



Financial Statements and Annual Review
for the year ended 31 July 2018

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The University of Wolverhampton



The University of Wolverhampton holds a distinctive place within the higher education sector. Having begun life nearly 200 years ago to enhance the education and skill base of the workforce in what is today a major industrial conurbation, the University is now an integral part of economic growth and social change within the West Midlands and beyond.



We are perfectly placed to serve the region from our three main teaching campuses in the heartland of the UK: City Campus in Wolverhampton, Walsall Campus, and Telford Innovation Campus. In addition we have Learning Centres across the region and operate the University of Wolverhampton Science Park, a centre devoted to innovation and enterprise.



Our course offering is comprehensive over four faculties, providing students with the opportunities presented by a first-class education. Our advanced facilities, combined with the expertise of our staff, help to turn students' talent and enthusiasm into the specific skills and knowledge needed for career success – and our commitment to graduate employability is achieving great results year on year.

We are well-known for delivering excellence in teaching and research, widening access, and business engagement: all contributing factors to us being a significant strategic force in the educational, cultural and economic development of the West Midlands. With continued investment, an international outlook and major new projects like our Springfield Campus, the future is bright for the University of Opportunity.



Delivering Excellence

Throughout this time, we have been consistently committed to offering students from all backgrounds an excellent learning experience and delivering skills to strengthen the economy.

Our Strategic Plan outlines an ambitious set of goals to drive us to make a significant impact in our key areas of activity and build on our considerable achievements so far. At its heart is the University's core mission: to maximise opportunity through generating knowledge, innovation and enterprise.

In our efforts to realise this mission, throughout the 2017/18 academic year we continued to take major steps forward in our £250 million *Our Vision, Your Opportunity* investment generation plan, which aims to transform the learning environment for our students and drive growth in the wider region.

Having started life as a predominantly regional provider of skills development for working men as the Wolverhampton Mechanics' Institute, we have grown and developed to stand as a beacon for quality education not just in the Black Country, but in surrounding regions and around the world – and, through continued investment, we continue to excel as an education provider.

The last 12 months have seen ongoing investment in buildings, facilities, teaching, research and skills training across our three main campuses and beyond. As the bold programme continues to transform the educational environment for students and drive growth in Wolverhampton and the local community, our focus will be on championing diversity, advancing teaching and learning, and creating life chances for all.

We are proud to have been awarded Silver as part of the 2018 Teaching Excellence Framework (TEF) assessment. This award recognises that our institution delivers high quality provision which consistently exceeds the rigorous national quality requirements for UK higher education, with most students achieving excellent outcomes.

This accolade affirms that we are on the right path. Students are at the heart of what we do here and the most recent Destination of Leavers from Higher Education survey results show that 96% of the Class of 2017 were in work or further study just six months after graduation, a statistic that supports the TEF assessment.

Of course, there is also always room for improvement and, over the next 12 months, we are committed to seeking out even more opportunities and generating further investment to position our University as a sector-leading, global institution putting students first, revitalising the economy and demonstrating significant influence and impact.

Looking forward (2018-19)

Looking forward towards 2018-19 the redevelopment of Springfield will continue apace. The School of Architecture and Built Environment project will begin to start coming out of the ground in Spring 2019 with a delivery date of May 2020.

We will have started work on the Hereford Cyber Security Centre – a joint venture with Herefordshire Council and the Marches Local Enterprise Partnership. The £9M centre at Skylon Park would create 190 jobs and help support the UK's fight against cyber-crime.

At Walsall we are looking to extend the skills lab in the Sister Dora Building for our healthcare students and are working on plans to create a new student hub on campus. At Telford we have renamed the main reception building as the Angad Paul Building in memory of the son of our Chancellor, Lord Paul.

And across all three of our campuses we will have completed a large scale refurbishment project on our main lecture theatres and teaching spaces to help improve the student and teaching experience.

All these things are done with the aim of constantly improving the student experience and improving the satisfaction of our students. We know this is increasing but we know there is a definite correlation between a student's experience in the classroom, with the facilities, with their access to technology and learning materials and how engaged and satisfied they are. Students are at the heart of everything we do.

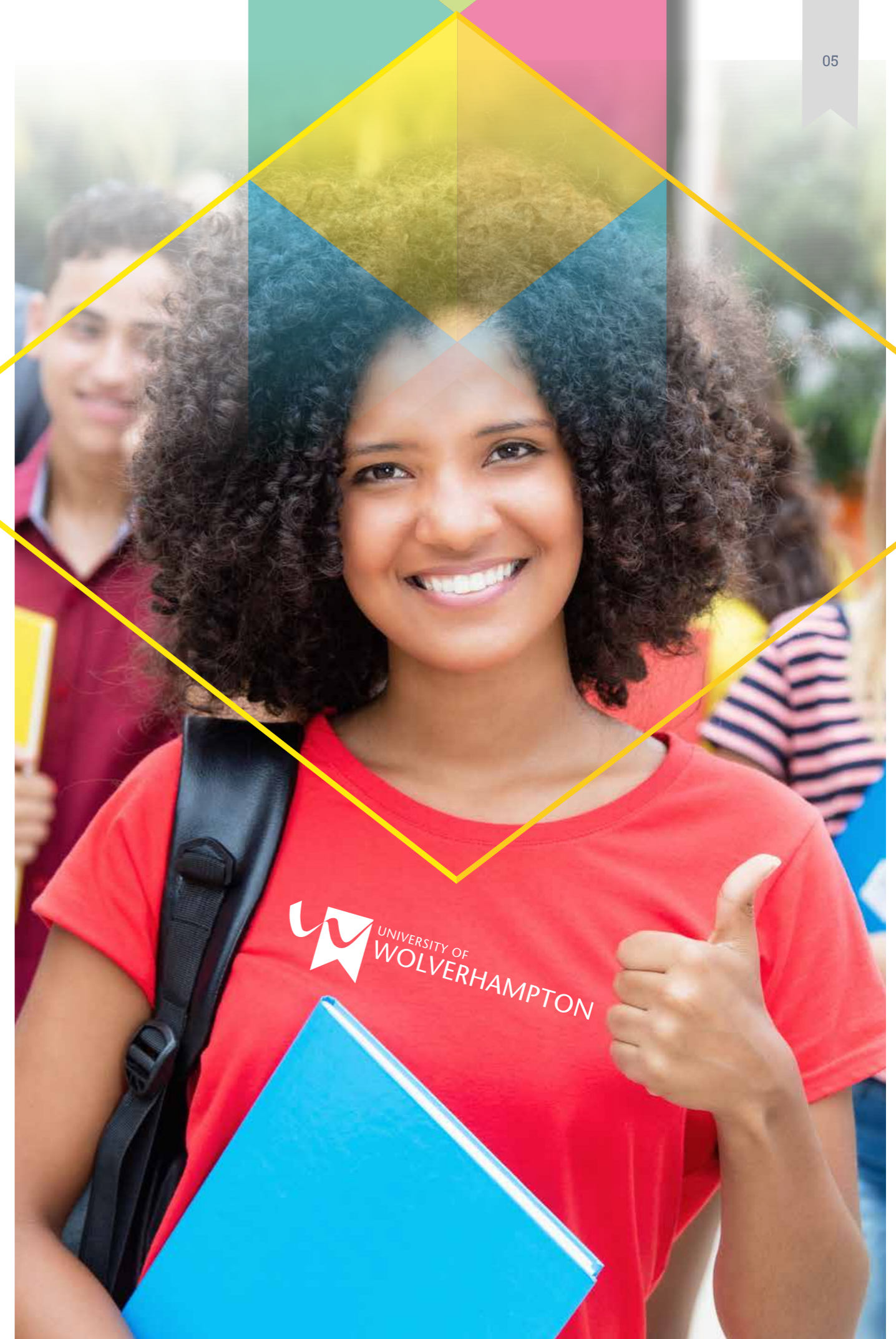
This is all against a backdrop of strong financial management. Within the sector there are always challenges, particularly around finances, and we have seen that some institutions are finding the current climate difficult.

We have always prided ourselves on the way we manage our finances and we are in an extremely healthy position because of our approach, generating a surplus each year so we can reinvest to improve the student experience.

The funding we have received, particularly in terms of research grants and funding also continues to rise and this is important as we approach the Research Excellence Framework 2021.



Professor Geoff Layer
Vice-Chancellor



STRATEGIC PLAN 2016-2021

OUR MISSION

Maximising opportunity through generating knowledge, innovation and enterprise.

PILLARS

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

OUR AMBITION

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.

1. Students First 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.

2. Skills and Knowledge for Economic and Social Transformation By 2021, we will:

- Provide learning, research and engagement opportunities which target the economic and social needs of the areas in which we operate.
- Maximise individual potential for all our staff.
- Seek to eliminate inequality by narrowing the skills gap within the communities we serve.

3. Significant Influence and Impact By 2021, we will:

- Transform lives through research.
- Be renowned as a University that makes impact regionally, nationally and internationally.
- Foster global knowledge exchange and collaboration.

The Board of Governors

CHANCELLOR

The Lord Paul of Marylebone

BOARD OF GOVERNORS

Membership

Independent Members:

Ms K Carr
Professor M Chambers
Mr A Collins
Ms K Gee MBE, Deputy Chair (to 31 March 2018)
Mr N Johal
Mr M Priddy
Mr B Reid OBE
Ms A Spence (from 27 September 2017)
Ms D Leeding (from 27 September 2017)
Ms P Dosanjh (from 1 March 2018)
Mr J Oatridge OBE (from 1 March 2018)
Dr O Adeyemo (from 1 March 2018)
Dr S Walford, Chair of the Board

Co-opted Members:

Dr P Barrow (to 31 July 2019)
Mr P Whittingham (to 31 July 2019)

Vice-Chancellor:

Professor G Layer

Academic Board Nominee Members:

Dr C Lamond (from 22 November 2018)
Ms A Hopkins (from 21 October 2016)

Student Nominee Members:

Ms A Khalid (to 30 June 2018)
Mr I Romel (to 30 June 2018)

Clerk to the Board of Governors:

Dr E Wedge

Banker

Barclays Bank PLC
Queen Square
Wolverhampton
WV1 1TE

Internal Auditor

PricewaterhouseCoopers LLP
Cornwall Court
19 Cornwall Street
Birmingham
B3 2DT

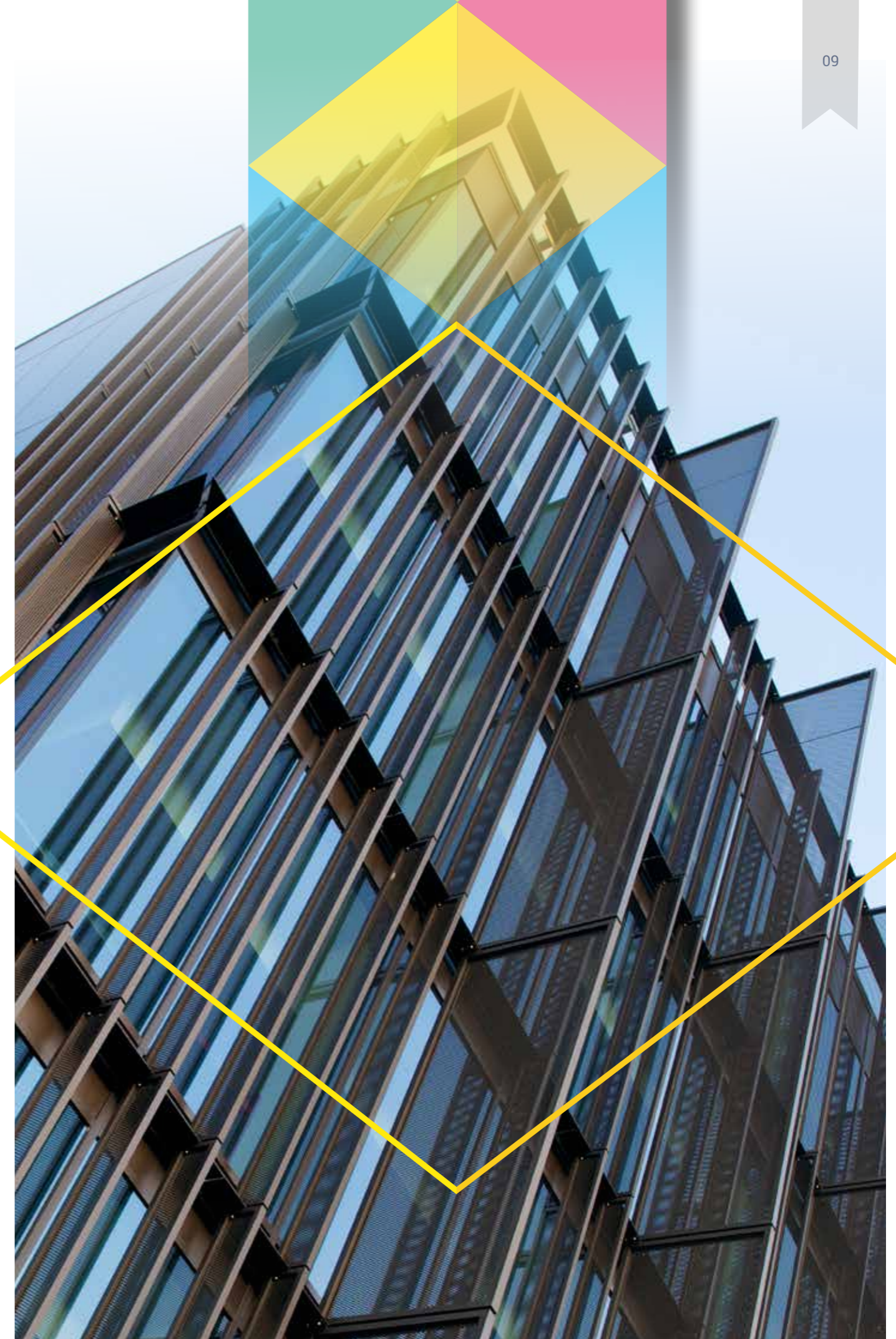
External Auditor

KPMG LLP
One Snow Hill
Snow Hill Queensway
Birmingham

Statement of Primary Responsibilities

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

The University continues to invest in making improvements to student attrition rates.

Review of Financial Performance

The University's Consolidated Statement of Comprehensive Income and Expenditure position for the year to 31 July 2018 is summarised below.

	2017/18 £'000	2016/17 £'000
Income	187,338	182,197
Expenditure	(178,324)	(173,819)
Surplus Before Tax	9,014	8,378
Taxation	(31)	0
Surplus for the Year	8,983	8,378

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, 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 2017/18 University of Wolverhampton Multi-Academy Trust was in its fifth year of operation and had a turnover of £38.0M (2016/17 - £41.0M). 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.

Income

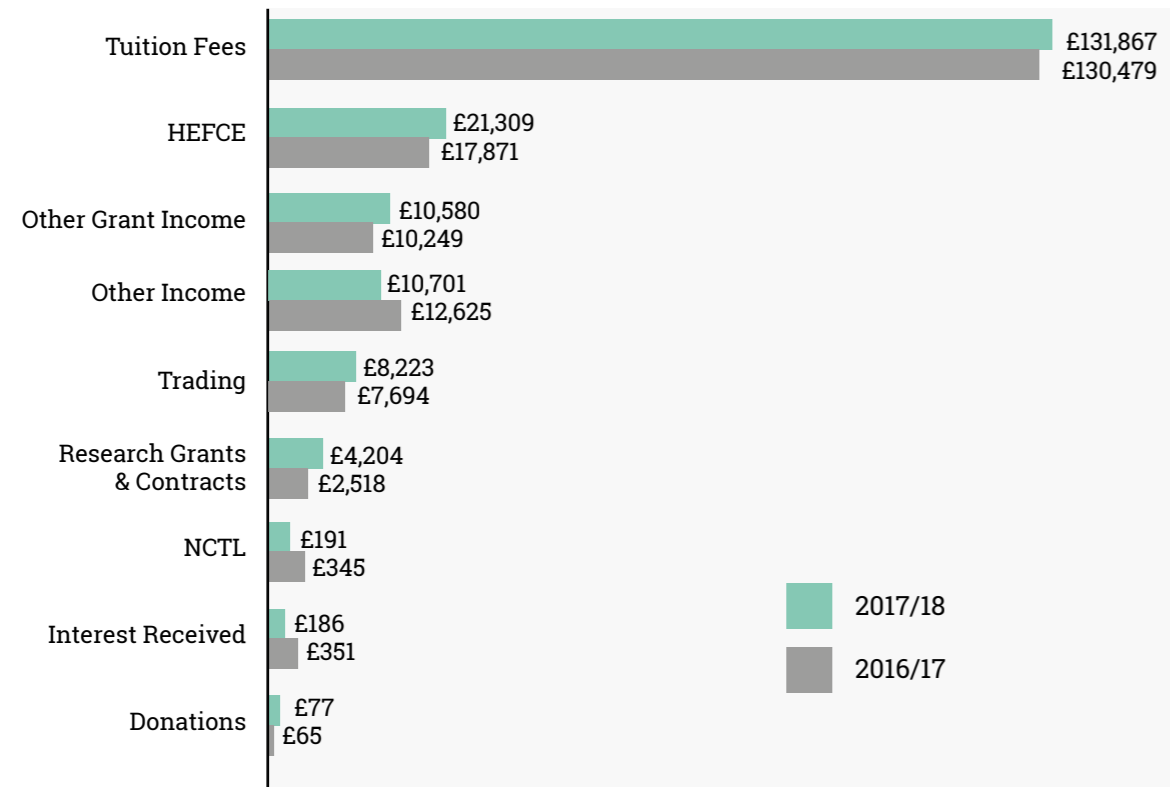
Income has risen to £187.3M, an overall increase of 3% compared to 2016/17. The main contributors to this were:

- An Increase in Funding Body Grants of £3.284M
- An Increase in Tuition Fees £1.388M
- An increase in Research Grants and Contracts of £1.686M;

The University's student recruitment was slightly down on the previous year. Total tuition fee income increased to £121M from £117.1M, a rise of £3.9M on the previous year. Although overall student numbers were slightly down on 2016/17, the increase in fee income comes from increased fee levels and a shift in nursing students moving off contract to the standard fee. Full-time undergraduate recruitment was slightly down in a competitive market. Postgraduate recruitment continues to grow, boosted by the postgraduate loan system introduced in 2016/17.

Overall international numbers were up on 2016/17, 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; however, the overall number of part-time students at the University in 2016/17 was slightly up on the previous year. The University continues to invest in making improvements to student attrition rates.

Income Split in £000s 2016/17 and 2017/18



Overall HEFCE funding increased mainly due to the receipt of £2.6M National Collaborative Outreach Programme Funding and capital and revenue grants connected with the new School of Architecture and the Built Environment on the Springfield Campus and receipt of Industrial Strategy Funding. However, it should be noted that recurrent HEFCE funding in 2017/18 was slightly down on 2016/17 levels caused mainly by a cut in the level of widening access funding and a fall in the level of transitional funding for old-regime students.

Research Grants and Contracts increased by £1.68M mainly due to the Centre for International Development and Training delivering on their Citizens Voices for Change (CV4C) project and the Faculty of Social Sciences British Coal Industry (AHRC project).

Other Income fell by 3.4% compared to the previous year. This is mainly the result of a number of separate factors:

- A decline in commercial income;
- Lower levels of EU grants for large projects.

Expenditure

Overall staff costs increased by £10.4M compared to 2016/17, a 10.2% rise. The pay rise for the year was agreed at a general 1.7% with higher rates for lower-paid staff. The rest of the increase in staff costs arises from a combination of factors including planned growth in staffing levels to resource new courses and improved service delivery, severance payments, additional pension costs increases due to the latest revaluation of the West Midlands Pension Fund, increased National Insurance costs following the removal of contracting out from April 2016, and the introduction of the new Apprenticeship Levy.

The impact of the pension adjustments under FRS102 has resulted in an increase of £4M from 2016/17. 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 2017, which increased the assumed cost of benefits building up over the year to 31 July 2018.

Other expenses are £3.5M lower than in 2016/17 reflecting in part the fall in commercial activity and also strict control on expenditure throughout the year. The underlying depreciation charge has increased by £0.35M reflecting the level of capital investment being undertaken by the University.

The headline figure for interest payable is £2.7M lower than prior year spend. The headline decrease is the result of the loan breakage cost arising from the decision to repay in full existing bank loans in 2016/17.

Cash Flow

The consolidated Cash Flow Statement shows a net increase in cash and cash equivalents of £10.04M (2016/17: decrease of £20.1M). Overall cashflow from operating activities was £15.8M compared to £20.2M in the previous year. The University made total payments in the year on fixed assets of £19.2M (2016/17: £29.4M), spent on a range of projects, including the Elite Centre for Manufacturing Skills on the Springfield Campus and at the Thomas Dudley site, as well as enabling and remediation work at the Springfield Campus. Investments also included continued spending on the Digital Campus. The University's cash position remains strong with a closing balance of £65.3M and no outstanding bank financing.





Key Future Financial Issues

The University has continued to recruit well in an increasingly competitive sector. Strong recruitment, coupled with sound financial management and targeted investment in new courses and facilities, has put the University in a sound financial position with extremely low debt and substantial cash balances.

Despite this, we are conscious of the need to continue to manage our finances prudently. We will continue to manage our exposure to key financial risks, amongst which are the following:

- **Recruitment and Retention of Home and International Students.** Competition remains intense, in particular for full-time undergraduate students. This is happening against a backdrop of falling numbers of 18 year olds and alternative pathways available to school leavers through apprenticeships. International recruitment continues to be challenging. The impact of UKVI controls and increased competition in the international market in the medium term may impact on University plans for growth.
- **Withdrawal of Widening Participation Funding.** For 2017/18 the University lost £1.0M from the discontinuation of widening access funding. The replacement NCOP funding stream is being used to fund additional rather than existing activity.
- **Investment and Borrowing.** The University is planning to invest significantly in developing and improving facilities for students, new academic provision and research. Despite the level of cash balances and ongoing cash generation, we will need to assess priorities to ensure continued financial stability. The University currently has no long-term borrowing. Therefore, 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 2018/19, 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. Following increases in payments to the Teachers' Pension Scheme which kicked-in from September 2015, the latest revaluation of the West Midlands Pension Scheme introduced increases in both the future service rate and deficit recovery payment. This will lead to an increase in annual payments of £2.8M by 2019/20. The University is 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

“Students are at the heart of everything we do.”

Professor Ian Oakes,
Deputy Vice-Chancellor

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 and improved health skills laboratories and a visualisation wall at Walsall Campus, five new double deck inter-campus buses, new courtyard, catering and social learning facilities at our City Campus and the ongoing £100M Springfield Campus development.

Following the announcement by Government to withdraw access to Maintenance Grants for some students, and replace these with loans, in this academic year the University continued its Travel Fund, to support full-time new undergraduate entrants with the essential costs of travelling to and from the University and to work placements. The Travel Fund (worth £300.00 for eligible students in the first year of the scheme) provided practical assistance and encouraged public transport usage by offering a fund that could be used to purchase public transport tickets and passes across the region. The University set aside £1M in funding for this new initiative, which was well received by students, and the positive initial evaluation has informed our decision to extend the scheme for another year alongside our existing scholarships and bursaries, the combined total of which awarded to students in 2017/18 amounted to £2.4M.

A new philanthropic venture was also launched, aimed at encouraging the art lovers of the West Midlands to help students with the costs of creating their next work: Friends

of the School of Art. Each membership directly contributes to a bursary that students can apply for, provided they will spend it on something related to their art, such as purchasing essential supplies, travelling to an exhibition, hiring models or a creative space.

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.

Following its major makeover in 2016, the new landscaped City Campus courtyard offers improved access and an adjoining food court, including a Starbucks. During the 2017/18 academic year, the space was frequently utilised to host events including food festivals, family fun days and the annual International Fair, making it a vibrant social epicentre for students and the wider community.

Our focus on employability and skills continues to bring positive benefits to our students. Meaningful partnerships like the University's collaboration with Morgan Motor Company not only provides students with opportunities for more experiential learning, but has helped students find employment in their desired field after University. Following its successful launch in 2017, Career Development Week returned in February 2018 aiming to boost students' career credentials with careers fairs, skills sessions, workshops and more.

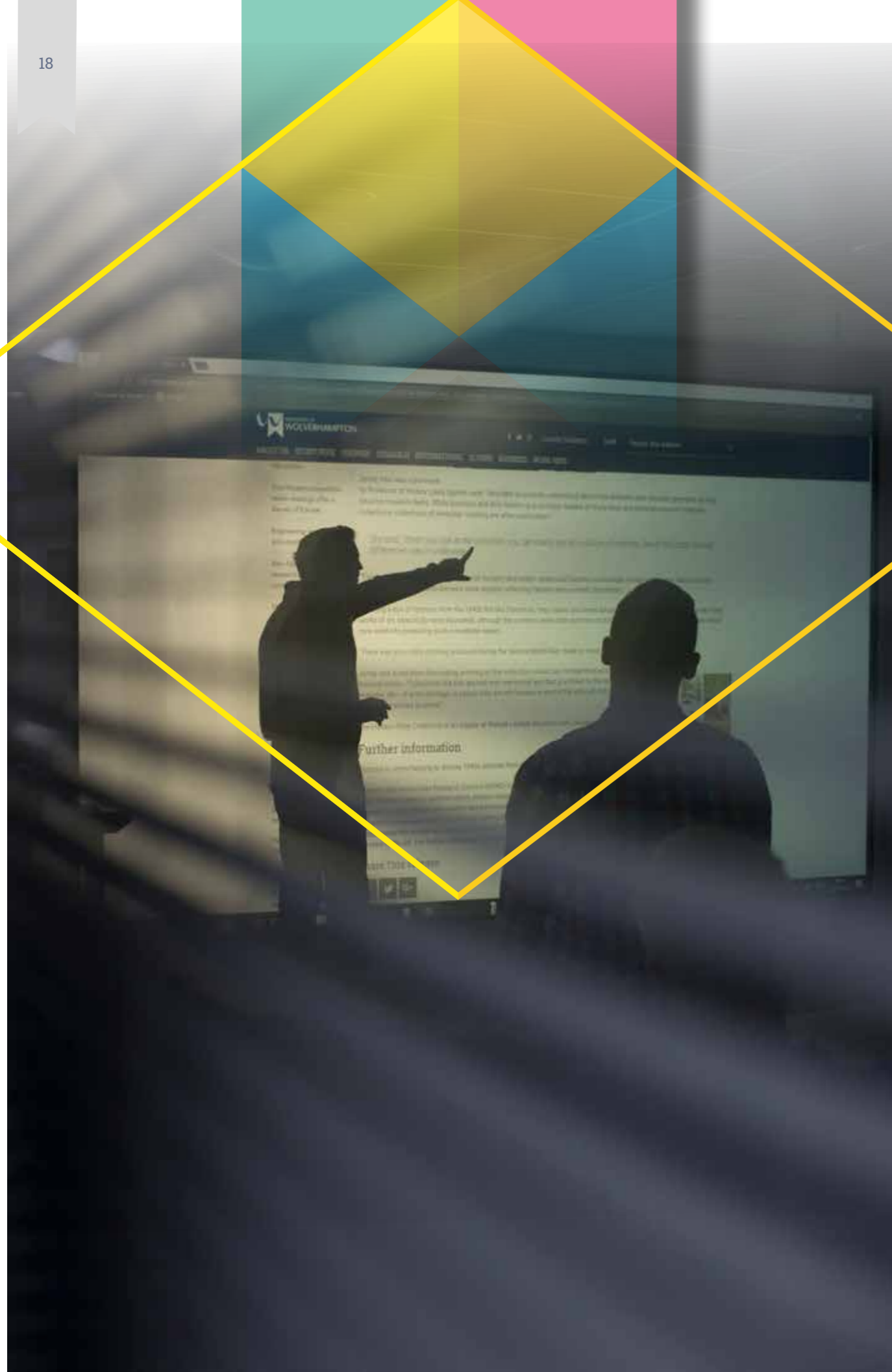
In the most recent Destination of Leavers of Higher Education Survey (DLHE) which looks at the graduate destinations of the class of 2017 we reported that 96% of graduates were in work or further study six months after they had left. Nearly three quarters of our students also go into graduate level jobs with 72% being employed in professional or managerial roles – up from 68% in the previous year.

Based on the highest positive difference between HEI Employment PI and Benchmark, for universities with an eligible population of 2,000-2,500 graduating students (full-time undergraduate), this means the University of Wolverhampton is the best performing university nationally for graduate employability, amongst comparable institutions.

Investment in new provision has resulted in a course portfolio that continues to diversify, in order to both meet the interests and needs of our students and address skills shortages. A number of courses received accreditation from industry bodies in 2017/18, acknowledging that they meet the highest professional standards.

BA (Hons) Multimedia Journalism secured professional accreditation via the Broadcast Journalism Training Council (BJTC), a partnership of UK media employers and education providers with a shared goal of ensuring the highest professional standards of journalism training. The BJTC has also offered students work placements.





Significant accreditations have been successfully sought from the Joint Board of Moderators for Civil Engineering that will enable School of Architecture and Built Environment graduates to work toward the Chartered Engineer qualification. In addition, the BSc (Hons) Architecture has received year one accreditation by the Architects Registration Board which is significant as it was largely assessed based upon students' portfolio work.

The Architecture and Built Environment team also scooped the Quality Initiative award for its innovative professional practice course, accredited by the Institute of Clerks of Works, at the 2017 EDF Energy's Hinkley Point C Excellence Awards.

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 focused on developing graduate opportunities and new ways of learning that will support the regional economy and our graduates into highly skilled employment.

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

The national measure of student satisfaction, the National Student Survey (NSS) was conducted between January and April 2018 with results published recently in July 2018. The NSS asks students from all over the country how satisfied they are with their university, course, teaching, support, resources and students' union.

Overall satisfaction among students at the University of Wolverhampton is at 83% – up from 82% last year and the same as the national average. Students were particularly happy with the learning opportunities offered by the University, with 85% reporting they were satisfied.

The quality of the learning community has risen to 79% following the significant investment the University has made in its physical and digital learning environment over the last few years. Listening to the student voice has

also improved and satisfaction with the learning resources remained high at 86%, with academic support increasing to 78%.

In the most recent assessment from the Quality Assurance Agency – the university equivalent of Ofsted – the University received a commendation for 'the enhancement of student learning opportunities'.

The University was also awarded a Silver award in the Teaching Excellence Framework (TEF) in 2018, recognising the quality of the learning and teaching. 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 particular, the panel found that the University displayed evidence of: commitment to enhance the student learning experience through development of effective learning resources and teaching practice; the involvement of employers in the development and review of all programmes; mental health provision and support systems that facilitate student guidance and underpin continuation; the embedding of the Enterprise and Employability Award scheme within academic programmes; the Enterprise and Employability strategy to support student start-ups; and the working partnership with the Students' Union.

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 2017/18 the University enrolled 23,017 students (2016/17 23,100), comprising 15,673 full-time and sandwich students (2016/17 15,946) and 7,344 part-time students (2016/17 7,154). 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 2017/18.

Home, EU and Overseas numbers	2017/18	2016/17
Home	18,154	18,286
EU	680	722
Overseas	4,183	4,092
Grand Total	23,017	23,100

Level of Study	2017/18	2016/17
Foundation	657	685
Undergraduate	18,065	18,347
Postgraduate taught	3,964	3,739
Postgraduate research	331	329
Grand Total	23,017	23,100

Campus Developments

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

Indicators of success include:

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

Condition of the Estate

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

Functional Suitability

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

Space Utilisation

The University's performance with respect to space utilisation has steadily improved over recent years, reflecting the impact of capital investment together with the disposal of older, functionally unsuitable teaching accommodation.

The physical space audit of the occupancy of centrally timetabled space continues to be carried out on an annual basis. This information is used as the evidence base for the Estates Management Record return to HESA. The space audit carried out in February 2017 has recorded a percentage return of 33% which is favourably comparable with the 28% sector median.

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

Carbon Management

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

Actual emissions for the 2016-17 financial year indicate that the University has achieved its set target in advance of 2016. In addition, it has achieved a 40% reduction against the 2007/08 CMP baseline and an overall reduction of 43% against the HEFCE baseline year of 2005/06. Having already achieved the HEFCE required 2020 target, the university will now concentrate on small measures to further reduce its carbon emissions by up to a further 10% by 2022.

Sustainability and 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.

Estates Strategy and Capital Programme

Development across all of the University's campuses continues in support of the University's Strategic Plan. Current major projects and initiatives include:

- Commencement of development of the University's 12-acre Springfield Brewery site in Wolverhampton City Centre. The West Midlands Construction UTC has been completed, along with the Elite Centre for Manufacturing Skills (ECMS) Hub. Work has commenced on the £45M development of the new School of Architecture & Built Environment (SOABE), and on developing infrastructure across the site to support further future development.

Several tranches of external funding have been secured for developments at Springfield including separate LEP grants for ECMS, SOABE and infrastructure totaling £10.7M and grants from HEFCE of £6.48M and ERDF of £1.17M for SOABE. Further support for a prospective National Centre for Brownfield Research, supported by West Midlands Combined Authorities, is being discussed.

- Development of infrastructure at Walsall to provide dedicated access to the campus has now been completed.
- Further investment is being planned at Walsall and Telford in support of healthcare provision aligned to the increase in demand for resources from the NHS.
- Considerable investment has been concentrated on improving facilities for students including learning and teaching spaces at all campuses, social learning and support facilities across the estate and will continue on a year-by-year basis.

Payment of Creditors

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

Equality and Diversity

The Equality Act 2010 harmonises legal protection against unjustifiable discrimination, harassment or victimisation on the grounds of age, disability, gender reassignment,

pregnancy and maternity, marriage and civil partnership, race, religion and belief, sex and sexual orientation.

The Act also introduced a single public sector equality duty in respect of all the above protected characteristics. The University is therefore required to have regard, when carrying out its functions, to the need to:

- eliminate discrimination, harassment, victimisation and any other conduct that is prohibited by or under this Act;
- advance equality of opportunity between persons who share a relevant protected characteristic and persons who do not share it;
- 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 AdvanceHE, and working closely with the local community to organise events that raise awareness of equality and celebrate diversity – for example, the University was one of the key partners at Wolves Pride 2017, the city's biggest ever Pride event, and has regularly been involved in Black History Month activities in the city. In 2018 we entered Stonewall's Top 100 employers for the first time, became a member of the Race Equality Charter and reapplied for Athena SWAN accreditation for our work to promote gender equality. We also received £50,000 from the Office of Students to develop hate crime prevention training for our students.

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 disablism, 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 a newly formed Equality and Diversity Operational Group that brings together staff, students and senior leaders. Responsibility sits with all staff, supported by the Equality and Diversity Unit, to ensure that the University reflects best practice in the field of equality and diversity. More information can be found at <https://www.wlv.ac.uk/about-us/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 www.wlv.ac.uk/edu.

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 DisabledGo 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 to ask questions of the VC on what has been discussed. The Vice-Chancellor holds quarterly Faculty meetings and also School meetings.

Gift Category	2015-2016 (£)	2016-2017 (£)	2017-2018 (£)	% increase
Charitable Trusts and Foundations	166,786	191,998	269,025	40%
Companies	101,819	148,477	207,930	40%
Lottery	38,917	38,557	0	-100%
Individuals	14,182	7,503	10,751	43%
Totals	321,704	386,535	487,706	26%

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.

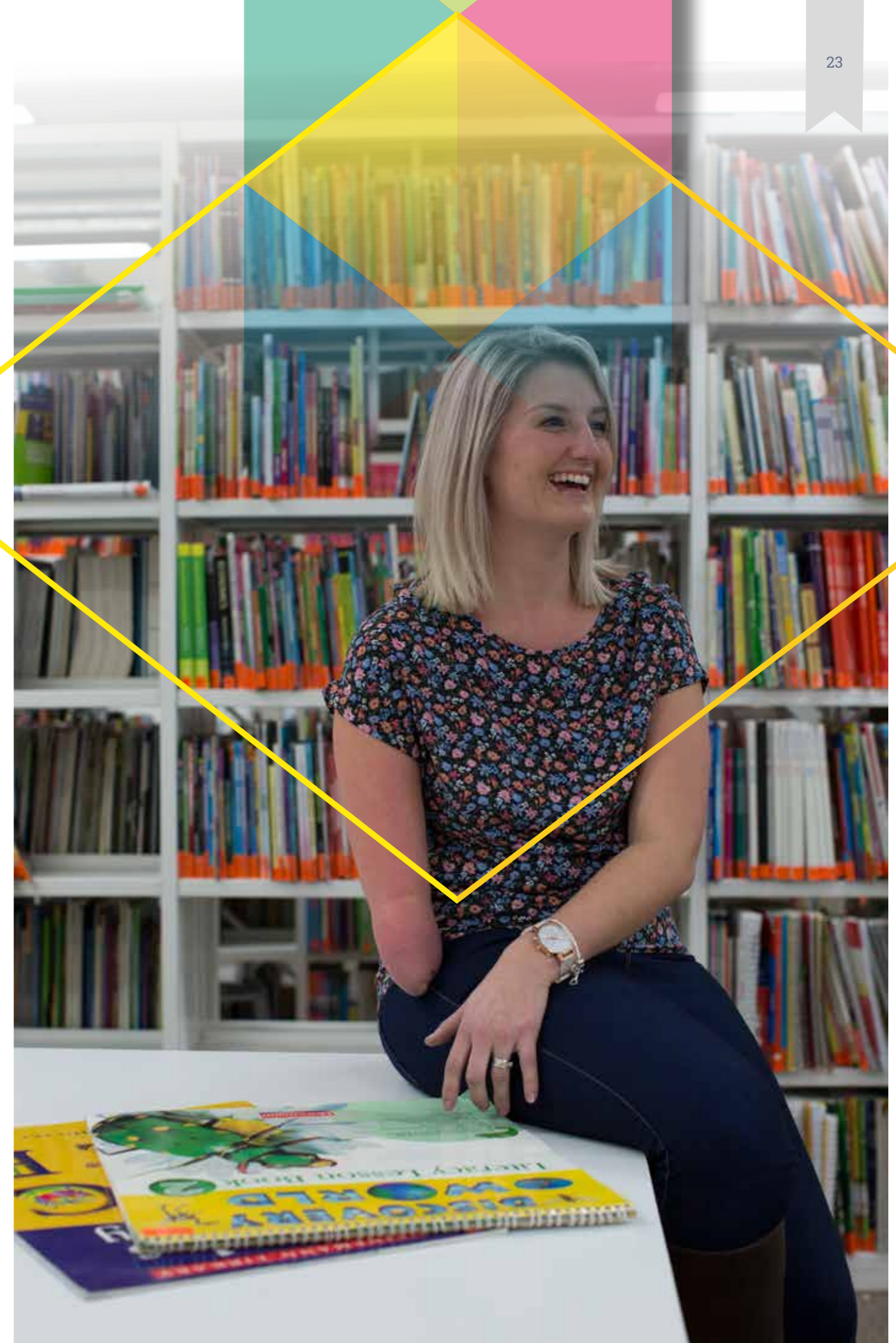
Development Strategy

Fundraising and alumni relations activity within Higher Education institutions is measured by the Ross-CASE survey each year. It tracks charitable donations to institutions and how much institutions invest in fundraising. The survey results were published in February 2018 and the University of Wolverhampton has continued to consolidate its national position and sits within the "Emerging" cluster, which comprises 31 institutions in total.

Funds Raised 2017-2018

Fundraising and alumni relations activity has focused on key, high-profile projects in the 2017-2018 year. These projects will remain at the forefront of the fundraising agenda in future years, while the department looks to remain agile in order to respond to emerging opportunities. Current areas of focus include fundraising for the Springfield Campus, the School of Engineering and University of Wolverhampton Racing and the Centre for Sikh and Panjabi Studies. Other projects include the Friends of the Wolverhampton School of Art, Brain Tumour Research and student scholarships, bursaries and prizes.

The following table shows the income raised in the 2017-2018 academic year and the percentage increase over previous years.





The University has increased philanthropic income by £101,171 (26.1%) over the last 12 months. Steady growth is being recorded in all fundraising channels, although giving by individual donors will continue to require significant time investment to cultivate relationships that lead to gifts of all sizes. Lottery funding has fallen due to the expiration of funding from Sport England for the Institute of Sport.

Knowledge Transfer

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

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

The University has a number of centres that provide services to individuals and businesses for business start-up and incubation including: an ICT business incubator (e-Innovation Centre), business grow-on space (Business and Technology Centre), a Creative Industries Centre for business, a Student / Graduate business incubator (SP/ACE) as well as facilitating University of Wolverhampton graduate start-up businesses through the Enterprise Action Programme which incorporates the legacy of the previous Student Placements Programme for Entrepreneurs in Education (SPEED).

The University's knowledge transfer, business innovation and incubation activities are delivered primarily to business from the University of Wolverhampton Science Park, Telford Innovation Campus, Hereford Enterprise Zone and the Wyre Forest. The new £10.1M Science Centre completed the fourth phase of Science Park development in February 2018. This facility is already partly occupied and will eventually be home to an additional 25 science and technology-based tenant companies providing a new approach to commercialisation and spinout activity with its unique combination of state-of-the-art laboratories, workshops and specialist office space.

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

The University continues to be particularly successful in attracting both revenue and capital public sector funding to part fund many of these activities with support from Local Growth Funding and EU Structural Funding.

The University is represented on the Black Country and Marches Local Enterprise Partnerships (LEPs), in discussion with the West Midlands Combined Authority, Local Authority leaders and Chambers of Commerce and is contributing to Skills, Innovation and Enterprise leadership. This is complemented by engagement in Industrial Strategy Plans locally that influence the allocation of resources for UK economic and regeneration growth. To support this, the University plays a major role in supporting the Midlands Engine, the Midlands Enterprise Universities consortium and the West Midlands Combined Universities partnerships.

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

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

Key Performance Indicators (KPIs)

Following the launch of the University's new Strategic Plan 2016 - 2021, a large amount of work was conducted to agree a set of 11 Key Performance Indicators that allow us to measure our performance against that Plan. These were adopted by the Board of Governors and monitor the overall health of the Institution across a range of activities including student population, achievement, employability and satisfaction; research and business engagement; our staff and culture; financial health; campus and wider impact. Performance against these indicators continues to be formally communicated to Governors on an annual basis via the relevant University Committee, with ongoing performance reviews being conducted at Corporate Management Team level more regularly throughout the year. In alignment with our Risk Management process we have adopted the 'RAG' (Red, Amber, Green) rated scoring system to indicate the status and direction of travel of each indicator.

Key performance indicators achieving an above benchmark performance level during the 2017-18 cycle include:

- **Our Students' Employability** – The 'Destinations of Leavers from Higher Education' (DLHE) Survey for the graduating class of 2017 again set out a positive picture of employability and employment amongst our graduates with over 96% of our undergraduate cohort reported to be in work or further study six months after graduation, outperforming the UK average for all UK universities and remaining at a high for the University. The number of our students going into graduate level jobs also continues to rise with 72% in professional or managerial roles, up from 68% last year. Wolverhampton students are also supporting the regional economy with 77% working in the West Midlands after graduation, either by securing a job in the region or by setting up their own business. The Careers, Enterprise and The Workplace (together with Faculty Employability Champions) 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. Initiatives include ensuring employability skills are embedded into our courses along with a real focus on gaining experiences through placements, internships and volunteering opportunities.
- **Our Students' Satisfaction** – In addition to the more established National Student Survey, for which we have again increased our overall satisfaction score against the sector average, we have for the second year also participated in the Postgraduate Taught Experience Survey (PTES), the Postgraduate Research Experience Survey (PRES) and finally the UK Engagement Survey (UKES) all of which compare the academic experience of differing cohorts of students against other institutions. We have improved our rankings against benchmark across all surveys, the most positive of which was PTES whereby our overall score at 81% was 2% higher than the sector benchmarking group and a rise of 3.8% from 2016/17.

Across the three key areas surveyed (retention, assessment and employability) we ranked in the highest quarter for the assessment measure and above average for retention and employability.

- **Our Campus** – The University continues to surpass the sector median in regards to the building condition and functional suitability of the non-residential estate. We continue to pursue a targeted, structured maintenance investment approach, together with a hybrid approach of strategic capital investment in the estate i.e. Masterplanning and Enabling projects. Additional resources to address the condition and functionality had been made available in 2017/18 and will be continued in 2018/19 to accelerate improvements in facilities, with particular emphasis on teaching, learning and social learning spaces, which most affect our student population. In addition, our sustainability rates have improved so greatly against benchmark in recent years; we have agreed a stretch target to further reduce our carbon emissions by an additional 10% on the 2007/08 baseline by 2023.
- **Our Student Population** – In line with previous years we have again over-performed against benchmark in all metrics related to the participation of under-represented groups in HE. The number of students from state schools and colleges has continued to sit well above benchmark and the number of students from low participation neighbourhoods has increased and is now 6% above benchmark. We also continue to outperform the sector indicators for measuring mature student participation by 3%. This remains testament to our 'Widening Participation' ethos, central to the delivery of our mission, to address social inclusivity and assist students from all backgrounds to achieve their study aspirations and vocational 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 both Risk Owners and the Risk & Business Continuity Group, as part of a rigorous Risk Management process. Assurances are provided that key risks are being managed appropriately for consideration by both Corporate Management Team and Audit Committee, for which the submission dates for the Local Risk Registers are also aligned. This approach ensures that the registers are treated as live working documents, so that the risks associated with the achievement of objectives are managed effectively locally whilst providing regular assurances at a corporate governance level. In addition, work continues to incorporate recommendations made by the University's Internal Auditors.

Current and Future Key Risks and Issues

At present 23 Institutional risks, aligned to the corporate strategic objectives, are contained within the Corporate Risk Register with a 'RAG' (Red, Amber, Green) rated scoring system used to indicate the status and direction of travel of each indicator.

The 2017/18 academic year saw the introduction and/or expansion of a number of risks to support the severity or escalation of their perceived impact in the short-term and ensure closer monitoring of mitigations to reduce the likelihood and impact of net risks, namely:

- **Corporate criminal offence of failing to prevent the facilitation of tax evasion** – a new and separate entry, in the short-term, whilst we fully implement and enforce new HMRC statutory legislation in this area. Once fully embedded, we would be looking to further reduce within the broader risk concerning compliance with financial and bribery laws and regulations.
- **Office for Students** – a stand-alone risk to more closely monitor the post-registration and transition in April 2018, across to OfS as the new regulatory body for the HE sector. Once fully embedded, we would be looking to amalgamate with other compliance related risks.
- **General Data Protection Regulation** - again it was felt the introduction of new legislation around GDPR during 2017/18 warranted a separate entry in the short-term whilst we go through the preparation and implementation stages and ensure all mitigations are fully in place.
- **Health and Safety Regulations** – previously noted as part of a broader compliance issue, it was felt recent changes to H&S legislation (including increases in prosecution fines and negative publicity for non-compliance) warranted a separate entry at this stage to monitor more closely and not overinflate lower risk compliance risks across the University.
- **Delivery of School of Architecture and the Built Environment development** – whilst it is recognised the risk has strong mitigation controls in place, including monthly risk assessments and regular review at governance level committees, given the complexity and

magnitude of the project CMT agreed the risk should be given a separate entry within the corporate risk register over the next 12 months whilst key deliverables are achieved.

- **Staff Morale** – following recommendations in Audit Committee, this risk was also extracted from a wider Human Resources entry to ensure the potential impact of both internal and external changes that the University is currently experiencing does not adversely affect staff morale.
- **Faculties' and Directorates' financial health** – this was a new risk identified through the recent implementation of the Institution's Future Proofing Programme for the next three year period and will provide assurance that any mitigations are in place and robust enough to negate a detrimental impact on our overall financial health and performance.

In addition, of the key issues facing the University Group currently and in the near future, two corporate risks have been 'RAG' rated as red at present due to their forecasted net impact:

- **Loss of Funding Through Shifts in Government Funding Policy** – the disbandment of, or significant cuts to, traditional funding streams (including HEFCE/OfS, NHS, NCTL, Research, DSA) and changes to key policies remain as a key risk for the University. A range of mitigating controls have been introduced including the development of new Distance Learning and Transnational programmes; the implementation and monitoring of the RAM to enable clarification of Faculty income earnings and performance management; the implementation of the conversion process review; regular performance review meetings with Faculties and further enhancement of Commercial Income generation processes.
- **Recruitment and Retention of Home and International Students** – the financial health and performance of the University has become steadily more reliant on buoyant student recruitment and increased retention levels to boost fee income and investment opportunities, whilst facing increased global competition and increasingly stringent UKVI requirements. A number of established mitigations are in place to manage risk effectively, further enhanced by the work of the Directorate of Recruitment and Partnerships and the re-organisation and refocusing of key recruitment functions to ensure they remain current in the ever-evolving HE landscape.

In response to the guidance from the Committee of University Chairs (CUC), the Board of Governors has adopted 15 KPIs as the means by which it monitors the overall health of the Institution. The KPIs gauge performance in a range of areas including: student application, recruitment and retention; achievement and completion; academic and research quality; NSS standing; equality and diversity; employability; international collaborations; financial health including income generation; space utilisation; performance of the estate; staffing; and carbon management. Performance against these KPIs is reported annually to the Board of Governors via the relevant University Committee. These reports summarise the status of each KPI together with the direction of travel.

From the KPIs presented to the Board of Governors, a key performance indicators highlighted last year sustained the impressive above benchmark performance level it had previously achieved, retaining their recommended statuses of Good.

Improved Employment Levels of University of Wolverhampton Graduates

The annual Destinations of Leavers from Higher Education (DLHE) Survey reports 96% of our class of 2017 undergraduate cohort were in work or further study six months after graduation. This has been accomplished through sustained efforts to ensure we provide our students and graduates with meaningful opportunities, throughout their studies to develop the employability skills, subject knowledge and professional competencies to pursue their career ambitions.

We have continued to perform well in a number of other areas. For the KPI "to improve the functional suitability of the estate" the University's position remains above the sector median for the whole estate (residential and non-residential), with maintenance, particularly of student-facing teaching and learning facilities, continuing to be a principle focus for investment expenditure. The KPI "to reduce the University's carbon footprint by 40% by 2020" also reported significant progress in terms of our reduction of CO² emissions, achieving an overall reduction of 38% against the HEFCE baseline year of 2005/06, following implementation of the University's Carbon Management Plan.

In those areas where a less than satisfactory performance has been reported, the University remains committed to reviewing progress throughout the year, introducing and monitoring improvement measures as required to meet and surpass sector benchmarks where possible. "To extend the diversity of our staff profile across all equalities categories", has a current status of "requiring further action". The University is undertaking action to support under-represented groups to ensure our workforce reflects the local demographic.

Conclusion

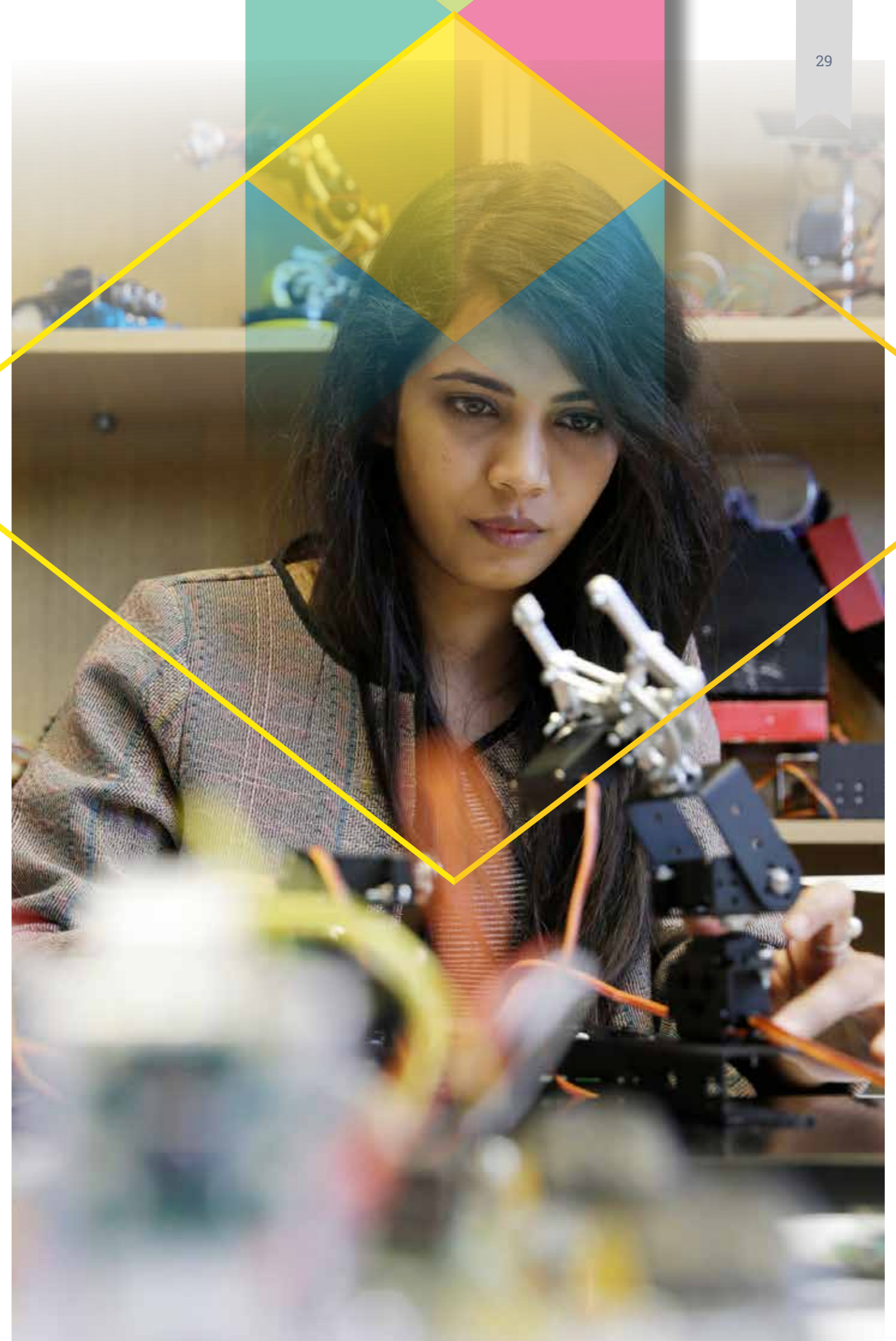
The University continues to be in a strong position. Overall student numbers in 2017/18 were at a similar level to the previous year. Despite increased competition for students from traditional providers and new entrants, student recruitment in 2018/19 is on track to be close to target in most areas. We continue to deliver employability results at record levels, and recently released NSS scores show we have maintained our position against the rest of the sector. The overall financial health of the University continues to improve as a result of sustained surplus generation. 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 28th November 2018 and signed on its behalf by:



S. Walford
Chairman of the Board of Governors





Public Benefit Statement

“

Our focus over the coming years is on students and skills to ensure that we continue to have an influential presence for years to come.

”

Dr Anthea Gregory,
Deputy Vice-Chancellor
(Academic)

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

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

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

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

The University is committed to advancing the education of individuals from across the Black Country, West Midlands, UK and beyond and to providing a broad range of educational opportunities focused on making a real

difference to the lives of individuals, communities and businesses. In 2016/17 the University launched its new Strategic Plan 2016-2021. This new plan centres on three key pillars for University activity:

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

Opportunity: social inclusion and social change

The University of Wolverhampton is known as the University of Opportunity, promoting social mobility and improving individual life chances within the communities in which it operates. During 2017/18 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 2017/18, the University continued its commitment to being a key player in raising aspirations and skills levels within the region through its work with schools, colleges, adult education, employers and the community. This is evidenced by a number of activities undertaken during the last academic year, all aimed at social inclusion and social change. Examples of such work are:

- The continued delivery of the National Collaborative Outreach Project funded by HEFCE. This programme is targeted at young people in areas where progression to higher education is at a lower rate than would be expected compared to the rest of the country.
- The continuation of a scheme aimed at encouraging more Looked After Children into Higher Education. The University works with three Local Authority 'Virtual Schools', co-ordinating research and delivering a dedicated mentoring programme for Looked After Children.
- The University's business start-up programme – Supporting the Unsung Hero – has been awarded further sponsorship. The programme is tailored to meet the needs of Armed Forces families, offering them the opportunities and advice in relation to business management and self-employment.
- The University continues to work on the development of Learning Cities and Regions; the project will develop and sustain a network of stakeholders across the public, private and third sectors creating impact across the region and developing a culture where learning – whether at home, work, in formal educational institutions or in civic life – is widely accessible by all and transformational for our communities.
- The University's entrant profile continues to exceed the national benchmarks on all widening participation measures (state school, lower socio-economic groups, low participation neighbourhoods).

- For the last three years, students from the University's Law School working with the welfare benefits office in Wolverhampton City Council have provided representation to disabled and vulnerable people when they challenge the Department of Work and Pensions over benefits including Employment and Support Allowance and Personal Independence Payments. In that time, they have supported more than 300 appeals and helped secure over £1.5M which people in Wolverhampton may otherwise have missed out on.
- Further beneficiaries of the University's work over the last year have been children from primary school age upwards throughout the region, as part of the University's objective to improve the performance of schools within the Black Country. The University recognises the key role it plays in raising aspirations amongst those who are from groups underrepresented in Higher Education and has a programme of outreach and inreach activities with schools and colleges, designed to raise both aspiration and attainment. The University demonstrates this commitment through its new Schools Engagement Strategy, which envisages holistic and joined-up engagement with academies, trusts and schools to improve the performance of schools in the region and contribute to the economic growth of the area through raising skills levels. The University has continued to deliver this in 2017/18 through a number of activities, including:
 - o Through the University's Multi-Academy Trust, the University sponsors 13 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.
 - o Continuation of the Black Country Children's University (BCCU), which is part of the national Children's University Trust. During 2017/18 the number of schools and young people involved continued to grow.
 - o Continuation of Scifest, 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. Similarly Faculty-led community events Artsfest and Sportfest also returned in 2018.

Research

The University's strategic plan recognises the importance of research and focuses on excellent research that transforms lives, makes an impact nationally and internally, and fosters global knowledge exchange and collaboration.

In the most recent Research Excellence Framework, REF 2014, we achieved our best ever results with 41% of our submission 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 modern languages research. Our work in Communication, Cultural and Media Studies, Library and Information Management was especially commended, ranked joint 5th in the UK.

New investments in research staff, research students, infrastructure and facilities are underway in support of our strategic objectives and ahead of REF 2021. In 2017/2018, we launched the new Institute for Community Research and Development, which uses its inter-disciplinary expertise to affect positive changes in local communities and influence policy locally and nationally.

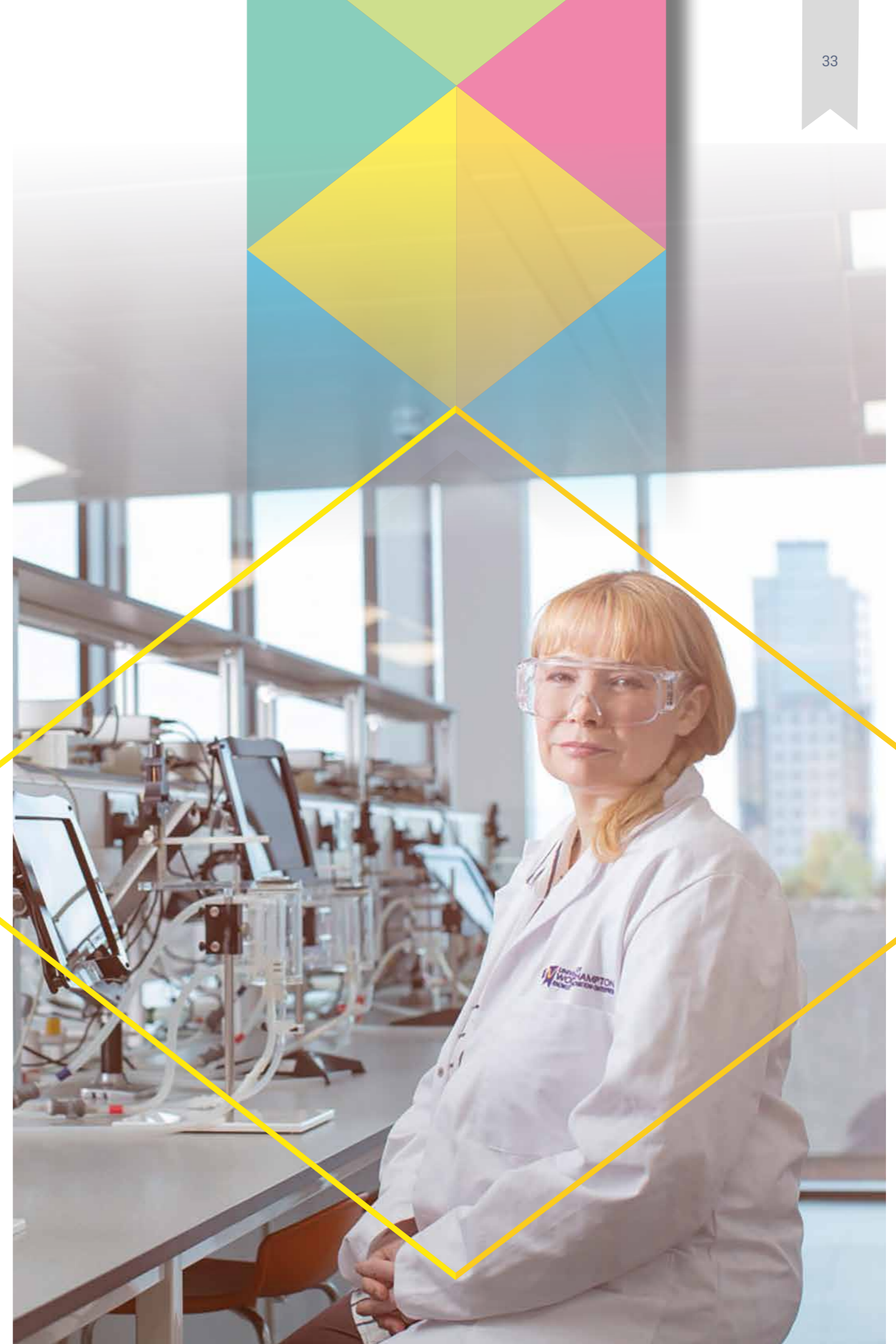
Our new Wolverhampton Cyber Research Institute works in collaboration with academic, industrial and governmental organisations to improve security and privacy, and staff have contributed to national cybersecurity consultations and gained Catalyst funding to develop cybersecurity skills.

In 2017/18, research income totalled £4.2M, a growth of £1.7M in what is an increasingly challenging external funding environment. Notable funding successes in 2017/18 included Arts and Humanities Research Council grants worth over £800,000 two Marie Skłodowska-Curie fellowships and several Innovate UK grants.

The Doctoral College supports research students and staff to achieve our research objectives through training, development and dissemination activities. In 2017/18, the Doctoral College ran four public lecture events, including a Christmas lecture jointly delivered by researchers from three faculties, over 100 research development workshops, an employability conference and a researcher week. The Annual Research Conference 2018 was themed 'Responsible Research' and featured two keynote lectures, 73 presentations by staff and research students, 25 posters and a doctoral depictions competition.

Other highlights of the University's range of research achievements in 2017/18 include:

- For the second year running, the Statistical Cybermetrics Research Group in the Research Institute for Information and Language Processing was the highest-ranked UK University in the Library and Information Science subject area of the Academic Ranking of World Universities (ARWU), also known as the Shanghai Ranking. For average research impact, the group was ranked number 1 in the World in both 2017 and 2018.
- University researchers have pioneered a 'King Midas' approach turning plastic waste into high-value, biodegradable forms of bioplastics. The research has been featured in the national and international media, including features by the BBC, Sky television and *The Guardian*.
- The Cancer Research Group is developing new treatment based on Disulfiram, an existing drug used to treat alcoholism which is showing promising results in pre-clinical testing. The invention has been patented and a spin-out company set up. The researchers involved have won a House of Commons Silver award for biomedical research excellence and the poster competition prize at the Mesothelioma Research Network Research Day organised by the British Lung Foundation.
- The pioneering work of Professor John Howl and Dr Sarah Jones, who are at the forefront of cell penetrating peptide research, could result in enhanced fertility treatments and even a new form of male contraception.





- Several researchers gained formal recognition for the impact their work has had on changing lives. Professor Sir Alan Tuckett received a knighthood for services to education, and Dr Opinderjit Kaur Takhar was awarded an MBE for her contribution to the Sikh community. Dr Meena Dhanda was included in Amnesty International's 'Suffragette Spirit Map of Britain' in recognition of her work on caste in the diaspora. Dr Daisy Black became one of ten 'New Generation Thinkers' selected by the BBC and the Arts and Humanities Research Council for her groundbreaking work on food in medieval religious drama.
- Based on earlier work in the UK for the government and the insolvency profession, and following a recommendation from the World Bank, a legal researcher from the University has been appointed by the Kenyan Government to develop the Kenyan insolvency laws. Meanwhile, the University's Centre for African Entrepreneurship and Leadership (CAEL) has secured funding of £1.3M to lead on an innovative project, delivered with seven partners in Africa, to strengthen communities by enhancing awareness of self-employment opportunities.

External Engagement: Enterprise and Employability

The University of Wolverhampton plays a key role in developing and fostering both human and intellectual by providing an environment where creativity can flourish, generating new ideas which positively impact the regional economy.

The University has a strong reputation for its commitment to promoting enterprise in the region. The success of start-up companies established by University students/graduates and the general public through the various projects delivered with EU funding support over the last few years has supported regional economy and generated many local employment opportunities. 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.

The University has recently increased its geographical incubation coverage in support of stimulating entrepreneurial activity and new business start-ups and those in early stages of operation. Since 2016, the 'Enterprise Action' project has assisted 340 individuals to be enterprise-ready and 156 businesses have been supported with non-financial and financial support across the Black Country and Marches area (including Herefordshire and Shropshire).

The University's commitment to supporting the local area also extends beyond assisting budding entrepreneurs

in the region. In 2017, we promoted the West Midlands Police's "Blue Line Programme" which provided a unique opportunity to our students to work as Special Constables and provide a potential pipeline of Police Officers for the public service. In addition, the University supported the City of Wolverhampton Council in 2017 on the 'Impact project' to upskill 20 unemployed graduates in the area and assisted them in finding work opportunities.

The University recently opened a £10M Science Centre on its Science Park providing a unique combination of laboratory, workshop and high-specification office spaces. The centre has state-of-the-art design and prototyping equipment available in the Fab Lab, including 3D printing and virtual modelling to help businesses with new product development.

The University views graduate employability as a vital part of what the University delivers. The Careers, Enterprise and The Workplace department within the University working closely with the faculties provides exemplar services to our students (through a strong employer engagement activity) to ensure that each and every graduate achieves the highest quality graduate outcomes. The Destination of Leavers from Higher Education survey reported that 96% of our students in 2017 were in work and/or further study and 77% of those in employment are working in the West Midlands, thus enhancing the growth of the region.

“

We want to deliver the skills needed to help develop the economy for the future.

”

Professor Jackie Dunne,
Deputy Vice-Chancellor
(Access & Lifelong Learning)

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

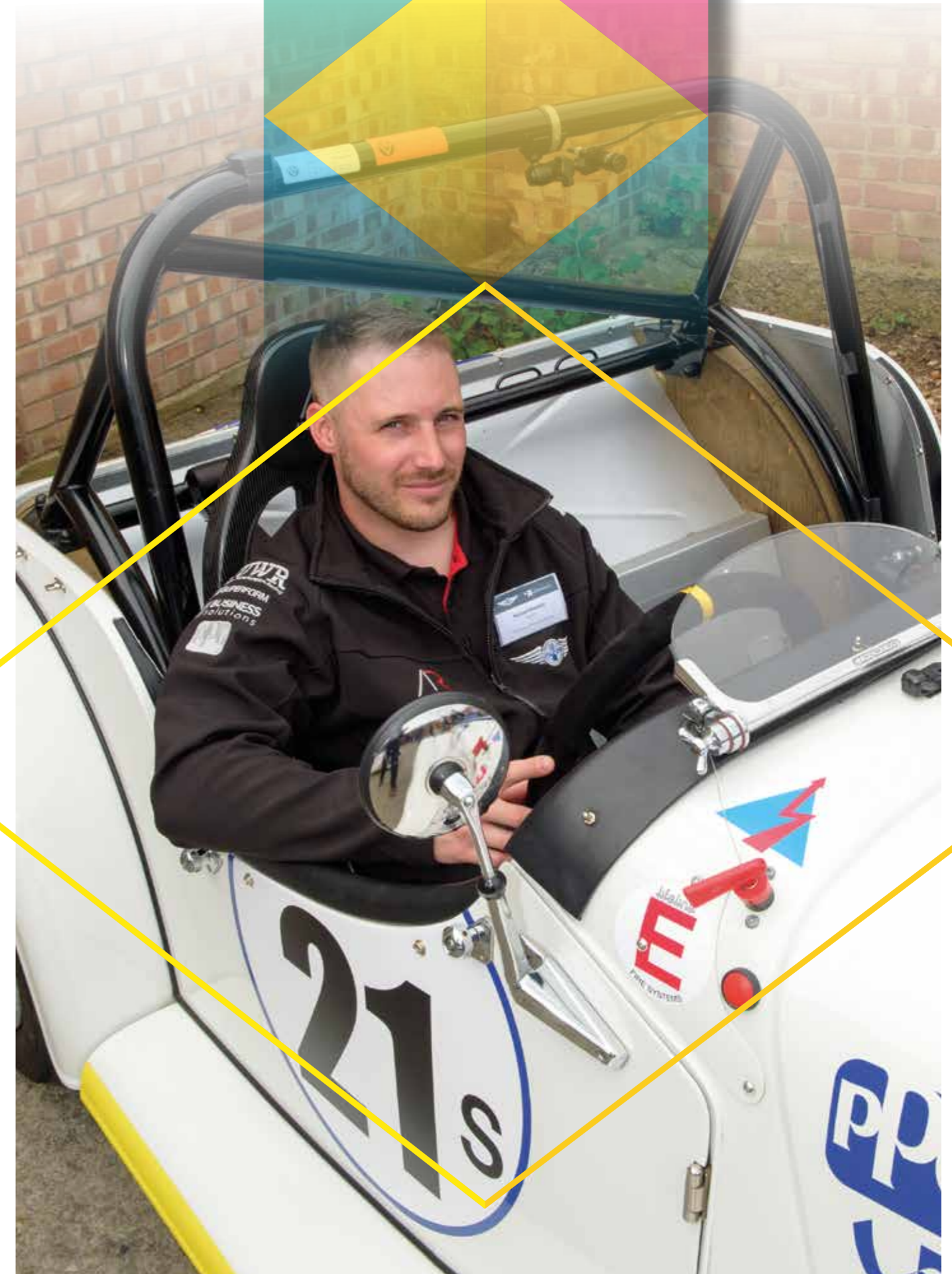
- Encouraging students to participate in "Volunteer Central" programme that offers students the opportunity to improve their employability through volunteering activities in the community and local charities.
- The Challenge Academy – a hybrid short-term business/academia collaboration catalyst which empowers students in a safe environment to address real life 'business challenges' through the application of their theoretical knowledge.
- 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 – including a new two-year sponsorship deal with West Bromwich Albion announced in October 2017 – has resulted in internship opportunities.
- Offering a scholarship and placement scheme in conjunction with Santander.
- 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.
- Offering graduates an opportunity to work full-time in a business on short-term commercial projects through the Knowledge Exchange and Enterprise Network (KEEN).
- Offering support to recent graduates in establishing their own commercial business through the Enterprise Action programme.

As part of the University's commitment to economic growth the University has opened its Apprenticeship Hub at City Campus, Wolverhampton. This milestone was celebrated with a prestigious event in June 2018 held at the House of Lords in London and hosted by our Chancellor, Lord Swraj Paul, which brought together key people from construction, professional and legal services as well as the health care industry.

The Hub is proactively driving the apprenticeship agenda with local businesses and the broader community to increase the level of training, work experience and work-based opportunities for students. Its ever-growing portfolio of apprenticeships covers areas including Chartered Surveying, Civil Engineering and Built Environment, Healthcare Science, 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.

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

The Governing Body

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

The roles of the Chair and Deputy Chair of the Board of Governors are separated from the role of the University's designated Accountable Officer, the Vice-Chancellor. The matters reserved specifically to the Board of Governors for decisions are set out in the Education Reform Act 1988, the Articles of Government of the University and under the Office for Students terms and conditions of funding for higher education institutions in conjunction with the terms and conditions of Research England grant. Please note that the OfS and Research England documents supersede the 'Memorandum of assurance and accountability between HEFCE and institutions' (HEFCE 2017/08).

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

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 is 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 was introduced for 2015/16 and replaced Finance and General Purpose 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 was introduced for 2015/16 replacing the Governors' Estates Working Group. 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/>

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:

- an approved Risk Management Policy;
- a ranked Corporate University Risk Register and local risk registers within Academic Faculties and Service Departments;
- a risk and business continuity update delivered to every Audit Committee, in addition to the Corporate Risk Register;
- the development of a risk appetite statement. This was approved by the Board of Governors on 6th July 2016;
- an annual assurance report;
- 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
- 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:

- Audit Committee provides oversight of the process of internal control. The Board receives reports from Audit Committee including minutes after each meeting;
- 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;
- 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;
- the Internal Audit services' assignment review of Risk Management;
- comments made by the External Auditors in their management letter and other reports;
- the Annual Assurance Report to Audit Committee regarding the operation of risk management processes; and
- 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 2018 and up to the date of signing these accounts.

Going Concern

A review of the University's trading and cashflow performance for the current year, together with the key financial risks it is likely to face in the near future, are set out in the Report of the Board of Governors. This report also covers the Institution's approach to capital investment and risk management. The University has a strong cash position at year end, with no outstanding bank debt and a healthy reserves position. The University adopts a prudent approach to investment of cash balances, placing deposits with institutions with a Fitch long-term rating of "A", and limiting total amounts deposited with a single institution.

The University is budgeting for a reasonable surplus in 2018/19 and has included budget provision for planned capital and revenue developments. We will continue to maintain pressure on pay and non-pay expenditure to ensure financial sustainability. The University is looking to reduce overall support costs over the coming year, whilst maintaining and enhancing the student experience. Financial forecasts covering a 5 year period are produced for the Board at least annually, the latest in June 2018. The Board believe that, despite intensifying competition for undergraduate and international students, projections indicate that University is well placed to manage its business risks successfully, and has adequate resources to continue in operational existence for the foreseeable future.

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

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

Statement of the Board of Governors' Responsibilities

Statement of Board of Governors responsibilities in respect of the Report of the Board of Governors and the financial statements

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

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

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

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

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

The Board of Governors are also responsible for ensuring that:

- funds from whatever source administered by the Group or the University for specific purposes have been properly applied to those purposes and managed in accordance with relevant legislation;
- funds provided by the Office for Students and Research England have been applied in accordance with the terms and conditions attached to them;
- funds provided by HEFCE have been applied in accordance with the Memorandum of Assurance and Accountability and any other 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 of University of Wolverhampton

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 2018 which comprise the Consolidated and University Statements of Comprehensive Income and Expenditure, Consolidated and University Statements of Changes in Reserves, Consolidated and University Balance Sheets, Consolidated Cash Flow, 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 2018, and of the Group's and the University's income and expenditure, gains and losses and changes in reserves, and of the Group's cash flows, for the year then ended;
- have been properly prepared in accordance with UK accounting standards, including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland*, and with the 2015 *Statement of Recommended Practice – Accounting for Further and Higher Education*; and
- meet the requirements of the Accounts Direction dated 19 June 2018 issued by the Office for Students.

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

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 12 months from the date of approval of the financial statements. We have nothing to report in these respects.

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

Auditor's responsibilities

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

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

Report on other legal and regulatory requirements

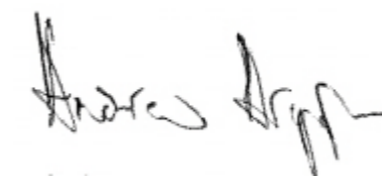
We are required to report on the following matters under the Office for Students and Research England Audit Codes of Practice issued under the Further and Higher Education Act 1992.

In our opinion, in all material respects:

- funds from whatever source administered by the Group or the University for specific purposes have been properly applied to those purposes and managed in accordance with relevant legislation;
- funds provided by the Office for Students and Research England have been applied in accordance with the terms and conditions attached to them; and
- funds provided by HEFCE have been applied in accordance with the Memorandum of Assurance and Accountability and any other terms and conditions attached to them.

The purpose of our audit work and to whom we owe our responsibilities

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



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

Statement of Accounting Policies for the year ended 31 July 2018

1. Basis of preparation

These financial statements have been prepared in accordance with the Statement of Recommended Practice (SORP): Accounting for Further and Higher Education 2015 and in accordance with Financial Reporting Standards (FRS102). The University is a public benefit entity and therefore has applied the relevant public benefit requirement of FRS 102. The financial statements are prepared in accordance with the historical cost convention (modified by the revaluation of fixed assets).

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 2018. 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 £143,589 in 2017/2018 (£100,540 in 2016/2017). 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 Social Enterprises Limited has a wholly-owned subsidiary, University of Wolverhampton Multi-Academy Trust (UWMAT). In 2017/18 UWMAT was in its seventh year of operation. The UWMAT 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 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 £802,000 and received £18,600 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 Teachers' 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 the Universities Superannuation Scheme (the scheme). There are 32 members of staff in the Universities Superannuation Scheme.

Throughout the current and preceding periods, the scheme was a defined benefit-only pension scheme until 31 March 2016 which was contracted out of the State

Second Pension (S2P). The assets of the scheme are held in a separate trustee-administered fund. Because of the mutual nature of the scheme, the scheme's assets are not hypothecated 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 and therefore, as required by Section 28 of FRS 102 "Employee benefits", accounts for the scheme as if it were a defined contribution scheme. As a result, the amount charged to the income and expenditure account represents the contributions payable to the scheme in respect of the accounting period. 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 the resulting expense in the income and expenditure account.

5. Employment benefits

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

6. Leases

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

7. Foreign currency

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

8. Fixed assets

Fixed assets are stated at cost less accumulated depreciation and accumulated impairment losses. Certain items of fixed assets that had been revalued to fair value on or prior to the date of transition to the 2015 FE HE SORP, are measured on the basis of deemed cost, being the revalued amount at the date of that revaluation.

Where parts of a fixed asset have different useful lives, they are accounted for as separate items of fixed assets.

The University does not capitalise borrowing costs.

a) Land and Buildings

The freehold properties comprising The University of Wolverhampton's Estate were valued as at 31 July 2014 by an external valuer, Gerald Eve LLP, a regulated firm

of Chartered Surveyors. The valuation 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 valuation 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 in the period received.

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:

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

14. 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.

Consolidated Statement of Comprehensive Income and Expenditure for the year ended 31 July 2018

Note	Year ended 31 July 2018		Year ended 31 July 2017	
	Consolidated £'000	University £'000	Consolidated £'000	University £'000
Income				
Tuition fees and education contracts	131,867	131,823	130,479	130,479
Funding body grants	21,500	21,500	18,216	18,205
Research grants and contracts	4,204	4,204	2,518	2,518
Other income	29,504	24,595	30,568	23,085
Investment income	186	257	351	351
Total income before endowments and donations	187,261	182,379	182,132	174,638
Donations and endowments	77	77	65	65
Total income	187,338	182,456	182,197	174,703
Expenditure				
Staff costs	112,830	111,543	102,400	100,698
Other operating expenses	50,830	47,384	54,392	49,115
Depreciation and Impairment	11,628	11,297	11,270	10,940
Interest and other finance costs	3,036	3,035	5,757	5,632
Total expenditure	178,324	173,259	173,819	166,385
Surplus before tax	9,014	9,197	8,378	8,318
Taxation	(31)	0	0	0
Surplus for the year	8,983	9,197	8,378	8,318
Actuarial gain/(loss) in respect of pension schemes	24,700	24,700	19,294	19,294
Total comprehensive income for the year	33,683	33,897	27,672	27,612
Represented by:				
Unrestricted comprehensive income for the year	33,683	33,897	27,672	27,612
Surplus for the year attributable to:				
Non-controlling interest	0	0	0	0
University	8,983	9,197	8,378	8,318
Total comprehensive income for the year attributable to:				
Non-controlling interest	0	0	0	0
University	33,683	33,897	27,672	27,612

All items of income and expenditure relate to continuing activities.

Consolidated and University Statement of Changes in Reserves for the year ended 31 July 2018




Consolidated	Income and Expenditure Account				
	Endowment £'000	Restricted £'000	Unrestricted £'000	Revaluation Reserve £'000	Total £'000
Balance at 1 August 2017	187	0	165,019	29,895	195,101
Surplus from the income and expenditure statement	53	0	8,930	0	8,983
Other comprehensive income	0	0	24,700	0	24,700
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	53	0	34,578	(948)	33,683
Balance at 31 July 2018	240	0	199,597	28,947	228,784

University	Income and Expenditure Account				
	Endowment £'000	Restricted £'000	Unrestricted £'000	Revaluation Reserve £'000	Total £'000
Balance at 1 August 2017	187	0	158,284	27,760	186,231
Surplus from the income and expenditure statement	53	0	9,144	0	9,197
Other comprehensive income	0	0	24,700	0	24,700
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	53	0	34,792	(948)	33,897
Balance at 31 July 2018	240	0	193,076	26,812	220,128

Consolidated and University Balance Sheet for the year ended 31 July 2018

Note	As at 31 July 2018		As at 31 July 2017		
	Consolidated £'000	University £'000	Consolidated £'000	University £'000	
Non-current assets					
Fixed assets	11	257,254	245,742	249,746	238,087
Investments	12	121	621	37	136
		257,375	246,363	249,783	238,223
Current assets					
Stock	13	134	125	120	111
Trade and other receivables	14	22,319	24,400	19,026	19,135
Investments	15	4,077	4,077	9,215	9,215
Cash and cash equivalents		65,322	64,683	55,280	56,456
		91,852	93,285	83,641	84,917
Less: Creditors: amounts falling due within one year	16	(26,152)	(25,229)	(26,790)	(25,376)
Net current assets		65,700	68,056	56,851	59,541
Total assets less current liabilities		323,075	314,419	306,634	297,764
Creditors: amounts falling due after more than one year	17	(88)	(88)	(213)	(213)
Provisions					
Pension provisions	18	(89,720)	(89,720)	(106,604)	(106,604)
Other provisions	18	(4,483)	(4,483)	(4,716)	(4,716)
Total net assets		228,784	220,128	195,101	186,231
Restricted Reserves					
Income and expenditure reserve – endowment	19	240	240	187	187
Income and expenditure reserve – restricted		0	0	0	0
Unrestricted Reserves					
Income and expenditure reserve – unrestricted		199,597	193,076	165,019	158,284
Revaluation reserve	20	28,947	26,812	29,895	27,760
		228,784	220,128	195,101	186,231
Non-controlling interest		0	0	0	0
Total Reserves		228,784	220,128	195,101	186,231

The financial statements were approved by the Board of Governors on 28 November 2018 and were signed on its behalf on that date by:

	S. Walford	Chairman of the Board of Governors
	Professor G. Layer	Vice-Chancellor and Accountable Officer
	G Butler	Acting Chief Financial Officer

Consolidated Cash Flow for the year ended 31 July 2018

Note	Year ended 31 July 2018 £'000	Year ended 31 July 2017 £'000
Cash flow from operating activities		
Surplus for the year	8,983	8,378
Adjustment for non-cash items		
Depreciation	11,628	11,270
Decrease/(increase) in stock	(14)	36
Decrease/(increase) in debtors	(3,293)	2,926
Increase/(decrease) in creditors	(763)	(4,663)
Increase/(decrease) in pension provision	7,583	2,262
Increase/(decrease) in other provisions	0	(349)
Adjustment for investing or financing activities		
Investment income	(186)	(351)
Capital Grant Income	(8,361)	(5,318)
Interest payable	121	0
Loan repayable	126	0
Endowment income	(53)	6,029
Net cash inflow from operating activities	15,771	20,220
Cash flows from investing activities		
Withdrawal of deposits	5,138	2,769
Investment income	186	356
Capital Grant Income	8,361	2,531
Payments made to acquire fixed assets	(19,220)	(29,389)
	(5,535)	(23,773)
Cash flows from financing activities		
Interest paid	(121)	(2,830)
Endowment cash received	53	0
New unsecured loans	0	0
Repayments of amounts borrowed	(126)	(14,056)
	(194)	(16,886)
Increase/(decrease) in cash and cash equivalents in the year	10,042	(20,399)
Cash and cash equivalents at beginning of the year	55,280	75,679
Cash and cash equivalents at end of the year	65,322	55,280

Notes to the Accounts for the year ended 31 July 2018

1. Tuition fees and education contracts

	Year Ended 31 July 2018		Year Ended 31 July 2017	
	Consolidated £'000	University £'000	Consolidated £'000	University £'000
Full-time home and EU students	99,147	99,129	95,626	95,626
Full-time international students	10,961	10,961	11,729	11,729
Part-time students	6,472	6,446	6,076	6,076
Franchised courses	3,498	3,498	3,624	3,624
Apprentices	606	606	24	24
Education contracts	11,183	11,183	13,400	13,400
	131,867	131,823	130,479	130,479

2. Funding body grants

	Year Ended 31 July 2018		Year Ended 31 July 2017	
	Consolidated £'000	University £'000	Consolidated £'000	University £'000
Recurrent grant				
Higher Education Funding Council	8,543	8,543	12,228	12,228
Office for Students	3,014	3,014	0	0
Capital grant – HEFCE	1,441	1,441	2,120	2,120
Capital Grant – OFS	1,456	1,456	0	0
Specific grants				
Higher Education Academic Subject Centres – HEFCE	2,474	2,474	1,062	1,062
Higher Education Innovation Fund – HEFCE	2,535	2,535	2,461	2,450
Higher Education Academic Subject Centres – OFS	786	786	0	0
Higher Education Innovation Fund – OFS	1,060	1,060	0	0
National College for Teaching and Leadership	191	191	345	345
	21,500	21,500	18,216	18,205

3. Research grants and contracts

	Year Ended 31 July 2018		Year Ended 31 July 2017	
	Consolidated £'000	University £'000	Consolidated £'000	University £'000
Research councils	281	281	92	92
Research charities	348	348	222	222
Government (UK and overseas)	2,454	2,454	572	572
Industry and commerce	126	126	31	31
Other	995	995	1,601	1,601
	4,204	4,204	2,518	2,518

Notes to the Accounts for the year ended 31 July 2018

4. Other income

	Year Ended 31 July 2018		Year Ended 31 July 2017	
	Consolidated £'000	University £'000	Consolidated £'000	University £'000
Residences, catering and conferences	8,223	8,164	7,694	7,588
Other revenue grants	5,116	4,069	7,051	4,600
Other capital grants	5,464	5,464	3,198	3,198
Other income	10,701	6,898	12,625	7,699
	29,504	24,595	30,568	23,085

5. Investment income

	Year Ended 31 July 2018		Year Ended 31 July 2017	
	Consolidated £'000	University £'000	Consolidated £'000	University £'000
Other investment income	186	257	351	351
	186	257	351	351

6. Donations and endowments

	Year Ended 31 July 2018		Year Ended 31 July 2017	
	Consolidated £'000	University £'000	Consolidated £'000	University £'000
Unrestricted donations	77	77	65	65
	77	77	65	65

Notes to the Accounts for the year ended 31 July 2018

7. Staff costs	Year Ended 31 July 2018		Year Ended 31 July 2017	
	Consolidated £'000	University £'000	Consolidated £'000	University £'000
Salaries	84,469	83,428	80,946	79,516
Social security costs	8,426	8,333	8,157	8,064
Holiday accrual	(122)	(122)	(2,533)	(2,533)
Movement on USS provision	(35)	(35)	26	26
Other pension costs	20,092	19,939	15,804	15,625
Total	112,830	111,543	102,400	100,698

Severances of £919,000 (85 staff) paid during 2017/18 are included within the salaries costs (£133,000 2016/17 – 35 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	277	277	271	271
Benefits	4	4	6	6
Pension contributions to USS	6	6	6	6
Total	287	287	283	283

The head of the provider's basic salary is 7.80 (£274,718 ÷ £35,210) 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 8.14 (£286,446 ÷ £35,210) times the median total remuneration of staff, where the median pay is calculated on a full-time equivalent basis for the salaries paid by the provider to its staff.

Remuneration of other higher paid staff, excluding employer's pension	No.	No.	No.	No.
£100,000 to £104,999	0	0	0	0
£105,000 to £109,999	1	1	2	2
£110,000 to £114,999	1	1	0	0
£115,000 to £119,999	0	0	0	0
£120,000 to £124,999	0	0	2	2
£125,000 to £129,999	2	2	0	0
£130,000 to £134,999	1	1	1	1
£135,000 to £139,999	0	0	1	1
£140,000 to £145,999	2	2	0	0
Total	7	7	6	6

Notes to the Accounts for the year ended 31 July 2018

Average staff numbers by major category	No.	No.	No.	No.
Academic	859	859	847	847
Technical	1,072	1,072	1,053	1,053
Other	279	279	288	288
Total	2,210	2,210	2,188	2,188

Key management personnel

Key management personnel are the members of the Offices 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 2018 £ '000	Year ended 31 July 2017 £ '000
Key management personnel compensation	1,104	880
Number of staff	6	5

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 2017/18.

The total expenses paid to or on behalf of trustees was £1,282 (2016/17 - £1,699). This represents travel and subsistence expenses incurred in attending meetings and training events connected with their roles as trustees.

Notes to the Accounts for the year ended 31 July 2018

8. Other operating expenses

	Year Ended 31 July 2018		Year Ended 31 July 2017	
	Consolidated £'000	University £'000	Consolidated £'000	University £'000
Residences, Catering and Conferences	1,276	1,246	1,505	1,460
Books and Consumables	2,339	2,286	2,667	2,610
Equipment	4,546	4,423	5,104	4,948
Printing and Stationery	1,223	1,185	1,301	1,282
Heat, Light, Water and Power	3,518	3,223	3,547	3,289
Repairs and Maintenance	3,705	2,858	3,669	2,929
Grants to University of Wolverhampton Students' Union	800	800	802	802
Rents	1,531	1,478	1,862	1,727
Rates	794	714	565	527
Auditors' Remuneration	282	263	217	187
Auditors' Remuneration in Respect of Non-Audit Services	66	62	23	25
Equipment Operating Lease Rentals	80	78	103	103
Franchise Payments to Colleges	2,758	2,758	2,845	2,845
Staff Travel and Subsistence	2,199	2,026	2,344	2,213
Staff Recruitment Costs	247	205	325	307
Staff Development	859	854	1,297	1,047
Student Scholarships, Bursaries, Placements & Travel Costs	4,948	4,947	4,594	4,599
Payments to Partners	4,289	3,882	4,548	3,990
Consultancies on External Projects	1,515	954	2,640	720
Other Consultancies	1,210	1,210	1,603	1,601
Telecommunications and Postage	609	542	667	611
Provision for Bad Debts	1,213	1,161	1,344	1,320
Cleaning Costs	681	657	614	576
Legal, Professional and Other	4,732	4,494	5,033	3,786
Insurance	459	442	475	462
Publicity	2,612	2,573	2,483	2,452
Transport Intersite	0	569	0	476
Subscriptions	1,289	1,282	1,166	1,160
Other	1,050	212	1,049	1,061
Total	50,830	47,384	54,392	49,115

Notes to the Accounts for the year ended 31 July 2018

Auditors remuneration includes:

External Audit

	Year Ended 31 July 2018		Year Ended 31 July 2017	
	Consolidated £'000	University £'000	Consolidated £'000	University £'000
Financial Statements Audit	64	41	64	48
Project Audits	59	59	38	38
Tax	67	67	20	17
Advisory	39	39	29	20
<i>Internal Audit</i>	119	119	89	89
Total	348	325	240	212

9. Interest and other finance costs

	Year Ended 31 July 2018		Year Ended 31 July 2017	
	Consolidated £'000	University £'000	Consolidated £'000	University £'000
Loan interest	1	0	2,512	2,388
Exchange differences	110	110	36	35
USS Interest Payment	10	10	10	10
Net charge on pension scheme	2,915	2,915	3,199	3,199
Total	3,036	3,035	5,757	5,632

10. Analysis of total expenditure by activity

	Year Ended 31 July 2018		Year Ended 31 July 2017	
	Consolidated £'000	University £'000	Consolidated £'000	University £'000
Academic Departments	72,171	72,171	70,836	70,834
Academic Services	10,448	10,448	10,576	10,576
Administration and central services	42,879	42,950	36,157	36,200
Premises	14,648	12,893	13,666	11,977
Residences, catering and conferences	6,019	6,019	6,512	6,512
Research grants and contracts	4,182	4,182	2,722	2,722
Other expenses	27,976	24,595	33,350	27,564
Total	178,323	173,258	173,819	166,385

Notes to the Accounts for the year ended 31 July 2018

11. Fixed Assets	Freehold Land and Buildings	Vehicles	Fixtures, Fittings and Equipment	Assets in the Course of Construction	Total
Consolidated	£'000	£'000	£'000	£'000	£'000
At 1 August 2017	351,785	151	43,605	6,983	402,524
Additions	12,121	0	3,073	3,952	19,146
Transfers	4,090	0	164	(4,264)	(10)
Disposals	0	0	0	0	0
At 31 July 2018	367,996	151	46,842	6,671	421,824
Depreciation					
At 1 August 2017	111,287	41	41,450	0	152,778
Charge for the year	10,638	41	949	0	11,628
Impairment	0	0	0	0	0
Disposals	0	0	0	0	0
At 31 July 2018	121,925	82	42,399	0	164,406
Net book value					
At 31 July 2018	246,071	69	4,443	6,671	257,254
At 31 July 2017	240,498	110	2,155	6,983	249,746

University	Freehold Land and Buildings	Vehicles	Fixtures, Fittings and Equipment	Assets in the Course of Construction	Total
	£'000	£'000	£'000	£'000	£'000
At 1 August 2017	333,931	151	42,596	6,983	383,661
Additions	12,121	0	3,073	3,768	18,962
Transfers	4,090	0	164	(4,264)	(10)
Disposals	0	0	0	0	0
At 31 July 2018	350,142	151	45,833	6,487	402,613
Depreciation					
At 1 August 2017	105,134	41	40,399	0	145,574
Charge for the year	10,314	41	942	0	11,297
Impairment	0	0	0	0	0
Disposals	0	0	0	0	0
At 31 July 2018	115,448	82	41,341	0	156,871
Net book value					
At 31 July 2018	234,694	69	4,492	6,487	245,742
At 31 July 2017	228,797	110	2,197	6,983	238,087

Notes to the Accounts for the year ended 31 July 2018

12. Non-Current Investments	Subsidiary Companies	Subsidiary Investment in Spinouts	Other Fixed Assets investments	Total
Consolidated	£'000	£'000	£'000	£'000
At 1 August 2017	1	0	36	37
Additions	84	0	0	84
Disposals	0	0	0	0
Impairment	0	0	0	0
At 31 July 2018	85	0	36	121
University				
	£'000	£'000	£'000	£'000
At 1 August 2017	100	0	36	136
Additions	485	0	0	485
Disposals	0	0	0	0
Impairment	0	0	0	0
At 31 July 2018	585	0	36	621

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 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.

Notes to the Accounts for the year ended 31 July 2018

13. Stock

	Year ended 31 July 2018		Year ended 31 July 2017	
	Consolidated £'000	University £'000	Consolidated £'000	University £'000
General consumables	134	125	120	111
	134	125	120	111

14. Trade and other receivables

	Year Ended 31 July 2018		Year Ended 31 July 2017	
	Consolidated £'000	University £'000	Consolidated £'000	University £'000
<i>Amounts falling due within one year:</i>				
Other receivables	19,769	18,719	16,615	13,274
Prepayments and accrued income	2,550	2,541	2,411	2,368
Amounts due from subsidiary companies	0	3,140	0	3,493
	22,319	24,400	19,026	19,135

15. Current investments

	Year Ended 31 July 2018		Year Ended 31 July 2017	
	Consolidated £'000	University £'000	Consolidated £'000	University £'000
Short term deposits	4,077	4,077	9,215	9,215
	4,077	4,077	9,215	9,215

16. Creditors: amounts falling due within one year

	Year Ended 31 July 2018		Year Ended 31 July 2017	
	Consolidated	University	Consolidated	University
	£'000	£'000	£'000	£'000
Subsidiary Companies	0	344	0	0
Trade payables	14,130	13,984	15,002	14,551
Social security and other taxation payable	3,159	3,190	3,521	3,521
Accruals and deferred income	8,084	6,932	7,366	6,403
Holiday accrual	779	779	901	901
	26,152	25,229	26,790	25,376

Notes to the Accounts for the year ended 31 July 2018

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 2018		Year Ended 31 July 2017	
	Consolidated £'000	University £'000	Consolidated £'000	University £'000
Research grants received on account	975	975	1,460	1,460
Grant income	6,701	5,679	5,286	4,553
Other income	408	278	620	390
	8,084	6,932	7,366	6,403

17. Creditors: amounts falling due after more than one year

	Year Ended 31 July 2018		Year Ended 31 July 2017	
	Consolidated £'000	University £'000	Consolidated £'000	University £'000
Unsecured loans	88	88	213	213
	88	88	213	213
Analysis of secured and unsecured loans:				
Due within one year or on demand (Note 16)	0	0	0	0
Due between one and two years	88	88	213	213
Due between two and five years	0	0	0	0
Due in five years or more	0	0	0	0
Due after more than one year	88	88	213	213
Total secured and unsecured loans	88	88	213	213
Unsecured loans repayable by 2023	88	88	213	213
	88	88	213	213

Notes to the Accounts for the year ended 31 July 2018

18. Provisions for liabilities

Consolidated	Obligation to fund deficit on USS Pension	Enhanced Pensions	Defined Benefit Obligations (Note 29)	Total Pensions Provisions
	£'000	£'000	£'000	£'000
At 1 August	581	4,716	106,023	111,320
Created in year				
Utilised in year	(24)	(233)	(16,860)	(17,117)
Additions in 2017/18	0	0	0	0
Increased contribution (FRS102 Valuation)	0	0	0	0
Unused amounts reversed in 2018/19	0	0	0	0
At 31 July 2018	557	4,483	89,163	94,203

University	Obligation to fund deficit on USS Pension	Enhanced Pensions	Defined Benefit Obligations (Note 29)	Total Pensions Provisions
	£'000	£'000	£'000	£'000
At 1 August	581	4,716	106,023	111,320
Created in year				
Utilised in year	(24)	(233)	(16,860)	(17,117)
Additions in 2017/18	0	0	0	0
Increased contribution (FRS102 Valuation)	0	0	0	0
Unused amounts reversed in 2018/19	0	0	0	0
At 31 July 2018	557	4,483	89,163	94,203

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.

Notes to the Accounts for the year ended 31 July 2018

19. Endowment reserves

	Restricted permanent endowments £'000	Unrestricted permanent endowments £'000	Expendable endowments £'000	2018 Total £'000	2017 Total £'000
Balances at 1 August 2017					
Capital	0	0	0	0	0
Accumulated income	187	0	0	187	170
	187	0	0	187	170
New endowments					
Investment income	58	0	0	58	24
Expenditure	(5)	0	0	(5)	(7)
	53	0	0	53	17
(Decrease)/increase in market value of investments	0	0	0	0	0
At 31 July 2017	240	0	0	240	187
Represented by:					
Capital	0	0	0	0	0
Accumulated income	240	0	0	240	187
	240	0	0	240	187
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	240	0	0	240	187
	240	0	0	240	187
Analysis by asset					
Fixed assets				0	0
Current and non-current asset investments				0	0
Cash and cash equivalents				240	187
				240	187

Notes to the Accounts for the year ended 31 July 2018

20. Revaluation reserve

	Year Ended 31 July 2018		Year Ended 31 July 2017	
	Consolidated £'000	University £'000	Consolidated £'000	University £'000
Balance b/fwd at 1 August	29,895	27,760	31,824	29,689
Release to the Income and Expenditure Account	(948)	(948)	(1,009)	(1,009)
Fixed Asset Impairment	0	0	(920)	(920)
At 31 July	28,947	26,812	29,895	27,760

21. Capital and other commitments

Provision has not been made for the following capital commitments at 31 July 2018.

	Year Ended 31 July 2018	Year Ended 31 July 2017
	Consolidated £'000	Consolidated £'000
Commitments contracted for at 31 July	51,000	7,964
Authorised but not contracted at 31 July	1,500	49,230
	52,500	57,194

22. Contingent liabilities

The University has no contingent liabilities.

Notes to the Accounts for the year ended 31 July 2018

23. Lease obligations

Total rentals payable under operating leases:

	31 July 2018	
	Other leases £'000	Total £'000
Payable during the year		
Future minimum lease payments due:		
Within one year	220	220
Due between one and two years	220	220
Three years	220	220
Four years	220	220
Five years	146	146
Total lease payments due	1,026	1,026

24. Events after the reporting period

There are no events to report.

25. Teacher Training Bursaries

	Year Ended 31 July 2018	Year Ended 31 July 2017
	Consolidated £'000	Consolidated £'000
Balance unspent as at 1 August	396	234
Funding Council / Agency Grants	1,518	2,240
Disbursed to students	1,914 (1,920)	2,422 (2,078)
Balance unspent as at 31 July	(6)	396

The University acts only as a paying agent for these bursaries received from Funding Council and NCTL.

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

Notes to the Accounts for the year ended 31 July 2018

26. Subsidiary undertakings

The subsidiary companies (all of which are registered in England and Wales), wholly-owned or effectively controlled by the University, are stated in Note 12.

27. Related parties note

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

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

The total expenses paid to or on behalf of trustees was £1,282 (2016/17 – £1,699). 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 £800,000 and received £6,400 (including a closing debtor £5,600) from the Students' Union.

28. Connected charitable institutions

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

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

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

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

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

Notes to the Accounts for the year ended 31 July 2018

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

	Opening balance	Income	Expenditure	Change in market value	Closing balance
	£'000	£'000	£'000	£'000	£'000
Consolidated	0	0	0	0	0
Not Consolidated					
University of Wolverhampton Multi-Academy Trust	71,186	38,064	(36,947)	1,117	72,303
Health Futures UTC	9,429	2,767	(3,294)	(527)	8,902

Both University of Wolverhampton Multi-Academy Trust's and Health Futures UTC financial year run from 1st September to 31st August. At the time the University's accounts were approved, University of Wolverhampton Multi-Academy Trust's and Health Futures UTC's accounts for 2017/18 had yet to be finalised. The figures shown above are in draft.

29. Pension Schemes

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

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

The pension charge for the period is shown below.

	2017/18	2016/17
	£'000	£'000
TPS and USS contributions	6,443	6,258
WMMAPF contributions	8,377	7,321
WMMAPF – FRS Adjustment	5,088	2,227
	19,908	15,806
Enhanced Pensions	(54)	(2)
Total per Note 7	19,854	15,804
Enhanced Pensions Interest Cost	163	169
Benefits paid	(343)	(347)
Total movement on EPP (note 18)	(234)	180

Notes to the Accounts for the year ended 31 July 2018

29. Pension Schemes (continued)

Universities' Superannuation Scheme (USS)

The total benefit charged to the profit and loss account is (£24,000) (2017 charge: £36,000) as shown in notes 7 and 9.

The latest available full actuarial valuation of the scheme was at 31 March 2014 ("the valuation date"), which was carried out using the projected unit method.

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

The 2014 valuation was the third valuation for USS 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 £41.6 billion and the value of the scheme's technical provisions was £46.9 billion indicating a shortfall of £5.3 billion. The assets therefore were sufficient to cover 89% of the benefits which had accrued to members after allowing for expected future increases in earnings.

Defined benefit liability numbers for the scheme have been produced using the following assumptions:

	2018	2017
Discount rate	2.16%	1.77%
Pensionable salary growth	n/a	n/a
Pension increases (CPI)	2.10%	2.10%

The main demographic assumption used relates to the mortality assumptions. Mortality in retirement is assumed to be in line with the Continuous Mortality Investigation's (CMI) S1NA tables as follows:

Male members' mortality	98% of S1NA ["light"] YoB tables – No age rating
Female members' mortality	99% of S1NA ["light"] YoB tables – rated down 1 year

Use of these mortality tables reasonably reflects the actual USS experience. To allow for further improvements in mortality rates the CMI 2014 projections with a 1.5% pa long term rate were also adopted. The current life expectancies on retirement at age 65 are:

	2018	2017
Males currently aged 65 (years)	24.3	24.3
Females currently aged 65 (years)	26.5	26.5
Males currently aged 45 (years)	26.4	26.4
Females currently aged 45 (years)	28.8	28.8

Notes to the Accounts for the year ended 31 July 2018

	2018	2017
Scheme assets	£49.8bn	£49.8bn
Total scheme liabilities	£58.3bn	£58.3bn
FRS 102 total scheme deficit	£8.5bn	£8.5bn
FRS 102 total funding level	85%	85%

The Teachers' Pension Scheme

The Teachers' Pension Scheme (TPS) is a statutory, unfunded, defined benefit occupational pension scheme. The latest actuarial valuation of the TPS was carried out as at 31 March 2012 and in accordance with *The Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014*. The valuation determines the rate of employer contribution payable and the initial employer cost cap (both of which are set out in the TPS regulations).

Key assumptions used in the valuation were:

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

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

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

Local Government Pension Scheme

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

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

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

The next actuarial valuation of the Fund was carried out as at 31 March 2016 and has set contributions for the period from 1 April 2017 to 31 March 2020. There are no minimum funding requirements in the LGPS but the contributions are generally set to target a funding level of 100% using the actuarial valuation assumptions.

The UK's Financial Reporting Council have published FRS102, which applies for company accounting periods beginning on or after 1 January 2015 and has replaced the FRS17 reporting standard.

The requirements of FRS102 in respect of defined benefit pension schemes are very similar to those under FRS17, but there is an impact to the Statement of Comprehensive Income, with a change to recognition of expected return on assets, with the replacement of the interest cost and expected return on assets items with a single line item calculating the net interest on the surplus or deficit.

Notes to the Accounts for the year ended 31 July 2018

29. Pension Schemes (continued)

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

	2017-18 £'000	2016-17 £'000
Net(liability)/asset		
Opening position as at 31 July	(106,023)	(120,060)
Past service cost	0	0
Current service cost	(13,470)	(9,247)
Net interest cost	(2,752)	(3,030)
Administration expenses	(93)	(77)
Total defined benefit cost recognised in SOCl	(16,315)	(12,354)
Employer LGPS contributions	8,475	7,097
Net cost recognised in SOCl	(24,790)	(19,451)
Total remeasurements recognised in SOCl	24,700	19,294
Closing position as at 31 July 2018	(89,163)	(106,023)
Amounts recognised in the balance sheet		
	At Year End 31/07/2018 £'000	At Year End 31/07/2017 £'000
Present value of defined benefit obligation	316,148	317,835
Fair value of fund assets (bid value)	226,985	211,812
Deficit/(Surplus)	89,163	106,023
Present value of unfunded obligation	0	0
Unrecognised past service cost	0	0
Impact of asset ceiling	0	0
Net defined benefit liability/ (asset)	89,163	106,023

Notes to the Accounts for the year ended 31 July 2018

Asset and benefit obligation reconciliation for the year to 31 July 2018

	At Year End 31/07/2018 £'000	At Year End 31/07/2017 £'000
Opening defined benefit obligation	317,835	292,168
Current service cost	13,233	9,247
Interest cost	8,534	7,553
Change in financial assumptions	(19,916)	30,013
Change in demographic assumptions	0	(7,082)
Experience loss/(gain) on defined benefit obligation	0	(10,709)
Estimated benefits paid net of transfers in	(6,111)	(5,555)
Past service cost	237	0
Contributions by scheme participants and other employers	2,336	2,200
Closing defined benefit obligation	316,148	317,835

Change in Plan Assets

	At Year End 31/07/2018 £'000	At Year End 31/07/2017 £'000
Opening fair value of fund assets	211,812	172,108
Interest on assets	5,782	4,523
Return on assets less Interest	4,784	26,626
Other actuarial gains/(losses)	0	4,890
Administration expenses	(93)	(77)
Contributions by employer including unfunded	8,475	7,097
Contributions by scheme participants and other employers	2,336	2,200
Estimated benefits paid net of transfers in	(6,111)	(5,555)
Closing defined benefit obligation	226,985	211,812

The total return on the fund assets for the year to 31 July 2018 is £10,566,000.

Notes to the Accounts for the year ended 31 July 2018

Assets

The return on the Fund (on a bid value basis) for the year to 31 July 2018 is estimated to be 5%.
The estimated asset allocation for the University of Wolverhampton as at 31 July 2018 is as follows:

Asset breakdown	31/07/2018		31/07/2017	
	£'000	%	£'000	%
Equities	143,633	63%	134,004	63
Government bonds	16,327	7%	15,496	7
Other bonds	8,406	4%	8,159	4
Property	18,421	8%	15,484	7
Cash/liquidity	8,511	4%	10,536	5
Other	31,687	14%	28,133	13
Total	226,985	100%	211,812	100%

Financial Assumptions as at	31/07/2018	31/07/2017
	% p.a.	% p.a.
Discount Rate	2.65%	2.70%
Pension increases	2.35%	2.70%
Salary increases	3.85%	4.20%

These assumptions are set with reference to market conditions as at 31 July 2018. The estimate of duration of the Employer's liabilities is 20 years.

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

Assumed life expectations on retirement at age 65 are:

Retiring today	31/07/2018	31/07/2017
	Males	21.9
Females	24.4	24.3

Retiring in 20 years	31/07/2018	31/07/2017
	Males	24.1
Females	26.7	26.6

On 26 October, the High Court handed down a judgment involving the Lloyds Banking Group's defined benefit pension schemes. The judgment concluded the schemes should be amended to equalise pension benefits for men and women in relation to guaranteed minimum pension benefits ("GMP"). The Government will need to consider this outcome in conjunction with the Government's recent consultation on GMP indexation in public sector schemes before concluding on any changes required to LGPS schemes.



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