changes in Reserves, the Consolidated Cash Flow Statement and related notes, including the statement of accounting policies.

In our opinion the financial statements:

- give a true and fair view of the state of the Group's and the University's affairs as at 31 July 2020, and of the Group's and the University's income and expenditure, gains and losses and changes in reserves, and of the Group's cash flows, for the year then ended;
- have been properly prepared in accordance with UK accounting standards, including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland*, and with the 2019 *Statement of Recommended Practice – Accounting for Further and Higher Education*; and
- meet the requirements of the Accounts Direction dated 25 October 2019 issued by the Office for Students.

Basis for opinion

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

Going concern

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

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

However, as we cannot predict all future events or conditions and as subsequent events may result in outcomes that are inconsistent with judgements that were reasonable at the time they were made, the absence of reference to a material uncertainty in this auditor's report is not a guarantee that the Group or the University will continue in operation.

Other information

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

Our responsibility is to read the other information and, in doing so, consider whether, based on our financial statements audit work, the information therein is materially misstated or inconsistent with the financial statements or our audit knowledge. Based solely on that work, we have not identified material misstatements in the other information.

Board of Governors' responsibilities

As explained more fully in their statement set out on page 33, the Board of Governors is responsible for: the preparation of the financial statements and for being satisfied that they give a true and fair view; such internal control as it determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error; assessing the Group and parent University's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and using the going concern basis of accounting unless it either intends to liquidate the Group or the parent University or to cease operations, or has no realistic alternative but to do so.

Auditor's responsibilities

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

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

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

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

In our opinion, in all material respects:

- funds from whatever source administered by the Group or the University for specific purposes have been properly applied to those purposes and managed in accordance with relevant legislation;
- income has been applied in accordance with the University's articles of government; and
- funds provided by the Office for Students, UK Research and Innovation (including Research England), the Education and Skills Funding Agency and the Department for Education have been applied in accordance with the relevant terms and conditions.

Matters on which we are required to report by exception


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

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

We have nothing to report in these respects.

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

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



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

26 January 2021

STATEMENT OF ACCOUNTING POLICIES

1. Basis of preparation

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

2. Basis of consolidation

The consolidated financial statements show the position of the University and all its subsidiary undertakings for the financial year to 31 July 2020. The University owns the whole of the issued share capital in The University of Wolverhampton Corporate Services Limited, The University of Wolverhampton Enterprise Limited and University of Wolverhampton Social Enterprises Ltd. The University of Wolverhampton Enterprise Limited has a majority share-holding (81%) in University of Wolverhampton Science Park Limited, Wolverhampton City Council (WCC) being the minority shareholder. WCC's interest in University of Wolverhampton Science Park amounted to £229,808 in 2019/2020 (£184,154 in 2018/2019). This has not been separately disclosed in the University's Consolidated Financial Statements. University of Wolverhampton Science Park Limited has, therefore, also been included in the Consolidated Financial Statements of the University.

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

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

The University of Wolverhampton Students' Union is an "independent" constituted body and, therefore, is not included in the Consolidated Financial Statements of the University. During the financial year the University made payments to the Students' Union of £804K and received £12.5K from the Students' Union.

3. Income recognition

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

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

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

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

Grant funding

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

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

Donations and endowments

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

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

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

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

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

Capital grants

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

4. Accounting for retirement benefits

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

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

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

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

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

5. Employment benefits

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

6. Leases

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

7. Foreign currency

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

8. Fixed assets

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

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

(a) Land and Buildings

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

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

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

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

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

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

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

Freehold land is not depreciated.

(b) Equipment

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

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

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

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

9. Investments

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

Current asset investments, which may include listed investments, are stated in the balance sheet

at the lower of their original cost and net realisable value.

10. Stock

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

11. Cash and cash equivalents

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

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

12. Provisions, contingent liabilities and contingent assets

Provisions are recognised in the financial statements when:

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

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

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

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

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

13. Taxation

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

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

The trading activities undertaken by the University are administered through the companies, University of Wolverhampton Corporate Services Limited, University of Wolverhampton Social Enterprises Limited, and University of Wolverhampton Enterprise Limited (including its subsidiary University of Wolverhampton Science Park Limited), which as commercial organisations are liable to Corporation

Tax. These companies, however, transfer their profits to the University under a deed of covenant on an annual basis.

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

15. Financial Instruments

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

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

Financial assets

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

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

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

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

Financial liabilities

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

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

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

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

16. Reserves

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

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

17. Critical Accounting estimates and judgements

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

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

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

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

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

Retirement benefit obligations - The cost of defined benefit pension plans and other post-employment benefits are determined using actuarial valuations. The actuarial valuation involves making assumptions about discount rates, future salary increases, mortality rates and future pension increases. Due to the complexity of the valuation, the underlying assumptions and the long term nature of these plans, such estimates are subject to significant uncertainty. The University engaged PWC to review and recommend bespoke assumptions for 2019/20 which the actuaries used to calculate the liabilities. Management reviewed these assumptions and felt that they were reasonable and acceptable. It should be noted that

these assumptions were slightly more optimistic than the standard assumptions used by the actuary but are considered to be within an acceptable range.

Asset values are reported using estimated asset allocations prepared by the scheme Actuary. This asset value is calculated at each triennial valuation. Thereafter it is rolled forward for accounting valuation purposes using investment returns, contributions received, and benefits paid out. During each annual reporting period between triennial valuations asset returns are estimated using 11 months of market experience and one month of extrapolation being assumed. As such actual investment returns over a full year might deviate from those reported by the Actuary in the FRS 102 valuation. A sensitivity analysis to reflect a plus or minus 1% movement in the fair value of fund assets as at 31 July 2020 equates to plus or minus £2.4m. Further details are given in note 30.

Management are satisfied that Universities Superannuation Scheme meets the definition of a multi-employer scheme and has therefore recognised the discounted fair value of the contractual contributions under the funding plan in existence at the date of approving the financial statements.

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

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

18. Going Concern

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

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

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

The University has a strong cash position at year end, with no outstanding bank debt and a healthy reserves position. The University adopts a prudent approach to investment of cash balances, placing deposits with institutions with a Fitch long term rating of "A", and limiting total amounts deposited with a single institution.

The University is budgeting for a deficit in 2020/21 and has included budget provision for planned capital and revenue developments. The University will continue to maintain pressure on pay and non-pay expenditure to ensure financial sustainability. The University is looking to reduce overall support costs over the coming year, whilst maintaining and enhancing the student experience. Financial forecasts covering a 5 year period are produced for the Board at least annually, the latest in July 2019. A revised 5 year forecast for OfS will be produced in early 2021, when more certainty around student recruitment is known. The Board believes that, despite intensifying competition for undergraduate and international students, projections indicate that University is well placed to manage its business risks successfully.

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

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME AND EXPENDITURE

For the year ended 31 July 2020

	Note	Year ended 31 July 2020		Year ended 31 July 2019	
		Consolidated £'000	University £'000	Consolidated £'000	University £'000
Income					
Tuition fees and education contracts	1	131,506	131,375	130,528	129,785
Funding body grants	2	18,711	18,711	19,240	19,240
Research grants and contracts	3	5,846	5,846	4,234	4,234
Other income	4	24,534	17,922	32,025	26,283
Investment income	5	224	362	310	363
Donations and endowments	6	369	369	212	212
Total income		181,190	174,585	186,549	180,117
Expenditure					
Staff costs	8	125,026	123,939	119,900	118,493
Other operating expenses	9	44,284	41,069	48,659	45,160
Depreciation and Impairment	12	13,966	13,631	12,424	12,100
Interest and other finance costs	10	2,568	2,358	2,402	2,400
Total expenditure	11	185,844	180,997	183,385	178,153
(Deficit) / Surplus before tax		(4,654)	(6,412)	3,164	1,964
Taxation		0	0	(10)	0
(Deficit) / Surplus for the year		(4,654)	(6,412)	3,154	1,964
Other comprehensive income					
Actuarial gain/(loss) in respect of pension schemes	30	(27,704)	(27,704)	(13,812)	(13,812)
Total comprehensive income for the year		(32,358)	(34,116)	(10,658)	(11,848)
Represented by:					
Unrestricted comprehensive income for the year		(32,655)	(34,413)	(10,798)	(11,988)
Endowment comprehensive income for the year		308	308	128	128
Restricted comprehensive income for the year		(11)	(11)	12	12
Total comprehensive income for the year		(32,358)	(34,116)	(10,658)	(11,848)

All items of income and expenditure relate to continuing activities

CONSOLIDATED AND UNIVERSITY STATEMENT OF CHANGES IN RESERVES
For the year ended 31 July 2020

Consolidated	Endowment Reserve £'000	Income and Expenditure Account		Revaluation Reserve £'000	Total £'000
		Restricted £'000	Unrestricted £'000		
Balance at 1 August 2019	368	12	189,747	27,999	218,126
(Deficit) / Surplus from the income and expenditure statement	308	(11)	(4,951)	0	(4,654)
Other comprehensive income	0	0	(27,704)	0	(27,704)
Transfers between revaluation and income and expenditure reserve	0	0	948	(948)	0
Release of restricted funds spent in year	0	0	0	0	0
Total comprehensive income for the year	308	(11)	(31,707)	(948)	(32,358)
Balance at 31 July 2020	676	1	158,040	27,051	185,768

University	Endowment Reserve £'000	Income and Expenditure Account		Revaluation Reserve £'000	Total £'000
		Restricted £'000	Unrestricted £'000		
Balance at 1 August 2019	368	12	182,036	25,864	208,280
(Deficit) / Surplus from the income and expenditure statement	308	(11)	(6,709)	0	(6,412)
Other comprehensive income	0	0	(27,704)	0	(27,704)
Transfers between revaluation and income and expenditure reserve	0	0	948	(948)	0
Release of restricted funds spent in year	0	0	0	0	0
Total comprehensive income for the year	308	(11)	(33,465)	(948)	(34,116)
Balance at 31 July 2020	676	1	148,571	24,916	174,164

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


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

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

CONSOLIDATED AND UNIVERSITY BALANCE SHEET
For the year ended 31 July 2020

	Note	As at 31 July 2020		As at 31 July 2019	
		Consolidated £'000	University £'000	Consolidated £'000	University £'000
Non-current assets					
Fixed assets	12	299,073	281,362	275,042	262,286
Investments	13	221	721	161	661
		<u>299,294</u>	<u>282,083</u>	<u>275,203</u>	<u>262,947</u>
Current assets					
Stock	14	80	80	108	108
Trade and other receivables	15	41,928	45,182	33,603	36,168
Investments	16	0	0	4,077	4,077
Cash and cash equivalents		<u>37,293</u>	<u>34,198</u>	<u>56,703</u>	<u>51,243</u>
		79,301	79,460	94,491	91,596
Less: Creditors: amounts falling due within one year	17	(36,397)	(34,659)	(30,518)	(28,713)
Net current assets		42,904	44,801	63,973	62,883
Total assets less current liabilities		<u>342,198</u>	<u>326,884</u>	<u>339,176</u>	<u>325,830</u>
Creditors: amounts falling due after more than one year	18	(3,710)	0	(3,588)	(88)
Provisions					
Pension provisions	19	(148,020)	(148,020)	(112,943)	(112,943)
Other provisions	19	(4,700)	(4,700)	(4,519)	(4,519)
Total net assets		<u>185,768</u>	<u>174,164</u>	<u>218,126</u>	<u>208,280</u>
Restricted Reserves					
Income and expenditure reserve - endowment	20	676	676	368	368
Income and expenditure reserve - restricted		1	1	12	12
Unrestricted Reserves					
Income and expenditure reserve - unrestricted		158,040	148,571	189,747	182,036
Revaluation reserve	21	<u>27,051</u>	<u>24,916</u>	<u>27,999</u>	<u>25,864</u>
		185,768	174,164	218,126	207,900
Total Reserves		<u>185,768</u>	<u>174,164</u>	<u>218,126</u>	<u>208,280</u>

The financial statements were approved by the Board of Governors on 25 November 2020 and were signed on its behalf on that date by:



B.L Reid OBE

Chairman of the Board of Governors



Professor G. Layer

Vice Chancellor and Accountable Officer



G. Butler

Chief Financial Officer

CONSOLIDATED CASH FLOW STATEMENT

For the year ended 31 July 2020

	Note	Year ended 31 July 2020 £'000	Year ended 31 July 2019 £'000
Cash flow from operating activities			
(Deficit) / Surplus for the year before tax		(4,654)	3,154
Adjustment for non-cash items			
Depreciation	12	13,966	12,424
Decrease/(increase) in stock	14	28	26
Decrease/(increase) in debtors	15	(8,325)	(11,284)
Increase/(decrease) in creditors	17,18	6,001	7,866
Increase/(decrease) in pension provision	19	7,554	9,447
Increase/(decrease) in other provisions	19	0	0
Adjustment for investing or financing activities			
Investment income	5	(224)	(310)
Capital Grant Income	1,2,4	(6,160)	(12,349)
Interest Payable	10	233	58
Loan Repayable	18	(122)	(3,500)
Endowment Income	20	(297)	(140)
Net cash inflow from operating activities		8,000	5,392
Cash flows from investing activities			
Withdrawal of deposits		0	0
Investment income		224	310
Capital Grant Income		6,160	12,349
Placing of Deposits		4,077	0
Payments made to acquire fixed assets		(38,057)	(30,252)
		(27,596)	(17,593)
Cash flows from financing activities			
Interest paid		(233)	(58)
Endowment cash received		297	140
New unsecured loans		0	0
Receipt / (Repayment) of amounts borrowed		122	3,500
		186	3,582
(decrease) / increase in cash and cash equivalents in the year		(19,410)	(8,619)
Cash and cash equivalents at beginning of the year		56,703	65,322
Cash and cash equivalents at end of the year		37,293	56,703

NOTES TO THE ACCOUNTS

1	Tuition fees and education contracts	Year Ended 31 July 2020		Year Ended 31 July 2019	
		Consolidated £'000	University £'000	Consolidated £'000	University £'000
	Full-time home and EU students	104,117	104,117	100,329	100,329
	Full-time international students	13,106	13,106	8,986	8,986
	Part-time students	6,151	6,127	7,005	6,958
	Franchised Courses	1,690	1,690	3,034	3,034
	Apprentices	4,190	4,190	2,236	2,236
	Education Contracts	2,114	2,114	8,152	8,152
	Continuing Professional Development	138	31	786	90
		131,506	131,375	130,528	129,785
2	Funding body grants	Year Ended 31 July 2020		Year Ended 31 July 2019	
		Consolidated £'000	University £'000	Consolidated £'000	University £'000
	Recurrent grant				
	Office for Students	11,401	11,401	11,273	11,273
	Capital Grant – OFS	2,944	2,944	3,830	3,830
	Specific grants				
	Higher Education Academic Subject Centres - OFS	2,563	2,563	3,537	3,537
	Higher Education Innovation Fund – UKRI	1,503	1,503	465	465
	Department for Education	300	300	135	135
		18,711	18,711	19,240	19,240
3	Research Grants and Contracts	Year Ended 31 July 2020		Year Ended 31 July 2019	
		Consolidated £'000	University £'000	Consolidated £'000	University £'000
	Research councils	241	241	340	340
	Research charities	507	507	390	390
	Government (UK and overseas)	3,970	3,970	2,638	2,638
	Industry and commerce	311	311	170	170
	Other	817	817	696	696
		5,846	5,846	4,234	4,234

4	Other income	Year Ended 31 July 2020		Year Ended 31 July 2019	
		Consolidated £'000	University £'000	Consolidated £'000	University £'000
	Residences, catering and conferences	5,287	5,285	7,556	7,548
	Other revenue grants	6,129	4,733	5,604	4,269
	Other capital grants	3,216	1,113	8,519	7,214
	Other income	9,902	6,791	10,346	7,252
		24,534	17,922	32,025	26,283
5	Investment income	Year Ended 31 July 2020		Year Ended 31 July 2019	
		Consolidated £'000	University £'000	Consolidated £'000	University £'000
	Investment income on endowments	2	2	1	1
	Other investment income	222	360	309	362
		224	362	310	363
6	Donations and endowments	Year Ended 31 July 2020		Year Ended 31 July 2019	
		Consolidated £'000	University £'000	Consolidated £'000	University £'000
	Donations with Restrictions	367	367	195	195
	Unrestricted donations	2	2	17	17
		369	369	212	212
7	Grant and Fee Income	Year Ended 31 July 2020		Year Ended 31 July 2019	
		Consolidated £'000	University £'000	Consolidated £'000	University £'000
	Grant income from the Office for Students	14,508	14,508	16,637	16,637
	Grant income from other bodies	20,434	16,935	28,298	25,658
	Fee income for taught awards	127,725	127,700	120,177	120,131
	Fee income for research awards	1,529	1,529	1,421	1,421
	Fee income from non-qualifying courses	567	444	1,197	424
		164,763	161,116	167,730	164,271

8 Staff costs	Year Ended 31 July 2020		Year Ended 31 July 2019	
	Consolidated	University	Consolidated	University
Staff Costs :	£'000	£'000	£'000	£'000
Salaries	89,465	88,583	87,211	86,068
Social security costs	8,808	8,747	8,668	8,580
Holiday Accrual	1,424	1,424	586	586
Movement on USS provision	(556)	(556)	789	789
Other pension costs	25,885	25,741	22,646	22,470
Total	125,026	123,939	119,900	118,493

Severances of £573K (93 staff) paid during 2019/20 are included within the salaries costs. (£263K 2018/19 – 51 staff).

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

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

The head of the provider's basic salary is 8.15 times (£283,727 ÷ £34,803) (2018/19 8.3 times) the median pay of staff, where the median pay is calculated on a full-time equivalent basis for the salaries paid by the provider to its staff.

The head of the provider's total remuneration salary is 8.08 times (£289,496 ÷ £35,844) (2018/19 8.23 times) the median total remuneration of staff, where the median pay is calculated on a full-time equivalent basis for the salaries paid by the provider to its staff.

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

	No.	No.	No.	No.
£100,000 to £104,999	1	1	0	0
£105,000 to £109,999	3	3	1	1
£110,000 to £114,999	1	1	1	1
£115,000 to £119,999	0	0	1	1
£120,000 to £124,999	1	1	0	0
£125,000 to £129,999	2	2	1	1
£130,000 to £134,999	0	0	0	0
£135,000 to £139,999	0	0	1	1
£140,000 to £145,999	0	0	0	0
	8	8	5	5
Average staff numbers:	No.	No.	No.	No.
Academic	916	916	891	891
Technical	1,076	1,076	1,094	1,094
Other	263	263	261	261
	2,255	2,255	2,246	2,246

8 Staff costs (continued)

Key management personnel

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

Staff costs include compensation paid to key management personnel.

	Year ended 31 July 2020 £ '000	Year ended 31 July 2019 £ '000
Key management personnel compensation	1,205	1,130
Number of Staff	7	6

Board of Governors

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

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

There were no payments to Board of Governors members (trustees) during 2019/20 (2018/19 Nil).

The total expenses paid to or on behalf of trustees was £4,432 (2018/19 - £2,172). This represents travel and subsistence expenses incurred in attending meetings and training events connected with their roles as trustees.

9 Other Operating Expenses

	Year Ended		Year Ended	
	31 July 2020		31 July 2019	
	Consolidated	University	Consolidated	University
	£'000	£'000	£'000	£'000
Residences, Catering and Conferences	900	884	1,328	1,285
Books and Consumables	2,153	2,129	2,345	2,327
Equipment	3,692	3,679	4,490	4,423
Printing and Stationery	460	456	873	863
Heat, Light, Water and Power	3,171	2,853	3,076	2,755
Repairs and Maintenance	2,132	1,597	4,825	4,011
Grants to University of Wolverhampton Students' Union	980	980	804	804
Rents	1,663	1,616	1,627	1,549
Rates	753	666	791	733
Auditors' Remuneration	234	197	201	165
Auditors' Remuneration in Respect of Non-Audit Services	341	341	50	47
Equipment Operating Lease Rentals	96	95	127	126
Franchise Payments to Colleges	1,318	1,318	2,454	2,454
Staff Travel and Subsistence	1,038	992	1,896	1,734
Staff Recruitment Costs	48	46	228	225
Staff Development	456	450	656	650
Student Scholarships, Bursaries, Placements & Travel Costs	4,575	4,573	4,761	4,760
Payments to Partners	4,838	4,366	3,968	3,379
Consultancies on External Projects	1,153	797	1,578	1,233
Other Consultancies	800	796	937	937
Telecommunications and Postage	537	481	582	501
Provision for Bad Debts	559	422	232	261
Cleaning Costs	647	611	648	621
Legal, Professional and Other	6,388	6,050	4,745	4,609
Insurance	521	513	455	429
Publicity	2,074	2,061	2,382	2,310
Transport Intersite	0	543	0	550
Subscriptions	1,690	1,684	1,461	1,456
Other	1,067	(127)	1,136	(37)
Total	44,284	41,069	48,659	45,160

Auditors Remuneration includes:

External Audit				
Financial Statements Audit	96	59	84	48
Project Audits	14	14	22	19
Tax	310	310	9	9
Advisory	17	17	19	19
Internal Audit	138	138	117	117
Total	575	538	251	212

9b Access and Participation

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

£19.2K of the above expenditure relates to staff costs and is separately disclosed in note 8

The University had prepared its Access and Participation Plan for 2019/20 and has published it on its website <https://www.wlv.ac.uk/about-us/corporate-information/access-and-participation-plans/>

As indicated in its resource plan the University expected to commit a total investment of £6,437,000 in measures to support students as defined by the Access & Participation Agreement in 19/20. This represents 21% as a proportion of Higher Fee Income. Of which:

£632,000 is committed to supporting Access Measures	(2.1%)
£2,752,000 is committed to supporting Student Success	(9.0%)
£ 773,000 is committed to supporting Student Progression	(2.5%)
£2,280,000 is committed to Financial Support for Students	(7.5%)

However, in reporting the expenditure in its Financial Statements it is not required to report on the Student Success or Student Progression categories.

Instead it is required to report against the following categories:

In comparing the proposed expenditure to the actual expenditure the Access Investment is almost identical (£632K proposed v £631K actual expenditure).

Financial Support is £2.659K v £2.280K so is 16% higher than anticipated. This is directly as a consequence of the impact of COVID-19. The University took the decision to support students with additional initiatives to ensure that they did not face hardship during the lockdown period. For example, this included additional expenditure on hardship funds, purchase of laptops and a reduction in accommodation fees.

The expenditure is tracked throughout the financial year through the University's Agresso Finance system. The University uses unique work orders to code expenditure against and these are then classified into the APP headings. For 2020/21, it is anticipated that quarterly reports will be run to formally report "in house" on the expenditure. This is particularly in light of the on-going impact of COVID-19 and the University wishing to be flexible in its approach to supporting students. The uncertainty that has caused means that the University may wish to reprioritise its planned expenditure in order to support its students as effectively as possible.

10 Interest and other finance costs

	Note	Year Ended 31 July 2020		Year Ended 31 July 2019	
		Consolidated	University	Consolidated	University
		£'000	£'000	£'000	£'000
Loan interest		212	2	2	1
Exchange differences		0	0	44	43
USS Interest Payment		21	21	12	12
Net charge on pension scheme	29	2,335	2,335	2,344	2,344
		2,568	2,358	2,402	2,400

11 Analysis of total expenditure by activity

	Year Ended 31 July 2020		Year Ended 31 July 2019	
	Consolidated	University	Consolidated	University
	£'000	£'000	£'000	£'000
Academic Departments	76,884	76,884	75,425	75,425
Academic Services	10,937	10,937	10,682	10,682
Administration and central services	44,003	44,347	43,030	43,065
Premises	15,206	13,087	15,708	13,730
Residences, catering and conferences	4,960	4,960	5,580	5,580
Research grants and contracts	5,819	5,819	4,359	4,359
Other expenses	28,035	24,963	28,601	25,312
	185,844	180,997	183,385	178,153

12 Fixed Assets

Consolidated	Freehold Land and Buildings £'000	Vehicles £'000	Fixtures, Fittings and Equipment £'000	Assets in the Course of Construction £'000	Total £'000
At 1 August 2019	374,613	151	50,487	26,621	451,872
Additions	8,279	0	3,735	25,983	37,997
Transfers	1,558	0	65	(1,623)	0
Disposals	0	0	0	0	0
At 31 July 2020	384,450	151	54,287	50,981	489,869

Depreciation

At 1 August 2019	132,812	96	43,922	0	176,830
Charge for the year	11,541	14	2,411	0	13,966
Impairment	0	0	0	0	0
Disposals	0	0	0	0	0
At 31 July 2020	144,353	110	46,333	0	190,796

Net book value

At 31 July 2020	240,097	41	7,954	50,981	299,073
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At 31 July 2019	241,801	55	6,565	26,621	275,042
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University	Freehold Land and Buildings £'000	Vehicles £'000	Fixtures, Fittings and Equipment £'000	Assets in the Course of Construction £'000	Total £'000
At 1 August 2019	356,759	151	49,478	24,869	431,257
Additions	8,279	0	3,667	20,760	32,706
Transfers	1,558	0	0	(1,558)	0
Disposals	0	0	0	0	0
At 31 July 2020	366,596	0	53,145	44,071	463,963

Depreciation

At 1 August 2019	126,011	96	42,863	0	168,971
Charge for the year	11,217	14	2,400	0	13,631
Impairment	0	0	0	0	0
Disposals	0	0	0	0	0
At 31 July 2020	137,228	110	45,263	0	182,602

Net book value

At 31 July 2020	229,368	41	7,882	44,071	281,362
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At 31 July 2019	230,748	55	6,614	24,869	262,286
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13 Non-Current Investments

Consolidated	Subsidiary Companies	Subsidiary Investment In spinouts	Other fixed assets investments	Total
	£'000	£'000	£'000	£'000
At 1 August 2019	125	0	36	161
Additions	60	0	0	60
Disposals	0	0	0	0
Impairment	0	0	0	0
At 31 July 2020	185	0	36	221

University	Subsidiary Companies	Subsidiary Investment In spinouts	Other fixed assets investments	Total
	£'000	£'000	£'000	£'000
At 1 August 2019	625	0	36	661
Additions	60	0	0	60
Disposals	0	0	0	0
Impairment	0	0	0	0
At 31 July 2020	685	0	36	721

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

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

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

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

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

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

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

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

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

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

14 Stock

	Year ended 31 July 2020		Year ended 31 July 2019	
	Consolidated	University	Consolidated	University
	£'000	£'000	£'000	£'000
General consumables	80	80	108	108
	80	80	108	108

15 Trade and other receivables

	Year ended 31 July 2020		Year ended 31 July 2019	
	Consolidated	University	Consolidated	University
	£'000	£'000	£'000	£'000
<i>Amounts falling due within one year:</i>				
Other receivables	39,697	36,274	31,443	29,305
Prepayments and accrued income	2,231	2,226	2,160	2,155
Amounts due from subsidiary companies	0	6,682	0	4,708
	41,928	45,182	33,603	36,168

16 Current Investments

	Year ended 31 July 2020		Year ended 31 July 2019	
	Consolidated	University	Consolidated	University
	£'000	£'000	£'000	£'000
Short term deposits	0	0	4,077	4,077
	0	0	4,077	4,077

17 Creditors : amounts falling due within one year

	Year ended 31 July 2020		Year ended 31 July 2019	
	Consolidated	University	Consolidated	University
	£'000	£'000	£'000	£'000
Subsidiary Companies	0	0	0	0
Trade payables	14,559	14,019	15,820	15,254
Social security and other taxation payable	4,259	4,309	3,059	3,112
Accruals and deferred income	14,790	13,542	10,274	8,982
Holiday Accrual	2,789	2,789	1,365	1,365
	36,397	34,659	30,518	28,713

Deferred income

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

	Year ended 31 July 2020		Year ended 31 July 2019	
	Consolidated £'000	University £'000	Consolidated £'000	University £'000
Research grants received on account	3,299	3,299	2,083	2,083
Grant income	11,209	10,107	7,818	6,631
Other income	282	136	373	268
	14,790	13,542	10,274	8,982

18 Creditors : amounts falling due after more than one year

	Year ended 31 July 2020		Year ended 31 July 2019	
	Consolidated £'000	University £'000	Consolidated £'000	University £'000
Unsecured loans	3,710	0	3,588	88
	3,710	0	3,588	88
<i>Analysis of secured and unsecured loans:</i>				
Due within one year or on demand (Note 16)	0	0	0	0
Due between one and two years	0	0	88	88
Due between two and five years	72	0	0	0
Due in five years or more	3,638	0	3,500	0
Due after more than one year	3,710	0	3,588	88
Total secured and unsecured loans	3,710	0	3,588	88
Unsecured loans repayable by 2049	3,710	0	3,588	88
	3,710	0	3,588	88

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

19 Provisions for liabilities

Consolidated	Obligation to fund deficit on USS Pension £'000	Enhanced Pensions £'000	Defined Benefit Obligations (Note 29) £'000	Total Pensions Provisions £'000
At 1 August	1,358	4,519	111,585	117,462
Created in Year	0	518	45,191	45,709
Utilised in year	(534)	(337)	(9,580)	(10,451)
At 31 July 2020	824	4,700	147,196	152,720

University	Obligation to fund deficit on USS Pension £'000	Enhanced Pensions £'000	Defined Benefit Obligations (Note 29) £'000	Total Pensions Provisions £'000
At 1 August	1,358	4,519	111,585	117,462
Created in Year	0	518	45,191	45,709
Utilised in year	(534)	(337)	(9,580)	(10,451)
At 31 July 2020	824	4,700	147,196	152,720

USS deficit

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

20 Endowment Reserves

	Unrestricted permanent endowments £'000	restricted permanent endowments £'000	Expendable endowments £'000	2020 Total £'000	2019 Total £'000
Balances at 1 August 2019					
Capital	0	0	0	0	0
Accumulated income	368	12	0	380	240
	368	12	0	380	240
New endowments					
Investment income	368	1	0	369	213
Expenditure	(60)	(12)	0	(72)	(73)
	308	(11)	0	297	140
(Decrease)/increase in market value of investments	0	0	0	0	0
At 31 July 2020	676	1	0	677	380
Represented by:					
Capital	0	0	0	0	0
Accumulated income	676	1	0	677	380
	676	1	0	677	380
Analysis by type of purpose:					
Lectureships	0	0	0	0	0
Scholarships and bursaries	0	0	0	0	0
Research support	0	0	0	0	0
Prize funds	0	0	0	0	0
General	676	1	0	677	380
	676	1	0	677	380
Analysis by asset					
Fixed assets				0	0
Current and non-current asset investments				0	0
Cash & cash equivalents				677	380
				677	380

21 Revaluation Reserve

	Year ended 31 July 2020		Year ended 31 July 2019	
	Consolidated £'000	University £'000	Consolidated £'000	University £'000
Balance b/fwd at 1 August	27,999	25,867	28,947	26,812
Release to the Income and Expenditure Account	(948)	(948)	(948)	(948)
At 31 July	27,051	24,916	27,999	25,864

22 Capital and other commitments

Provision has not been made for the following capital commitments at 31 July 2020.

	Year ended 31 July 2020		Year ended 31 July 2019	
	Consolidated	University	Consolidated	University
	£'000	£'000	£'000	£'000
Commitments contracted for at 31 July	3,658	3,658	23,457	23,457
Authorised but not Contracted at 31 July	12,119	12,119	24,572	24,572
	15,777	15,777	48,029	48,029

23 Contingent liabilities

The University has no contingent liabilities.

24 Lease Obligations

Total rentals payable under operating leases:

	31 July 2020		31 July 2019	
	Other Leases	Total	Other Leases	Total
	Consolidated £'000	£'000	Consolidated £'000	£'000
Payable during the year				
Future minimum lease payments due:				
Within One Year	229	229	219	219
Due between One and Two Years	229	229	219	219
Three Years	76	76	219	219
Four Years	0	0	98	98
Over Five years	0	0	49	49
Total lease payments due	534	534	804	804

25 Events after the reporting period

There are no events to report.

26 Teacher Training Bursaries

	Year ended 31 July 2020		Year ended 31 July 2019	
	Consolidated	University	Consolidated	University
	£'000	£'000	£'000	£'000
Balance Unspent/(Overspent) as at 1 August	(21)	(21)	(6)	(6)
Department for Education	2,382	2,382	2,460	2,460
	<u>2,361</u>	<u>2,361</u>	<u>2,454</u>	<u>2,454</u>
Disbursed to Students	(2,354)	(2,354)	(2,475)	(2,475)
Balance Unspent / (Overspent) as at 31 July	<u>7</u>	<u>7</u>	<u>(21)</u>	<u>(21)</u>

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

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

27 Subsidiary undertakings

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

28 Related Parties Note

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

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

The total expenses paid to or on behalf of trustees was £4,432 (2018/19 - £2,172). This represents travel and subsistence expenses incurred in attending meetings and training events connected with their roles as trustees.

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

The University of Wolverhampton Students' Union is an "independent" constituted body and, therefore, is not included in the Consolidated Financial Statements of the University. During the financial year the University made payments to the Students' Union of £989K and received £0K from the Students' Union.

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

2019/20

Directorships/Ownerships declared in the register	Purchases	Sales	Balance
	£	£	£
Albion Foundation	1,000	0	(1,000)
Black Country Chamber of Commerce	309,182	64,235	(244,947)
Black Country Consortium	155,144	3,463	(151,681)
Black Country Living Museum	7,007	13,772	6,765
CIOB Benevolent Fund	0	41,198	41,198
FBC Manby Bowdler LLP	7,200	7,262	62
Nachural Music Ltd	5,000	0	(5,000)
Sandwell College	141,302	4,842	(136,460)
The Refugee and Migrant Centre Ltd	3,360	0	(3,360)
West Midland Growth Company	174,000	0	(174,000)
Wolverhampton City Clinical Commissioning Group (CCG)	1,030	0	(1,030)

29 Connected Charitable Institutions

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

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

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

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

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

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

	Opening Balance £000	Income £000	Expenditure £000	Change in Market Value £000	Closing Balance £000
Consolidated	0	0	0	0	0
Not Consolidated					
University of Wolverhampton	49,326	29,643	(29,453)	190	49,576
Multi-Academy Trust					
Health Futures UTC	8,177	1,537	(2,331)	(794)	7,383

Both University of Wolverhampton Multi-Academy Trust and Health Futures UTC financial year run from 1st September to 31st August. At the time the University's accounts were approved, UWMAT's and HFUTC's accounts for 2019/20 had yet to be finalised. The figures shown above are in draft.

30 Pension Schemes

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

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

The pension charge for the period is shown below.

	2019/20	2018/19
	£'000	£'000
TPS and USS contributions	9,411	6,561
WMMAPF contributions	10,385	9,448
WMMAPF - FRS Adjustment	<u>5,662</u>	<u>6,369</u>
	25,458	22,378
Enhanced Pensions	<u>427</u>	<u>268</u>
Total per Note 7	<u>25,885</u>	<u>22,646</u>
Enhanced Pensions Interest Cost	90	103
Benefits paid	(337)	(335)
Total Movement on EPP (note 18)	<u>180</u>	<u>36</u>

30 Pension Schemes (continued)

Universities' Superannuation Scheme (USS)

Deficit Recovery Liability

The total cost released to the profit and loss account is £534K (prior year Charge: £801K). Deficit recovery contributions due within one year for the institution are £41K (prior year £37K).

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

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

The 2018 valuation was the fifth valuation for the scheme under the scheme-specific funding regime introduced by the Pensions Act 2004, which requires schemes to adopt a statutory funding objective, which is to have sufficient and appropriate assets to cover their technical provisions. At the valuation date, the value of the assets of the scheme was £63.7 billion and the value of the scheme's technical provisions was £67.3 billion indicating a shortfall of £3.6 billion and a funding ratio of 95%.

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

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

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

2018 valuation

Mortality base table

Pre-retirement: 71% of AMC00 (duration 0) for males and 112% of AFC00 (duration 0) for females
Post retirement: 97.6% of SAPS S1NMA "light" for males and 102.7% of RFV00 for females

Future improvements to mortality CMI_2017 with a smoothing parameter of 8.5 and a long term improvement rate of 1.8% pa for males and 1.6% pa for females

The current life expectancies on retirement at age 65 are:

	2018 valuation	2017 valuation
Males currently aged 65 (years)	24.4	24.6
Females currently aged 65 (years)	25.9	26.1
Males currently aged 45 (years)	26.3	26.6
Females currently aged 45 (years)	27.7	27.9

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

	2020	2019
Discount rate	2.59%	2.44%
Pensionable salary growth	4.20%	2.11%

30 Pension Schemes (continued)

The Teachers' Pension Scheme

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

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

Key assumptions used in the valuation were:

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

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

Local Government Pension Scheme

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

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

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

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

It should be noted that the University adopted bespoke assumptions that were incorporated in the actuarial valuation.

The University has updated its approach to setting RPI and CPI inflation in light of the RPI reform proposals published on the 4th September 2019 by the UK Chancellor and UK Statistics Authority. The University has set RPI inflation in line with the market break-even expectations less an inflation risk premium, compared to no allowance for an inflation risk premium in the prior year. For CPI, the University has proposed a long term gap between RPI and CPI of 90 basis points, compared to 100 basis points at the prior year end. The estimated impact of the change in the methodology is approximately a £17m decrease in the defined benefit obligation in respect of the LGPS scheme.

The University has also updated its approach to setting the discount rate, adopting a rate of 1.35% as at the year-end using a revised AA rate single agency curve, compared to 1.50% in the prior year. The estimated impact of the change in the methodology is approximately a £13m decrease in the defined benefit obligation in respect of the LGPS scheme.

30 Pension Schemes (continued)

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

	2019-20	2018-19
	£000s	£000s
Net (liability)		
Opening position as at 31 July	(111,585)	(89,163)
Past Service Cost	0	0
Current Service Cost	(15,096)	(15,580)
Net interest Cost	(2,245)	(2,241)
Administration Expenses	(146)	(117)
Total defined benefit cost recognised in SOCl	(17,487)	(17,938)
Employer LGPS contributions	9,580	9,328
Net Cost Recognised in SOCl	(27,067)	(27,266)
Total remeasurements recognised in SOCl	(27,704)	(13,812)
Closing position as at 31 July 2019	(147,196)	(111,585)

	At Year End	At Year End
	31/07/2020	31/07/2019
	£'000	£'000
Present Value of Defined Benefit Obligation	386,410	357,779
Fair Value of Fund Assets (bid value)	239,214	246,194
Deficit/(Surplus)	147,196	111,585
Present Value of unfunded obligation	0	0
Unrecognised Past Service Cost	0	0
Impact of Asset Ceiling	0	0
Net Defined benefit liability/ (asset)	147,196	111,585

30 Pension Schemes (continued)

Asset and benefit obligation reconciliation for the year to 31 July 2020

	At Year End 31/07/2020 £'000	At Year End 31/07/2019 £'000
Opening Defined Benefit Obligation	357,779	316,148
Current Service Cost	14,901	12,771
Interest Cost	7,476	8,320
Change in Financial Assumptions	(467)	40,909
Change in Demographic Assumptions	(4,476)	(18,681)
Experience loss/(gain) on defined benefit obligation	14,783	0
Estimated benefits paid net of transfers in	(6,319)	(6,946)
Past Service Cost	195	2,809
Contributions by scheme participants and other employers	2,538	2,449
Closing Defined Benefit Obligation	386,410	357,779

Change in Plan Assets

	At Year End 31/07/2020 £'000	At Year End 31/07/2019 £'000
Opening fair value of Fund Assets	246,194	226,985
Interest on Assets	5,231	6,079
Return on Assets less Interest	(128)	8,416
Other actuarial gains/(losses)	(17,736)	0
Administration expenses	(146)	(117)
Contributions by employer including unfunded	9,580	9,328
Contributions by scheme participants and other employers	2,538	2,449
Estimated benefits paid net of transfers in	(6,319)	(6,946)
Closing Defined Benefit Obligation	239,214	246,194

The total return on the fund assets for the year to 31 July 2020 is £5,103,000.

30 Pension Schemes (continued)

Assets

The return on the Fund (on a bid value basis) for the year to 31 July 2020 is estimated to be 5%.

The estimated asset allocation for the University of Wolverhampton as at 31 July 2020 is as follows:

Asset breakdown	31/07/2020		31/07/2019	
	£000s	%	£000s	%
Equities	134,385	56%	148,014	60%
Government bonds	25,952	11%	23,316	9%
Other bonds	9,280	4%	9,315	4%
Property	18,029	8%	20,098	8%
Cash/liquidity	15,867	7%	8,890	4%
Other	35,701	15%	36,561	15%
Total	239,214	100%	246,194	100%

Financial Assumptions as at	31/07/2020	31/07/2019
	% p.a.	% p.a.
Discount Rate	1.5%	2.10%
Pension increases	1.85%	2.40%
Salary increases	2.85%	3.90%

These assumptions are set with reference to market conditions as at 31 July 2020. The estimate of duration of the Employer's liabilities is 20 years.

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

Assumed life expectations on retirement at age 65 are:

	31/07/2020	31/07/2019
Retiring today		
Males	21.2	20.9
Females	23.4	23.2
Retiring in 20 years		
Males	22.7	22.6
Females	25.0	25.0