



# Annual Report and Financial Statements

2022

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2023

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# Introduction from the Vice-Chancellor

**This report covers my last full academic year leading Sheffield Hallam University. It has, once again, been a year of significant change and challenge, but also of striking progress and achievement.**

For me personally, as I prepare to leave Sheffield Hallam and pass on the great privilege of leading the University to a new Vice-Chancellor, it has also been a year of reflection, looking back on my eight-year tenure.

There has also been profound sadness at the loss of our exceptional Board Chair, Lord Bob Kerslake, who gave so generously of his time and expertise. Bob was utterly committed to the University's mission and success. He cared passionately about addressing inequality and creating opportunities and he brought to the University unrivalled expertise in public service. Sheffield Hallam's achievements are as much his legacy as mine, and I am enormously grateful for his challenge, guidance and friendship during my time as Vice-Chancellor.

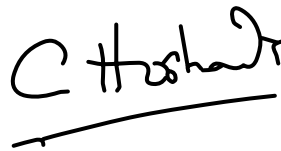
The world we live and work in presents increasingly complex challenges. All organisations, and each of us individually, have had to grapple with the cost-of-living crisis. The acute inflationary environment has exposed weaknesses in the student funding model and placed growing pressure on university budgets. Our city and region face complex social and economic challenges that impact on every aspect of life. The global climate emergency has become more visibly acute around the world. There has never been a time when universities have been more precious and their contribution more vital, to individuals, communities and to the world. There has never been a time when the values, mission and contribution of Sheffield Hallam have been more relevant. Our strapline knowledge applied encapsulates our twin commitments to build knowledge through research and teaching and to apply knowledge in practice.

Reflecting on the last 12 months, I am, once again, very proud of all the University has achieved. We have made significant progress against our priorities, within the University, across the region and beyond. We have implemented wide-ranging changes to our academic portfolio, targeting areas for strategic growth and simplifying the way students navigate our offer. We have embedded new ways of learning and expanded financial and well-being support for our diverse student body. We have worked with hundreds of companies across South Yorkshire to design and develop the largest portfolio of degree apprenticeships in higher education, welcoming our 2500<sup>th</sup> degree apprentice. We were awarded a 'Gold' rating for student outcomes and for the University overall in the Teaching Excellence Framework results, demonstrating the outstanding value we add to students' lives. The 2021 Research Excellence Framework judgements, published in May 2022, were our best yet, doubling our research base and improving quality and research impact. We launched our Health Innovation Campus at the Sheffield Olympic Legacy Park to drive innovation and inclusion in healthcare. Our Climate Action Strategy set out a compelling, whole university approach to embedding climate considerations in everything we do. We have made striking progress with our Campus Plan, with the Howard Street development, one of the largest zero carbon ready developments in the sector, due for completion in Autumn 2024.

And we are extending the University's civic impact and reach. The Civic University Network, which we are proud to lead, now includes more than a hundred universities, pooling thinking about how universities shape place and community. We have expanded our place-based ambitions. In November 2022 we were able to announce our plans for a Sheffield Hallam campus in North-West London as part of the major Brent Cross Town regeneration project. We've now appointed a dynamic project team to undertake the detailed planning for our first intake of students in Brent Cross, scheduled for 2025/26. The London campus will extend Sheffield Hallam's footprint and offer further opportunities for our Sheffield-based students. Our sector-leading international alliance with La Trobe University in Melbourne has strengthened and deepened, with strong links at every level of the two universities. In June this year, Hallam and La Trobe launched an innovative Global Security and Society Institute. In all these different ways, the University is future-ready, and well positioned to further extend its influence and reach.

It has been the greatest privilege to lead Sheffield Hallam University for the last eight years. Leadership of a community such as this is very precious. The University's achievements are the achievements of Hallam's people. Sheffield Hallam now has a profound sense of its purpose and mission. With the confidence that 'Transforming Lives' has inspired it has extended its impact and influence. It shapes futures, creates knowledge, leads locally and engages globally. *Knowledge, applied.*

It will do even more in the years ahead.



**Professor Sir Chris Husbands**

Vice-Chancellor  
Sheffield Hallam University



# Foreword by the Chair, Meg Munn

Lord Bob Kerslake was an inspirational Chair of the Board of Governors and an outstanding leader of the University. He had a clear vision and a deep understanding of the challenges that face us as we move forward. He leaves a lasting legacy at Sheffield Hallam and indeed for the whole city.

Following his untimely death at the end of June, I was honoured to be appointed as Interim Chair of the Board of Governors. My Board colleagues and I will continue working towards our ambition to become the world's leading applied University.

The last 12 months have seen the University adapt and evolve, and all members of the Board of Governors have been impressed by the enthusiasm staff, students and partners show as we play our role locally and nationally. One example is when we highlighted our future vision for Sheffield with the publication of our Climate Action Strategy.

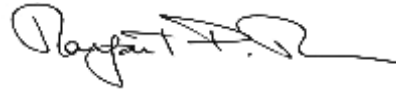
Our Campus Plan development on Howard Street is taking shape and will be an impressive gateway to the city centre. It will have three new zero carbon ready buildings and a green public space. We also continue to develop our presence on the Sheffield Olympic Legacy Park with our Health Innovation Campus. In addition, work has begun to create our London Campus at Brent Cross Town, an exciting opportunity to extend the benefits of the Hallam experience to more students.

During the coming year policy discussions on the role and extent of support for higher education will intensify ahead of a general election. We will continue to seek to influence those discussions. Indeed, over the last 12 months we have welcomed the Secretary of State for Education and the Shadow Secretary of State, as well as the Minister for Skills, Apprenticeships and Higher Education and the equivalent Shadow Ministers. As you will know, the Government recently announced South Yorkshire will be the country's first Investment Zone, in which Sheffield Hallam will play a key role.

I am pleased to see us reaffirm our partnership with La Trobe University in Australia and I am looking forward to seeing the impact the new Global Security and Society Institute will have on the international stage.

As he moves on from Sheffield Hallam, the Board are grateful to the Vice-Chancellor for his outstanding leadership. He has led the transformation of the University into an outstanding, multi award-winning institution with a mission to transform the lives of our students at its heart. Chris has been a highly visible leader, inclusive and driven to enable the University to always achieve more. I know that the Sheffield Hallam community will be sad to see him leave.

Change is always certain, and we must continue to adapt to both the external and the internal environment. By working together, harnessing our commitment and enthusiasm, we can continue to grow and provide world class education for our students.



**Meg Munn**

Chair of the Board of Governors  
Sheffield Hallam University





# Our University

**Sheffield Hallam University is one of the UK's largest and most diverse universities: a community of around 37,000 students, 4,500 staff and 295,000 alumni around the globe. We provide people from all backgrounds with the opportunity to develop the skills, experience and knowledge to succeed in whatever they choose to do.**

## **Our mission is to become the world's leading applied University.**

Sheffield Hallam continues to make progress against our ambition to become the world's leading applied University, adapting to the increasingly challenging context that all UK universities find themselves in. The University has made bold decisions and shown agility in the face of a rapidly changing world, diversifying how we operate to allow us to grow.

We are exceptionally proud that Sheffield Hallam has been ranked in the top 10 universities in the world for our impact on reducing inequality this year. We continue to attract students who are the first in their families to attend university and those from disadvantaged backgrounds, giving them the opportunity to transform their lives. The University consistently recruits more students from underrepresented backgrounds than any other UK university.

We continue to expand our offer. We are moving forward with plans to increase our online provision; have committed to work with partners to open a new London Campus, which will bring our outstanding offer to a new area of the UK; and we are expanding our provision for international students in the UK and abroad. These activities support our core offer and focus, which remains being a large comprehensive provider of education for the community we serve in South Yorkshire, and a major driver of economic growth, regeneration, and social mobility in the North. Our rapidly developing new Campus Masterplan in Sheffield City Centre represents this and is set to deliver a transformational change to the quality of our offer when it opens in 2024.

Our award-winning applied approach and focus on work-based learning has led to Hallam becoming one of the leading modern universities in the UK for number of students entering highly skilled employment within 15 months of graduating.

Our cutting-edge research is recognised for its real-world impact. We bring together communities, businesses and the public sector with academic expertise to create meaningful partnerships that co-produce innovative solutions that are applied to global challenges.

Sheffield Hallam is at the heart of the city and the South Yorkshire region. Two years on from launching our Civic University Agreement, a number of our original pledges have come to fruition. The University has cemented its role as a major driver of the economy and social mobility in the North, sharing best practice as a beacon for how universities can more effectively support their region.

We have continued our global reach through our research, international partners and our diverse community of students and staff from over 120 countries. This annual report looks back at some highlights over the past year, demonstrating all that Sheffield Hallam has achieved while also setting out our plans and priorities for the future.







## Strategic review

Our mission is simple. We transform lives. We shape our students' futures, preparing them for whatever they choose to do, and create knowledge that provides practical solutions to real-world challenges.

Our vision is to become the world's leading applied University, achieving outstanding outcomes for our students and our city, showing the world what a university genuinely focused on transforming lives can achieve.

# Highlights from 2022/2023

This year's highlights cover a period of ongoing societal instability. The continuing impact of the worldwide pandemic, the war in Ukraine and high global inflation have contributed to the cost-of-living crisis in the UK resulting in a challenging climate for all universities. Sheffield Hallam has strived to reduce the effect of these factors on our student and staff communities and to provide the best possible experience for all.

We are exceptionally proud that Sheffield Hallam has been ranked in the top 10 in the world for its impact on reducing inequality in the **Times Higher Education 2023 Impact Rankings**. This recognition as well as a series of national awards highlight our ongoing pledge to transform lives through our work and to deliver our Civic University Agreement commitments, which reaffirm our connection to our local region.

The awards include:

- 2022 Educate North Awards University of the Year
- 2022 Times Higher Education Awards shortlisted for University of the Year
- 2022 Times Higher Education Awards Outstanding Contribution to the Local Community
- 2023 Institution Award, Innovation in Advising UK Advising and Tutoring association (UKAT) awards

## Student experience

- **Sheffield Hallam is in the top five of all universities** in the country for overall number of graduates in highly skilled employment or further study, according to the 2023 HESA Graduate Outcomes survey, with 2,151 Hallam graduates from 2020/2021 in highly skilled work or further study when they completed the survey.
- In 2023, we reached a milestone by welcoming **our 2500<sup>th</sup> fully work-based degree apprentice**. Sheffield Hallam hosts the broadest portfolio of degree apprenticeship courses in the country, reflecting the University's commitment to supporting the regional economy and addressing skills shortages.
- Over 60 Hallam students and alumni were awarded **Inspirational Student Awards across 17 categories at a special event in 2023**, recognising students who have made a real difference to their fellow students, staff, local community and employers.
- We're very proud of our students who spent close to **50,000 hours supporting communities through volunteering in 2022**. Co-ordinated by the Sheffield Hallam Students' Union, our students got involved in a variety of charitable projects, aiding not just the local, but the wider community as well.

Ryan Simmons, degree apprentice at GXO, studying professional supply chain leadership at Sheffield Hallam said: ***"As a degree apprentice I've had the incredible opportunity to combine academic learning with hands-on experience in the logistics industry, gaining practical skills and knowledge that directly apply to my chosen field."***





## The year has seen some outstanding stories of individual success:

- Caitlin Jones was named **Apprentice of the Year at the annual Food and Drink Federation awards**. Caitlin is a food industry technical professional degree apprentice at Sheffield Hallam and works for Co-op Food. She won the award after developing allergen awareness training packs in response to Natasha's law.

Caitlin Jones said: *“The food industry technical professional degree apprenticeship programme has been a fantastic kickstart to my career and allowed me to implement learnt knowledge into real life situations all whilst developing key work-based skills and building strong networks for my future.”*



- In March 2023 Sheffield Hallam students picked up five awards **at the Royal Television Society's Yorkshire Student Awards**. The awards recognise the professional standard of the students' work and are a significant achievement for students starting their career in the film and TV industry.
- Sheffield Hallam University nursing lecturer, Jo Painter, **has been made a Queen's Nurse**, a prestigious honour awarded by The Queen's Nursing Institute (QNI) to community nurses who have demonstrated a high level of commitment to patient care.



## Applying knowledge

- In 2023 Sheffield Hallam and La Trobe University, Australia **launched a new joint research institute** to help tackle complex global security challenges, including cybercrime, cyberterrorism, the growth of artificial intelligence and modern slavery.



- A team of scientists from the University successfully developed a pioneering non-invasive method for **detecting breast cancer from fingerprints**, with 98% accuracy.

Professor Simona Francese said: *“At a time where the NHS is understaffed and with considerable backlogs, a painless, quick and non-invasive method to screen for breast cancer collecting the sample in the comfort of the home is highly desirable. These are exciting findings and, given the potential impact, we must pursue validation for a future rollout. It would be reckless not to fund this follow-up work.”*

- Sheffield Hallam has become **a major partner in a new food and diet innovation hub** bringing together academics and industry experts to help improve population health through changes to the food system.



- Sheffield Hallam has expanded its healthcare training facilities **with a new state-of-the-art simulated hospital ward** to help prepare nursing and allied health profession students for practice. The Collegiate Wing replicates a clinical setting and provides a safe environment for students to better develop their expertise, critical thinking and clinical decision-making skills.



## Shaping place

- In June 2023 Sheffield Hallam **launched plans for a Health Innovation Campus** based at the Sheffield Olympic Legacy Park. The plans will explore investment and partnerships for future development opportunities. The Park is already home to Sheffield Hallam's £14m Advanced Wellbeing Research Centre (AWRC) and the £10.5m National Centre of Excellence for Food Engineering (NCEFE). Alongside this is the new £4m South Yorkshire Digital Health Hub to tackle health inequalities.



- June 2023 saw the "topping out" of the University's **new city centre campus development** on Howard Street. A ceremony marked the milestone of reaching the highest point in the construction of the multimillion-pound development which will include three new net zero carbon ready buildings set around a new green public space.
- Sheffield Hallam and the University of Sheffield launched a new partnership to support the **expansion of the Children's University in South Yorkshire** at a ceremony at the City Hall in Sheffield in November 2022. The Children's University operates within schools in Sheffield, Rotherham and Doncaster, and a pilot in Barnsley will begin in the coming academic year.



- Sheffield Hallam has worked with the South Yorkshire Mayoral Authority, the University of Sheffield and other regional partners to help develop **the first Investment Zone in the country**. Using government support worth £80m, the new Investment Zone will help make South Yorkshire the best place to start, scale or relocate businesses from around the world, boosting the UK economy.
- Sheffield Hallam is set to offer degree-level courses at a new campus site in North London as part of **the flagship £8bn Brent Cross Town development**. Scheduled to open from 2025/26, and with up to 5,000 students by 2030, the campus will build on the University's significant experience and proven outcomes for students, employers and the local community. The University will offer a small number of key subjects and skills areas that are in high demand in the area, as well as providing exciting opportunities for Hallam's wider student community, including work-based learning and work experience placements in and around London.



- A report published in May 2023 revealed that international students studying at Sheffield's two universities had £273 million net impact on the UK and that international students in Sheffield **had the third highest impact on the UK's economy** in 2021/22.

Paul Blomfield, Sheffield Central MP and Chair of the All-Party Parliamentary Group on International Students, said: ***"I'm proud that students from across the world choose to study in Sheffield and I know that our city will continue to welcome them."***

- In 2023 Sheffield Hallam and **its partners were awarded £3.7m** to support universities across the country to develop their civic leadership, maximise their local social and economic impact, and help to address national and global challenges. The three-year National Civic Impact Accelerator (NCIA) programme, led by Sheffield Hallam and funded by Research England, will provide universities with the framework and tools to deliver meaningful and measurable civic strategies and activities.

# Measuring our performance

Sheffield Hallam's Transforming Lives strategy was launched in 2017. At the start of 2022/23 we settled on a new, focused set of Key Performance Indicators (KPIs) to monitor progress against that strategy. Our performance against these measures is shown below.

## Portfolio and recruitment KPIs

### Growth in market share of new full-time home undergraduate students

|                     |       |
|---------------------|-------|
| Last year           | 6,370 |
| 2022/23 performance | 6,675 |

Our target is to increase our market share of full-time home undergraduate students to 1.45% by 2026. In 21/22, our market share stood at 1.2%. We cannot monitor market share for 2022/23 until sector data is available later in the calendar year, but we did see an increase in the number of new full-time home undergraduate entrants of around 5%, which takes us some way back to the level we were at in 2020/21.

### Improved average entry tariff

|                     |     |
|---------------------|-----|
| Last year           | 119 |
| 2022/23 performance | 121 |

We saw an increase in our score on this KPI in 22/23, which relates to 2021/22 entrants. Average entry tariff has now increased from 114 to 121 over the last two years, although the sector has also seen an average increase of a similar rate. We will have more sight of progress through this year when the next set of sector data becomes available in November 2023. Our aim is to return to a tariff score which is in the middle third of the sector. In 21/22 this would have meant being at or above 128 points. For context, three Bs at A-level are worth 120 points.

## Student experience across the lifecycle KPIs

### Maintain strong continuation rates for undergraduate students

|                     |       |
|---------------------|-------|
| Last year           | 91.7% |
| 2022/23 performance | 91.1% |

The latest data, reported in November 2021, relates to continuation of students from their first to second years in the 2021/22 academic year, where we saw a slight drop from the prior year. However, this should be taken in the context of a drop in the sector average of around two percentage points. We remain 1.8 percentage points above the OfS benchmark, and comfortably ahead of the minimum standard for the sector of 80%.

## Learning, teaching and assessment KPIs

### Maintain strong rates of progression to highly skilled employment

|                     |     |
|---------------------|-----|
| Last year           | 70% |
| 2022/23 performance | 72% |

The percentage of our graduates in highly skilled employment or further study 15 months after graduation, based on a survey of those who graduated in 2020/21, has risen to 72%. The sector as a whole saw some increase, but this increase moved us from 60th to 57th out of the 130 universities that we benchmark against, and 14th out of 73 post-1992 institutions.

### Improved satisfaction with teaching and learning

|                     |     |
|---------------------|-----|
| Undergraduate:      |     |
| Last year           | N/A |
| 2022/23 performance | 81% |

|                     |     |
|---------------------|-----|
| Postgraduate:       |     |
| Last year           | 85% |
| 2022/23 performance | 87% |

The National Student Survey (NSS) went through a series of changes this year, which make comparisons to 2021/22 hard to make. Satisfaction scores for teaching and learning on undergraduate courses stood at 81% this year. This is below the sector's average score of 84% and means that a return to recent higher levels is still a key area of focus. Postgraduate scores from the Postgraduate Taught Experience Survey (PTES) have increased again and now stand at 87%, remaining in line with the top quartile of the sector.

## People and organisation KPIs

### Increase the number of staff feeling proud to work at the University

|                     |        |
|---------------------|--------|
| Last year           | 7.7/10 |
| 2022/23 performance | 7.0/10 |

The responses to our staff survey show that the average score given for the pride felt at working at the University remains at seven or above, in line with our KPI. However, it was down on the previous survey and will remain an area where we will seek further improvement.

### Reduce staff costs as a % of income

|                     |       |
|---------------------|-------|
| Last year           | 62%   |
| 2022/23 performance | 62.5% |

Pay as a % of income has increased very slightly to 62.5%, which is 1.1% favourable to budget, despite an increase in pay costs of around £10m. This is because income has increased from £315m to £330m.

Staff Costs exclude Restructuring Costs but include Agency Staff Costs.

### Achieve budget targets for operating cash as % of income

|                     |       |
|---------------------|-------|
| Last year           | 12.2% |
| 2022/23 performance | 5.3%  |

Cash generation as a % of income is slightly below the budgeted level and down on the 12.2% seen in the prior year.

Higher costs as a result of inflation and other economic factors have resulted in a lower operating cash compared to last year, despite a small increase in income.

Operating cash is defined as Operating Surplus/Deficit plus Depreciation less Deferred Capital Grants released.

## Research and innovation KPIs

### Increase research and innovation income

|                     |               |
|---------------------|---------------|
| Last year           | £26.3 million |
| 2022/23 performance | £28.7 million |

Income from research and Knowledge Transfer has continued to grow in line with targets. The recent favourable Research Excellence Framework 2021 performance has resulted in an additional £3m of funding compared to budget, pushing the total research income forecast to £31.6m (+20.0% vs prior year). Our bid success rates and average size of bids have both improved, meaning that awarded income has also continued to grow.

Research and Innovation Income includes income from all research areas of the University, including academic departments, research institutes plus some postgraduate related income.

We are developing a 10th KPI around the delivery of our **Civic University Agreement commitments** (measured as a percentage of the 2019/20 commitments on target to be delivered at reporting date), which we hope to be able to report on in the next Annual Report.

## Looking ahead to 2023/24

We remain committed to our Transforming Lives strategy which articulates our mission and vision and provides our institutional framework for change and development. To ensure we continue to successfully deliver this strategy in a changing environment, we have refocussed our strategic plan. As a University community, we will work together to achieve sustainable and efficient income growth, enabling us to invest in our people and achieve outstanding outcomes for our students and society. To achieve our strategic aim and deliver our University mission, we will:

- Advance our core offer and operations, embracing innovation and ensuring quality and sustainability
- Invest in our growth areas
- Diversify our offer, improving our organisational resilience
- Adapt the way we operate to respond to external changes within our environment and community.



# Climate Action Strategy



The Climate Emergency is the greatest challenge facing humanity. We are all going to face enormous change in everything that we do and everything that we experience. During the last year, we have made significant strides in our institutional approach to climate change to help respond to this challenge. In May 2023, we launched our ambitious Climate Action Strategy, which outlines the scale of the task ahead, but also the proposed direction of travel across all functions of the University. We know that to achieve real change, we need a whole-of-institution approach to tackling the climate emergency. For this reason, **we have set out a number of ambitious commitments** and initiatives that aim to make a positive contribution and embed climate awareness across everything we do at Sheffield Hallam. Our strategy is informed by the work we did with Arup, the sustainable development organisation, to understand our climate impact and we now have a comprehensive Carbon Management Tool to help us accurately track our progress against our targets and ensure evidence-based decisions.

In 2021, we made a global pledge to tackle climate action by joining the UN Race to Zero, making a public commitment to deliver net zero on direct emissions by 2030, and to make significant progress on indirect emissions by 2038.

Our climate strategy sets out our mission to achieve these targets and is based on three principles – **supporting our communities to drive positive change, advancing new knowledge and leadership**, and **reducing our emissions**.

A huge part of this journey is through delivering a more efficient and effective estate; our £250m Campus Plan is a significant part of this journey. With building now well under way, the Campus Plan is one of the largest net zero capital developments of its size and shape in the sector and is central to helping us to meet our commitment to net zero Scopes 1 and 2 by 2030. We have also been proactively recording and reducing Scopes 1 and 2 for several years, with a steep reduction of 44% since 2015.

Our climate strategy is driven by the ambition to deliver a whole-of-institution approach – one that sees climate-consciousness built into all aspects of our business. In some areas, climate action has already been embedded as part of the curriculum, so we are exploring how to scale this so that all students benefit, as well as understanding how our teaching and learning impacts on the environment, whether in labs, field work or placement.

More recently, we have introduced a programme of **Transforming Lives Research Fellowships** which will see several new academic leaders recruited to Hallam who will further strengthen our climate credentials.

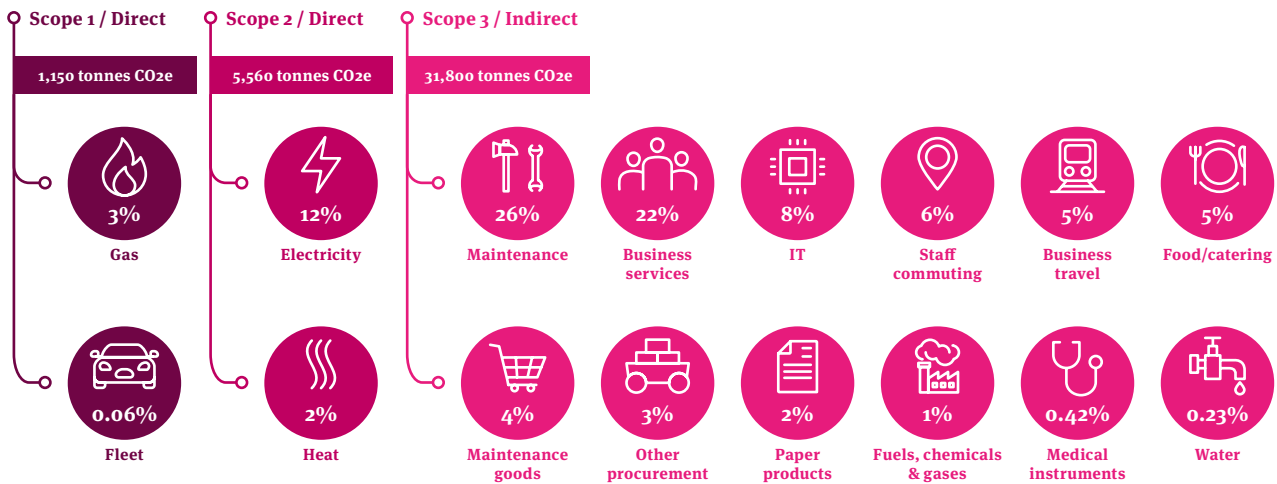
We are also refreshing our **Green Champions Network**, giving staff the opportunity to access development opportunities that give them the tools to implement positive change in their teams as well as encouraging staff to take up climate action and sustainability volunteering opportunities.

We are committed to working in partnership with key local organisations and developing regionally focused academic collaborations, concentrating on more sustainable partnerships that increase our reach and the scale of our impact.

Our strategy builds on significant work in recent years to integrate and develop our environmental and energy management systems, being externally certified to the internationally recognised management standards of ISO 14001 (Environmental) and ISO 50001 (Energy) for more than 10 years, enabling us to achieve ambitious targets on recycling; reductions in waste, printing, and water use; and creating a more sustainable catering offer. We know we can do more and as we deliver on these, we will do more work with staff and students to continue to drive positive change.

## Understanding our impact

When we developed the strategy, we identified where our climate emissions are currently emerging. The diagram below provides this breakdown and demonstrates where we have work to do:



### Scopes 1 and 2 (Direct emissions)

Scopes 1 and 2 covers the carbon emissions we are directly responsible for, such as the electricity, heat and gas that we use, and our vehicle fleet. The path to net zero for Scopes 1 and 2 is achievable and the greatest contribution within our direct control will be the successful delivery of our Campus Plan. We recognise that successfully achieving our other commitments will also be critical – such as the electrification of university vehicles by 2024; procurement of 100% green electricity; and a mix of innovations to reduce waste, save energy, and use smarter technology across our estate.

### Scope 3 (Indirect emissions)

As for most organisations, Scope 3 is the most challenging area to address and that is why there are longer timeframes for action. Over 80% of our emissions in 2018/19 were from activities largely outside our direct control. Main emission areas include the maintenance of our estate (26%), business services (22%), staff daily commuting (6%), business travel (5%) and food/catering (5%). Yet, there are things we can do. These will require behavioural and systems changes in areas such as catering, business travel and commuting, and in our supply chain. As our strategy develops, we will explore more sustainable approaches in our catering offer, more active travel, and purchasing choice.

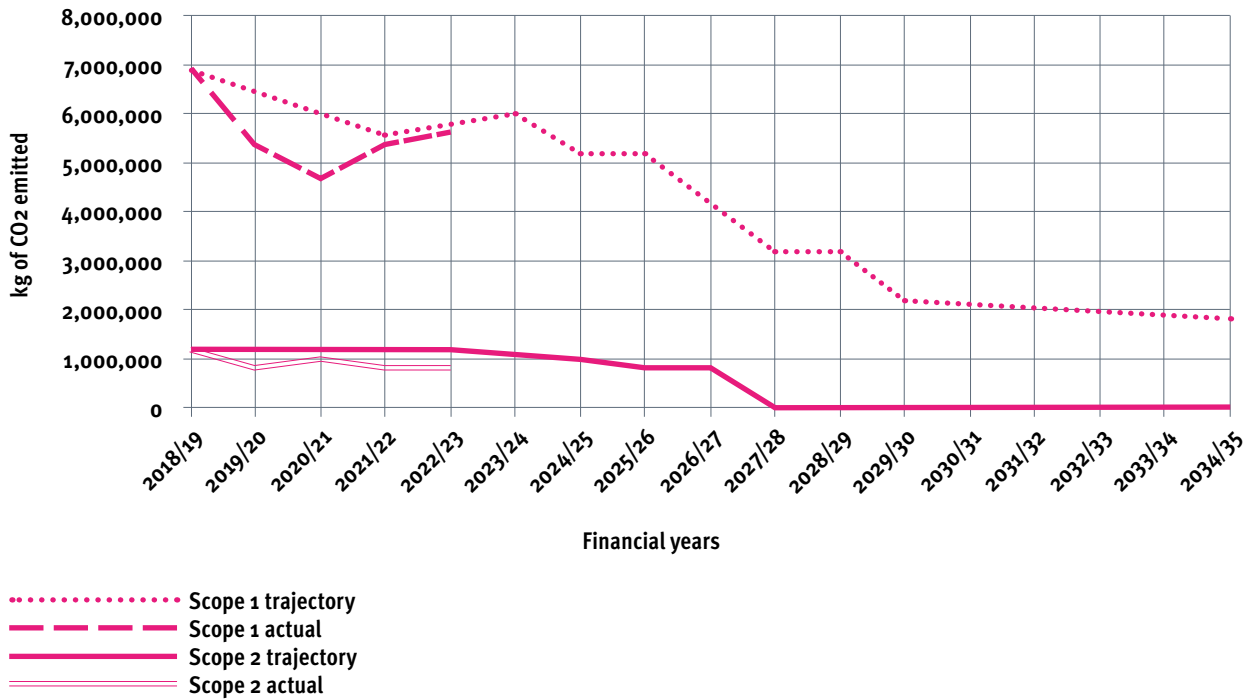
### Race to Zero – our progress to date:

We want to publicly report on our targets annually, so staff, students and partners can review our progress. This is also a key part of our public commitment via the UN Race to Zero.

In 2022/23, the breakdown of our direct and indirect emissions is as follows:

- **Scope 1/ Direct emissions** - 1,150 tonnes CO<sub>2</sub>e
- **Scope 2/ Direct emissions** - 5,560 tonnes CO<sub>2</sub>e
- **Scope 3/ Indirect emissions** - 31,800 tonnes CO<sub>2</sub>e

The chart below shows the trajectory required on Scope 1 and 2 emissions for us to achieve our stated goal in the Race to Zero, and how we have performed to date. This shows that the figures quoted above put us slightly ahead of our targeted reduction rate. It should be noted that the reduced use of campus during the Covid-19 pandemic caused a far larger drop than planned for in recent years. The increase in trajectory in subsequent years is planned as we build and bring on more buildings to enable the university to then reduce our estate, consolidating into more efficient building and campus management.



Importantly, our campus management climate action plan sits alongside the Climate Action Strategy to deliver the campus related initiatives, baselining our data and setting measurable commitments. These commitments include:

- A reduction of direct energy consumed (kWh) by 41% by 2030 from a baseline in 2018/19 through physical interventions, planned maintenance and the accelerated campus plan.
- Water, waste management and procurement reductions year on year from a baseline of 2018/19 with a target to halve scope 3 emissions in these areas by 2030.
- Biodiversity improvements, targeting an increase of 20% species and / or provision from a baseline of 2018/19.

We are already making significant progress on these targets, which are now a key part of our whole-of-institution approach to delivering on our climate strategy. We know that we still have much to do, but we are confident that we have the strategy in place to ensure that we fulfil our ambitious targets and help prepare future generations to navigate this unprecedented challenge. We look forward to working with staff, students and our strategic partners on this important agenda.



# Risk environment

## Understanding our risk environment

In 2022/23, the University has demonstrated our commitment to our people, our community, and environmental sustainability. This year our work has commenced on the redesign of our academic offer to promote student engagement and success; we have supported staff and students through the rising cost of living; grown our research activity and profile; and invested in the future of our University, our region, and the environment. Our focus remains on delivering sustainable efficient growth to continue transforming lives.

We have seen numerous significant challenges to our risk environment this year. These include high inflation and rising costs; challenges with staff and student recruitment and retention; and changing higher education policy. The University is also entering into a period of internal change with the recruitment of a new Vice-Chancellor and Chair of the Board of Governors. In 2023/24 we therefore anticipate the continuing management of uncertainty alongside the pursuit of new opportunities.

This year we updated our Risk Appetite Statement and Risk Management Framework to further embed a robust and effective risk management process, aligned with our strategic plan. Strategic and operational risks have been regularly assessed. Our approach continues to evolve and adapt to improve our organisational resilience to deliver the University's strategic priorities.

## Recruiting students and developing our academic portfolio

The University's primary source of income is UK undergraduate students. In an increasingly competitive market, attracting these students remains challenging. This year the sector has experienced a reduction in applications overall, with the number of 18-year-olds entering Higher Education down by 1.7%, and a significant drop in applications for health and teaching courses, reflecting the recent decline in the national popularity of these professions. Increased national marketing, including a campaign showcasing five subject areas, with health featuring prominently, has been launched to enhance brand awareness.

International student applications have increased significantly, and the University welcomed our largest intake of international students this academic year (4,150, up from 3,800 in 21/22 and 1,800 the year before that), contributing to the diversity of the campus and the city. Increased competition from overseas English-speaking markets and the recent change in UKVI immigration policy regarding dependants present risks to continued growth. The impacts of these changes will be monitored alongside the identification of strategic opportunities to enable sustained growth in this area.

The redevelopment of the Academic Portfolio is progressing well. This work simplifies the curriculum, making it easier for students to navigate and for staff to manage, and provides increased sustained integration of research, innovation, and digital learning. The University is also progressing two exciting new priorities, the London Campus, and an online delivery offer. These programmes highlight the University's strategic focus on innovation, sustainable growth and diversification.

## Achieving sustainable and efficient income growth

The University is committed to achieving sustainable, efficient income growth and managing costs so that we can deliver our mission to transform lives and achieve outstanding outcomes for our students and society. The 2022/23 economic climate of high inflation and rising costs has presented challenges for all higher education institutions. The rise in delivery costs coupled with the inability to increase home undergraduate tuition fees presents a significant financial risk, particularly given our reliance on home undergraduate student recruitment. The maximum fees for home undergraduate students are unlikely to increase in the foreseeable future, and other changes in government policy pose further risk to income. The University's strategic priority of income diversification is therefore central to mitigating this risk.

This year inflation reached a 41-year high, putting significant pressure on the University's cost base. These pressures included increased fuel and supply-chain costs. The University remains committed to national collective bargaining through the Universities and Colleges Employers Association, but we recognise the challenges that high inflation poses for staff, as well as the constraint imposed by the fixed undergraduate fee. Within these constraints the University is committed to supporting staff, including with the cost-of-living, ensuring that all staff are paid at least in line with the Real Living Wage. Cost efficiency measures have been successfully undertaken to manage the impact of this.

Following this strong response in 2022/23 to the changing and challenging external environment, over the next 12 months we will focus on implementing measures to ensure long-term sustainability and success through the delivery of our strategic plan and our medium-term financial strategy.

## Navigating the changing higher education policy landscape

Recent government policy announcements present considerable challenges for the higher education sector. Both fee reductions for classroom-based foundation courses and the reintroduction of student number caps for courses below minimum outcome thresholds pose a risk to student recruitment, and therefore University income.

These policies are likely to have a greater adverse impact on students from disadvantaged backgrounds. As a large number of our students are from widening participation backgrounds, these policies pose particular risk to the University. This is in addition to the freeze on the home undergraduate fee which remains a significant challenge, requiring continued mitigation.

The change in UKVI immigration policy for international students and their dependents, and the increase in visa fees, also present financial risk to universities, as well as to the global reputation of the UK Higher Education Sector. These policies may also negatively impact Sheffield as a city which benefits greatly from its international student population.

Other higher education policies offer substantial opportunities for the University. The continued government focus on apprenticeships corresponds with the University's commitment to grow and continually improve our apprenticeship provision. Furthermore, the introduction of the Lifelong Learning Entitlement creates additional opportunities for the University to deliver its applied learning vision.

The upcoming general election provides both opportunities and uncertainty regarding higher education policy. We will continue to address the changing policy landscape through regular monitoring and dialogues with sector partners.

## Delivering high-quality teaching and excellent student outcomes

Excellent teaching quality is critical to an exceptional student experience. In line with our established commitment to innovation and knowledge applied, and in response to changing student expectations and approaches to learning and teaching delivery post pandemic, the University has developed a new Learning, Teaching and Assessment framework. Work to embed this within the academic portfolio has begun. This framework has been designed to deliver excellent pedagogic practice and encourage innovation across the University, supporting student success. The University is also developing a Student Futures Manifesto to help prospective students to understand the learning, teaching, and assessment activities they can expect from the University when they join.

The University is also working with colleagues across the sector to understand the risks and opportunities presented by Artificial Intelligence. Staff and student guidance has been issued to clarify the institutional position and offer suggestions for how students may use these tools to support their studies.

Achieving excellent student outcomes is a priority for the University, and with emphasis on these targets increasing, risks regarding these measures require focused management. We are committed to ensuring that high levels of students continue to graduation and maximise their chances for academic success. Through our applied learning approach, we prioritise skills growth, strengthening students' chances of securing good employment that reflects their ambitions and utilises their competences.

However, the economic climate and cost-of-living crisis have adversely affected student wellbeing, impacting on attainment and continuation. The increased welfare and financial support offered by the University during this time has therefore been vital for supporting students and mitigating these risks.

## Expanding our research and innovation activity

This year, the University has developed our research profile and grown our research income, securing a number of United Kingdom Research Institute (UKRI) cross-disciplinary and cross-organisational research bids. This growth has enabled further diversification of funding streams, successfully mitigating risks following Brexit and the worldwide pandemic. The UK government's commitment to substantially increasing public investment in research and innovation offers further opportunities for the University to expand our research activity and profile, particularly with global collaborations.

Submissions to the EU's flagship Horizon Europe research funding programme in partnership with peer institutions within the EU continue. However, uncertainty around the UK's association to the programme this year has limited our participation and posed a risk to our global research profile. We continue to prioritise engagement within Europe and welcome the UK's reassociation to Horizon Europe.

At a local level, we are considered a key regional stakeholder and a trusted strategic partner for the development and delivery of innovation initiatives. We will continue to invest in our research and innovation capability, prioritising our resources to ensure we respond to global, national, and regional opportunities competitively and with agility. We are confident that our assets in research and innovation and our focus on people, culture, and environment provide a strong foundation for preparation for REF2028.

## Developing our infrastructure

Implementation of our ambitious multi-year Campus Plan investment project has continued this year, moving us closer to opening four new city campus buildings in 2024. This project is central to achieving several strategic priorities including our net zero environmental targets, civic commitments, and delivering our vision of a flexible, vibrant, and engaging campus for students and staff. Increased inflation and continued supply chain challenges risk our ability to deliver this project on time and within budget. These challenges are being proactively managed through engagement with partners within the Hallam Alliance, and through effective civic engagement.

We continue to invest in our existing digital infrastructure to support changes in our approach to teaching, learning, and research and increase resilience. Investment is aligned to the Campus Plan, redevelopment of the academic portfolio, and teaching delivery.

## Supporting our people

In 2022/23, employment market conditions have exacerbated staff recruitment, retention, and reward challenges across the sector. This has increased pressure on our colleagues at a time of heightened economic strain. The University's continued support of staff and students through the cost-of-living increases has been central to mitigating this risk, with wellbeing being a key priority. In 2023/24 we will continue work to understand the effects of these challenges through planned cross-organisational surveys, ensuring we can respond compassionately and effectively to these concerns.

Activities undertaken to reduce the cost-of-living impact include the review and adjustment of our pay framework to align with living wage rates, subsidising food and drink on campus, and increasing award amounts to students experiencing financial difficulty. Several other activities are also under way to reduce the current staff recruitment and retention risks, including a review of our Employee Value Proposition.

The University remains committed to providing a safe, inclusive culture where diversity is valued and celebrated. This year we received a silver award in the Stonewall Workplace Equality Index in recognition of this and have recently completed our resubmission for the Athena SWAN bronze award. We continue to prioritise investing in our people, supporting professional development. Initiatives launched this year include the Transforming Lives Fellowships and the Senior Leaders Development programme.

Delivering an exceptional experience for students and staff members is an integral part of our University mission, and we are committed to taking proactive action to ensure this. This year we have continued to work closely and meet regularly with our Trade Unions to understand areas of concern and navigate periods of industrial action. Through these actions we have minimised the impact on both the staff and student experience.

## Investing in our community and the environment

Placing community at the heart of everyday practice, the University strives to make a positive impact on the lives of people across our city and beyond. Leading the UK Civic University Network, we model the University as an agent to drive positive societal change, delivering innovative regional development, and increasing opportunities for our students, staff, and our wider community.

The University continues to be an anchor institution within the region. Our Civic University Agreement has provided us with clear direction to work with partners and deliver local interventions that have a positive impact on the economy, health, education and skills, and regeneration. Civic priorities are embedded within the University's strategic plan and progress is reviewed regularly.

This year the University launched our Climate Action Strategy, an ambitious whole-of-institution approach to tackle climate change. To meet our commitment to environmental sustainability, we are working in partnership with organisations across our region to drive positive sustainable change and innovation and develop a climate conscious community.



# Financial Performance

Over the year ended 31 July 2023, the University generated net cash from operating activities of £12.5 million (2022: £38.3 million), representing 3.8% of income (2022: 12%).

The reported deficit for the year was £4.7 million (2022: £15.1 million deficit). However, excluding pension adjustments, associated with the Local Government Pension Scheme and Universities Superannuation Scheme (see pension provision section below and notes 25 and 27) and the surplus from the sale of fixed assets, this equates to an underlying operating deficit of £1.1 million (2022: £5.6 million surplus).

|   | 2023<br>£m   | 2022<br>£m    |
|---|--------------|---------------|
| <b>Underlying operating (deficit)/surplus</b> | (1.1)        | 5.6           |
| Pension adjustments                           |              |               |
| staff costs                                   | (2.4)        | (17.2)        |
| Interest                                      | (1.7)        | (3.5)         |
| Surplus from sale of fixed assets             | 0.5          | -             |
| <b>Reported deficit</b>                       | <b>(4.7)</b> | <b>(15.1)</b> |

The high levels of inflation experienced over the last year, on top of the increase in energy costs and increases in staff costs, coupled with a fixed home undergraduate fee that has not significantly increased since 2012, have led to a small operating deficit for the year.

During the year short-term cost management actions have been taken including non-pay cost management, re-phasing of spend, vacancy management and a limited voluntary severance scheme.

In addition, we have undertaken short-term income growth actions, including measures to improve student retention, work on improving application to enrolment conversion and growing our international student recruitment, with two very positive rounds of recruitment in September 2022 and January 2023.

We are still confident that our Transforming Lives Strategy remains the long-term route to success, in terms of income growth and how we manage our costs.

The University has continued to develop its strategic objectives and the Strategy Programme sets out a comprehensive package of work being undertaken to support the delivery of the priorities defined in our Transforming Lives Strategy. The three goals which the Strategy Programme seeks to realise are:

- a strongly performing academic portfolio
- a financially sustainable estate and operating model
- an engaged and motivated university community

As well as delivering specific projects to achieve the three key goals there are other strategic initiatives that concentrate on Social Responsibility and Place, focusing on our role as a civic university, climate action and tackling inequality.

The implications of any proposed changes from the strategic projects are considered carefully in the context of the financial sustainability of the University.

Cash and cash equivalents at 31 July 2023 are £77.6 million (2022: £63.8 million) with additional short-term investments of £124.0 million (2022: £160.0 million). Therefore, there has been an overall reduction in cash of £22.2 million, mainly as a result of the level of capital spend in the year.

The cash from operating activities plus capital grant receipts of £1.0 million, investment income receipts of £5.0 million and the conversion of the £20 million development revolving credit facility to a term loan (see note 23 for further details) have funded capital expenditure of £53.3 million for the year (2022: £27.3 million) and loan servicing payments of £8.2 million (2022: £6.1 million).

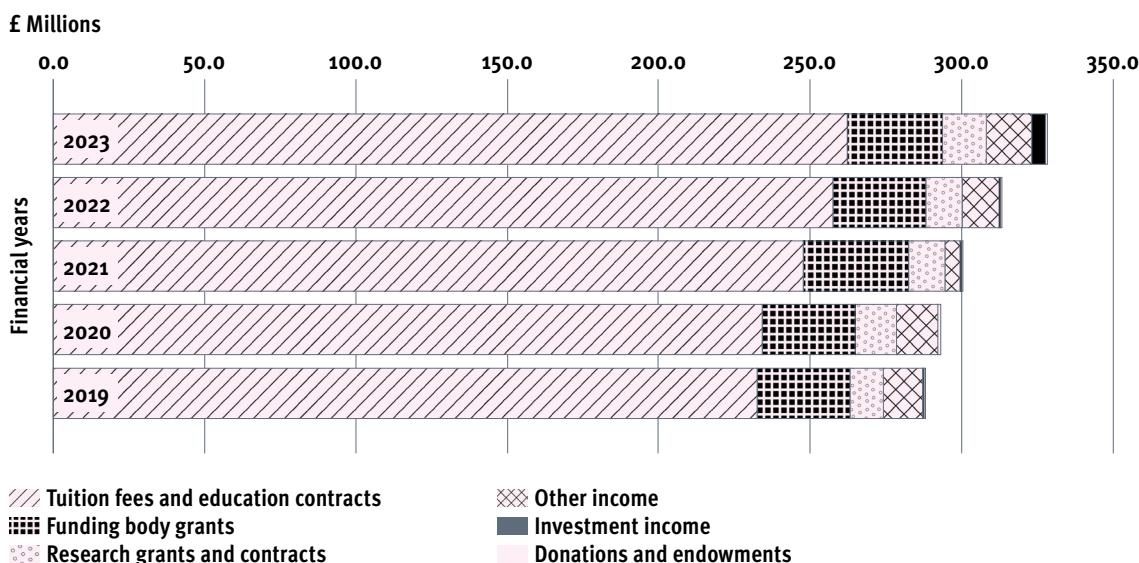
The significant increase in capital expenditure is primarily due to the substantial progress that has been made on the three new buildings on the Howard Street development, where expenditure was c.£40 million. There has also been significant spend in relation to estates long term maintenance (c.£5 million), technical equipment (c.£4 million) and computer equipment (c.£4 million).

Net Debt (cash and cash equivalents less borrowings) is £69.4 million (2022: £65.7 million).

The Statement of Comprehensive Income shows a deficit for the year of £4.7 million (2022: £15.1 million deficit) after accounting for non-cash pension adjustments of £4.1 million (2022: £20.7 million). Total comprehensive income for the year is £40.9 million (2022: £173.9 million) which represents a £45.7 million actuarial gain in relation to the Local Government Pension Scheme, offset by the deficit for the year. Further details on the actuarial gain can be found in the pensions section of this report and note 27.

## Income

Total income for the year ended 31 July 2023 is £329.7 million (2022: £314.9 million). There are increases on all categories of income including investment income which has increased by £5.1million on the previous year.



Tuition fee income has grown by £2.9million overall. The key movements are shown below.

| Income type                               | Variance to 2021/22  | Notes   |
|---|----------------------|---|
| International Student fees                | +£10 million         | Income has grown by 159% since 2019 following successful recruitment rounds in September 2022 and January 2023. |
| Full time home undergraduate student fees | -£6.5 million        | Lower retention than in previous years, offset slightly by an increase in new student numbers.                  |
| Full time home postgraduate student fees  | -£3.8 million        | Lower numbers of students, predominantly on teacher training courses.   |
| Part time home undergraduate student fees | +£3.1 million        | Higher numbers of students on apprenticeship courses.   |
| <b>Tuition fee income</b>                 | <b>+£2.8 million</b> |   |

For 2022/23 there was an increase in funding body grant income of £3.4million, which primarily comes from an increase in our Research England grant funding, linked to our very positive Research Excellence Framework 2021 result.

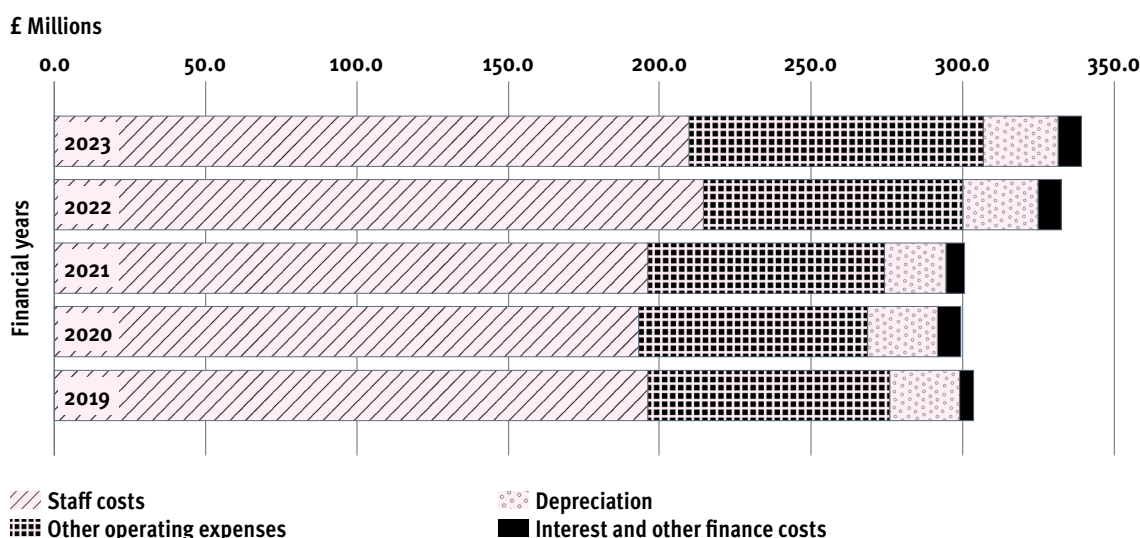
The £1.1 million increase in research grants and contracts related income comes from an increase in research council income of £1.1million, £0.5 million from UK based charities, £0.3 million from UK government and local authorities, offset by a reduction of £0.9 million from EU sources. The research council increase is primarily related to an award of a £3.4m EPSRC project generating £0.9m in year and £0.7 million funding for place and civic engagement research, in line with the University's strategic focus. The UK based charities increase is related largely to a AWRC Yorkshire Cancer Research project called Active Together which is a pioneering programme designed to help people with cancer prepare for and recover from treatment. The reduction in EU funding is due to a completion of some large multiyear projects and slower than expected delivery on some existing projects.

Other income was £15.1 million, an increase on the 2022 figure of £13.0 million. There was an increase of £0.7 million on residences, catering and conferences mainly due to increased catering revenue. The remainder of the increase came from other teaching revenue which increased by £1.2 million. This relates to income received from Health Education England for healthcare students who now complete their required placements in our simulated ward. Previously placements would have taken place in the NHS or similar working environment.

Investment income is £5.1 million higher than in 2022, due to having significant cash balances throughout the year, coupled with the significant increase in interest rates over the last 12 months. The cash balance (cash and cash equivalents plus short-term investments) for 2023 averaged £200 million.

## Expenditure

Total expenditure for the year ended 31 July 2023 is £334.9 million (2022: £330.1 million). There is a significant increase year on year in other operating costs of £10.4 million (detailed below), offset by a reduction in staff costs of £5.2 million.



The overall fall in staff costs is due to a reduction in pension costs of £12.8m, offset by an increase in wages and salaries of £7.5m.

The increase in wages and salaries is despite the one-off payments to staff of £3.7 million paid in 2022. So, the real increase is £11.2 million. This is mainly due to a pay increase in August 2022 (average 3.18%) £4.6 million, a pay increase in February 2023 (average 2%) £1.85 million and increases in academic and non-academic staff numbers £4.15 million.

The £12.8 million reduction in pensions costs is split £4.8 million on the Universities Superannuation Scheme (USS) and £8.6m million on the Local Government Pension Scheme (LGPS) offset by a £0.6 million increase on the Teachers' Pension Scheme (TPS).

The USS decrease reflects the fall in the value of the provision at 31 July 2023, as a result of the increase in the discount rate used to calculate the provision compared to last year (further details below), relative to the significant increase in the provision at July 2022. The LGPS reduction reflects a reduction of £10 million in the adjustment for current service cost (the cost of one year's accrual of pension benefits for active members) relative to last year, offset by higher contributions for the year which are up by £1.4 million. The TPS increase is due to the evolution of the membership profile and reflects contributions payable (see note 27 and 25).

|   | Teachers' Pension Scheme (TPS)<br>£000 | Universities Superannuation Scheme (USS)<br>£000 | Local Government Pension Scheme (LGPS)<br>£000 | National Employment Savings Trust (NEST)<br>£000 | 2023<br>£000  | 2022<br>£000  |
|---|--|--|--|--|---------------|---------------|
| Employer Contributions                  | 18,288                                 | 1,417  | 12,652   | 97   | 32,454        | 30,135        |
| Creation/(Release) of pension provision | (176)                                  | (1,473)  | (224)  | -  | (1,873)       | 3,313         |
| Adjustment for current service cost     | -                                      | -  | 3,936  | -  | 3,936         | 13,919        |
| <b>Total Pension Cost 2023</b>          | <b>18,112</b>                          | <b>(56)</b>                                      | <b>16,364</b>                                  | <b>97</b>  | <b>34,517</b> | <b>47,367</b> |
| <b>Total Pension Cost 2022</b>          | <b>17,391</b>                          | <b>4,801</b>                                     | <b>25,074</b>                                  | <b>101</b>                                       | <b>47,367</b> |               |



The increase in other operating costs of £10 million consists of movements across a wide range of costs, some of the key changes are summarised in the table below:

| Expense type                       | Variance to 2021/22  | Notes  |
|------------------------------------|----------------------|--|
| Premise costs                      | +£3.0 million        | Mainly due to higher energy costs (£1.9m), increase in insurance costs (£0.3m), the demolition of two temporary buildings (£0.3m) and higher maintenance costs (£0.3m).  |
| Staff travel                       | +£0.9 million        | More staff travel, both home and overseas, although not as high as pre-pandemic levels.  |
| Student grants & expenses          | +£2.3 million        | Higher student bursary and Student Success Scholarship payments, offset in part by additional funding provided by the Office for Students.   |
| Computers & IT                     | +£1.9 million        | Software maintenance costs (£1.2m), as a result of moving to a 'service based' fee rather than hardware upfront costs that were capitalised and purchase of hardware (£0.7m) including new teaching rooms for the Department of Computing. |
| Marketing                          | +£0.9 million        | Increase mainly due to overseas agents' fees, resulting from higher numbers of international students.   |
| Books and periodicals              | +£0.4 million        | Higher spend on electronic publications.   |
| Staff development                  | +£0.5 million        | Higher spend on activities such as external conferences.   |
| <b>Total other operating costs</b> | <b>+£9.9 million</b> |  |

Interest and other finance costs overall are in line with last year, however bank loan interest has increased by £1.9 million, due to the increase in the base rate which impacts our loans on variable rates. This is offset by a £2.0 million reduction in interest on the Local Government Pension Scheme (see note 27).

In the Statement of Financial Position overall net assets have increased to £321.8 million (2022: £280.9 million). The increase is mainly due to the actuarial gain on LGPS, offset by the reported deficit for the year.

There has been an increase in the value of fixed assets as at 31 July 2023 of £33.6 million. This reflects capitalisation of £55.4 million, offset by depreciation of £21.8 million for the year. Of the capitalised costs £39.2 million relates to the Howard Street development of three new buildings which are within 'work in progress' at the year end.

Trade and other receivables are £2.0 million higher than last year. This is due to an increase in prepayments of £2.2 million, a small increase in other receivables and accrued income of £0.3 million, offset by a reduction in trade debtors of £0.6 million. The majority of the increase in prepayments relates to five year service contracts for our IT networks.

Current asset investments, which represent cash investments with a maturity of more than three months at acquisition, are £36.0 million lower than at 31 July 2022, offset by a higher level of cash and cash equivalents which are up £13.8 million. Overall 'cash' is £22.2 million lower, primarily due to the investment in the campus and the progress in development on Howard Street, offset by an additional £20 million of borrowing. This relates to the draw down in April 2023 of a development revolving credit facility, that had to be converted to a term loan under the terms of the agreement with Santander (see note 23 borrowings).

Creditors falling due within one year are up £5.2 million on last year. This is mainly due to an increase of £4.5 million in accruals, as a result of higher accruals re the Howard Street building project of £1.8 million and a £1.8 million accrual in relation to a voluntary severance scheme. Other variances are on trade creditors down £1.6 million, deferred income up by £1.6 million and a small increase in the amounts due on loans, up £0.8 million, due to the additional £20.0 million term loan.

Creditors falling due after more than one year are £14.6 million higher. This reflects the additional £20 million term loan with Santander, offset by loan repayments of £2.6 million and a £2.0 million fall in deferred capital grants.

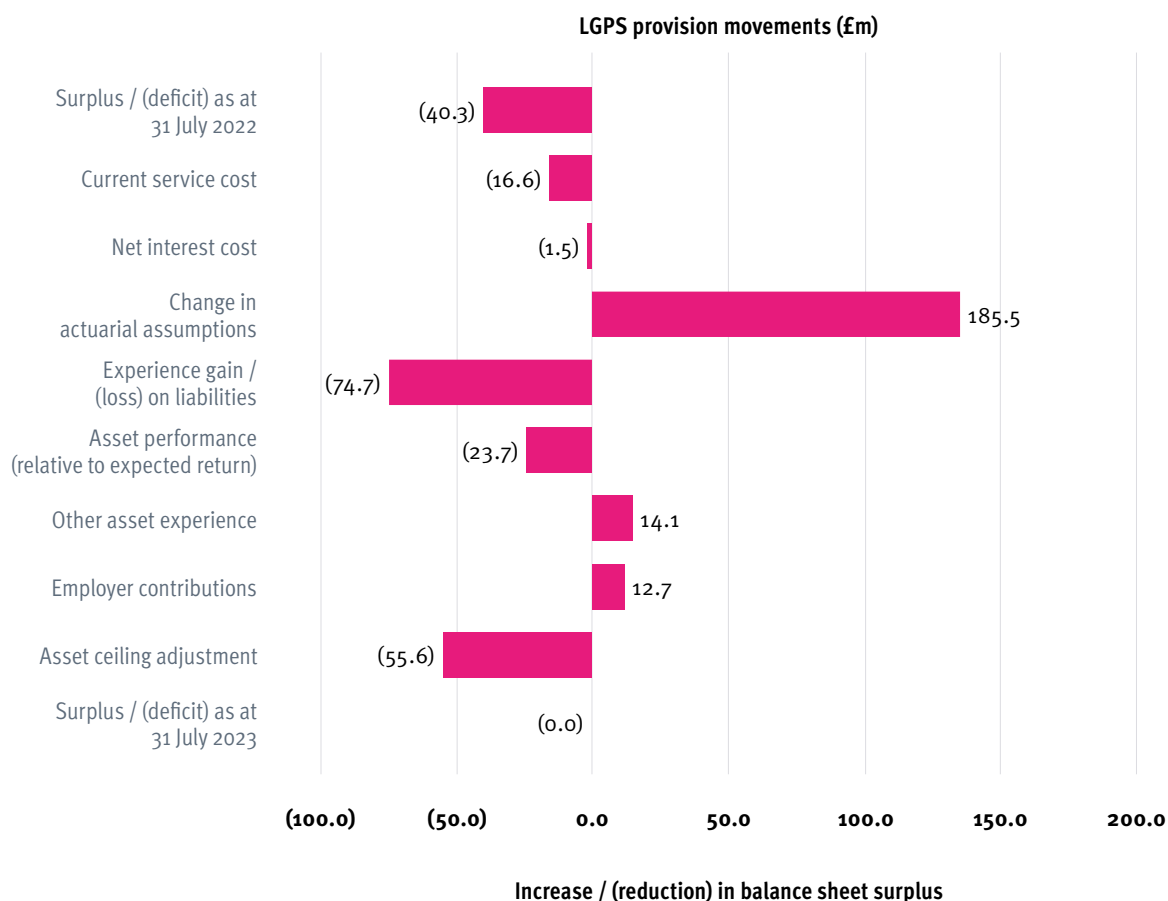
There is a reduction in the value of other provisions, excluding the pension provisions, of £6.0 million compared to 2022. This represents £5.2 million of provisions created at 31 July 2022 being utilised during the year, £1.3 million being released and £0.5 million being created in respect of demolition costs. The utilisation relates to the £2.7 million one-off staff payment paid in November 2022, £1.3 million against the Teachers' pension scheme provision, £0.5 million relating to health placement bursaries and £0.4 million for asbestos removal. The release related to a restructuring provision which turned out to be a much lower figure than estimated at 31 July 2022.

The University holds pension provisions in relation to the Universities Superannuation Scheme (USS) and the Local Government Pension Scheme (LGPS).

The USS provision reflects the fact that the University is signed up to a deficit recovery plan, agreed for the scheme following the most recent actuarial valuation as at 31 March 2020. The provision represents an estimate of the additional contributions to be paid as part of that recovery plan. The provision at 31 July 2023 is £4.9 million (2022: £6.2 million). The reduction is primarily due to the increase in the discount rate used to calculate the present value of the deficit payments, 5.52% compared to 3.13% for 2021/22. Further details can be found in note 25. The movement on the provision relating to contributions is charged to staff costs and the unwinding of the discount is charged to interest and other finance costs, in the Statement of Comprehensive Income (SOI).

The LGPS provision has previously reflected the value of the overall deficit of the scheme attributed to the University, as calculated annually by the scheme's actuary. As at 31 July 2023 the scheme was valued as being in surplus and the University's share of that surplus was £55.6 million, compared to a deficit of £40.3 million the previous year. The movement reflects the current service cost for the period of £16.6 million, less employer contributions of £12.6 million, plus a net interest charge of £1.5 million, but by far the most significant movement is an actuarial gain of £101.2 million. The improved position at 31 July 2023 has emerged as a result of increasing bond yields during the period.

Even though the actuary's report calculated a surplus for the University's share of the scheme, as the value of the assets were greater than the value of the liabilities, the University has restricted that surplus to £nil, based on Financial Reporting Standard 102 guidance (including the International Financial Reporting Interpretations Committee IFRIC 14) and legal advice received. Further information can be found in note 27 and note 2.



The reason for the large actuarial gain is mainly due to the change in the actuarial assumption around the discount rate used to calculate the present value of scheme liabilities. The discount rate used, which is based on bond yields, was 5.05% compared to 3.5% last year. This resulted in a £171.9 million gain. Changes in demographic assumptions around life expectancy resulted in a further £13.6 million actuarial gain. These were offset by experience losses of £60.6 million, resulting from the fact that the 31 July 2022 results were based on the 2019 actuarial valuation of the scheme, whereas the 31 July 2023 results are based on the 2022 actuarial valuation. Actual asset returns have been lower than assumed during 2022/23 leading to an asset loss of £23.7 million. The asset ceiling adjustment is the adjustment that has been made to restrict the surplus asset to £nil.

The current service cost is charged to staff costs and the net interest is charged to interest and other finance costs in the Statement of Comprehensive Income (SOCi). The overall actuarial gain is shown as other comprehensive income in the SOCi and as described above reflects changes in actuarial assumptions and adjustments for actual experience versus the previous actuarial estimates. The asset ceiling adjustment is also reflected in other comprehensive income in the SOCi.

## Going Concern

The higher education sector continues to face challenges in relation to changes in the external environment, in particular the ongoing uncertainty brought by the current high levels of inflation. This causes specific challenges for the sector, where there is limited scope for inflationary increases on income due to the static Home Undergraduate fee.

18-year-old participation in Higher Education has fallen for 2023/24. In response to this we are reviewing our Taught Portfolio as a fundamental part of our future strategy, recognising that we must offer a high-performing portfolio that is market-led and innovative. Our focus must also be on efficient delivery which supports the overall financial sustainability of the University.

The University has carried out detailed analysis and scenario planning to provide assurance in the ability of the University to continue to operate as a going concern to 31 July 2025 by reviewing:

- **cashflow forecasts**, including monthly cash requirements, taking into account peaks and troughs during the year that result from the timing of student loan company payments and the phasing of expenditure and any movements in loan balances.
- **compliance with covenants** under the loan facilities. This includes the calculation of covenant headroom and understanding how changes to key variables would impact covenant compliance (as outlined in the sensitivity analysis section below). Given that there is limited headroom in 2023/24, the University has drawn up mitigating actions to ensure that there are no covenant breaches.
- **scenario planning and sensitivity analysis** based on likely changes to external factors or internal operating policies/practices that impact areas such as cost inflation, student recruitment, retention and progression and staff costs. This approach is then expanded to consider the impact of multiple variables on covenant compliance and cash requirements i.e. how much could both home and international students reduce before we breach a financial covenant.
- **Mitigating actions** will be implemented if required in 2023/24 to ensure covenant compliance. The University has quantified and reviewed the timings of such action and the impact they will have on the sensitivity analysis.



## 2023/24 budget and 2024/25 plan

The approved budget for 2023/24 has been updated with the latest student recruitment numbers available to provide a current view of income levels. This has been extrapolated into future years to inform the view taken in relation to the ability of the University to operate on a going concern basis.

The University has completed its first quarterly performance review for 2023/24, which confirms a £3.6m shortfall against the budgeted £5.0m operating deficit and £0.6m debt servicing covenant headroom. The 2023/24 limited covenant headroom is due to a reduction in net cash inflow from operating activities. Covenant headroom is only limited in 2023/24 and increases to £13.2m in 2024/25. We have responded to a 2023/24 student recruitment income shortfall with a set of short-term cost reduction measures that links to a wider efficiency programme over the next few years.

With the first quarter's performance now delivered, the University's Board of Governors has undertaken its review of going concern, evaluating the ability of the University to withstand and respond to foreseeable financial risks whilst retaining an adequate buffer to address further risks. An essential part of this review has been to stress test key assumptions within the forecasts and consider the University's ability to mitigate the impact of adverse movements on financial covenant compliance.

The approach has been to assess the budget and forecast baseline performance and undertake a reverse stress test to understand what would result in a covenant breach. Given that there is limited covenant headroom in 2023/24, a series of financial improvement measures have been identified that will increase covenant headroom to £9.0m-10.0m in year.

The University has identified and quantified a series of mitigating actions that could be put into place to ensure financial covenant compliance in the event of further financial deterioration. They include delaying revenue investment and reducing non-essential spend in the short term, while wider efficiency to secure the University's financial sustainability is put in place.

The University has recently demonstrated that it can successfully deliver in-year improvements to forecast outturn, with covenant headroom increasing by £7.0m between the second quarter of 2022/23 and year end outturn. The mitigating actions that we have identified for 2023/24 are within the control of the University's management and are sufficient to ensure that the University can meet all financial covenants with a level of headroom that management believe is sufficient to mitigate risk.

The University's 2023/4 budget and the forecasts through to 31 July 2025 and beyond all show financial covenant compliance with sufficient headroom to mitigate risks.

The University's financial position is underpinned by strong cash balances. Budgeted cash balances for 31 July 2024 are £134m (equivalent to 142 days expenditure) and £115m by 31 July 2025 (equivalent to 120 days expenditure). Cash balances are reducing in line with a planned programme of capital expenditure and provide the University with significant flexibility. The University's treasury policies ensure that a minimum cash balance of £50m (equivalent to 53 days expenditure for 2023/24) is maintained at all times.

Taking all the above into account the Board of Governors consider that the University can comply with all its financial covenants and has adequate resources to continue in operational existence for the foreseeable future, being a minimum of twelve months from the date these accounts are approved. For this reason, these accounts are prepared on a going concern basis.

# Charitable status and public benefit

Sheffield Hallam is a Statutory Higher Education Corporation with exempt charitable status in the UK under the Charities Act 1993 (later consolidated in The Charities Act 2011) and by virtue of its incorporation under the 1988 Act and therefore is a public benefit entity. As an exempt charity the University is regulated by the Office for Students by virtue of the Charities Act 2006 (consolidated into the Charities Act 2011). The University's charitable purpose is the advancement of education. We deliver our charitable purpose for the public benefit through our core academic functions of teaching, research and innovation, and through implementing our strategy and mission to transform lives.

Public benefit is embedded in our strategic aims and objectives as set out in our **Transforming Lives** strategy and we have a clear strategic mission to enhance social mobility regionally and nationally.

Our current and future students are the immediate beneficiaries of our learning and teaching activity, through our focus on shaping our students' futures and delivering a practical and applied curriculum. We operate a fair and transparent admissions policy to ensure that any suitably qualified candidate can be considered for a place with us. We also offer services to our network of alumni to enable them to thrive after graduation and to succeed in whatever they choose to do.

## Our civic commitment to place

To reaffirm our connection to our local region, Sheffield Hallam set out commitments to our communities in a **Civic University Agreement** published in July 2021. Two years on, we have achieved success against several key pledges.

Over the last two years, the Agreement has provided direction for local interventions that have had an impact on the economy and skills, education, health, and regeneration in the region.

Delivering the first phase of the University's Campus Plan was a commitment to regeneration, helping to transform a key gateway to the city. The development involves three new net zero carbon ready buildings surrounding a public green space on Howard Street. More than 400 construction workers are currently involved in the development and several Sheffield Hallam students are undertaking placements and apprenticeships with construction partners.

Expanding the University's degree apprenticeship provision was another key commitment. In 2021, Sheffield Hallam pledged to offer at least 2,500 work-based degree apprenticeships by 2024. That target was achieved ahead of schedule in February 2023. The University was the first in the country to offer a degree apprenticeship in physiotherapy and has one of the broadest portfolios of degree apprenticeships.

One of the Agreement's highest impact pledges has been the partnership with Save the Children and Sheffield City Council to open a new nursery in Shirecliffe. The Meadows Nursery, which acts as an early-years community research nursery, opened in April 2021 and has had a transformative impact, while helping to develop best practice nationally. The Nursery's staff have developed a parents' breakfast club which acts as a safe environment for parents and carers to access support and advice and a nutritious breakfast.

Another initiative that addresses educational disparities in the region is the commitment to supporting the expansion of the Children's University across South Yorkshire, which promotes participation in extracurricular activities.

The Agreement also focuses on tackling health inequality. This year the University launched a plan for a new **Health Innovation Campus** based at the Sheffield Olympic Legacy Park. The vision includes an Advanced Health and Care Skills Centre, a Nursery of the Future, and the Sheffield Hallam Health Acceleration Programme.

Building on the foundations established by the Civic University Network, Sheffield Hallam successfully led a partnership bid to secure a £4.3m investment from Research England to establish **the National Civic Impact Accelerator (NCIA)**, a three-year programme of work designed to curate and gather civic evidence, experiment with civic innovations, and generate insights and learning to support universities across the UK to enhance their place-based impact. The University's Centre for Regional Economic and Social Research (CRESR), the Institute for Community Studies, the National Coordinating Centre for Public Engagement (NCCPE), the University of Birmingham, Queen Mary University of London and the Organisation for Economic Cooperation and Development (OECD). The programme will foster a vibrant ecosystem of engaged universities across the country that drive positive social change and shape a better future for all.

## Creating opportunities

We have an excellent track record of delivering innovative outreach and widening participation programmes to raise aspirations and awareness of the benefits of higher education and to orient more students toward successful outcomes. In 2022/23, we admitted the second largest number of students from underrepresented postcodes (as measured by Tundra, a measure of young participation in higher education by areas) in the sector and 71.4% of our entrants are from a widening participation background (i.e., are mature, disabled, from a minoritised ethnicity and/or from an underrepresented postcode).

We demonstrate our strategic commitment as signatories to the **Social Mobility Pledge**, the **Care Leavers Covenant**, the **Armed Forces Covenant**, the **Stand Alone Pledge for estranged students** and the **Time to Change Pledge** on mental health.

We are proud to be a **Disability Confident Leader**, a member of the **Race Equality Charter**, in receipt of **Athena SWAN** Institutional bronze status and a Silver Award by the **Defence Employer Recognition Scheme**. We hold a Silver award for **Stonewall** and are a member of **the Stonewall Diversity Champions** scheme. We have provided support for aspiring female leaders through the **Advance HE Aurora programme** since its inception in 2013.

## A University of Sanctuary

Sheffield Hallam is a **University of Sanctuary**. The accreditation, given by the charity City of Sanctuary, recognises and celebrates good practice of universities welcoming sanctuary seekers into their communities and fostering a culture of welcome and inclusion for all. We provide a range of support for those who are seeking asylum or hold refugee status and want to apply for a place at Sheffield Hallam, including the SHU Progress scheme, dedicated support for refugee students, and sanctuary scholarships for asylum seeker students. We also work with the UK charity Council for At-Risk Academics (Cara) which helps academics identified as at-risk of violence, persecution, or repression in their home countries to pursue their research through fully funded PhD scholarships.

## Driving educational improvement in our region

Sheffield Hallam and its partners in the region have come together to form the nationally pioneering **South Yorkshire Futures**. The programme drives long-term improvements in the educational health of the region to improve attainment and aspiration from early years through to further and higher education.

## Supporting students to succeed

We continue to invest in and benefit from ongoing long-term partnerships with almost 200 local schools and colleges and other stakeholders across the region. Our programme of outreach activity is now higher than pre-pandemic engagement levels:

- Campus tours
- University taster days
- introductions to higher education student life and student finance
- subject-specific roadshows, activities and masterclasses
- drop-in sessions to support students' applications to study with us
- targeted applicant HE preparation and mentoring scheme for applicants from minoritised or under-represented groups.

Our **SHU Progress Scheme** provides additional support such as campus visits, a personal contact throughout the application process, interview preparation sessions and special consideration during admissions for pupils facing additional challenges. These include disabled students, students from military families, veterans, mature students, pupils from families with low incomes, young carers, care-experienced pupils, pupils estranged from their parents or facing estrangement, and those at risk of homelessness. We have extended SHU Progress to any applicant who identifies as Black British whilst we develop a greater understanding of the barriers they may face.





## Tuition fees and financial support for students

Tuition fees for undergraduate students and PGCE students from the UK and the EU are regulated by the government. We currently charge the maximum fee permitted by government. Our fee for 2022/23 was £9,250 for full-time courses, including:

- Bachelor's and Integrated Master's Degree
- Foundation Degree · Higher National Certificate (HNC)
- Higher National Diploma (HND) · Certificate in Higher Education (CertHE)
- Diploma in Higher Education (DipHE)

Fees are pro-rata for part-time students.

The ability to charge fees at this level is subject to approval of our Access and Participation Plan by the Director of Fair Access and Participation at the Office for Students. This plan details how we invest in measures to support access to higher education, student success, and progression to employment or further study for students from disadvantaged and underrepresented groups.

Our **Access and Participation Plan for 2020/21 to 2024/25** was approved in September 2019 and includes targets to address the biggest disparities in access, continuation, attainment, and progression to employment.

Although we are a fee-charging charity, we aim to ensure that access to the benefits of higher education is not restricted by the ability to pay fees or living costs during students' time studying with us.

In 2022/23, we invested around £6.9m in financial support, including:

- The **Student Success Scholarship** supports students from disadvantaged and underrepresented groups and includes an enhanced support package and a financial award of up to £2,100. More than 9,000 awards were made in 2022/23 with more than £4.5 million awarded overall.

- The **Hallam Hardship Fund** is focused on supporting immediate hardship caused by unexpected life events. Awards are typically £500. In 2022/23, more than 260 awards were made with more than £110,000 awarded overall.
- The **Care Leavers Bursary** package guarantees £3,500 of funding per year of study for young students who have been in local authority care. We also provide support with the cost of graduation for care leaver students. In 2022/23 we supported over 60 care leavers.
- Our **Performance Athlete Support Programme** has grown; in 2022/23 we provided more than £25,000 of support to our performance athletes.
- The **Access Fund** is designed to support Care Leavers, Estranged Students and Student Carers. More than £200,000 of discretionary support was provided in 2022/23. This included enhanced support to final year students with no family support to help them transition out of university.
- Three **Sanctuary Scholarships** to asylum seekers were awarded.
- Our **Placement Bursary** has helped 230 students during their sandwich placement year.
- The **GoGlobal fund** returned following the relaxation of international travel restrictions. Over £150,000 of support was provided to students taking part in over 30 trips.
- To aid with short-term cash flow issues the University provides Tesco Vouchers to students. These vouchers are accessible on the same day and allow us to provide immediate welfare support in urgent cases. In 2022/23 over 2,100 vouchers were distributed at a cost of £70,000.
- Finally, we have almost tripled the amount we have spent to support students directly with the cost-of-living crisis, with over 6,500 payments being made at a cost of almost £750,000.



## Transforming lives through our research and knowledge exchange

Our research teams work with people and organisations across the full breadth of society, providing innovative, practical solutions that make a difference. Beneficiaries include the UK government and its agencies, policy makers, public sector organisations, charities, community groups and businesses; and in turn, their clients and customers. A survey of our impact and engagement activity identified nearly 300 ongoing research projects where we are working in partnership with the public and other sectors, applying research to solve critical real-world challenges. This work is occurring at scale in all disciplinary areas, and across a range of broad domains, including wellbeing, climate action, public policy, commerce and culture. Examples of how the University's research is transforming lives are reflected in the Highlights section.

Meaningful involvement and engagement with the public in our research programmes is a crucial part of achieving our vision. Directly involving the public in our research through co-design and co-production helps to ensure research is conducted with those it affects, rather than simply for them. This enhances the quality of our research and helps to build trust with people who, through direct involvement, are better able to understand the research process and see its value for themselves, their families and communities. Examples of public engagement include:

- **The Advanced Wellbeing Research Centre Public Involvement in Research Group (AWRC-PIRG):** The AWRC-PIRG is a forum which enables and encourages researchers to include the public and patient voice across all stages of the research cycle. Members come from a wide range of backgrounds, and no experience of research is required. The group informs, challenges and participates in our research, enhancing its quality and impact. Over 50 projects have been reviewed by the PIRG to date.
- **Driving Community Wellbeing in Darnall and Attercliffe:** Through a process of co-production, local residents, community organisation Darnall Well Being, Hallam researchers, HLM Architects, and wider stakeholders created a vision, mission and set of core requirements for a community hub in neighbouring Darnall.
- **Lab4Living** has pioneered the development of creative research methodologies focused on co-design, collaboration and participation with stakeholders to share a common concern around the role of design in promoting health and quality of life.

Any private benefit arising from our research and knowledge exchange activity is secondary to our principal charitable purpose of the advancement of education. Nevertheless, we recognise that securing intellectual property in useful research outputs can help us to achieve public and/or commercial benefit. Arrangements for distribution of revenue arising from successful exploitation of our ideas are set out in our **Intellectual Property Policy**.

We are committed to making our research both as transparent and widely available as possible and support the principles of open science and open access. We have a sector-leading **Open Access policy**, which allows our authors to open up access to all their papers in journals and conference proceedings so that they can be shared from the day of first publication through unrestricted online access. Our **Data Management Policy** encourages all staff to share their primary research data with as few restrictions as possible.

## Fundraising and Philanthropy

A priority focus for fundraising continues to be scholarships and bursaries for students from disadvantaged backgrounds. This year the **Hallam Fund** has moved to a new digital platform, and this was piloted for the launch of the Vice-Chancellor's Appeal in June 2023 and repeated in the run up to Christmas 2023. The Development and Alumni Relations Office continues to steward existing donors to the Hallam Fund and regular contributions have meant the award of an additional four scholarships and a contribution to the University's Refugee Rights Hub.

The University agreed for the Hallam Fund to disburse residue funds as part of the SHU card decommissioning project. Over £149,000 has been distributed to several areas directly benefiting students. This has provided an enhanced summer bursary for students who are care experienced or estranged from their families, supplied sustainable period products free of charge to around 250 students and supported the development of clubs for international students and their families. Corporate philanthropic partnerships continue to flourish in 2022/23:

- The University signed a new three-year partnership with Santander Universities aimed at supporting scholarships and grants to support enterprise, employability, and access to bespoke training.
- The University continues to work with Europa Capital and the Barratt Foundation (scholarships and bursaries in Department of Natural and Built Environment) and AESSEAL Engineering Ltd (Women in Engineering programme).
- The Sheffield Institute of Education extended its five-year partnership with WIPRO Plc to continue its successful STEM teacher mentoring programme which aims to increase young people's enjoyment, attainment, and progression in STEM subjects by supporting South Yorkshire based teachers through mentoring and personal development in the STEM expertise. So far, the programme has worked with 64 fellows and mentors in local schools.
- The Meadows Nursey at Shirecliffe continued to work in partnership with Save the Children, with contributions from the Bulgari Foundation enabling the Nursery team to deliver additional places and parent-led programmes and purchase additional equipment.

- In Spring this year, the Development and Alumni Relations team launched the “**Marginalised Communities**” initiative which works with academic teams who are delivering real world research in communities across Sheffield and aligns their work to interested investors and funders.

### Alumni engagement

Engaging our alumni is an essential component in enhancing student experience across academic departments with hundreds of touch points with alumni who have given back their time to engage with students and recent graduates. Highlights include over 180 alumni and supporters who signed up to mentor students on the **Hallam Career Mentoring** scheme. 26 alumni from the Department of Engineering and Mathematics came back to campus for insight sessions with students; a series of in-person and virtual events have been delivered for the Sheffield Business School in line with agreed accreditation frameworks. Ongoing work continues to ensure high contact rates with recent graduates to support Graduate Outcomes work across the University.

### Honorary Graduates

Over graduation ceremonies in 2022, the University welcomed nine new honorary graduates into the Hallam community. This included: Lord Simon Stevens, Maddy Desforges OBE; Sarah Clarke OBE; His Honour Judge Graham Robinson, Geri Halliwell-Horner; Carly Jones, Ayo Akinwolere, Professor Judy Simons; and Anne Longfield CBE.

The University continues to develop fundraising and alumni volunteering programmes in line with its charitable status, is registered with the Fundraising Regulator and abides by the Fundraising Code of Practice.

### Student fundraising and volunteering

Coordinated by the Sheffield Hallam Students’ Union, volunteering roles are a way for students to gain rewarding experience, support the local community and can help them decide on a career path. During 2022/23, there were more than 1,320 active volunteers who supported projects and volunteered across more than 70 organisations.

### The Trade Union (Facility Time Publication Requirements) Regulations 2017

The University recognises UNISON, GMB, UNITE and UCU for the purposes of collective bargaining. The Trade Union (Facility Time Publication Requirements) Regulations 2017 require the University to publish information on trade union facility time:

- The University has published its report on trade union facility time for the period 1 April 2022 to 31 March 2023.
- 71 employees (64.90 FTE) were trade union officials in the reporting period.
- The total cost of trade union facility time was £227,321.17 or 0.11% of the University’s total pay bill.





# Corporate governance

## Constitution and Charitable Status

Sheffield Hallam is a Higher Education Corporation (HEC) as defined under the Education Reform Act 1988. The powers of the HEC are defined in Section 124 of the 1988 Act as amended by the Further and Higher Education (FHE) Act 1992, and are subject to any relevant regulations, orders or directions made by our primary regulator, the Office for Students (OfS). These powers include the power to provide higher and further education and to carry out research and to publish the results of such research.

The University is also an exempt charity, as defined in the Charities Act 2011, with the OfS acting as its principal regulator. The University's charitable purpose is the advancement of education for the public benefit. Members of the University's Board of Governors are the charity trustees and are responsible for ensuring compliance with charity legislation. In exercising their powers and duties, the Board of Governors has had due regard to and has complied with the guidance on public benefit published by the Charity Commission. Further information on how the University delivers its charitable objectives for the public benefit can be found in the Charitable Status and Public Benefit section of this report.

## Our approach to corporate governance

We are committed to best practice in all aspects of corporate governance. We aim to conduct our business in accordance with the principles identified in the Committee on Standards in Public Life (Nolan Committee) and the Committee of University Chairs (CUC) Higher Education Code of Governance (September 2020) (the Code). The Board reaffirmed its adoption of the Code in March 2022. In addition, the University complies with the requirements of the CUC Codes relating to Audit Committees (May 2020) and Senior Staff Remuneration (November 2021).

In line with the Code, an independent review of Board of Governors effectiveness was carried out in 2020/21 and a report on the action plan for the review's recommendations was considered by the Board in July 2021. The University's Governance and Nominations Committee (GNC) considered progress reports on the action plan including a final report in March 2023 that implementation was complete. The next independent review of Board effectiveness is expected to take place during 2024/25. The periodic external reviews are complemented by an annual internal Board survey and Committee effectiveness reviews with overall themes and recommendations considered by GNC.

The Board of Governors' Regulations, which uphold the Public Interest Governance Principles, ensure that members understand their responsibilities, the processes through which the Board operates, and how the Board's authority is delegated to senior officers and/or committees within the institution. This information includes

- Statement of Primary Responsibilities, as derived from the Instrument and Articles of Government
- The Standing Orders of the Board
- The Scheme of Delegation.

Information about the operation of the Board is publicly accessible on Sheffield Hallam's website and includes confirmed minutes of the Board's meetings and those of its sub-Committees and the Academic Board.

## Internal control

The Board of Governors has responsibility for maintaining a sound system of internal control that supports the achievement of its objectives, while safeguarding the public and other funds and assets for which it is responsible.

Arrangements are in place for the Board to review the effectiveness of the systems of internal control. The review of the effectiveness of internal control is informed by the work of internal audit. The University's internal auditors have a key role in helping Sheffield Hallam to identify and address vulnerabilities in relation to its control environment and assessing the University's performance in the delivery of value for money.

They provide an opinion annually on the adequacy and effectiveness of (i) the organisation's framework of risk management, control, and governance, (ii) the arrangements in place to promote economy, efficiency, and effectiveness and (iii) the management and quality assurance of data submitted to Higher Education Statistics Agency (HESA), the Student Loan Company, the Office for Students, Research England, and other bodies.

The review of the effectiveness of internal control is also informed by

- The work of executive managers within the University, who have responsibility for the development and maintenance of the internal control framework and for managing risk using a risk-based approach.
- The work of the external audit service.

Our systems of internal control are based on an ongoing process designed to identify the principal risks, to evaluate the nature and extent of those risks, and to manage them effectively, efficiently, and economically. Sheffield Hallam's risk management process encompasses all types of risk including corporate, operational, compliance and regulatory risk. A risk lifecycle approach underpins our risk-engaged culture. The Board of Governors is of the view that there is a process for identifying, evaluating, and managing the University's significant risks that has been in place for the year ended 31 July 2023 and up to the date of approval of the Financial Statements; that it is regularly reviewed by the Board of Governors; and that it accords with OfS guidance.

The following mechanisms are in place to support Sheffield Hallam's overall system of internal control.

- The Audit and Risk Committee receives regular reports on how the University's corporate risks are being managed along with updates from managers on actions being taken to control risks in their areas of responsibility. Through these mechanisms, the Audit and Risk Committee receive assurance that risk management processes are embedded and effective.
- The Audit and Risk Committee receives reports from internal audit, which include an independent opinion on the adequacy and effectiveness of the University's system of internal control, together with any recommendations for improvement.
- The Board of Governors receives reports from the chair of the Audit and Risk Committee concerning internal control and risk management. The Board of Governors also receives regular reports from leaders on steps they are taking to manage risks to deliver strategic objectives in their areas of responsibility, including progress reports on key strategies and initiatives.

In addition, tools are in place to manage risk across Sheffield Hallam including

- A risk management framework which defines the University's risk lifecycle process and the roles and responsibilities of key actors in risk governance.
- An up-to-date agreed risk appetite statement.
- Numerous mechanisms to identify risks across strategic and operational levels that may impact the University's strategic objectives.
- A risk rating system to ensure that the likelihood and impact of each risk is analysed using a consistent methodology.
- A reporting system which enables risks across the University to be raised, reviewed, and escalated in a standardised format to the University Executive Board for discussion and agreement, ahead of sharing with the Audit and Risk Committee and Board of Governors.

Risk management processes have operated successfully throughout the year.

Following an internal review of executive committee structures, new arrangements for the University Executive Board, Executive Leadership Team, and University Operations Board have been finalised and embedded to provide continued robust oversight of University decision making and the delivery of priority and strategic programmes.

The Academic Board has continued to scrutinise areas of significance relating to academic and awarding matters as appropriate to its terms of reference. The Academic Board continues to report to the Academic Assurance Committee and the Board of Governors on the discharge of its responsibilities.

Sheffield Hallam also has an assurance framework in place which allows it to identify how its management and governance of risk overlays its strategic objectives, institutional processes and controls, and the ongoing conditions of registration with the OfS. This ensures that Sheffield Hallam understands and monitors the adequacy and effectiveness of arrangements for the oversight of compliance with the OfS ongoing conditions of registration.

The Board is of the view that there are no significant internal control weaknesses or failures that have arisen during the financial year ended 31 July 2023 and up to the date of approval of the Financial Statements.

Sheffield Hallam complies with OfS Terms and Conditions of Funding. The University has a robust financial control process in place which enables it to ensure that funds provided by the OfS are used for the purposes intended. In addition, assurance concerning the use of public funds is provided through the work of the external auditors. Further details of the remit and opinion of the external auditors can be found in the independent auditor's report to the Governing Body of Sheffield Hallam which is presented as part of this Annual Report.

# Structure of corporate governance

## Membership of the Board of Governors

Sheffield Hallam's Board of Governors comprises independent, staff and student members appointed under the Instrument and Articles of Government of the University. The roles of chair and deputy chair of the Board of Governors are separate from the role of the Vice-Chancellor.

Members during 2022/23 were:

### Independent members

**Rt Hon The Lord Kerlake**

(Chair) (to 1 July 2023)

**Meg Munn**

(Deputy Chair of the Board to 18 July 2023, acting Interim Chair of the Board from 1 July 2023 to 18 July 2023, formal appointment as Interim Chair of the Board approved by Board of Governors from 19 July 2023)

**Giles Searby**

(Deputy Chair of the Board from 19 July 2023)

**Joanna Allen****Professor Jeff Bale****Gabrielle Berring****John Cowling****Angela Foulkes****Ian Hall****Sameer Kothari****Dr Matt Lilley****Professor Julietta Patnick****Professor Keith Ridgway****Jonathan Slater****Penny Thompson CBE**

### Staff

**Dr Claire Ketnor**

(academic staff selected from Academic Board)  
(planned period of leave December 2022 – December 2023)

**Dr Jia Liu**

(elected academic staff member)

**Matthew Parkin**

(elected professional services staff member)

**Dr Lucian Tipi**

(selected academic staff member to 2 December 2022)

### Student nominees

**Abiola Fasipe**

(student nominee July 2023 – June 2024)

**Sabahat Khan**

(student nominee July 2021 – June 2023)

**Dayo Oladiti**

(student nominee July 2022 – June 2023)

**Emmanuel Takyi**

(student nominee July 2023 – June 2024)

### Vice-Chancellor

**Professor Sir Chris Husbands**

The matters specifically referred to the Board of Governors for decision are set out in the Articles of Government of the University, and the Board meets six times a year for this purpose. In addition, the Board may hold special meetings, or approve matters by written resolution, if necessary. The Board also holds discussions on the strategic development of the University via separate events.

Under the Office for Students (OfS) Regulatory Framework, including its terms and conditions of funding for higher education institutions, the Board of Governors has responsibilities for the ongoing strategic direction of Sheffield Hallam, approval of major developments, and the receipt of regular reports from executive officers on the day-to-day operations of its business and its subsidiary companies.

The President of the Students' Union is an ex-officio member of the Board and reports regularly to the Board on Students' Union matters.

New governors participate in an induction programme, including finance training. All members of the Board are offered opportunities to develop their knowledge of Sheffield Hallam and aspects of their responsibilities as a governor, including through an annual update and development day. Briefings have covered a variety of topics including Higher Education finances, the pension schemes at the University, and subsidiary company governance and director duties. There have been visits to the University's Transmission Electron Microscopy Unit, the Lab4Living, the simulated hospital ward, and the Advanced Wellbeing Research Centre. Staff and Student Governors have attended AdvanceHE induction events.

The Board of Governors operates with a committee structure comprising

- Academic Assurance Committee
- Audit and Risk Committee
- Board Officers Committee
- Finance and Employment Committee
- Governance and Nominations Committee
- Remuneration Committee.

All these committees are formally constituted with terms of reference and comprise mainly independent members of the Board of Governors, one of whom is designated to chair meetings. Minutes of the meetings of the Committees, alongside reports from the Committees on specific issues, are submitted to the Board of Governors.

In support of the Committee structure, and where appropriate, the University uses formally constituted Task Groups, to facilitate effective and agile decision making on behalf of the Board of Governors.

The terms of reference of the Board of Governors are included in the **'Board of Governors – Regulations'**.

The **terms of reference of the Board's committees** can be found on the website.



# Remuneration Statement

## Introduction

### Purpose of the Remuneration Committee

The Remuneration Committee is responsible for providing assurance to the Board of Governors that decisions on senior staff remuneration and severance arrangements are made in accordance with the values that underpin the Committee of University Chairs (CUC) Higher Education Code of Governance, the CUC Higher Education Senior Staff Remuneration Code (the Code) and the principles of public life.

The Committee's **Terms of Reference** are available on the University website.

### Scope

The Remuneration Committee is responsible for determining the pay and conditions for the following postholders:

- Vice-Chancellor
- Deputy Vice-Chancellors
- Chief Finance Officer
- University Secretary

### Membership of the Remuneration Committee

In line with the Code's principle that the Committee must be independent and not chaired by the Chair of the Board of Governors, membership of the Committee over the year 2022/23 was as follows:

- Penny Thompson, Independent Board Member (Chair of the Committee from 1 February 2021);
- Lord Kerslake, Chair of the Board of Governors (until 1 July 2023);
- Jo Allen, Chair of the Audit and Risk Committee;
- Meg Munn/John Cowling, Chair of the Employment and Finance Committee; and
- Andrea Walters, Co-opted Independent Member.

All appointments were recommended by the Governance and Nominations Committee and approved by the Board of Governors.

As recommended by the Code, the Vice-Chancellor is not a member of the Committee and attends on an exceptional basis, for specific items only, unrelated to their own remuneration. The University Secretary, and the Chief People Officer and Pro Vice-Chancellor (Diversity and Inclusion), regularly attend Committee meetings (except for matters relating to their own remuneration).

### Meeting frequency, attendance and availability of minutes

During the 2022/23 academic year, the Committee met on the following occasions:

- 21 September 2022
- 2 February 2023
- 9 May 2023 (extraordinary meeting to consider Vice-Chancellor recruitment)
- 20 June 2023

Attendance for the year was 77% (2021/22 86%) and all meetings were quorate. The open, confirmed minutes of the Committee's meetings are available on the University's website.

## Approach to Remuneration

### Context

The UK has a world-leading higher education (HE) sector, widely recognised for its quality of teaching and research and its capacity to innovate. As such the University operates in a highly competitive market for staff, students, research funding and investment.

The leaders of Higher Education Institutions (HEIs) are responsible for large and complex organisations, with diverse missions, operating in a range of differing markets. The decisions they take affect the financial performance of those institutions which, in many cases, employ thousands of people and are critical to the sustainability, health and wellbeing of the regional communities and economies in which they are located. With only a proportion of total income awarded from core public funding, Vice-Chancellors and their senior teams must act entrepreneurially to ensure that their institutions raise significant revenue, while successfully nurturing their key missions of teaching, research and knowledge exchange in an intensely competitive regional, national and international context.

The University's core purpose is the advancement of education, which involves sustaining and promoting teaching, learning and original research. Its people are a fundamental factor in Institutional success and remuneration decisions must reflect this. Decisions must also be balanced against accountability for the public funding the University receives, value for money and financial sustainability, together with wider implications including affordability, employee relations/staff morale and stakeholder confidence.

## Principles underpinning senior remuneration for Board Appointments and Members of the University Executive Board (UEB)

In addition to the three key principles outlined in the Code the following are applied:

- i) Levels of remuneration should be sufficiently flexible to attract, retain and motivate senior post holders of the quality required to lead within the University.
- ii) Remuneration decisions will be cognisant of equality, diversity and inclusion considerations.
- iii) Remuneration will be appropriate to performance level and may include a one off (non-consolidated) bonus element in recognition of performance at the highest level.
- iv) All variable reward (bonuses and remuneration increases) should be linked to University and individual performance, and awarded to recognise performance consistent with institutional objectives.

The Committee will also consider wider implications such as affordability, employee relations, staff morale and stakeholder confidence.

In addition, decisions on senior remuneration should be in accordance with the Nolan Principles of selflessness, integrity, objectivity, accountability, openness, honesty and leadership as well as being free from unfair bias and discrimination.

## Remuneration Framework for Senior Staff

Any new roles or significant changes to existing roles are externally evaluated prior to recruitment to ensure transparency and equal pay for work of equal value, irrespective of gender or other protected characteristics. Roles are allocated to bandings within the senior pay structure based on the evaluated scoring. (In addition, all UEB roles are re-evaluated every three years using external consultants and the outcomes considered by the Remuneration Committee). The value of all UEB and Senior Staff Grade (SSG) roles are assessed using the Hay job evaluation method. Outcomes are then benchmarked against local, sector, national and international data as appropriate. Placement of individuals in the allocated banding for the role reflects their level of knowledge, skills and experience.

## Annual Pay Review Process

The Pay Review Process for senior staff normally consists of three different elements:

- **Consolidated Award** – effectively a cost-of-living rise which normally reflects the annual pay increase for all other University staff who are on the national single pay spine framework. However, the University has the discretion to decide whether this is paid and at what percentage. The Remuneration Committee has oversight of the outcomes of any national pay negotiations and ratifies any proposed cost-of-living rise for all SSG employees, Board appointments and other UEB members.
- **Review of Baseline Salary** – the process provides an opportunity to review base salaries and make adjustments within the appropriate salary band in terms of external benchmarking and individual experience and impact in the role (since SSG salary bands do not have automatic incremental progression).
- **Non-Consolidated Awards** – these are non-consolidated performance related payments, to focus on rewarding our top performers.

Upward salary progression should take into consideration an individual's acquisition of skill, knowledge and experience in their current role which enables them to make a significantly higher contribution.

Senior staff who demonstrate they are exceeding expectations in their role can also be eligible for a non-consolidated bonus payment. Any such payment would not be consolidated into base salary. The parameters for bonus payments are reviewed each year to take into account the current financial climate and in line with the wider SSG pay process. This approach ensures that reward is focused on the highest performers. However, for 2022/23, this element was suspended, as in the previous three years.

## Criteria used to assess performance and/or contribution, and sources of data on performance / contribution

### Vice-Chancellor

The following criteria are used to objectively measure and set an appropriate level of reward for the Vice-Chancellor:

- the annual review of the performance of the Vice-Chancellor undertaken by the Chair of the Board of Governors;
- the KPIs set by the Board as monitored via the University Performance Report; and
- the delivery of targets in respect of key external measures e.g. the Teaching Excellence Framework (TEF), the Research Excellence Framework (REF) and the National Student Survey (NSS).

Objectives for the Vice-Chancellor, aligned to the University Strategy, are reviewed and recommended by the Chair of the Board of Governors, and endorsed by the Committee. A summary of the Vice-Chancellor's annual review of performance against those objectives was provided to the Remuneration Committee at its July meeting.

### Other Board Appointments

Objectives for Board Appointments are set by the Vice-Chancellor/Deputy Vice-Chancellors against the University's strategic plan. Following Annual Performance Development Reviews, the evaluation and assessment of individual performance against set objectives will be reviewed by the Vice-Chancellor/Deputy Vice-Chancellors, who make recommendations to the Remuneration Committee in relation to any adjustments to base salaries, additional allowances and/or performance related bonuses.

### UEB Members (outside of Board appointments)

As above, objectives for all other UEB members are set and reviewed by the Vice-Chancellor/Deputy Vice-Chancellors who then present their decisions to the Remuneration Committee in relation to any adjustments to base salaries, additional allowances and/or performance related bonuses.

## Benchmarking performance against comparator institutions and roles

The benchmarking of the salary for the Vice-Chancellor was undertaken on appointment and is reviewed on a regular basis. The choice of comparator organisations will reflect the University's strategic objectives and the UCEA Senior Staff Remuneration Survey will form one of the benchmarking data tools for the University's senior leadership structure. In addition, it was agreed by the Committee that UEB roles would be revaluated externally every three years and the next review is due later this calendar year.

Benchmarking is also undertaken for other senior roles. The University is committed to paying competitively to attract and retain the best people for the job. Where significant differences between external market rates and the salary range through job evaluation have been identified, a market supplement based on external benchmarking can be paid.

## Pay multiple of head of institution compared to median salary levels

The relationship between the Vice-Chancellor's remuneration and that for other employees:

| Pay multiple based on median FTE salary <sup>1</sup>              | 2023 | 2022 | 2021 | 2020 | 2019 | 2018 |
|---|------|------|------|------|------|------|
| Basic salary  | 7.04 | 7.10 | 7.10 | 7.10 | 7.02 | 7.08 |
| Total remuneration (including pension contributions) <sup>2</sup> | 7.32 | 7.39 | 7.30 | 7.38 | 7.10 | 7.44 |

<sup>1</sup> Based on OfS Accounts Direction.

<sup>2</sup> In line with the definition of total remuneration in the OfS guidance

## Vice-Chancellor Remuneration: 2018/19 – 2022/23 Comparison

| Remuneration Details                           | 2022/23  | 2021/22  | 2020/21  | 2019/20  | 2018/19  |
|--|----------|----------|----------|----------|----------|
| Basic salary                                   | £253,417 | £243,600 | £240,000 | £240,000 | £240,000 |
| Payment of dividends                           | -        | -        | -        | -        | -        |
| Performance related pay and other bonuses      | £500*    | £250*    | -        | -        | -        |
| Pension contributions (or payments in lieu of) | £17,774  | £17,052  | £16,800  | £16,800  | £31,968  |
| Salary sacrifice arrangements                  | -        | -        | -        | -        | -        |
| Compensation for loss of office                | -        | -        | -        | -        | -        |
| Other taxable benefits                         | -        | -        | -        | -        | -        |
| Non-taxable benefits                           | -        | -        | -        | -        | -        |
| Other remuneration                             | -        | -        | -        | -        | -        |

\*In relation to one-off payments made to all staff (£250 in January 2022 and £500 in November 2022, pro-rated for part-time staff, both of which were donated to a number of charities).



## Institutional Performance

In overall terms, on the basis of the reports it has received, the Remuneration Committee recognises that the Vice-Chancellor with the support of UEB has made a significant contribution over the past year in challenging circumstances. The University's performance has improved, in line with strategic expectations, and in particular:

- the outcome of the 2022 REF results; 78% of our impact is world leading or internationally excellent (4\*+3\*) (up from 72%) and continuing increases in Research and Innovation awarded income;
  - the excellent institutional TEF result, a testament to the approach of the last few years;
  - our continuing positive performance on graduate progression to highly skilled employment puts us in the top quartile of the entire sector and as the leading modern University;
  - a steady recruitment performance, in a challenging external context, which included a continued focus on maintaining quality and positive performances in relation to international undergraduate students and Higher and Degree Apprentice (HDA) students;
  - a challenging performance in the newly revised NSS 2023 where we have failed to make ground on other institutions since last year, notwithstanding positive outcomes in 'Marking & Assessment' and 'Learning Resources';
  - high levels of student satisfaction in our Postgraduate cohort, measured by the Postgraduate Taught Experience Survey (PTES);
  - the continued Hallam influence locally, regionally and nationally through policy interventions, publications and engagement so that the University is seen as a sector leader on major policy issues with strong relationships with policy-makers; and
  - our appointment as lead of the Civic University Network, working with government and strategic partners to ensure universities develop and embed civic aspirations at an institutional level to drive positive societal change.
- The following accolades:
- *Times Higher University of the Year for Enterprise*
  - *University of the Year in the National Social Mobility Awards*
  - *University of the Year in the Educate North Awards*
  - *Higher Education Institution of the Year at the National Education Opportunities Network (NEON) Awards*
  - *Outstanding Entrepreneurial University at the Times Higher Education Awards.*

However, acknowledging the tighter financial constraints on the University, and the high profile of issues and ongoing public concern in relation to senior pay, the University has not brought forward any recommendations for performance awards over the 2022/23 year.

## External Appointments and Expenses

### Retention of income generated from external activity

The University's Policy on retention of external income for the University's most senior staff has been revised and was approved by the Committee in June 2022. The Policy had been revised to the effect that all payments derived from external activity (with clearly defined exceptions) should be retained by the University.

### Expenses Policy

The University introduced greater transparency for the expenses received by senior leaders in 2019 through the **publication of the expenses** incurred on the University's website.

### Activities Specific to 2022/23

- In February 2023, the Board of Governors approved the recruitment process for a new Vice-Chancellor which included the use of search consultants, Gatenby Sandersons. The Remuneration Committee approved the remuneration package and terms and conditions for the post following consultation with Eversheds regarding several contractual elements. The process has now concluded and an appointment made. The new Vice-Chancellor will be joining the University in January 2024.
- The impact of the increasingly challenging financial context on senior staff remuneration decisions.

### Significant changes

A new Chief Finance Officer was appointed with effect from January 2023.

The Committee was saddened to learn of Lord Kerslake's passing in July 2023 and wish to take this opportunity to highlight his outstanding contribution to the work of the Committee.

# Responsibilities of Board of Governors

In accordance with the Education Reform Act 1988 and the Articles of Government, the Board of Governors is responsible for the administration and management of the affairs of Sheffield Hallam and its subsidiary companies (Group) and is required to present audited financial statements for each financial year.

The Board of Governors is responsible for keeping proper accounting records which disclose with reasonable accuracy at any time, the financial position of the Group and enable it to ensure that the financial statements are prepared in accordance with the Sheffield Hallam's Articles of Government, the Statement of Recommended Practice on Accounting for Further and Higher Education and other relevant accounting standards.

The Board of Governors, through its designated office holder, is required to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the Group and of the surplus or deficit and cash flows for that year. In preparing the financial statements, the Board of Governors has ensured that

- suitable accounting policies are selected and applied consistently
- judgements and estimates are made that are reasonable and prudent
- applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements
- it is appropriate for the financial statements to be prepared on the going concern basis.

The Board of Governors has taken reasonable steps to

- ensure that funds from the Office for Students (OfS), UK Research and Innovation (including Research England), Education and Skills Funding Agency and the Department for Education, grants and income for specific purposes, and from other restricted funds administered by Sheffield Hallam have been applied only for the purposes for which they were received and in accordance with the relevant terms and conditions and/or funding agreements and any other conditions attached to them
- ensure that there are appropriate financial and management controls in place to safeguard public funds and funds from other sources
- safeguard the assets of the Group and prevent and detect fraud and other irregularities
- secure the economical, efficient and effective management of the Group's resources and expenditure insofar as the Board of Governors is aware
- there is no relevant audit information of which the auditor is unaware
- the Board of Governors has taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

The Annual Report and Financial Statements was approved by the Board of Governors on 18 December 2023.



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**Meg Munn,**  
Chair of the Board of Governors



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**Professor Sir Chris Husbands,**  
Vice-Chancellor

# Independent auditor's report to the Governing body of Sheffield Hallam University

## Opinion

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

In our opinion, the financial statements:

- give a true and fair view of the state of the group's and the parent University's affairs as at 31 July 2023 and of the group's and the parent University's income and expenditure, gains and losses, changes in reserves and of the group's cash flows for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice and the Statement of Recommended Practice: Accounting for Further and Higher Education published in October 2018.

## Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the 'Auditor's responsibilities for the audit of the financial statements' section of our report. We are independent of the group and the parent University in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

## Conclusions relating to going concern

We are responsible for concluding on the appropriateness of the Governing body's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the group's and the parent University's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify the auditor's opinion. Our conclusions are based on the audit evidence obtained up to the date of our report. However, future events or conditions may cause the group and the parent University to cease to continue as a going concern.

In our evaluation of the Governing body's conclusions, we considered the inherent risks associated with the group's and the parent University's business model including effects arising from macro-economic uncertainties such as the current cost of living 'crisis' and high inflation rates, we assessed and challenged the reasonableness of estimates made by the Governing body and the related disclosures and analysed how those risks might affect the group's and the parent University's financial resources or ability to continue operations over the going concern period.

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

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

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

## Other information

The Governing body are responsible for the other information contained within the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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

We have nothing to report in this regard.

## Opinion on other matters prescribed by the Office for Students ('OfS') accounts direction (issued October 2019) (the 'OfS accounts direction')

In our opinion, in all material respects:

- funds from whatever source administered by the parent University for specific purposes have been properly applied to those purposes and managed in accordance with the relevant legislation;
- funds provided by the OfS, UK Research and Innovation (including Research England), the Education & Skills Funding Agency and the Department for Education have been applied in accordance with the relevant terms and conditions; and
- the requirements of the OfS' accounts direction have been met.

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

We have nothing to report in respect of the following matters where the OfS accounts direction (issued October 2019) requires us to report to you where:

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

## Responsibilities of Governing body for the financial statements

As explained more fully in the Statement of responsibilities of the University's Board of Governors section, the Governing body is responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Governing body determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Governing body are responsible for assessing the group's and the 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 the Governing body either intend to liquidate the group or the parent University or to cease operations, or have no realistic alternative but to do so.

## Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.



Irregularities, including fraud, are instances of non-compliance with laws and regulations. The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below:

- We obtained an understanding of the legal and regulatory frameworks that are applicable to the group and University, and the sector in which it operates. We determined that the following laws and regulations were most significant; financial reporting legislation (Further and Higher Education SORP 2019 and United Kingdom Generally Accepted Accounting Practice including Financial Reporting Standard 102), the Further and Higher Education Act 1992, the Higher Education and Research Act 2017, the OFS Framework, Terms and Conditions of Funding and the OFS Accounts Direction and the Higher Education Code of Governance.
- We understood how the group and University is complying with those legal and regulatory frameworks, by making inquiries of management and those responsible for legal and compliance procedures. We enquired of management and those charged with governance whether there were any instances of non-compliance with laws and regulations, or whether they had any knowledge of actual or suspected fraud. We corroborated the results of our enquiries through our reading of board minutes and papers provided to the Audit committee.
- To assess the potential risks of material misstatement, we obtained an understanding of:
  - The group and University's operations, including the nature of its revenue sources, expected financial statement disclosures and business risks that may result in a material misstatement; and
  - The group and University's control environment including the adequacy of procedures for authorisation of transactions.
- We assessed the susceptibility of the group and university's financial statements to material misstatement, including how fraud might occur. Audit procedures performed by the engagement team included:
  - Evaluating the processes and controls established to address the risks related to irregularities and fraud;
  - Testing journal entries, in particular journal entries relating to management estimates and journal entries deemed to relate to unusual transactions;
  - Challenging assumptions and judgements made by management in its significant accounting estimates;
  - Identifying and testing related party transactions; and
  - Completion of audit procedures to conclude on the compliance of disclosures in the financial statements with applicable financial reporting requirements.

- These audit procedures were designed to provide reasonable assurance that the financial statements were free from fraud or error. The risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error and detecting irregularities that result from fraud is inherently more difficult than detecting those that result from error, as fraud may involve collusion, deliberate concealment, forgery or intentional misrepresentations. Also, the further removed non-compliance with laws and regulations is from events and transactions reflected in the financial statements, the less likely we would become aware of it;
- The engagement partner's assessment of the appropriateness of the collective competence and capabilities of the engagement team included consideration of the engagement team's knowledge of the industry in which the client operates in and understanding of, and practical experience through training and participation with audit engagements of a similar nature;
- We communicated relevant laws and regulations and potential fraud risks to all engagement team members, and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

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

## Use of our report

This report is made solely to the University's Governing body, as a body, in accordance with Chapter 3.1 of the University's articles of government. Our audit work has been undertaken so that we might state to the University's Governing body 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 University's members as a body, for our audit work, for this report, or for the opinions we have formed.

DocuSigned by:  
  
 EE31BC7A6CB14DC...  
**Stephen Dean BA (Hons) FCA**

Senior Statutory Auditor  
 for and on behalf of Grant Thornton UK LLP  
 Statutory Auditor, Chartered Accountants  
 London  
 18/12/2023

# Financial Statements 2022-2023

## Consolidated and University Statement of Comprehensive Income for the year ended 31 July 2023

|  | Note  | Consolidated     |                  | University       |                  |
|--|-------|------------------|------------------|------------------|------------------|
|  |       | 2023<br>£000     | 2022<br>£000     | 2023<br>£000     | 2022<br>£000     |
| <b>Income</b>  |       |                  |                  |                  |                  |
| Tuition fees and education contracts   | 3     | 261,702          | 258,833          | 261,669          | 258,833          |
| Funding body grants  | 4     | 32,253           | 28,821           | 32,253           | 28,821           |
| Research grants and contracts  | 5     | 14,051           | 12,962           | 12,848           | 12,415           |
| Other income   | 7     | 15,146           | 13,037           | 11,987           | 9,791            |
| Investment income  | 8     | 6,015            | 931              | 6,015            | 931              |
| Donations and endowments   | 9     | 505              | 361              | 505              | 361              |
| <b>Total income</b>  |       | <b>329,672</b>   | <b>314,945</b>   | <b>325,277</b>   | <b>311,152</b>   |
| (excludes share of joint venture £9m, 2022: £10.4m)  |       |                  |                  |                  |                  |
| <b>Expenditure</b>   |       |                  |                  |                  |                  |
| Staff costs  | 10    | (208,774)        | (213,985)        | (205,929)        | (211,587)        |
| Other operating expenses   | 11    | (97,058)         | (86,629)         | (95,391)         | (85,094)         |
| Depreciation and impairment  | 14/15 | (21,788)         | (22,230)         | (21,787)         | (22,227)         |
| Interest and other finance costs   | 12    | (7,309)          | (7,246)          | (7,309)          | (7,246)          |
| <b>Total expenditure</b>   | 13    | <b>(334,929)</b> | <b>(330,090)</b> | <b>(330,416)</b> | <b>(326,154)</b> |
| <b>Deficit before other gains, losses and share of operating surplus of joint ventures and associate companies</b> |       |                  |                  |                  |                  |
|  |       | (5,257)          | (15,145)         | (5,139)          | (15,002)         |
| Surplus on disposal of fixed assets  |       | 462              | 8                | 462              | 8                |
| Share of operating surplus in joint ventures and associates  | 17    | 46               | 23               | -                | -                |
| <b>Deficit before tax</b>  |       | <b>(4,749)</b>   | <b>(15,114)</b>  | <b>(4,677)</b>   | <b>(14,994)</b>  |
| Taxation   |       | -                | -                | -                | -                |
| <b>Deficit for the year</b>  |       | <b>(4,749)</b>   | <b>(15,114)</b>  | <b>(4,677)</b>   | <b>(14,994)</b>  |
| <b>Other comprehensive income</b>  |       |                  |                  |                  |                  |
| Restriction of pension surplus   | 27    | (55,616)         | -                | (55,616)         | -                |
| Actuarial gain in respect of pension scheme  | 27    | 101,284          | 188,990          | 101,284          | 188,990          |
| <b>Total comprehensive income for the year</b>   |       | <b>40,919</b>    | <b>173,876</b>   | <b>40,991</b>    | <b>173,996</b>   |
| Represented by:  |       |                  |                  |                  |                  |
| Endowment comprehensive expenditure for the year   | 28    | (1)              | (1)              | (1)              | (1)              |
| Unrestricted comprehensive income for the year   |       | <b>40,920</b>    | <b>173,877</b>   | <b>40,992</b>    | <b>173,997</b>   |
|  |       | <b>40,919</b>    | <b>173,876</b>   | <b>40,991</b>    | <b>173,996</b>   |

All items of income and expenditure relate to continuing activities.  
The accompanying notes and policies form part of these Financial Statements.

## Consolidated Statement of Changes in Reserves for the year ended 31 July 2023

|  | Income and expenditure reserve |                               |                                 | Total<br>£000  |
|--|--------------------------------|-------------------------------|---------------------------------|----------------|
|  | Endowment<br>reserve<br>£000   | Restricted<br>reserve<br>£000 | Unrestricted<br>reserve<br>£000 |                |
| <b>Balance as at 1 August 2021</b>                         | <b>20</b>                      | <b>13</b>                     | <b>107,021</b>                  | <b>107,054</b> |
| Deficit for the year                                       | -                              | -                             | (15,114)                        | (15,114)       |
| Other comprehensive income                                 | -                              | -                             | 188,990                         | 188,990        |
| Release of endowment funds spent in year                   | (1)                            | -                             | 1                               | -              |
| Total comprehensive (expenditure) /<br>income for the year | (1)                            | -                             | 173,877                         | 173,876        |
| <b>Balance as at 1 August 2022</b>                         | <b>19</b>                      | <b>13</b>                     | <b>280,898</b>                  | <b>280,930</b> |
| Deficit for the year                                       | -                              | -                             | (4,749)                         | (4,749)        |
| Other comprehensive income                                 | -                              | -                             | 45,668                          | 45,668         |
| Release of endowment funds spent in year                   | (1)                            | -                             | 1                               | -              |
| Total comprehensive (expenditure) /<br>income for the year | (1)                            | -                             | 40,920                          | 40,919         |
| <b>Balance as at 31 July 2023</b>                          | <b>18</b>                      | <b>13</b>                     | <b>321,818</b>                  | <b>321,849</b> |

## University Statement of Changes in Reserves for the year ended 31 July 2023

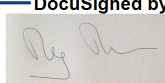
|  | Income and expenditure reserve |                               |                                 | Total<br>£000  |
|--|--------------------------------|-------------------------------|---------------------------------|----------------|
|  | Endowment<br>reserve<br>£000   | Restricted<br>reserve<br>£000 | Unrestricted<br>reserve<br>£000 |                |
| <b>Balance as at 1 August 2021</b>                         | <b>20</b>                      | <b>13</b>                     | <b>107,656</b>                  | <b>107,689</b> |
| Deficit for the year                                       | -                              | -                             | (14,994)                        | (14,994)       |
| Other comprehensive income                                 | -                              | -                             | 188,990                         | 188,990        |
| Release of endowment funds spent in year                   | (1)                            | -                             | 1                               | -              |
| Total comprehensive (expenditure) /<br>income for the year | (1)                            | -                             | 173,997                         | 173,996        |
| <b>Balance as at 1 August 2022</b>                         | <b>19</b>                      | <b>13</b>                     | <b>281,653</b>                  | <b>281,685</b> |
| Deficit for the year                                       | -                              | -                             | (4,677)                         | (4,677)        |
| Other comprehensive income                                 | -                              | -                             | 45,668                          | 45,668         |
| Release of endowment funds spent in year                   | (1)                            | -                             | 1                               | -              |
| Total comprehensive (expenditure) /<br>income for the year | (1)                            | -                             | 40,992                          | 40,991         |
| <b>Balance as at 31 July 2023</b>                          | <b>18</b>                      | <b>13</b>                     | <b>322,645</b>                  | <b>322,676</b> |

## Consolidated and University Statement of Financial Position as at 31 July 2023

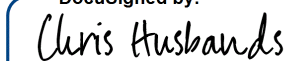
|   | Note  | Consolidated     |                  | University       |                  |
|---|-------|------------------|------------------|------------------|------------------|
|   |       | 2023<br>£000     | 2022<br>£000     | 2023<br>£000     | 2022<br>£000     |
| <b>Non-current assets</b>                               |       |                  |                  |                  |                  |
| Fixed assets  | 14,15 | 353,645          | 320,084          | 353,645          | 320,084          |
| Investments   | 16    | 42               | 42               | 45               | 45               |
| Investment in associate companies                       | 17    | 81               | 35               | -                | -                |
|   |       | <u>353,768</u>   | <u>320,161</u>   | <u>353,690</u>   | <u>320,129</u>   |
| <b>Current assets</b>                                   |       |                  |                  |                  |                  |
| Stock   | 18    | 93               | 209              | 80               | 192              |
| Trade and other receivables                             | 19    | 36,995           | 35,038           | 37,386           | 35,312           |
| Investments   | 20    | 124,000          | 160,000          | 124,000          | 160,000          |
| Cash and cash equivalents                               |       | 77,608           | 63,800           | 77,555           | 63,744           |
|   |       | <u>238,696</u>   | <u>259,047</u>   | <u>239,021</u>   | <u>259,248</u>   |
| Creditors: amounts falling due within one year          | 21    | <u>(78,154)</u>  | <u>(72,946)</u>  | <u>(77,574)</u>  | <u>(72,360)</u>  |
| <b>Net current assets</b>                               |       | <u>160,542</u>   | <u>186,101</u>   | <u>161,447</u>   | <u>186,888</u>   |
| <b>Total assets less current liabilities</b>            |       | <u>514,310</u>   | <u>506,262</u>   | <u>515,137</u>   | <u>507,017</u>   |
| Creditors: amounts falling due after more than one year | 22    | <u>(183,861)</u> | <u>(169,214)</u> | <u>(183,861)</u> | <u>(169,214)</u> |
| <b>Provisions</b>                                       |       |                  |                  |                  |                  |
| Pension provisions                                      | 25    | <u>(4,944)</u>   | <u>(46,468)</u>  | <u>(4,944)</u>   | <u>(46,468)</u>  |
| Other provisions  | 26    | <u>(3,656)</u>   | <u>(9,650)</u>   | <u>(3,656)</u>   | <u>(9,650)</u>   |
| <b>Total net assets</b>                                 |       | <u>321,849</u>   | <u>280,930</u>   | <u>322,676</u>   | <u>281,685</u>   |
| <b>Restricted reserves</b>                              |       |                  |                  |                  |                  |
| Income and expenditure reserve - endowment reserve      | 28    | 18               | 19               | 18               | 19               |
| Income and expenditure reserve - restricted             | 29    | 13               | 13               | 13               | 13               |
| <b>Unrestricted reserves</b>                            |       |                  |                  |                  |                  |
| Income and expenditure reserve – unrestricted           |       | <u>321,818</u>   | <u>280,898</u>   | <u>322,645</u>   | <u>281,653</u>   |
| <b>Total reserves</b>                                   |       | <u>321,849</u>   | <u>280,930</u>   | <u>322,676</u>   | <u>281,685</u>   |

The accompanying notes and policies form part of these Financial Statements.

The Financial Statements on pages 43 to 91 were approved on behalf of the Board of Governors on 18 December 2023.

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Meg Munn  
Chair of the Board of Governors

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Professor Sir Chris Husbands  
Vice-Chancellor



**Consolidated Statement of Cash Flows for the year ended 31 July 2023**

|   | Note | 2023<br>£000    | 2022<br>£000 |
|---|------|-----------------|--------------|
| <b>Cash flow from operating activities</b>                          |      |                 |              |
| Deficit for the year  |      | <b>(4,749)</b>  | (15,114)     |
| <b>Adjustment for non-cash items</b>                                |      |                 |              |
| Depreciation and impairment   | 14   | 21,788          | 22,230       |
| Decrease/(increase) in stock  | 18   | 45              | (112)        |
| Increase in trade and other receivables                             |      | (1,048)         | (7,161)      |
| Increase in creditors   |      | 2,420           | 13,414       |
| Increase in pension provision                                       | 25   | 4,144           | 20,755       |
| (Decrease)/increase in other provisions                             | 26   | (5,994)         | 4,745        |
| Share of operating surplus in joint venture                         |      | (46)            | (23)         |
| <b>Adjustment for investing or financing activities</b>             |      |                 |              |
| Investment income receivable  | 8    | (6,002)         | (921)        |
| Interest receivable   | 8    | (13)            | (10)         |
| Endowments payable  | 28   | 1               | 1            |
| Interest payable  | 12   | 5,626           | 3,715        |
| Gain on the disposal of fixed assets                                |      | (462)           | (8)          |
| Capital grant income  | 22   | (3,258)         | (3,196)      |
| <b>Net cash inflow from operating activities</b>                    |      | <b>12,452</b>   | 38,315       |
| <b>Cash flows from investing activities</b>                         |      |                 |              |
| Proceeds from sales of fixed assets                                 |      | 579             | -            |
| Capital grants receipts   | 22   | 961             | 1,993        |
| Investment income received  |      | 5,040           | 423          |
| Interest received   |      | 13              | 10           |
| Payment of loan to associate company                                | 19   | 54              | (53)         |
| Payments made to acquire fixed assets                               |      | (53,287)        | (27,321)     |
| New deposits  |      | 36,000          | (130,000)    |
|   |      | <b>(10,640)</b> | (154,948)    |
| <b>Cash flows from financing activities</b>                         |      |                 |              |
| New unsecured loans   |      | 20,000          | 70,000       |
| Interest paid   |      | (5,428)         | (3,715)      |
| Repayments of amounts borrowed                                      |      | (2,575)         | (2,338)      |
| Endowment payments  |      | (1)             | (1)          |
|   |      | <b>11,996</b>   | 63,946       |
| <b>Increase/(Decrease) in cash and cash equivalents in the year</b> |      | <b>13,808</b>   | (52,687)     |
| Cash and cash equivalents at beginning of the year                  |      | 63,800          | 116,487      |
| Cash and cash equivalents at end of the year                        |      | <b>77,608</b>   | 63,800       |

As permitted under the SORP 2019 (Section 3.3) the University has taken advantage of the exemption not to produce a University only cash flow statement.

The accompanying notes and policies form part of these Financial Statements.

# Notes to the Financial Statements

## 1. Statement of principal accounting policies

### Entity information

Sheffield Hallam University is a Higher Education Corporation (HEC) as defined under the Education Reform Act 1988 and is incorporated in England.

The University's registered office address is Sheffield Hallam University, City Campus, Howard Street, Sheffield, S1 1WB.

### Basis of preparation

The financial statements have been prepared under the historical cost convention (modified by the revaluation of certain financial assets and liabilities at fair value).

The financial statements have been prepared in accordance with the applicable United Kingdom Accounting Standards, including the Financial Reporting Standard 102 (FRS 102) and the Statement of Recommended Practice: Accounting for Further and Higher Education (2019 SORP).

The financial statements have also been prepared in accordance with the Accounts Direction issued by the Office for Students.

The University is a public benefit entity and therefore has applied the relevant public benefit requirements of the applicable United Kingdom Accounting Standards.

The financial statements have adopted the disclosure exemption set out in Section 3.3 of 2019 SORP and do not include a parent university's Statement of Cash Flows, as the University is included within the Group's consolidated cash flow statement.

The financial statements are presented in sterling (£).

### Going concern

The higher education sector continues to face challenges in relation to changes in the external environment, in particular the ongoing uncertainty brought by the current high levels of inflation. This causes specific challenges for the sector, where there is limited scope for inflationary increases on income due to the static Home Undergraduate fee.

18-year-old participation in Higher Education has fallen for 2023/24. In response to this we are reviewing our Taught Portfolio as a fundamental part of our future strategy, recognising that we must offer a high-performing portfolio that is market-led and innovative. Our focus must also be on efficient delivery which supports the overall financial sustainability of the University.

The University has carried out detailed analysis and scenario planning to provide assurance in the ability of the University to continue to operate as a going concern to 31 July 2025 by reviewing:

- **cashflow forecasts**, including monthly cash requirements, taking into account peaks and troughs during the year that result from the timing of student loan company payments and the phasing of expenditure and any movements in loan balances.
- **compliance with covenants** under the loan facilities. This includes the calculation of covenant headroom and understanding how changes to key variables would impact covenant compliance (as outlined in the sensitivity analysis section below). Given that there is limited headroom in 2023/24, the University has drawn up mitigating actions to ensure that there are no covenant breaches.
- **scenario planning and sensitivity analysis** based on likely changes to external factors or internal operating policies/practices that impact areas such as cost inflation, student recruitment, retention and progression and staff costs. This approach is then expanded to consider the impact of multiple variables on covenant compliance and cash requirements i.e. how much could both home and international students reduce before we breach a financial covenant.
- **Mitigating actions** will be implemented if required in 2023/24 to ensure covenant compliance. The University has quantified and reviewed the timings of such action and the impact they will have on the sensitivity analysis.

## 2023/24 budget and 2024/25 plan

The approved budget for 2023/24 has been updated with the latest student recruitment numbers available to provide a current view of income levels. This has been extrapolated into future years to inform the view taken in relation to the ability of the University to operate on a going concern basis.

The University has completed its first quarterly performance review for 2023/24, which confirms a £3.6m shortfall against the budgeted £5.0m operating deficit and £0.6m debt servicing covenant headroom. The 2023/24 limited covenant headroom is due to a reduction in net cash inflow from operating activities. Covenant headroom is only limited in 2023/24 and increases to £13.2m in 2024/25. We have responded to a 2023/24 student recruitment income shortfall with a set of short-term cost reduction measures that links to a wider efficiency programme over the next few years.

With the first quarter's performance now delivered, the University's Board of Governors has undertaken its review of going concern, evaluating the ability of the University to withstand and respond to foreseeable financial risks whilst retaining an adequate buffer to address further risks. An essential part of this review has been to stress test key assumptions within the forecasts and consider the University's ability to mitigate the impact of adverse movements on financial covenant compliance.

The approach has been to assess the budget and forecast baseline performance and undertake a reverse stress test to understand what would result in a covenant breach. Given that there is limited covenant headroom in 2023/24, a series of financial improvement measures have been identified that will increase covenant headroom to £9.0m-10.0m in year.

The University has identified and quantified a series of mitigating actions that could be put into place to ensure financial covenant compliance in the event of further financial deterioration. They include delaying revenue investment and reducing non-essential spend in the short term, while wider efficiency to secure the University's financial sustainability is put in place.

The University has recently demonstrated that it can successfully deliver in-year improvements to forecast outturn, with covenant headroom increasing by £7.0m between the second quarter of 2022/23 and year end outturn. The mitigating actions that we have identified for 2023/24 are within the control of the University's management and are sufficient to ensure that the University can meet all financial covenants with a level of headroom that management believe is sufficient to mitigate risk.

The University's 2023/4 budget and the forecasts through to 31 July 2025 and beyond all show financial covenant compliance with sufficient headroom to mitigate risks.

The University's financial position is underpinned by strong cash balances. Budgeted cash balances for 31 July 2024 are £134m (equivalent to 142 days expenditure) and £115m by 31 July 2025 (equivalent to 120 days expenditure). Cash balances are reducing in line with a planned programme of capital expenditure and provide the University with significant flexibility. The University's treasury policies ensure that a minimum cash balance of £50m (equivalent to 53 days expenditure for 2023/24) is maintained at all times.

Taking all the above into account the Board of Governors consider that the University can comply with all its financial covenants and has adequate resources to continue in operational existence for the foreseeable future, being a minimum of twelve months from the date these accounts are approved. For this reason, these accounts are prepared on a going concern basis.

## Basis of consolidation

The consolidated financial statements consolidate the financial statements of the University and all its subsidiary undertakings, together with the share of the results of associates for the financial year to 31 July 2023. Intra-group transactions are eliminated on consolidation.

The consolidated financial statements do not include those of the University's Union of Students as it is a separate legal entity over which the University does not exercise control or significant influence over policy decisions.

Investments in associates and joint ventures are accounted for using the equity method.

## Recognition of income

Tuition fee income is stated gross of any expenditure and credited to the Statement of Comprehensive Income over the period in which students are studying. Bursaries and scholarships are accounted for gross as expenditure and not deducted from income.

All income from short-term deposits is credited to income on a receivable basis.

Research contracts are recognised in income when the University is entitled to the income. Where no specific milestones or deliverables occur, the related costs for which the contract is intended to compensate are used to approximate the level of service supplied and amount of income to recognise.

Income received in advance of performance-related conditions being met is recognised as deferred income within creditors on the Statement of Financial Position and released to income as the conditions are met, allocated between creditors due within one year and due after more than one year as appropriate.

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

All other income is credited to the income when the goods or services are supplied or the terms of the contract have been met.

## Grant funding

Government revenue grants, including funding council block grant and research grants, are recognised in income over the periods in which the University recognises the related costs for which the grant is intended to compensate. Where part of a government grant is deferred, it is recognised as deferred income within creditors on the Statement of Financial Position and allocated between creditors due within one year and due after more than one year, as appropriate. Where government grant income is due but has not been received, it is recognised as accrued income within debtors on the Statement of Financial Position.

Government capital grants are recognised in income over the expected useful life of the asset to which they relate.

Revenue 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.

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

## Donations and endowments

Non-exchange transactions without performance-related conditions are donations and endowments.

The University reviews the terms of its donations and endowments to ensure that the funds are applied in accordance with each donor's specified intentions.

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 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 or other restriction applied to the individual endowment fund.

There are two main types of donations and endowments identified within reserves.

- a) Restricted donations- the donor has specified that the donation must be used for a particular objective;
- b) 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.

## Retirement benefits

The University contributes to the Universities Superannuation Scheme (USS), the Teachers' Pension Scheme (TPS), the Local Government Pension Scheme (LGPS) and the National Employment Savings Trust (NEST).

The USS is a hybrid pension scheme, providing defined benefits (for all members), as well as defined contribution benefits. The assets of the scheme are held in a separate trustee-administered fund. Because of the mutual nature of the scheme, the assets are not attributed to individual institutions and a scheme-wide contribution rate is set. The University is therefore exposed to actuarial risks associated with other institutions' employees and is unable to identify its share of the underlying assets and liabilities of the scheme on a consistent and reasonable basis. As required by Section 28 of FRS 102, 'Employee benefits', the University therefore accounts for the scheme as if it were a wholly defined contribution scheme. As a result, the amount charged to expenditure represents the contributions payable to the scheme. Since the University has entered into an agreement (the 'Recovery Plan') that determines how each employer within the USS will fund the overall deficit, the University recognises a provision for the contributions payable that arise from the agreement in place at the year end (to the extent that they relate to the deficit). The University recognises the related expenses through the statement of comprehensive income.



The TPS is a multi-employer defined benefit scheme. It is not possible to identify the assets of the TPS which are attributable to the University due to the mutual nature of the scheme.

As required by Section 28 of FRS 102 'Employee benefits', the University accounts for the scheme as if it were a wholly defined contribution scheme. As a result, the amount charged to expenditure represents the contributions payable to the scheme.

The LGPS is a defined benefit scheme. The University is able to identify its share of assets and liabilities of the LGPS and therefore accounts for this scheme as a defined benefit plan. Defined benefit plans are post-employment benefit plans other than defined contribution plans. Under defined benefit plans, the University's obligation is to provide the agreed benefits to current and former employees, and actuarial risks (that benefits will cost more or less than expected) and investment risk (that returns on assets set aside to fund the benefits will differ from expectations) are borne, in substance, by the University. The University recognises a liability for its obligations under defined benefit plans net of plan assets. This net defined benefit liability is measured as the estimated amount of benefit that employees have earned in return for their service in the current and prior periods, discounted to determine its present value, less the fair value (at bid price) of plan assets.

The calculation is performed by a qualified actuary using the projected unit credit method. Where the calculation results in a net liability (a deficit) this is reflected in full in the Statement of Financial Position.

Where the calculation results in a net asset (a surplus) the University only recognises the asset to the extent that it is able to recover the surplus either through reduced contributions in the future or through refunds from the plan in line with the International Financial Reporting Interpretations Committee's guidance 14 on International Accounting Standard 19, to the extent that this is applicable under FRS102. Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are charged or credited to other comprehensive income. These amounts together with the return on plan assets, less amounts included in net interest, are disclosed as actuarial gains and losses.

The cost of the defined benefit plan, recognised in expenditure as staff costs, except where included in the cost of an asset, comprises the increase in pension benefit liability arising from employee service during the period and the cost of plan introductions, benefit changes, curtailments, and settlements. The net interest cost is calculated by applying the discount rate to the net liability. This cost is recognised in expenditure as a finance cost.

The NEST is a defined contribution scheme. As a result, the amount charged to expenditure represents the contributions payable to the scheme.

Further detail is provided on the specific pension schemes in note 27 to the accounts.

### Other 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.

### Termination benefits

Termination benefits paid to employees are recognised as an expense in the year in which they are paid or when the University is demonstrably committed to (a) terminate the employment of an employee, or group of employees, before their normal retirement date, or (b) provide termination benefits as a result of an offer made in order to encourage voluntary redundancy. The termination benefits will be measured at the best estimate of the expenditure required to settle the obligation at the reporting date.

### Foreign currencies

Transactions denominated in foreign currencies are recorded in sterling at the rate of exchange ruling at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies at the reporting date are translated into sterling at year end rates. Foreign exchange gains/losses are recorded within the Statement of Comprehensive Income for the financial year.

### Leases

Leases in which the University assumes substantially all the risks and rewards of ownership of the leased asset are classified as finance leases. Leases in which the University does not assume substantially all the risks and rewards of ownership of the leased asset are classified as operating leases.

Costs in respect of operating leases are charged to expenditure in equal annual amounts over the periods of the leases. Any lease premiums or incentives are spread over the minimum lease term.

## Fixed assets

Fixed assets are stated at cost less accumulated depreciation and accumulated impairment losses.

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

Costs incurred in relation to land and buildings after initial purchase or construction are capitalised to the extent that they increase the expected future benefits to the University.

Individual equipment items or groups of related items costing less than £10,000 are recognised in expenditure in the year of acquisition. All other items are capitalised.

Assets under construction are accounted for at cost, based on the value of architects' certificates and other direct costs, incurred to 31 July. They are not depreciated until they are available/brought into use.

## Depreciation

### Freehold land and buildings

Freehold land is not depreciated.

Depreciation on new and existing freehold buildings is provided on a straight line basis over their expected useful lives, as follows:

- Buildings (frame) – 60 years
- Buildings (mechanical and engineering additions) – 20 years
- Fixtures and fittings – 10 years

### Leased buildings

The costs of fitting out leased buildings are depreciated over the lesser of the assets' lives or the expected occupancy period.

### Equipment

Furniture and fixed equipment for new and refurbished buildings are depreciated on a straight line basis over the life according to the relevant category from the date the asset is available for use. Depreciation on all other equipment is calculated on a straight line basis from the month of purchase, over the life of the asset category.

- Motor vehicles and office equipment – three years
- Computers – five years
- Equipment – two to ten years

Depreciation methods, useful economic lives and residual values are reviewed at the date of preparation of each Statement of Financial Position.

## Maintenance of assets

The University has a rolling long-term maintenance plan which is reviewed periodically and forms the basis of the ongoing maintenance of the estate. The cost of long-term and routine corrective maintenance is charged to expenditure as incurred.

## Impairment of assets

In line with FRS 102 Section 27 an assessment is carried out at each reporting date to determine if there is any indication that any assets, within scope, may be impaired. If there is such an indication of impairment, the recoverable amount of any affected asset is estimated and compared with its carrying amount (net book value). If the estimated recoverable amount is lower, the carrying amount is reduced to its estimated recoverable amount and an impairment loss is recognised immediately in the period it arises.

If an impairment loss subsequently reverses, the net book value of the asset is increased to the revised estimate of its recoverable amount, but not in excess of the amount that would have been determined had no impairment loss been recognised for the asset in prior years. A reversal of an impairment loss is recognised immediately in surplus or deficit in the period it arises.

## Investments

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

## Investments in associates

Associates are any entities over which the University has significant influence that is neither a subsidiary or an interest in a joint venture. Associates are accounted for using the equity method of accounting, where the associate is in a net asset position. The initial investment is recorded at cost, with subsequent changes made to reflect the University's share of the profit or loss, other comprehensive income and equity of the associate where the associate is in a net asset position.

### Jointly controlled entities

Joint ventures are accounted for using the equity method, where the joint venture has a net asset position. The University's share of turnover of a joint venture is excluded from the consolidated income. The University accounts for its share of joint venture operating surplus/loss in the Statement of Comprehensive Income, where the joint venture is in a net asset position.

### Stocks

Stocks are valued at the lower of cost and net realisable value (selling price less costs to complete and sell).

### 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 (with a maturity of three months or less at the acquisition date), highly liquid investments that are readily convertible to known amounts of cash with insignificant risk of changes in value.

### Current asset investments

These are deposits held with banks and building societies that do not meet the definition of a cash equivalent, as the deposits are fixed for a specified term, longer than three months at acquisition date, and cannot be accessed early.

### Financial instruments

The University applies the provisions of FRS 102 Sections 11 and 12 to all its financial instruments.

**Basic financial instruments** (within the scope of FRS 102, Section 11) include cash, demand and fixed-term deposits with banks, loans receivable and payable and trade payables/receivables. This type of financial asset or liability is recognised when the University becomes a party to the contractual provisions of the instrument.

They are initially recognised at the transaction price, adjusted for transaction costs, unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts/payments discounted at a market rate of interest. Such assets/liabilities are subsequently carried, at the end of each reporting period, at amortised cost using the effective interest rate method.

Financial instruments are assessed for indicators of impairment at each reporting date.

If there is objective evidence of impairment, an impairment loss is recognised immediately in expenditure.

Financial instruments are derecognised when the contractual rights to the cash flows from the asset expire or are settled, substantially all of the risks and rewards of the ownership of the asset are transferred to another party or when the liability is discharged, cancelled, or expires.

### Provisions

Provisions are recognised when the University has a present legal or constructive obligation where, as a result of a past event, it is probable that a transfer of economic benefit 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 discounted to present value where the time value of money is material. The discount rate used reflects current market assessments of the time value of money and reflects risks specific to the liability.

### Taxation status

The University is an exempt charity within the meaning of Schedule 3 of the Charities Act 2011 and is considered to pass the tests set out in Paragraph 1 Schedule 6 Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes. Accordingly, the University is potentially exempt from taxation in respect of income, or capital gains received within categories covered by sections 478-488 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 receives no similar exemption in respect of Value Added Tax (VAT). Irrecoverable VAT on inputs is included in the cost of such inputs. Any irrecoverable VAT allocated to fixed assets is included in their cost.

The University's subsidiary companies are subject to corporation tax and VAT in the same way as any commercial organisation.

### Reserves

Reserves are classified as restricted or unrestricted.

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

## 2. Significant accounting estimates and judgements

Preparation of the financial statements requires management to make significant estimates, assumptions and judgements. These estimates, assumptions and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and judgements that are the most significant in terms of the carrying values of assets and liabilities within the financial statements are addressed below.

### Significant estimates

#### Pension costs and provisions

The University has obligations to pay pension benefits to certain employees who are members of the Local Government Pension Scheme, a scheme accounted for as a defined benefit plan. The cost of these benefits and the present value of the obligation depend on a number of factors including life expectancy, salary increases, asset valuations and the discount rate on corporate bonds. Management estimates these factors, using external professional advice and internal knowledge, to determine a net pension obligation in the Statement of Financial Position of £nil. The assumptions reflect historical experience and current trends.

The University has obligations to pay pension benefits to certain employees, who are members of the Universities Superannuation Scheme (USS), which is accounted for as a defined contribution scheme.

The University has committed to contribute to a Deficit Recovery Plan for the scheme and, in accordance with the requirements of the Statement Of Recommended Practice, management has calculated a provision for these costs in the Statement of financial position.

FRS 102 makes the distinction between a group plan and a multi-employer scheme. The accounting for a multi-employer scheme where the employer has entered into an agreement with the scheme that determines how the employer will fund a deficit results in the recognition of a liability for the contributions payable that arise from the agreement (to the extent that they relate to the deficit). Management are satisfied that the USS meets the definition of a multi-employer scheme and has therefore recognised the discounted fair value of the contractual contributions under the recovery plan in existence at the date of approving these financial statements.

The provision, which is based on discounted cash flows as at 31 July 2023 is £4.9 million.

Details are included in note 25 to the financial statements. Management have taken professional advice around the discount rate to use and have used the salary increases and staff numbers in USS as per the University's 2022/23 budget for calculating the provision.

Sensitivity analysis is performed and where changes in the principal assumptions underlying the pension provisions for LGPS and USS have a material impact on the provision these are reported in Note 25.

#### Holiday pay accrual

Short-term employee benefits are charged to the Statement of Comprehensive Income as the employee service is received. An accrual is made for the cost of paid annual leave that has not been used at the financial year-end. The accrual requires management's best estimate of outstanding holiday balances based on a review of holiday records for a sample of academic, administrative and other staff. This is used to calculate an 'average holiday accrued not taken figure' for each staff type, which is used to calculate a value for the accrual by those staff categories. The estimate of the accrual at 31 July 2023 is £5.9 million.

### Significant judgements

#### Classifying leases

Management exercises judgement in classifying its leases for accounting purposes, by looking at the substance of the leasing arrangement as well as the actual lease agreement itself.

In the case of the most significant lease the University has, the Main Post Office building, the University took external accounting advice around the proposed accounting treatment, which supported management's assessment that the lease should be treated as an operating lease, based on the risks and rewards of ownership and the residual value at the end of the lease.

#### Recognising income

Judgement is applied in determining the value and timing of certain research-related income to be recognised in the financial statements, where there are no specific milestones or deliverables that can be identified. The revenue that is recognised is based on reviewing the details of the contract, the phasing of cost budget agreed and the level of costs incurred during the financial year to determine an approximation of the level of service provided.



### Impairment of assets

At each reporting date material fixed assets (Buildings) are reviewed to determine whether there is any indication that those assets have suffered an impairment loss as a result of any impairment indications as set out in FRS 102 Section 27.

Consideration has been given to whether there have been any adverse changes in the external environment the University operates in, or any significant adverse changes in the extent or manner of the use of buildings.

In addition consideration has been given to the plans for the estate in relation to the Campus Plan that the University is undertaking. Discussions have taken place with the Head of Estates Development and the Estates Property Manager, around the utilisation of buildings and their state of repair. In addition, the latest Campus Plan has been reviewed for planned asset disposals. A document detailing these activities has been prepared and management have considered this in order to take a view as to whether there are any impairment indicators, requiring a calculation of recoverable value. In management's view there are no significant impairment indicators at 31 July 2023 and there have been no impairments recognised during the year.

### Treatment of pension surplus for Local Government Pension Scheme

At the year end the Local Government Pension Scheme (LGPS) actuary Hymans Robertson calculated that the University's share of the scheme amounted to a surplus of £55.6 million. See note 27 for further details.

Management reviewed the accounting treatment required under FRS 102 and International Accounting Standard 19, including the International Financial Reporting Interpretations Committee guidance in IFRIC 14.

Management considered whether the economic benefit of the surplus was available as a refund and took legal advice specifically on the terms of the scheme. Based on that advice it is unlikely that the University has an unconditional right to a refund of the surplus.

Management also considered whether the economic benefit is available as a contribution reduction and the effect of a minimum funding requirement on the economic benefit available as a reduction in future contributions. Following advice received from Hymans Robertson, it was concluded that the University has no economic benefit available as a reduction in future contributions.

Based on the above considerations, interpretation of the guidance and legal advice management has decided that the balance sheet surplus as at 31 July 2023 should be restricted to £nil.

### 3. Tuition fees and education contracts

|   | Consolidated   |                | University     |                |
|---|----------------|----------------|----------------|----------------|
|   | 2023<br>£000   | 2022<br>£000   | 2023<br>£000   | 2022<br>£000   |
| Full-time and undergraduate home students | 162,689        | 169,202        | 162,689        | 169,202        |
| Full-time and postgraduate home students  | 13,428         | 17,259         | 13,428         | 17,259         |
| Part-time undergraduate home students     | 18,001         | 14,892         | 18,001         | 14,892         |
| Part-time postgraduate home students      | 5,192          | 5,543          | 5,192          | 5,543          |
| International students                    | 57,047         | 47,094         | 57,047         | 47,094         |
| Fees from NHS contracts                   | 4,954          | 4,441          | 4,954          | 4,441          |
| Other fees and support grants             | 391            | 402            | 358            | 402            |
|   | <b>261,702</b> | <b>258,833</b> | <b>261,669</b> | <b>258,833</b> |

### 4. Funding body grants

|  | Consolidated  |               | University    |               |
|--|---------------|---------------|---------------|---------------|
|  | 2023<br>£000  | 2022<br>£000  | 2023<br>£000  | 2022<br>£000  |
| <b>Recurrent grants</b>                  |               |               |               |               |
| Office for Students                      | 14,542        | 14,014        | 14,542        | 14,014        |
| Research England                         | 8,076         | 5,815         | 8,076         | 5,815         |
| Education and Skills Funding Agency      | 2,171         | 1,499         | 2,171         | 1,499         |
| Department for Education                 | 76            | 189           | 76            | 189           |
| Deferred capital grants released in year | 1,096         | 1,122         | 1,096         | 1,122         |
| <b>Specific grants</b>                   |               |               |               |               |
| Office for Students                      | 2,615         | 2,531         | 2,615         | 2,531         |
| Research England                         | 1,515         | 1,577         | 1,515         | 1,577         |
| Deferred capital grants released in year | 2,162         | 2,074         | 2,162         | 2,074         |
|  | <b>32,253</b> | <b>28,821</b> | <b>32,253</b> | <b>28,821</b> |

Specific deferred capital grants released in year includes £584,000 (2022: £584,000) in respect of the £14 million grant from the Department of Health and Social Care towards the construction of the Advanced Wellbeing Research Centre.

## 5. Research grants and contracts

|  | Consolidated  |               | University    |               |
|--|---------------|---------------|---------------|---------------|
|  | 2023<br>£000  | 2022<br>£000  | 2023<br>£000  | 2022<br>£000  |
| Research councils  | 4,109         | 2,965         | 4,109         | 2,965         |
| UK based charities   | 2,408         | 1,879         | 2,334         | 1,818         |
| UK central government bodies, local authorities and health authorities | 4,491         | 4,204         | 3,993         | 3,935         |
| UK industry, commerce and public corporations                          | 744           | 502           | 282           | 360           |
| EU government bodies   | 1,636         | 2,243         | 1,545         | 2,184         |
| EU other   | 176           | 506           | 166           | 497           |
| Overseas-based charities   | 118           | 243           | 117           | 243           |
| Other overseas   | 353           | 395           | 277           | 388           |
| Other sources  | 16            | 25            | 25            | 25            |
|  | <b>14,051</b> | <b>12,962</b> | <b>12,848</b> | <b>12,415</b> |

## 6. Grant and Fee income

|   | Consolidated   |                | University     |                |
|---|----------------|----------------|----------------|----------------|
|   | 2023<br>£000   | 2022<br>£000   | 2023<br>£000   | 2022<br>£000   |
| Grant income from the OFS                                 | 29,955         | 27,133         | 29,955         | 27,133         |
| Grant income from other bodies                            | 12,217         | 10,748         | 11,791         | 10,446         |
| Fee income for taught awards (exclusive of VAT)           | 256,065        | 253,306        | 256,064        | 253,306        |
| Fee income for research awards (exclusive of VAT)         | 10,086         | 10,379         | 7,231          | 7,945          |
| Fee income from non-qualifying courses (exclusive of VAT) | 3,972          | 3,671          | 3,939          | 3,671          |
|   | <b>312,295</b> | <b>305,237</b> | <b>308,980</b> | <b>302,501</b> |

## 7. Other income

|                                      | Consolidated  |               | University    |              |
|--------------------------------------|---------------|---------------|---------------|--------------|
|                                      | 2023<br>£000  | 2022<br>£000  | 2023<br>£000  | 2022<br>£000 |
| Residences, catering and conferences | 2,640         | 1,911         | 2,259         | 1,698        |
| Consultancy                          | 2,292         | 2,301         | 250           | 177          |
| Other revenue grants                 | 2,709         | 2,672         | 2,489         | 2,430        |
| Rental income                        | 497           | 366           | 497           | 366          |
| Nursery income                       | 369           | 413           | -             | -            |
| Other income                         | 6,639         | 5,374         | 6,492         | 5,120        |
|                                      | <b>15,146</b> | <b>13,037</b> | <b>11,987</b> | <b>9,791</b> |

Included within 'Other Income' is £731,000 which was received from the British Council to fund the Sheffield Hallam University Turing Mobility Project 22/23, which is disclosed here in accordance with Grant Funding Arrangement dated September 2021.

## 8. Investment income

|                                    | Consolidated and University |              |
|------------------------------------|-----------------------------|--------------|
|                                    | 2023<br>£000                | 2022<br>£000 |
| Interest on short-term investments | 6,002                       | 921          |
| Interest on loan                   | 13                          | 10           |
|                                    | <b>6,015</b>                | <b>931</b>   |

## 9. Donations and endowments

|                        | Consolidated |              | University   |              |
|------------------------|--------------|--------------|--------------|--------------|
|                        | 2023<br>£000 | 2022<br>£000 | 2023<br>£000 | 2022<br>£000 |
| Unrestricted donations | 505          | 361          | 505          | 361          |
|                        | <b>505</b>   | <b>361</b>   | <b>505</b>   | <b>361</b>   |

## 10. Staff Costs

|                         | Consolidated   |                | University     |                |
|-------------------------|----------------|----------------|----------------|----------------|
|                         | 2023<br>£000   | 2022<br>£000   | 2023<br>£000   | 2022<br>£000   |
| Wages and salaries      | 155,845        | 148,360        | 153,490        | 146,384        |
| Social security costs   | 17,199         | 16,526         | 17,036         | 16,386         |
| Pension costs (note 27) | 34,517         | 47,367         | 34,190         | 47,085         |
| Restructuring costs     | 1,213          | 1,732          | 1,213          | 1,732          |
|                         | <b>208,774</b> | <b>213,985</b> | <b>205,929</b> | <b>211,587</b> |



## Average number of staff employed during the year

Consolidated  
and University

|                        | 2023 Number<br>of FTE | 2022 Number<br>of FTE |
|------------------------|-----------------------|-----------------------|
| Academic delivery      | 1,682                 | 1,652                 |
| Service delivery       | 1,114                 | 1,059                 |
| Corporate services     | 381                   | 392                   |
| Estates and technology | 332                   | 275                   |
| Facilities and support | 219                   | 224                   |
|                        | <b>3,728</b>          | <b>3,602</b>          |

Number of staff with a full-time equivalent, annual basic  
salary of more than £100,000 excluding starters and leavers:Consolidated  
and University

|                     | 2023<br>Number | 2022<br>Number |
|---------------------|----------------|----------------|
| £100,000 - £104,999 | 7              | -              |
| £105,000 - £109,999 | 1              | -              |
| £110,000 - £114,999 | -              | -              |
| £115,000 - £119,999 | 1              | -              |
| £120,000 - £124,999 | -              | -              |
| £125,000 - £129,999 | -              | -              |
| £130,000 - £134,999 | -              | -              |
| £135,000 - £139,999 | -              | 2              |
| £140,000 - £144,999 | -              | 1              |
| £145,000 - £149,999 | 4              | -              |
| £150,000 - £154,999 | 1              | -              |
| £155,000 - £159,999 | -              | -              |
| £160,000 - £164,999 | -              | 1              |
| £165,000 - £169,999 | 2              | -              |
| £240,000 - £244,999 | -              | 1              |
| £255,000 - £259,999 | 1              | -              |
|                     | <b>17</b>      | <b>5</b>       |

Based on the OfS Accounts Direction 2019.41, this table includes staff with a full-time equivalent basic salary of over £100,000 per annum. It does not include staff who joined or left part-way through a year but who would have received salary in these bands in a full year.

**Number of staff with a full-time equivalent, annual basic salary of more than £100,000:****Consolidated and University**

|                     | <b>2023<br/>Number</b> | <b>2022<br/>Number</b> |
|---------------------|------------------------|------------------------|
| £100,000 - £104,999 | 7                      | 2                      |
| £105,000 - £109,999 | 1                      | -                      |
| £110,000 - £114,999 | 1                      | 1                      |
| £115,000 - £119,999 | 1                      | 1                      |
| £120,000 - £124,999 | -                      | -                      |
| £125,000 - £129,999 | -                      | 2                      |
| £130,000 - £134,999 | 2                      | -                      |
| £135,000 - £139,999 | -                      | 3                      |
| £140,000 - £144,999 | -                      | 2                      |
| £145,000 - £149,999 | 4                      | -                      |
| £150,000 - £154,999 | 1                      | 2                      |
| £155,000 - £159,999 | -                      | -                      |
| £160,000 - £164,999 | -                      | 2                      |
| £165,000 - £169,999 | 2                      | -                      |
| £240,000 - £244,999 | -                      | 1                      |
| £255,000 - £259,999 | 1                      | -                      |
|                     | <b>20</b>              | <b>16</b>              |

This table includes all staff with a full-time equivalent, annual basic salary over £100,000 regardless of whether they were at the University for a full year.

During the year there were 4 starters and 6 leavers with annual salaries over £100,000

**Total remuneration of the Vice-Chancellor****Consolidated and University**

|                        | <b>2023<br/>£000</b> | <b>2022<br/>£000</b> |
|------------------------|----------------------|----------------------|
| Salary                 | 254                  | 244                  |
| Other remuneration     | -                    | -                    |
| Other taxable benefits | -                    | -                    |
|                        | 254                  | 244                  |
| Pension contributions  | 18                   | 17                   |
|                        | <b>272</b>           | <b>261</b>           |

The Vice-Chancellor is entitled to private medical insurance but decided to withdraw from this taxable benefit from January 2019. The Vice-Chancellor was a member of the Teachers' Pension Scheme until leaving the scheme in March 2019. In April 2019 he became a member of the National Employment Savings Trust pension scheme. Contributions to both pension schemes were in line with the scheme rules.

The Vice-Chancellor receives an honorarium and a per-diem allowance for his role on the Quality Assurance Council of the University Grants Committee in Hong Kong that were donated directly to the University's Hallam Fund at his request. He also donated the one-off payment, paid to all staff in November 2022, to the University's Hallam Fund.

**The Vice-Chancellor's remuneration expressed as a multiple of the median remuneration for all other staff (on a full-time equivalent basis) is as follows:**

**Consolidated and University**

|  | <b>2023</b> | <b>2022</b> |
|--|-------------|-------------|
| Basic salary   | 7.1         | 7.1         |
| Total remuneration (including pension contributions) * | 7.3         | 7.4         |

\* In line with the definition of 'total remuneration' in the OfS guidance

The ratio is based on the OfS Accounts Direction 2019.41 and reports the relationship between the head of provider's remuneration and that for all other employees (employed in the reporting year and who are required to be included in real-time reporting (RTI) to HMRC), expressed as a pay multiple. The ratio excludes pension payments to a select group of retired ex-local authority staff who transferred to the University from the Council and payments made under IR35 regulations (to personal service companies).

The University's governing body, the Board of Governors, has formally adopted the CUC Remuneration Code. Acting on behalf of the Board of Governors, the Remuneration Committee determines the salaries and conditions of service of Board appointments, advises on salaries and conditions of service for key senior staff, and considers the appropriateness of severance arrangements with respect to individual cases.

The following criteria are used to objectively measure and set an appropriate level of reward for the Vice-Chancellor:

- An annual review of the performance of the Vice-Chancellor undertaken by the Chair of the Board of Governors
- KPIs set by the Board, as monitored via the University performance report; and
- The delivery of targets in respect of key external measures e.g. Teaching Excellence Framework, Research Excellence Framework, National Student Survey.

Objectives for the Vice-Chancellor, aligned to the University strategy are reviewed and recommended by the Chair of the Board of Governors and endorsed by the Committee. A summary of the annual Review of Performance against those objectives was provided to the Remuneration Committee at its July meeting.

Further details on the governing body's approach to senior remuneration can be found in the Remuneration Committee Report.

**Compensation for loss of office**

**Consolidated and University**

|                          | <b>2023</b> | <b>2022</b> |
|--------------------------|-------------|-------------|
| Compensation paid (£000) | 1,696       | 476         |
| Number of staff          | 313         | 19          |

The compensation payments include any payments made to any level of staff, as per the OfS Accounts Direction 2019.41.

The number of staff receiving compensation payments during the year ended 31 July 2023 reflects an exercise that took place to reduce the number of Associate Lecturers who were no longer required but who held permanent contracts and were entitled to statutory redundancy payments. A Voluntary Severance Scheme was also offered to certain groups of staff at the University, where individuals were able to apply to leave employment and receive a severance payment.

### Key management personnel remuneration

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the University. The University defines the members of its University Leadership Team to be key management personnel. Remuneration paid to key management personnel is included in staff costs.

The University Leadership Team (ULT) includes the following roles:

|  |  |
|--|--|
| Vice-Chancellor  | Deputy Vice-Chancellor (Strategy & Operations)                         |
| Pro Vice-Chancellor for Business and Enterprise          | Deputy Vice-Chancellor (Academic)                                      |
| Pro Vice-Chancellor for Research and Innovation          | Chief People Officer and Pro Vice-Chancellor (Diversity and Inclusion) |
| Pro Vice-Chancellor for Global and Academic Partnerships | Pro Vice-Chancellor for Learning, Teaching and Student Success         |
| Secretary and Clerk to the Board                         | Chief Finance Officer  |

During the year ended 31 July 2023 there were 11 (2022:13) members of the ULT who served during the period.

|   | <b>Consolidated<br/>and University</b> |                      |
|---|--|----------------------|
|   | <b>2023<br/>£000</b>                   | <b>2022<br/>£000</b> |
| Key management personnel remuneration payable | 2,039                                  | 1,683                |

This is the total remuneration for services, including all employee benefits and compensation for loss of office.

### Payments to members of the Board of Governors

Members of the Board of Governors are trustees of the University as an exempt charity. The University publishes in its audited financial statements information about payments to or on behalf of trustees, including payments to trustees for serving as trustees (and waivers of such payments); and payments for services provided to the University by its trustees. This information is disclosed in note 36.

## 11. Other operating expenses

| Other operating expenses include:   | Consolidated |              | University   |              |
|---|--------------|--------------|--------------|--------------|
|   | 2023<br>£000 | 2022<br>£000 | 2023<br>£000 | 2022<br>£000 |
| Operating lease expenditure – land and buildings                            | 1,074        | 1,168        | 1,074        | 1,168        |
| Operating lease expenditure – equipment                                     | 72           | 66           | 72           | 66           |
| External auditor's remuneration in respect of audit services (University)   | 108          | 94           | 108          | 94           |
| External auditor's remuneration in respect of audit services (Subsidiaries) | 31           | 25           | -            | -            |
| External auditor's remuneration in respect of non-audit services:           |              |              |              |              |
| - Grant audits  | 45           | 28           | 45           | 28           |
| - Tax   | 2            | 2            | -            | -            |
| - Other   | 14           | 12           | 14           | 13           |
| Internal audit services   | 227          | 156          | 227          | 156          |

The amounts shown above are inclusive of VAT.

## 12. Interest and other finance costs

|   | Consolidated and University |              |
|---|-----------------------------|--------------|
|   | 2023<br>£000                | 2022<br>£000 |
| Bank loans  | 5,626                       | 3,715        |
| Unwinding of USS pension provision discount (note 25) | 206                         | 25           |
| Net interest charge on pension scheme (note 27)       | 1,476                       | 3,498        |
| Other interest  | 1                           | 8            |
|   | <b>7,309</b>                | <b>7,246</b> |

## 13. Analysis of total expenditure by activity

| Other operating expenses include:    | Consolidated   |                | University     |                |
|--------------------------------------|----------------|----------------|----------------|----------------|
|                                      | 2023<br>£000   | 2022<br>£000   | 2023<br>£000   | 2022<br>£000   |
| Academic departments                 | 129,955        | 128,016        | 129,677        | 127,236        |
| Academic services                    | 77,607         | 71,161         | 77,318         | 70,937         |
| Administration and central services  | 50,237         | 46,976         | 49,606         | 46,291         |
| Premises                             | 39,039         | 37,630         | 39,039         | 37,616         |
| Residences, catering and conferences | 2,765          | 1,717          | 2,426          | 1,559          |
| Research grants and contracts        | 17,812         | 16,748         | 16,801         | 16,115         |
| Other expenses                       | 17,514         | 27,842         | 15,550         | 26,400         |
|                                      | <b>334,929</b> | <b>330,090</b> | <b>330,416</b> | <b>326,154</b> |



## 14. Tangible fixed assets – Consolidated

|                           | Land and Buildings |                        | Assets under Construction | Equipment     | Total          |
|---------------------------|--------------------|------------------------|---------------------------|---------------|----------------|
|                           | Freehold<br>£000   | Long leasehold<br>£000 | £000                      | £000          | £000           |
| <b>Cost</b>               |                    |                        |                           |               |                |
| As at 1 August 2022       | 391,408            | 10,815                 | 29,443                    | 61,128        | 492,794        |
| Additions                 | 580                | -                      | 48,254                    | 6,560         | 55,394         |
| Disposals                 | -                  | (55)                   | -                         | (1,718)       | (1,773)        |
| Transfers                 | 4,285              | -                      | (8,076)                   | 3,791         | -              |
| <b>As at 31 July 2023</b> | <b>396,273</b>     | <b>10,760</b>          | <b>69,621</b>             | <b>69,761</b> | <b>546,415</b> |
| <b>Depreciation</b>       |                    |                        |                           |               |                |
| As at 1 August 2022       | 121,369            | 4,529                  | -                         | 46,812        | 172,710        |
| Charge for the year       | 16,162             | 614                    | -                         | 5,004         | 21,780         |
| Impairment                | -                  | -                      | -                         | 8             | 8              |
| Disposals                 | -                  | (55)                   | -                         | (1,673)       | (1,728)        |
| <b>As at 31 July 2023</b> | <b>137,531</b>     | <b>5,088</b>           | <b>-</b>                  | <b>50,151</b> | <b>192,770</b> |
| <b>Net Book Value</b>     |                    |                        |                           |               |                |
| <b>As at 31 July 2023</b> | <b>258,742</b>     | <b>5,672</b>           | <b>69,621</b>             | <b>19,610</b> | <b>353,645</b> |
| As at 31 July 2022        | 270,039            | 6,286                  | 29,443                    | 14,316        | 320,084        |

As at 31 July 2023, freehold land and buildings included £25,298,000 (2022: £25,298,000) in respect of freehold land that is not depreciated.

As at 31 July 2023, Freehold Land & Buildings cost included £14,565,000 (2022: £14,565,000) in respect of the construction of the Advanced Wellbeing Research Centre. The Department of Health and Social Care provided a £14 million grant towards this project.

## 15. Tangible fixed assets – University

|                           | Land and Buildings |                        | Assets under Construction | Equipment     | Total          |
|---------------------------|--------------------|------------------------|---------------------------|---------------|----------------|
|                           | Freehold<br>£000   | Long leasehold<br>£000 | £000                      | £000          | £000           |
| <b>Cost</b>               |                    |                        |                           |               |                |
| As at 1 August 2022       | 391,408            | 10,815                 | 29,443                    | 61,102        | 492,768        |
| Additions                 | 580                | -                      | 48,254                    | 6,560         | 55,394         |
| Disposals                 | -                  | (55)                   | -                         | (1,692)       | (1,747)        |
| Transfers                 | 4,285              | -                      | (8,076)                   | 3,791         | -              |
| <b>As at 31 July 2023</b> | <b>396,273</b>     | <b>10,760</b>          | <b>69,621</b>             | <b>69,761</b> | <b>546,415</b> |
| <b>Depreciation</b>       |                    |                        |                           |               |                |
| As at 1 August 2022       | 121,369            | 4,529                  | -                         | 46,786        | 172,684        |
| Charge for the year       | 16,162             | 614                    | -                         | 5,003         | 21,779         |
| Impairment                | -                  | -                      | -                         | 8             | 8              |
| Disposals                 | -                  | (55)                   | -                         | (1,646)       | (1,701)        |
| <b>As at 31 July 2023</b> | <b>137,531</b>     | <b>5,088</b>           | <b>-</b>                  | <b>50,151</b> | <b>192,770</b> |
| <b>Net Book Value</b>     |                    |                        |                           |               |                |
| <b>As at 31 July 2023</b> | <b>258,742</b>     | <b>5,672</b>           | <b>69,621</b>             | <b>19,610</b> | <b>353,645</b> |
| As at 31 July 2022        | 270,039            | 6,286                  | 29,443                    | 14,316        | 320,084        |

As at 31 July 2023, freehold land and buildings included £25,298,000 (2022: £25,298,000) in respect of freehold land that is not depreciated.

As at 31 July 2023, Freehold Land & Buildings cost included £14,565,000 (2022: £14,565,000) in respect of the construction of the Advanced Wellbeing Research Centre. The Department of Health and Social Care provided a £14 million grant towards this project.

## 16. Non-current investments

|                                | Consolidated |              | University   |              |
|--------------------------------|--------------|--------------|--------------|--------------|
|                                | 2023<br>£000 | 2022<br>£000 | 2023<br>£000 | 2022<br>£000 |
| Investments in subsidiaries    | -            | -            | 3            | 3            |
| Investments in direct holdings | 42           | 42           | 42           | 42           |
|                                | <b>42</b>    | <b>42</b>    | <b>45</b>    | <b>45</b>    |

### Subsidiaries

The subsidiary companies (all of which are registered in England and Wales) are as follows:

| Name of company                                    | Company<br>Registration<br>Number | Registered<br>Charity<br>Number | Principal<br>Activity  | Percentage<br>of Ordinary<br>Shares Held |
|--|-----------------------------------|---------------------------------|--|--|
| Collegiate Properties Limited*                     | 02790155                          |                                 | Dormant  | 100                                      |
| Sheffield Hallam Innovation and Enterprise Limited | 04502851                          |                                 | Holding Company  | 100                                      |
| Sheffield Hallam University Enterprises Ltd        | 02143539                          |                                 | Consultancy, provision<br>of conference facilities and<br>letting of accommodation | 100                                      |
| Sheffield Institute of Technology Limited          | 10986802                          |                                 | Dissolved 13 December 2022   |  |
| Sheffield Institute of Advanced Technology Limited | 10986960                          |                                 | Dissolved 13 March 2023  |  |
| SHU Law Limited                                    | 11170526                          |                                 | Provision of legal services  | **                                       |
| SHU Trust*   | 07658891                          | 1142910                         | Charitable trust (Dormant)   | **                                       |
| SHU Education Services Limited*                    | 14000049                          |                                 | Dormant  | **                                       |

Sheffield Institute of Technology Limited and Sheffield Institute of Advanced Technology Limited have been dissolved following agreement of the University Board of Governors and the directors of the companies.

The address of the registered offices of all the subsidiaries, except SHU Law Limited, is Sheffield Hallam University, City Campus, Howard Street, Sheffield, S1 1WB. The address of the registered office of SHU Law Limited is Sheffield Hallam University, 51-53 Broomgrove Road, Sheffield, S10 2BP.

The University holds a 0.88% shareholding in CVCP Properties PLC. This company owns and manages Woburn House, a major office and conference centre facility. All the shareholders are UK universities in membership of Universities UK, plus Universities UK itself.

### Indirect holdings

The University held indirect investments in other companies through Sheffield Hallam Innovation and Enterprise Limited (all of which are registered in England and Wales) that have been wound up or liquidated during the year:

| Name of company   | Principal<br>Activity | Percentage of<br>Ordinary Shares<br>Previously Held |
|---|-----------------------|---|
| Sheaf Innovations Limited - <i>Dissolved 21 February 2023</i>   | Research              | 24.9  |
| Darton Ceramics Limited - <i>in voluntary liquidation</i>       | Research              | 7.2   |
| Mikana Innovations Limited - <i>Dissolved 27 September 2022</i> | Metal production      | 14.8  |

\* this company is exempt from an audit by virtue of s480 / s477 of the Companies Act 2006

\*\* these companies are limited by guarantee and Sheffield Hallam University is the sole member

## 17. Investment in associate companies and joint ventures

|   | Consolidated |              | University   |              |
|---|--------------|--------------|--------------|--------------|
|   | 2023<br>£000 | 2022<br>£000 | 2023<br>£000 | 2022<br>£000 |
| Investment in associate companies (Note 17a)                | 81           | 35           | -            | -            |
| Investment in joint ventures (Note 17b)                     | -            | -            | -            | -            |
| <b>Investment in associate companies and joint ventures</b> | <b>81</b>    | <b>35</b>    | <b>-</b>     | <b>-</b>     |

### 17a. Investments in associate companies

#### Sonnet Advisory and Impact CIC

The University holds a 35% shareholding in Sonnet Advisory and Impact CIC. The company provides specialist impact-focused advisory and consultancy services to socially minded clients, to create positive social, environmental and economic impacts.

The latest financial information available from Sonnet Advisory and Impact CIC are the Management Accounts for the quarter ended 30 June 2023, which show the company had net assets of £232,000 (30 June 2022 Management Accounts: Net assets of £100,000). The University's investment in the associate company at 31 July 2023 is therefore 35% of the net assets value being £81,000 (2022: £35,000).

Sonnet Advisory and Impact is a Community Interest Company (CIC) limited by shares. The University holds 350 £0.01 U shares in the company and has no further legal or contractual obligation to settle the liabilities of the company.

|                                      | Consolidated |              | University   |              |
|--------------------------------------|--------------|--------------|--------------|--------------|
|                                      | 2023<br>£000 | 2022<br>£000 | 2023<br>£000 | 2022<br>£000 |
| <b>Share of net assets:</b>          |              |              |              |              |
| At 1 August                          | 35           | -            | -            | -            |
| Share of operating surplus/(deficit) | 46           | 35           | -            | -            |
| <b>At 31 July</b>                    | <b>81</b>    | <b>35</b>    | <b>-</b>     | <b>-</b>     |
| <b>Net assets comprised of:</b>      |              |              |              |              |
| Share of gross assets                | 242          | 206          | -            | -            |
| Share of gross liabilities           | (161)        | (171)        | -            | -            |
| <b>Investment in associate</b>       | <b>81</b>    | <b>35</b>    | <b>-</b>     | <b>-</b>     |

## 17b. Investments in joint ventures

### STEM Learning Limited

The University holds a 25% shareholding in the joint venture company STEM Learning Limited, which operates the National Science Learning Centre as a centre for excellence for science teachers' continuing professional development.

Since 31 July 2018 STEM Learning Limited's balance sheet has shown a net liabilities position. This was caused by an accounting adjustment in respect of its pension scheme. The company has remained in a net liabilities position and indications are that the company was in a net liabilities position as at 31 July 2023 based on its draft results. We do not anticipate that this situation will change when its financial statements for the year are published. The University's investment in the jointly controlled entity is therefore nil (2022: nil).

The University's 25% share of the turnover of £9,045,000 (based on draft figures) (2022: £10,414,000 draft and £10,414,000 published) is excluded from the University's consolidated income. The University's 25% share of operating surplus/(deficit) in the joint venture will not be recognised until the entity returns to a net asset position.

STEM Learning Limited is a company limited by shares. The University holds 25 £1 shares in the company and has no further legal or contractual obligation to settle the liabilities of the company.

### South Yorkshire Institute of Technology Limited

The University is a member of a company called South Yorkshire Institute of Technology Limited. There are three other members of the jointly controlled entity, University of Sheffield Advanced Manufacturing Research Centre Training Centre, DN Colleges Group and Barnsley College. The company was set up following a successful bid for funding from the Department for Education to design, develop and widen participation in employer-led further and higher technical education.

The company has been dormant throughout the year ended 31 July 2023, since incorporation on 24 April 2023 and so has no turnover or net assets. The University's investment in the jointly controlled entity is therefore nil (2022: nil)

South Yorkshire Institute of Technology Limited is a company limited by guarantee. The University has a contractual liability equal to the University's share of the Department for Education's capital grant being £4,040,000 (2022: nil) plus the University's agreed cash contributions of £39,000 per annum for the next 5 years, totalling £195,000 (2022: nil).



## 18. Stock

|                             | Consolidated |              | University   |              |
|-----------------------------|--------------|--------------|--------------|--------------|
|                             | 2023<br>£000 | 2022<br>£000 | 2023<br>£000 | 2022<br>£000 |
| Stock and assets for resale | 93           | 209          | 80           | 192          |
|                             | <b>93</b>    | <b>209</b>   | <b>80</b>    | <b>192</b>   |

As at 31 July 2022 the University held an asset for resale with a net book value of £71,000. This asset was sold during the year ended 31 July 2023 for £570,000.

## 19. Trade and other receivables

|                                     | Consolidated  |               | University    |               |
|-------------------------------------|---------------|---------------|---------------|---------------|
|                                     | 2023<br>£000  | 2022<br>£000  | 2023<br>£000  | 2022<br>£000  |
| Trade receivables                   | 16,631        | 16,952        | 15,999        | 16,350        |
| Prepayments                         | 10,089        | 7,855         | 10,089        | 7,837         |
| Accrued Income                      | 10,179        | 10,081        | 9,665         | 9,470         |
| Amounts due from group undertakings | -             | -             | 1,537         | 1,505         |
| Loan to associate company           | 96            | 150           | 96            | 150           |
|                                     | <b>36,995</b> | <b>35,038</b> | <b>37,386</b> | <b>35,312</b> |

Amounts due after more than one year included above are:

|                           | Consolidated |              | University   |              |
|---------------------------|--------------|--------------|--------------|--------------|
|                           | 2023<br>£000 | 2022<br>£000 | 2023<br>£000 | 2022<br>£000 |
| Loan to associate company | 96           | 150          | 96           | 150          |
|                           | <b>96</b>    | <b>150</b>   | <b>96</b>    | <b>150</b>   |

In February 2020, a working capital loan of up to £150,000 with a repayment date of 31 March 2026 (or earlier) was agreed with Sonnet Advisory and Impact CIC. £96,000 of the loan was drawn down immediately, and £54,000 drawn down in September 2021. £54,000 of the loan was repaid in February 2023. The loan is at commercial rates and unsecured.

The loan is held at amortised cost.

## 20. Current asset investments

|  | Consolidated and University |                |
|--|-----------------------------|----------------|
|  | 2023<br>£000                | 2022<br>£000   |
| Short-term deposits maturing within three months of the Statement of Financial Position date       | 40,000                      | 50,000         |
| Short-term deposits maturing more than three months after the Statement of Financial Position date | 84,000                      | 110,000        |
|  | <b>124,000</b>              | <b>160,000</b> |

Deposits are held with banks and building societies operating in the London market and licensed by the Financial Services Authority with more than three months maturity but less than 12 months at the acquisition date. The interest rates for these deposits are fixed for the duration of the deposit at time of placement.

In 2023, the weighted average interest rate on the fixed rate deposits was 4.91% per annum (2022: 1.46%) and the remaining weighted average period for which the interest rate is fixed on these deposits was 104 days (2022: 119 days). The fair value of these deposits was not materially different from the book value.

## 21. Creditors – amounts falling due within one year

|  | Consolidated  |               | University    |               |
|--|---------------|---------------|---------------|---------------|
|  | 2023<br>£000  | 2022<br>£000  | 2023<br>£000  | 2022<br>£000  |
| Unsecured loans (note 23)                  | 3,160         | 2,364         | 3,160         | 2,364         |
| Trade payables                             | 5,459         | 7,117         | 5,435         | 7,111         |
| Social security and other taxation payable | 4,521         | 4,578         | 4,521         | 4,578         |
| Accruals                                   | 27,073        | 22,512        | 26,782        | 22,165        |
| Deferred income                            | 37,941        | 36,375        | 37,676        | 36,142        |
|  | <b>78,154</b> | <b>72,946</b> | <b>77,574</b> | <b>72,360</b> |

Included within deferred income are the following items which have been deferred under the accruals basis and will be released to match against the cost of the assets funded:

|                      | Consolidated and University |              |
|----------------------|-----------------------------|--------------|
|                      | 2023<br>£000                | 2022<br>£000 |
| Capital grant income | 3,084                       | 3,365        |

## 22. Creditors – amounts falling due after more than one year

|                             | Consolidated and University |                |
|-----------------------------|-----------------------------|----------------|
|                             | 2023<br>£000                | 2022<br>£000   |
| Unsecured loans (note 23)   | 73,831                      | 57,168         |
| Private Placement (note 23) | 70,000                      | 70,000         |
| Deferred income             | 40,030                      | 42,046         |
|                             | <b>183,861</b>              | <b>169,214</b> |

Included within deferred income are the following items which have been deferred under the accruals basis and will be released to match against the cost of the assets funded:

|                      | Consolidated and University |              |
|----------------------|-----------------------------|--------------|
|                      | 2023<br>£000                | 2022<br>£000 |
| Capital grant income | 40,030                      | 42,046       |

### Capital Grants

|  | Consolidated and University |               |
|--|-----------------------------|---------------|
|  | 2023<br>£000                | 2022<br>£000  |
| Balance as at 1 August                                 | 45,411                      | 46,614        |
| Cash receivable  | 961                         | 1,993         |
| Released to statement of comprehensive income (note 4) | (3,258)                     | (3,196)       |
| Balance as at 31 July                                  | <b>43,114</b>               | <b>45,411</b> |

At 31 July 2023, capital grants included £11,808,000 (2022: £12,393,000) in respect of a grant from the Department of Health and Social Care. This money is part of a £14 million grant from the Department of Health and Social Care towards the construction of the Advanced Wellbeing Research Centre. £584,000 of the grant received has been released to the Statement of Comprehensive Income during the year.

## 23. Borrowings

|  | Consolidated and University |                |
|--|-----------------------------|----------------|
|  | 2023<br>£000                | 2022<br>£000   |
| Analysis of unsecured loans at amortised cost: |                             |                |
| Due within one year                            | 3,160                       | 2,364          |
| Due between one and two years                  | 3,242                       | 2,445          |
| Due between two and five years                 | 10,243                      | 7,841          |
| Due in five years or more                      | 130,346                     | 116,882        |
|  | <b>146,991</b>              | <b>129,532</b> |

Included in borrowings are the following unsecured loans at amortised cost:

|   | Term         | Interest rate       | Consolidated and University |                |
|---|--------------|---------------------|-----------------------------|----------------|
|   |              |                     | 2023<br>£000                | 2022<br>£000   |
| Barclays term loan                                    | July 2037    | Fixed 6.52%         | 29,640                      | 31,037         |
| Santander term loan                                   | April 2031   | ** Variable 6.21% * | 47,352                      | 28,496         |
| Private placement loan notes:                         |              |                     |                             |                |
| Pensionkasse Des Bundes Publica                       | January 2037 | Fixed 2.56%         | 11,493                      | 11,493         |
| The Prudential Legacy Insurance Company of New Jersey | January 2037 | Fixed 2.56%         | 15,291                      | 15,291         |
| The Prudential Insurance Company of America           | January 2037 | Fixed 2.56%         | 43,215                      | 43,215         |
|   |              |                     | <b>146,991</b>              | <b>129,532</b> |

\* Average rate for the period 17 April 2023 to 17 July 2023

\*\* the rate is based on SONIA + a margin of 1.75%

The Santander loan agreement signed in April 2021 included £20 million designated as a development revolving credit facility, which had to be converted to a term loan by April 2023. This was drawn down in line with the agreement. Following the conversion of the £20 million to a term loan there were no changes to the terms of the loan and no new loan agreement was issued.

The Santander and Barclays facilities are at commercial rates and are unsecured.

## 24. Financial instruments

All of the University's financial instruments have been assessed as basic financial instruments and are held at amortised cost.

|                                     | Consolidated |              | University   |              |
|-------------------------------------|--------------|--------------|--------------|--------------|
|                                     | 2023<br>£000 | 2022<br>£000 | 2023<br>£000 | 2022<br>£000 |
| <b>Financial assets</b>             |              |              |              |              |
| Trade receivables                   | 16,563       | 17,128       | 15,933       | 16,526       |
| Amounts due from group undertakings | -            | -            | 1,537        | 1,505        |
| Loan to associate company           | 96           | 150          | 96           | 150          |
| Accrued income                      | 10,179       | 10,081       | 9,665        | 9,470        |
| Short-term deposits                 | 124,000      | 160,000      | 124,000      | 160,000      |
| Cash and cash equivalents           | 77,608       | 63,800       | 77,555       | 63,744       |
| <b>Financial liabilities</b>        |              |              |              |              |
| Trade payables                      | 5,459        | 7,117        | 5,435        | 7,111        |
| Other creditors                     | 31,594       | 27,090       | 31,303       | 26,743       |
| Unsecured loans                     | 146,991      | 129,532      | 146,991      | 129,532      |



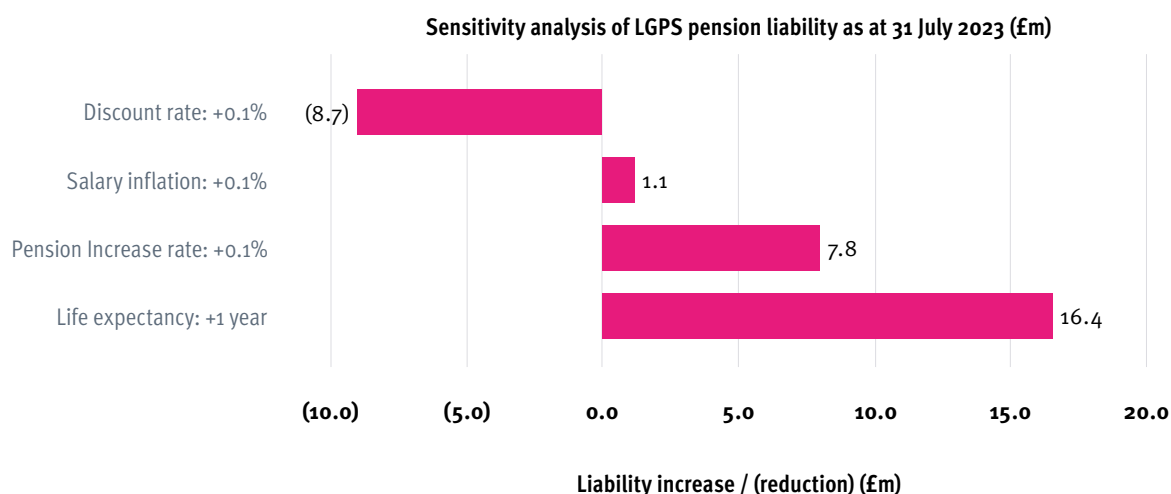
## 25. Pension provisions

|  | LGPS<br>pension<br>provision<br>2023<br>£000 | USS<br>pension<br>provision<br>2023<br>£000 | Consolidated and University                    |  |
|--|--|---|--|--|
|  |  |   | Total<br>pension<br>provisions<br>2023<br>£000 | Total<br>pension<br>provisions<br>2022<br>£000 |
| <b>As at 1 August</b>  | 40,256                                       | 6,212                                       | 46,468   | 214,703  |
| <b>Amounts charged to pension costs: non-cash items</b>                        |  |   |  |  |
| Current service cost   | 16,588                                       | -   | 16,588   | 25,074   |
| Change in expected contributions   | -  | (1,067)                                     | (1,067)  | 3,476  |
|  | <b>16,588</b>                                | <b>(1,067)</b>                              | <b>15,521</b>                                  | <b>28,550</b>                                  |
| Less   |  |   |  |  |
| Employer contributions   | (12,652)                                     | -   | (12,652)                                       | (11,155)                                       |
| Deficit contributions  | -  | (407)                                       | (407)  | (163)  |
|  | <b>3,936</b>                                 | <b>(1,474)</b>                              | <b>2,462</b>                                   | <b>17,232</b>                                  |
| <b>Amounts charged to Interest and other finance costs:<br/>non-cash items</b> |  |   |  |  |
| Unwinding of USS pension provision discount                                    | -  | 206   | 206  | 25   |
| Net interest charge on pension scheme  | 1,476  | -   | 1,476  | 3,498  |
|  | <b>1,476</b>                                 | <b>206</b>                                  | <b>1,682</b>                                   | <b>3,523</b>                                   |
| <b>Total charged to expenditure</b>  | 5,412  | (1,268)                                     | 4,144  | 20,755   |
| Actuarial (gain) charged to other comprehensive expenditure                    | (45,668)                                     | -   | (45,668)                                       | (188,990)                                      |
| <b>As at 31 July</b>   | <b>-</b>                                     | <b>4,944</b>                                | <b>4,944</b>                                   | <b>46,468</b>                                  |

### LGPS pension provision

The LGPS pension provision represents an estimate of the University's net liability in respect of the Local Government Pension Scheme (accounted for as a defined benefit scheme) and is explained further in note 27.

The sensitivity of the LGPS pension provision to the principal assumptions used is set out below.



### USS pension provision

The USS pension provision represents an estimate of additional contributions to be paid to the Universities Superannuation Scheme as part of an agreed deficit recovery plan. The obligation to fund the past deficit on the USS arises from the contractual obligation with the pension scheme for total payments relating to past performance. Management has assessed future employees within the USS Scheme and salary payments over the period of the contracted obligation in assessing the value of this provision. The provision assumes a discount rate of 5.52% (2022: 3.13%) and an average pensionable salary growth of 2.00% (2022: 2.19%) and no growth in the number of members of the scheme.

The USS pension provision as at 31 July 2023 was calculated to be £4,944,000 (2022: £6,212,000). The movement in the provision reflects the deficit contributions paid in the year, offset by the unwinding of the discount factor, plus any adjustment to the provision due to change in assumptions such as the discount rate or pensionable salary growth.

The reduction in the liability reflects the significant increase in the discount rate used to calculate the present value of the payments due under the deficit recovery scheme.

The current deficit recovery plan was agreed on the back of the 31 March 2020 valuation and details can be found of this in note 27.

We have carried out sensitivity analysis based on movements of +/- 1% of each of the principal assumptions used to calculate the USS deficit provision and the results are shown below.

| Variable                | Value | Provision | Variance |
|-------------------------|-------|-----------|----------|
|                         | Base  | 4.9m      |          |
| Discount rate           | +1%   | 4.6m      | -0.3m    |
| Discount rate           | -1%   | 5.3m      | +0.4m    |
| Salary increase         | +1%   | 5.1m      | +0.2m    |
| Salary increase         | -1%   | 4.4m      | -0.5m    |
| Staff number increase * | +1%   | 5.3m      | +0.4m    |

\* no decrease for staff numbers as base position 0% growth

## 26. Other provisions

|   | Consolidated and University    |                         |                          |                          | As at<br>31 July 2023<br>£000 |
|---|--------------------------------|-------------------------|--------------------------|--------------------------|-------------------------------|
|   | As at<br>1 August 2022<br>£000 | Created in year<br>£000 | Utilised in year<br>£000 | Released in year<br>£000 |                               |
| Pension enhancement on termination            | 72                             | 51                      | (43)                     | -                        | 80                            |
| Teachers' Pension Scheme Contributions        | 2,631                          | -                       | (1,321)                  | -                        | 1,310                         |
| Local Government Pension Scheme Contributions | 300                            | -                       | -                        | -                        | 300                           |
| Health placement bursary                      | 500                            | -                       | (500)                    | -                        | 0                             |
| One-off staff payment                         | 2,700                          | -                       | (2,700)                  | -                        | 0                             |
| Restructuring                                 | 1,494                          | -                       | (219)                    | (1,275)                  | 0                             |
| Asbestos removal                              | 459                            | -                       | (373)                    | -                        | 86                            |
| Demolitions                                   | -                              | 441                     | -                        | -                        | 441                           |
| Dilapidations                                 | 1,495                          | -                       | (55)                     | -                        | 1,440                         |
| <b>Total other provisions</b>                 | <b>9,650</b>                   | <b>492</b>              | <b>(5,211)</b>           | <b>(1,275)</b>           | <b>3,656</b>                  |

The pension enhancement on termination provision is in respect of pension enhancements payable on behalf of staff who have taken early retirement. This will be utilised over the period of retirement. The amount recognised as a provision has not been discounted to present value as the difference in the time value of money is not material.

The University reviewed a number of individual member records during 2020/21, in light of changes to the Teachers' Pension Scheme (TPS), in particular:

- The introduction of the 'Member Contribution Reconciliation' ('MCR') data collection process (this new process will enable TPS to perform contribution reconciliation to a member level, as well as introduce a number of changes to the data validation and contribution payment processes that will take effect once MCR submissions commence).
- The introduction of the 'Full Checklist' (this is a data cleanse activity that will be used by TPS to rectify any service and/or salary gaps dating back to April 2014).

Based on the findings, the University made a provision in relation to members participating in the TPS to reflect additional contributions that may fall due in respect of members being entitled to additional pension benefits in the TPS, arising from pensionable service at the University. The provision related to £1.865 million of pension costs and £0.783 million of interest on contribution arrears initially. During the year £1.3 million has been utilised, through payment of additional contributions to the TPS for members. Work is still progressing with the scheme and employees to resolve the issues and further payments will be made.

During the financial year 2020/21, the University reviewed Pensionable Pay figures provided to LGPS in relation to Zero Hours Contract ('ZHC') employees. Given the nature of payments received by these employees, in relation to work undertaken for the University, a misinterpretation of the definition of Pensionable Pay under LGPS regulations has been identified. This is likely to impact those ZHC employees who joined the University since 2012, in relation to employee and employer contributions paid to the pension scheme, as well as the level of benefits received under the scheme. The University has undertaken a high-level assessment of the expected cost of rectifying employee records and have calculated this amount to be in the region of £300,000. Further work has continued on this and discussions are ongoing with South Yorkshire Pensions Authority.

The health placement bursary provision was to cover bursary payments to be made to students on health related courses who were unable to complete their placements during 2021/22 and so were doing them in 2022/23, so delaying when they were able to complete their accreditation and start working. The amounts were paid out during the year.

The one off staff payment provision was related to a payment due to be made to all staff following the very challenging period of the pandemic, in lieu of the contribution pay scheme which was not operated over that period. The payments were made during 2022/23.

The restructuring provision was in respect of redundancy payments and other one-off costs arising from a review undertaken of the University's academic operations and the use of associate lecturers. This was utilised in 2022/23 and the balance released.

The asbestos provision relates to the removal of asbestos from the University's estate. Work on the removal has taken place and the majority was utilised over the year ended 31 July 2023.

The demolition provision relates to the estimated cost of demolishing two temporary buildings, where planning permission has expired and they are due to be removed.

The dilapidations provision relates to decommissioning costs for the Head Post Office building and will be utilised at the end of the lease. The utilisation during the year relates to the cost of returning 111 Charles Street to its original condition at the end of the lease.

## 27. Pension costs

The University's employees belong to four principal pension schemes: the Teachers' Pension Scheme (TPS), the Universities Superannuation Scheme (USS), the Local Government Pension Scheme (LGPS), and the National Employment Savings Trust (NEST) Pension Scheme.

| Amounts charged to pension costs by pension scheme: | Consolidated  |               | University    |               |
|---|---------------|---------------|---------------|---------------|
|   | 2023<br>£000  | 2022<br>£000  | 2023<br>£000  | 2022<br>£000  |
| Teachers' Pension Scheme                            | 18,112        | 17,391        | 17,888        | 17,245        |
| Universities Superannuation Scheme                  | (56)          | 4,801         | (56)          | 4,801         |
| Local Government Pension Scheme                     | 16,364        | 25,074        | 16,261        | 24,938        |
| NEST Pension Scheme                                 | 97            | 101           | 97            | 101           |
| <b>Total pension cost (note 10)</b>                 | <b>34,517</b> | <b>47,367</b> | <b>34,190</b> | <b>47,085</b> |

### National Employment Savings Trust

The University has employees in the NEST pension scheme.

This is a defined contribution scheme which was introduced to offer a choice in pension options to employees. For employee contributions of 1% of salary the University will contribute 7%. Employee contributions can be increased up to a maximum of 4% of salary and employer contributions will increase to a maximum of 10%. Employees can contribute more than 4% of salary but the University will not contribute more than 10% of salary.

The cost recognised within the Statement of Comprehensive Income represents contributions payable by the employer to the scheme for the year.

There was a £nil balance owing by the University at 31 July 2023 (2022: £nil).

### Teachers' Pension Scheme

The University participates in the Teachers' Pension Scheme, a statutory, unfunded, defined benefit scheme.

Contributions from both members and employers are credited to the Exchequer, which is then responsible for meeting the cost of all benefits. The TPS is a multi-employer pension scheme and it is not possible to identify each institution's share of the underlying (notional) assets and liabilities of the scheme. Contributions to the scheme are therefore accounted for as if it were a defined contribution scheme, with the cost recognised within the Statement of Comprehensive Income being equal to the contributions payable by the employer to the scheme for the year, as required by Section 28 of FRS 102 'Employee benefits'.

The total TPS pension cost charged to the Statement of Comprehensive Income is made up as follows:

|                        | Consolidated  |               | University    |               |
|------------------------|---------------|---------------|---------------|---------------|
|                        | 2023<br>£000  | 2022<br>£000  | 2023<br>£000  | 2022<br>£000  |
| Employer contributions | 18,112        | 17,391        | 17,888        | 17,245        |
|                        | <b>18,112</b> | <b>17,391</b> | <b>17,888</b> | <b>17,245</b> |

There was a balance of £2,177,000 owing by the University at 31 July 2023 (2022: £2,053,000).

Before 1 April 2022, the TPS scheme was split into three distinct sections:

- The Normal Pension Age (NPA) 60 section caters for those who entered the scheme before 1 January 2007 and have a normal pension age of 60.
- The NPA 65 section caters for those who entered the scheme for the first time on or after 1 January 2007 but before 1 April 2015 or who transitioned from the NPA 60 section following 2007 scheme reform and have a normal pension age of 65.

Both of these sections provide benefits based on final salary and length of service.

The 2015 section caters for those who entered the scheme for the first time on or after 1 April 2015 and those who transitioned from the NPA 60 and NPA 65 sections following the latest scheme reforms. The 2015 section provides benefits based on career average earnings and has a normal pension age equal to state pension age.

From 1 April 2022, all members earn benefits in the 2015 section of the TPS scheme. Members previously earning benefits in the NPA 60 and NPA 65 sections were transitioned to the 2015 section.

Employee contributions are levied on a tiered basis dependent upon salary. While employee contribution rates remain static from 1 April 2022 there was an increase in band width for each salary band, in line with the change in the Consumers Prices Index, an increase of 3.1%.

| Year ended 31 March 2024 |       | Year ended 31 March 2023 |       |
|--------------------------|-------|--------------------------|-------|
| £1-£32,135               | 7.4%  | £1-£29,187               | 7.4%  |
| £32,136-£43,259          | 8.6%  | £29,188-£39,290          | 8.6%  |
| £43,260-£51,292          | 9.6%  | £39,291-£46,586          | 9.6%  |
| £51,293-£67,979          | 10.2% | £46,587-£61,742          | 10.2% |
| £67,980-£92,697          | 11.3% | £61,743-£84,193          | 11.3% |
| £92,689 or above         | 11.7% | £84,194 or above         | 11.7% |

Employer contributions increased in September 2019 to 23.60% (previously 16.4%). From April 2024 the employer contribution rate will be 28.6%. Employers pay an administration levy of 0.08%, in addition, to cover administration expenses.

Pension payments were reviewed in accordance with the scheme regulations, and were increased by 10.1% from 10 April 2023 (2022: 3.1% increase).

A full actuarial valuation is undertaken every four years to assess the scheme's liabilities in respect of future benefits due and to determine an appropriate contribution rate payable by employers.

The last formal actuarial assessment was as at 31 March 2016. Actuarial assessments are undertaken in intervening years between formal valuations using updated membership data for financial reporting purposes. The amounts recognised in the 2022/23 TPS Accounts were based on the liability as at 31 March 2020 and rolling that liability forward to 31 March 2023. The next valuation, based on membership data as at 31 March 2020, is underway and any changes to contributions will take effect in April 2024.

The funding valuation uses a different set of assumptions to those used to inform the IAS 19 valuation.

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

|                               | 31 March 2023 | 31 March 2022 | 31 March 2016 |
|-------------------------------|---------------|---------------|---------------|
| Nominal discount rate         | 4.15%         | 1.55%         | 2.80%         |
| Rate of general pay increases | 3.65%         | 4.15%         | 4.20%         |
| Rate of pension increases     | 2.40%         | 2.90%         | 2.00%         |
| Value of notional assets      | -             | -             | £196.1bn      |
| Value of liabilities          | £303.2bn      | £532.3bn      | £218.1bn      |
| Notional past service deficit | -             | -             | £22.0bn       |

The post-retirement mortality assumptions are in line with those recommended for the 31 March 2020 funding valuation of the scheme. The accounts as at 31 March 2022 were based on the assumptions adopted for the 2016 valuation.

The cost of benefits accrued in the year ended 31 March 2023 (the current service cost) is assessed as 82.3% (2022: 77.0%) of pensionable pay.



For the avoidance of doubt, the actual rate of contributions payable by employers and employees is not the same as the current service cost assessed for the accounts. Members contributed between 7.4% and 11.7% of pensionable pay, depending on the level of their pay. The actual employer contribution rate was determined as part of a funding valuation using different assumptions. The key difference between the assumptions used for funding valuations and accounts is the discount rate, although price inflation and salary increases are also determined differently and the assumption for future improvements in life expectancy has been updated. The discount rate for accounts is set each year by HM Treasury to reflect the requirements of the accounting standard IAS 19.

|   | 2022/23<br>Percentage of pay | 2021/22<br>Percentage of pay |
|---|------------------------------|------------------------------|
| Employer contributions *                              | 23.60%                       | 23.60%                       |
| Employee contributions (average)                      | 9.50%                        | 9.50%                        |
| <b>Total Contributions</b>                            | <b>33.10%</b>                | <b>33.10%</b>                |
| <b>Current service cost (expressed as a % of pay)</b> | <b>82.30%</b>                | <b>77.00%</b>                |

\* In addition, employers contribute 0.08% pay in respect of expenses.

### Universities Superannuation Scheme

The University participates in the Universities Superannuation Scheme, which is a hybrid pension scheme, providing defined benefits (for all members), as well as defined contribution benefits. The assets of the scheme are held in a separate trustee-administered fund.

Due to the mutual nature of the scheme, the assets are not attributed to individual institutions and a scheme-wide contribution rate is set. The University is therefore exposed to actuarial risks associated with other institutions' employees and is unable to identify its share of the underlying assets and liabilities of the scheme on a consistent and reasonable basis. As required by Section 28 of FRS 102 'Employee benefits', the University therefore accounts for the scheme as if it were a wholly defined contribution scheme. As a result, the amount charged to the Statement of Comprehensive Income represents the contributions payable to the scheme.

Since the University 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) as set out in note 25.

The total USS pension cost charged to the Statement of Comprehensive Income is made up as follows:

|  | Consolidated and University |              |
|--|-----------------------------|--------------|
|  | 2023<br>£000                | 2022<br>£000 |
| Employer contributions                         | 1,418                       | 1,488        |
| Less deficit contributions (see note 25)       | (407)                       | (163)        |
| Change in expected contributions (see note 25) | (1,067)                     | 3,476        |
|  | <b>(56)</b>                 | <b>4,801</b> |

There was a balance of £181,000 owing by the University at 31 July 2023 (2022: £187,000).

Deficit recovery contributions due within one year are £429,000 (2023: £407,000).

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

The latest available complete actuarial valuation of the Scheme is as at 31 March 2020 (the valuation date). The 2020 valuation was carried out using the projected unit method and was the sixth valuation for the scheme under the scheme-specific funding regime introduced by the Pensions Act 2004, which requires schemes to adopt a statutory funding objective, which is to have sufficient and appropriate assets to cover their technical provisions.

|  | 31 March 2020 | 31 March 2018 |
|--|---------------|---------------|
| Total scheme assets                              | £66.5bn       | £63.7bn       |
| Total liabilities                                | £80.6bn       | £67.3bn       |
| Past service (Shortfall)                         | £(14.1)m      | £(3.6)bn      |
| Funding level                                    | 83%           | 95%           |
|  |               | <b>£bn</b>    |
| <b>Past service (shortfall) at 31 March 2018</b> |               | <b>(3.6)</b>  |
| Expected interest on shortfall                   |               | (0.2)         |
| Higher than expected investment returns          |               | (0.2)         |
| Employers' contributions                         |               | (0.7)         |
| Change in underlying financial conditions        |               | (12.4)        |
| Change in demographic assumptions - mortality    |               | 3.0           |
| <b>Past service (shortfall) at 31 March 2020</b> |               | <b>(14.1)</b> |

The key financial assumptions used in the 2020 valuation are described below.

More detail is set out in the Statement of Funding Principles [uss.co.uk/about-us/valuation-and-funding/statement-of-funding-principles](http://uss.co.uk/about-us/valuation-and-funding/statement-of-funding-principles).

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

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

#### 2020 valuation

|                                  |  |
|----------------------------------|--|
| Mortality base table             | 101% of S2PMA "light" for males and 95% of S3PFA for females   |
| Future improvements to mortality | CMI_2019 with a smoothing parameter of 7.5, an initial addition of 0.5% p.a. and a long-term improvement rate of 1.8% pa for males and 1.6% pa for females |

The current life expectancies on retirement at age 65 are:

|                                 | 2023 | 2022 |
|---------------------------------|------|------|
| Males currently aged 65 years   | 24.0 | 23.9 |
| Females currently aged 65 years | 25.6 | 25.5 |
| Males currently aged 45 years   | 26.0 | 25.9 |
| Females currently aged 45 years | 27.4 | 27.3 |

A new deficit recovery plan was put in place as part of the 2020 valuation, which requires payment of 6.2% of salaries over the period 1 April 2022 until 31 March 2024 at which point the rate will increase to 6.3%. The 2023 deficit recovery liability reflects this plan.

The liability for the University under this plan and the assumptions used to calculate the liability can be seen in Note 25.

The employers' contribution rates are as follows:

| Effective Date                | Rate   |
|-------------------------------|--------|
| 1 April 2022 to 31 March 2024 | 21.60% |
| 1 April 2024 to 30 April 2038 | 21.40% |

### Local Government Pension Scheme

The University participates in the Local Government Pension Scheme, a defined benefit scheme which is externally funded and contracted out of the State Earnings-Related Pension Scheme. There are some 90 separate funds within LGPS that operate in England and Wales, administered locally by administering authorities. The University participates in the South Yorkshire Pension Fund (SYPF).

An actuarial funding valuation is undertaken by a qualified independent actuary every three years, to determine the rates of contribution payable by the employer. The most recent actuarial funding valuation was carried out as at 31 March 2022.

The employer contribution rate for the period from 1 August 2022 to 31 March 2023 was 15.3%. In addition, the University paid monthly deficit contributions of £169,325. From 1 April 2023, following the 2022 actuarial funding valuation, the employer contribution rate increased to 19.8% and monthly deficit contributions were no longer payable (these were allowed for in the employer rate).

The employer contribution rate for the period from 1 August 2021 to 31 July 2022 was 15.3%. In addition, the University paid monthly deficit contributions of £165,358 for the period from 1 August 2021 to 31 March 2022 and then £169,325 for the period from 1 April 2022 to 31 July 2022.

Employee contribution rates are on a sliding scale based on earnings, the rate varying between 5.5% and 12.5% (for the financial year ending 31 July 2022: between 5.5% and 12.5%).

There was a balance of £1,524,000 owing by the University at 31 July 2023 (2022: £1,265,000).

The SYPF is structured in such a way that the actuary has been able to identify the University's share of the underlying assets and liabilities on a consistent and reasonable basis.

The following information is based upon a full actuarial valuation of the fund at 31 March 2022, updated to 31 July 2023 by a qualified independent actuary. The projected unit credit method of valuation has been used, as required under the accounting standard.

The material assumptions used by the actuary at 31 July were:

|                               | <b>2023</b> | <b>2022</b> |
|-------------------------------|-------------|-------------|
| Salary increase rate          | 3.25%       | 3.25%       |
| Pension increase rate (CPI) * | 3.00%       | 3.05%       |
| Discount rate                 | 5.05%       | 3.50%       |
| Inflation                     | 2.80%       | 2.75%       |

\* The pension increase rate assumptions are based on the inflation assumption but make additional allowance for the 2024 Pension Increase Order (in 2023) and the 2023 Pension Increase order (in 2022).

The current mortality assumptions include sufficient allowance for future improvements in mortality rates.

The assumed life expectations on retirement age 65 are:

|                             | <b>31 July<br/>2023</b> | <b>31 July<br/>2022</b> |
|-----------------------------|-------------------------|-------------------------|
| <b>Retiring today</b>       |                         |                         |
| Males                       | 20.6                    | 22.2                    |
| Females                     | 23.6                    | 24.9                    |
| <b>Retiring in 20 years</b> |                         |                         |
| Males                       | 21.4                    | 23.0                    |
| Females                     | 25.0                    | 26.3                    |

#### Scheme assets

The assets in the LGPS were:

|          | <b>2023<br/>Fund value<br/>£000</b> | <b>2022<br/>Fund value<br/>£000</b> |
|----------|-------------------------------------|-------------------------------------|
| Equities | 321,272                             | 307,822                             |
| Bonds    | 102,434                             | 99,589                              |
| Property | 37,249                              | 40,741                              |
| Cash     | 4,656                               | 4,527                               |
|          | <b>465,611</b>                      | <b>452,679</b>                      |

### Analysis of the amount shown in the Statement of Financial Position

|  | Consolidated and University |              |
|--|-----------------------------|--------------|
|  | 2023<br>£000                | 2022<br>£000 |
| Total fair value of assets                         | 465,611                     | 452,679      |
| Present value of funded scheme liabilities         | (409,937)                   | (492,867)    |
| Present value of unfunded scheme liabilities       | (58)                        | (68)         |
| Asset ceiling adjustment *                         | (55,616)                    | -            |
| Surplus/(Deficit) in scheme- net pension liability | -                           | (40,256)     |

\* The asset ceiling adjustment has been made to restrict the pension scheme surplus (asset) to £nil. Further details can be found in note 2 Significant Judgements.

### Amounts charged to staff costs

|                        | Consolidated and University |              |
|------------------------|-----------------------------|--------------|
|                        | 2023<br>£000                | 2022<br>£000 |
| Current service cost * | (16,588)                    | (25,074)     |
| Total operating charge | (16,588)                    | (25,074)     |

\* Includes administration expenses for 2023 of £336,000. See interest note below.

### Amounts charged to interest payable and other finance costs

|  | Consolidated and University |              |
|--|-----------------------------|--------------|
|  | 2023<br>£000                | 2022<br>£000 |
| Interest on pension scheme assets      | 15,946                      | 7,003        |
| Interest on pension scheme liabilities | (17,422)                    | (10,501)     |
| Net interest cost                      | (1,476)                     | (3,498)      |

\* Administration expenses are included in current service cost for 2023 and equate to £336,000 (0.5% of payroll assumed as £67,158,000)

## Amounts recognised in other comprehensive income/(expenditure)

|  | Consolidated and University |                |
|--|-----------------------------|----------------|
|  | 2023<br>£000                | 2022<br>£000   |
| Remeasurements (pension scheme assets)                               | (23,673)                    | 5,001          |
| Experience (loss)/gain (pension scheme assets)                       | 14,129                      | -              |
| Experience (loss)/gain (pension scheme liabilities)                  | (74,675)                    | (2,097)        |
| Gain/(loss) on assumptions (pension scheme liabilities)              | 185,503                     | 186,086        |
| Asset ceiling adjustment   | (55,616)                    | -              |
| Total amounts recognised in other comprehensive income/(expenditure) | <b>45,668</b>               | <b>188,990</b> |

## Movement in deficit in the year

|  | Consolidated and University |                 |
|--|-----------------------------|-----------------|
|  | 2023<br>£000                | 2022<br>£000    |
| Deficit in the scheme at 1 August                              | (40,256)                    | (211,829)       |
| Current service costs  | (16,588)                    | (25,074)        |
| Contributions  | 12,652                      | 11,155          |
| Other finance costs  | (1,476)                     | (3,498)         |
| Actuarial gain / (loss) (including asset ceiling adjustment)   | 45,668                      | 188,990         |
| Surplus /(Deficit) in the scheme provided at 31 July (note 25) | -                           | <b>(40,256)</b> |

## Analysis of the movement in the present value of scheme liabilities

|                                      | Consolidated and University |                |
|--------------------------------------|-----------------------------|----------------|
|                                      | 2023<br>£000                | 2022<br>£000   |
| Liabilities at 1 August              | 492,935                     | 647,208        |
| Current service cost                 | 16,588                      | 25,074         |
| Interest on pension liabilities      | 17,422                      | 10,501         |
| Employee contributions               | 4,471                       | 3,971          |
| Actuarial (gain)/loss on assumptions | (185,503)                   | (186,086)      |
| Experience loss/(gain)               | 74,675                      | 2,097          |
| Benefits paid                        | (10,593)                    | (9,830)        |
| Settlements and curtailments         | -                           | -              |
| Liabilities at 31 July               | <b>409,995</b>              | <b>492,935</b> |



## Analysis of the movement in the market value of scheme assets

|                                | Consolidated and University |                |
|--------------------------------|-----------------------------|----------------|
|                                | 2023<br>£000                | 2022<br>£000   |
| Assets at 1 August             | 452,679                     | 435,379        |
| Interest income on plan assets | 15,946                      | 7,003          |
| Remeasurements                 | (23,673)                    | 5,001          |
| Experience (loss)/gain         | 14,129                      | -              |
| Administration expenses *      | -                           | -              |
| Employer contributions         | 12,652                      | 11,155         |
| Employee contributions         | 4,471                       | 3,971          |
| Benefits paid                  | (10,593)                    | (9,830)        |
| Assets at 31 July              | <b>465,611</b>              | <b>452,679</b> |

\* Administration expenses are included in current service cost for 2023 and equate to £336,000 (0.5% of payroll assumed as £67,158,000)

### McCloud ruling

The decisions of the Court of Appeal in the Sargeant/McCloud cases (generally referred to as 'McCloud') have ruled that the transitional protections afforded to older members when the Public Service Pension Schemes were amended constituted unlawful age discrimination. The Government has accepted that remedies relating to the McCloud judgement will need to be made in relation to all public service pension schemes.

As reported in previous accounting disclosures, an allowance for McCloud has already been included in the scheme liabilities.

### GMP equality

In line with previous accounting disclosures, allowance for the impact of full GMP indexation has already been included in the scheme liabilities. In terms of historic transfers, given the uncertainty around whether this applies to public service schemes and the difficulty in obtaining the necessary historic data and the low likelihood of a material impact for employers, no allowance has been made at this stage.

### Goodwin, Brewster and Langford judgements

There are other rulings that can in theory have an impact on the LGPS, all of which relate to dependants' benefits. In each case the LGPS actuary expects the impact of the ruling to be very small (if anything).

In relation to the Goodwin ruling, the Fund actuary has carried out some approximate analysis and estimated the potential impact to be very small for a typical LGPS fund (c. 0.1 - 0.2% of the obligations). Therefore, no allowance for additional liabilities has been made.

## 28. Endowment reserve

Restricted net assets relating to expendable endowments are as follows:

|   | Consolidated and University |              |
|---|-----------------------------|--------------|
|   | 2023<br>£000                | 2022<br>£000 |
| <b>Balance as at 1 August</b>                                   | <b>19</b>                   | <b>20</b>    |
| Expenditure   | (1)                         | (1)          |
| Total endowment comprehensive (expenditure)/income for the year | <b>(1)</b>                  | <b>(1)</b>   |
| <b>Balance as at 31 July</b>                                    | <b>18</b>                   | <b>19</b>    |
| <b>Analysis by type of purpose:</b>                             |                             |              |
| Scholarships and bursaries                                      | 18                          | 19           |
| <b>Analysis by asset:</b>                                       |                             |              |
| Current assets – investments                                    | 18                          | 19           |

## 29. Restricted reserve

Restricted net assets relating to restricted donations are as follows:

|                                     | Consolidated and University |              |
|-------------------------------------|-----------------------------|--------------|
|                                     | 2023<br>£000                | 2022<br>£000 |
| <b>Balance as at 1 August</b>       | <b>13</b>                   | <b>13</b>    |
| <b>Balance as at 31 July</b>        | <b>13</b>                   | <b>13</b>    |
| <b>Analysis by type of purpose:</b> |                             |              |
| Prize funds                         | 10                          | 10           |
| Art fund                            | 3                           | 2            |
| Scholarships and bursaries          | -                           | 1            |
| <b>Analysis by asset:</b>           |                             |              |
| Current assets – investments        | 13                          | 13           |

### 30. Consolidated reconciliation of net debt

|  | At 1 August<br>2022<br>£000 | Cash<br>Flows<br>£000 | Non-cash<br>changes<br>£000 | At 31 July<br>2023<br>£000 |
|--|-----------------------------|-----------------------|-----------------------------|----------------------------|
| <b>Cash and cash equivalents</b>             |                             |                       |                             |                            |
| Cash   | 63,800                      | 13,808                | -                           | 77,608                     |
| <b>Borrowings</b>                            |                             |                       |                             |                            |
| Amounts falling due within one year          | (2,364)                     | 2,575                 | (3,371)                     | (3,160)                    |
| Amounts falling due after more than one year | (127,168)                   | (20,000)              | 3,337                       | (143,831)                  |
|  | (129,532)                   | (17,425)              | (34)                        | (146,991)                  |
| <b>Net debt</b>                              | (65,732)                    | (3,617)               | (34)                        | (69,383)                   |

The net impact of non-cash changes to borrowings relates to the difference between cash interest and effective interest on the Santander loan.

### 31. Lease obligations

Future minimum lease payments due under operating leases as at 31 July:

|                            | Consolidated and University |              |
|----------------------------|-----------------------------|--------------|
|                            | 2023<br>£000                | 2022<br>£000 |
| <b>Buildings</b>           |                             |              |
| Within one year            | 1,125                       | 1,093        |
| Between one and five years | 4,286                       | 4,075        |
| Over five years            | 23,081                      | 23,940       |
| <b>Equipment</b>           |                             |              |
| Within one year            | 119                         | 162          |
| Between one and five years | 138                         | 323          |
| Over five years            | -                           | -            |
|                            | 28,749                      | 29,593       |

The University entered into an Agreement for Lease for a commercial property, being 3 Brent Cross Town, NW2 London in July 2022, which is to be used for the purposes of teaching and education. The agreement is for a fixed term commencing at the earliest in 2025 and the initial assessment of the lease terms indicate that this will be classified as an operating lease. The Agreement for Lease contains several conditions precedent that need to be fulfilled in order for the agreement to convert into a full lease agreement, including the physical building of the commercial premises which has not yet commenced. Hence it has not been included within the above operating leases disclosure.

### 32. Capital commitments

Provision has not been made for the following capital commitments:

|  | Consolidated and University |                |
|--|-----------------------------|----------------|
|  | 2023<br>£000                | 2022<br>£000   |
| Commitments contracted not provided at 31 July | 58,217                      | 98,463         |
| Authorised not contracted for at 31 July       | 26,163                      | 32,258         |
|  | <b>84,380</b>               | <b>130,721</b> |

### 33. Access and participation expenditure

|                         | Consolidated and University |               |
|-------------------------|-----------------------------|---------------|
|                         | 2023<br>£000                | 2022<br>£000  |
| Access investment       | 2,780                       | 2,670         |
| Financial support       | 6,165                       | 4,960         |
| Disability support      | 5,759                       | 4,648         |
| Research and evaluation | 691                         | 686           |
|                         | <b>15,395</b>               | <b>12,964</b> |

£8,223,589 (2022:£7,388,000) of these costs are included in the overall staff costs figures in the financial statements, set out in note 10.

Access investment includes expenditure on activities and measures that support the ambitions set out in the Access and Participation Plan (APP).

Access investment costs are £2,780,000 compared to £2,670,000 reported last year due to a standardisation of roles with the Colleges.

Financial support costs are directed at under represented and disadvantaged student groups and include expenditure such as bursaries, scholarships etc.

Support for disabled students, was £5,759,000, compared to £4,648,000 last year. This has come through an increase in the numbers of central support staff, and external support required as on-site provision returned to pre-Covid levels.

Research and evaluation costs related to access and participation activities are £691,000 compared to £686,000 last year.

A copy of the University's published Access and Participation Plan for 2022/23 can be found on the University's website [www.shu.ac.uk](http://www.shu.ac.uk) and further information can be found in the Charitable Status and Public Benefit report.

### 34. Amounts disbursed as agent of Department for Education

These funding streams are available solely for students, with the University acting only as a paying agent.

The income and related disbursements are therefore excluded from the Statement of Comprehensive Income.

The University receives income towards the cost of administering these funds and both this income and the related expenditure are included within the Statement of Comprehensive Income.

|   | <b>Consolidated and University</b> |             |
|---|------------------------------------|-------------|
|   | <b>2023</b>                        | <b>2022</b> |
|   | <b>£000</b>                        | <b>£000</b> |
| <b>Initial teacher training bursaries</b> |                                    |             |
| Funds received                            | 1,815                              | 2,416       |
| Disbursed to students                     | (1,743)                            | (2,217)     |
| Balance unspent/(overspent) as at 31 July | <b>72</b>                          | <b>199</b>  |

### 35. Related party transactions

The Governors have considered the requirements of FRS102: The Financial Reporting Standard applicable in the UK and Republic of Ireland which apply to these financial statements. The standard requires disclosure of inter alia, transactions with related parties of the University.

In order to determine what related party transactions and balances need to be disclosed in the financial statements the University collates an annual “register of interests” for all members of the Board of Governors and key management personnel (University Executive Board members) and their ‘close family’ (spouse/partners/children). This enables the University to be satisfied that there are no ‘conflicts of interest’ and to enable it to identify potential related parties (and the associated transactions with those parties).

For there to be a related party relationship there needs to be an individual who is able to control / significantly influence both parties in the transaction.

The register of interests has been reviewed, in order to ascertain any related party relationships and then any transactions with those related parties have been identified in the financial records of the University.

The Institution has taken advantage of the exemption within FRS 102 and has not disclosed transactions with other group entities where it holds 100% of the voting rights.

During the year the group entered into transactions, in the ordinary course of business, with other related parties. Transactions entered into, and balances outstanding at 31 July, are listed below. There were no amounts written off and no amounts provided for during the year 2022/23. None of the outstanding balances are secured.

| Related Party                                    |      | Income<br>received from<br>£000 | Expenditure<br>incurred<br>£000 | Amounts<br>due from<br>£000 | Amounts<br>due to<br>£000 |
|--|------|---------------------------------|---------------------------------|-----------------------------|---------------------------|
| Association of Colleges (AoC)                    | 2023 | 16                              | -                               | 8                           | -                         |
|  | 2022 | 12                              | -                               | -                           | -                         |
| Barnado's  | 2023 | -                               | -                               | -                           | -                         |
|  | 2022 | 14                              | -                               | -                           | -                         |
| Brigantia Learning Trust                         | 2023 | 3                               | -                               | -                           | -                         |
|  | 2022 | -                               | -                               | -                           | -                         |
| HESA   | 2023 | -                               | 72                              | -                           | -                         |
|  | 2022 | -                               | 58                              | -                           | -                         |
| Hunter's Bar Junior School                       | 2023 | -                               | 1                               | -                           | -                         |
|  | 2022 | -                               | -                               | -                           | -                         |
| JISC   | 2023 | 21                              | 2,268                           | -                           | 17                        |
|  | 2022 | Note 1                          | Note 1                          | Note 1                      | Note 1                    |
| Sheffield Assay Office                           | 2023 | Note 2                          | Note 2                          | Note 2                      | Note 2                    |
|  | 2022 | -                               | 6                               | -                           | -                         |
| Sheffield Hallam University<br>Union of Students | 2023 | 289                             | 2,512                           | 5                           | 1                         |
|  | 2022 | 330                             | 2,519                           | 76                          | 20                        |
| Sheffield Museums Trust                          | 2023 | Note 3                          | Note 3                          | Note 3                      | Note 3                    |
|  | 2022 | -                               | 25                              | -                           | -                         |
| Sheffield Science Park Company Ltd               | 2023 | -                               | 3                               | -                           | -                         |
|  | 2022 | -                               | 9                               | -                           | -                         |
| Sheffield Theatres Trust                         | 2023 | -                               | -                               | -                           | -                         |
|  | 2022 | 20                              | -                               | -                           | -                         |
| Sheffield UTC Academy Trust                      | 2023 | -                               | 2                               | -                           | -                         |
|  | 2022 | -                               | 28                              | -                           | 13                        |
| SINO British College                             | 2023 | 706                             | -                               | -                           | -                         |
|  | 2022 | 648                             | -                               | 648                         | -                         |
| Sonnet Advisory and Impact CIC                   | 2023 | 13                              | 21                              | -                           | -                         |
|  | 2022 | 47                              | 95                              | 37                          | 17                        |
| South Yorkshire LEP                              | 2023 | 1                               | 34                              | -                           | 1                         |
|  | 2022 | 23                              | 48                              | 12                          | -                         |
| St Lukes Hospice                                 | 2023 | Note 3                          | Note 3                          | Note 3                      | Note 3                    |
|  | 2022 | 3                               | -                               | -                           | -                         |
| STEM Learning Limited                            | 2023 | 47                              | -                               | -                           | -                         |
|  | 2022 | 17                              | -                               | -                           | -                         |
| The Sheffield College                            | 2023 | 242                             | 395                             | 1                           | 50                        |
|  | 2022 | 281                             | 149                             | -                           | -                         |
| Universities UK (UUK)                            | 2023 | -                               | 50                              | -                           | 46                        |
|  | 2022 | -                               | 44                              | -                           | 42                        |
| Yorkshire Universities                           | 2023 | 1                               | 27                              | -                           | -                         |
|  | 2022 | -                               | 21                              | -                           | -                         |



**Note 1:** Professor Sir Chris Husbands was appointed to the JISC board of trustees on 7 October 2022. Therefore, transactions with JISC were not considered for 2021/22.

**Note 2:** Professor Roger Eccleston left the University on 8 October 2021. Therefore, transactions with Sheffield Assay Office were not considered for 2022/23.

**Note 3:** Neil MacDonald's term of office as an Independent Member of Sheffield Hallam University Board of Governors ended on 31 December 2021. Therefore, transactions with Sheffield Museums Trust and St Luke's Hospice were not considered for 2022/23.

#### Association of Colleges (AoC)

Angela Foulkes, a Governor, is a member of the board of the Association of Colleges (AoC). Income relates to research activities.

#### Barnardo's

Penelope Thompson CBE, a Governor, is a Trustee and Vice-Chair of Barnardo's. Income relates to research activities.

#### Brigantia Learning Trust

Richard Calvert, Deputy Vice-Chancellor (Strategy and Operations), was a member of Brigantia Learning Trust. The relationship ended on 15 December 2022. Income received relates to tuition fees.

#### HESA

Professor Sir Chris Husbands, Vice-Chancellor and member of the Board of Governors, was a member of the Board of HESA. The relationship ended on 4 October 2022. Expenditure occurred relates to subscription fees and training.

#### Hunter's Bar Junior School

Sameer Rajiv Kothari, a Governor, is a Governor of Hunter's Bar Junior School. Income received relates to student placements.

#### JISC

Professor Sir Chris Husbands, Vice-Chancellor and member of the Board of Governors, is a member of the Board of JISC. The relationship began on 7 October 2022. Income relates to the JSL co-location agreement and the HEDD annual rebate. Expenditure relates to IT services, software licensing, learning resources, advertising and training.

#### Sheffield Assay Office

Professor Roger Eccleston, formerly Deputy Vice-Chancellor (Academic), is a Guardian (Board Member) of Sheffield Assay Office. Expenditure incurred relates to metal analytical services. Professor Roger Eccleston left the University on 8 October 2021.

#### Sheffield Hallam University Union of Students

The following Executive Officers of Sheffield Hallam University Union of Students were members of the Board of Governors during the 2022/23 financial year:

- Abiola Fasipe
- Sabahat Khan
- Dayo Oladiti
- Emmanuel Owusu Takyi

Income received relates to estates and facilities charges, IT support, printing, food, and merchandise. Expenditure incurred relates to the yearly grant made to the Students' Union by the University, clothing, funding for student sport and student societies, focus groups, reimbursement of SHU Card sales, and training.

#### Sheffield Museums Trust

Neil MacDonald, formerly a Governor (to 31 December 2021), is Trustee and Chair of Sheffield Museums Trust. Expenditure relates to subscriptions and sundry costs.

#### Sheffield Science Park Company Ltd

Professor Kevin Kerrigan, Pro Vice-Chancellor for Business and Enterprise, is a director of Sheffield Science Park Company Ltd. Neil MacDonald, formerly a Governor (to 31 December 2021), is a director (chair) of Sheffield Science Park Company Ltd. Expenditure incurred relates to cleaning, utility, licence costs and a contribution to the South Yorkshire Incubator Accelerator Network fund.

#### Sheffield Theatres Trust

Lord Kerslake, formerly Chair of the Board of Governors, was a Director (Chair) and Trustee of Sheffield Theatres Trust. The relationship ended on 2 June 2023. Neil MacDonald, formerly a Governor, is a Director and Trustee of Sheffield Theatres Trust. Income relates to research activities.

#### Sheffield UTC Academy Trust

Angela Foulkes, a Governor, is a Member and Trustee of Sheffield UTC Academy Trust. Expenditure incurred relates to student placements, and funding for HeppSY (Higher Education Progression Partnership for South Yorkshire).

#### SINO British College

Professor Chris Wigginton, Pro Vice-Chancellor for Global and Academic Partnerships, is a Board Member of SINO British College. Income received relates to tuition fees.

#### Sonnet Advisory and Impact CIC

Sonnet Advisory and Impact CIC delivers consultancy and advisory services and is an associate company of Sheffield Hallam University. The University's Centre for Social and Economic Research has two employees on the Board of Directors. Income received relates to research services and interest on a loan. Expenditure incurred relates to research services. See notes 17 and 19 for further information.

**South Yorkshire LEP****(previously known as Sheffield City Region LEP)**

Professor Sir Chris Husbands, Vice-Chancellor and member of the Board of Governors, was a Board Member of South Yorkshire LEP. The relationship ended on 31 August 2022. Angela Foulkes, a Governor, and Neil MacDonald, formerly a Governor (to 31 December 2021), were Board Members of South Yorkshire LEP. The final meeting of the South Yorkshire LEP was held on 13 July 2023 and the body was decommissioned by the South Yorkshire Combined Mayoral Authority on 25 September 2023. Income received relates to back office costs and consultancy on travel strategy. Expenditure incurred relates to Sheffield Innovation Programme ERDF funding and fees for running a cable in Supertram ducting.

**St Luke's Hospice**

Neil MacDonald, formerly a Governor (to 31 December 2021), is the chair of trustees of St Luke's Hospice. Income received relates to tuition fee sponsorship.

**STEM Learning Limited**

Professor Chris Wigginton, Pro Vice-Chancellor for Global and Academic Partnerships, is a Board Member of STEM Learning Limited. STEM Learning Limited is also an associate company of Sheffield Hallam University. Income received relates to research activities. See note 17 for further information.

**The Sheffield College**

Angela Foulkes, a Governor, is the Chief Executive and Principal of The Sheffield College. Richard Calvert, Deputy Vice-Chancellor (Strategy and Operations), was a Governor of The Sheffield College. The relationship ended on 1 April 2022. Income received relates to course fees. Expenditure incurred relates to tuition fees, student placements, funding for HeppSY (Higher Education Progression Partnership for South Yorkshire), and funding for the HSHG (Higher Skills, Higher Growth) scheme.

**Universities UK (UUK)**

Professor Sir Chris Husbands, Vice-Chancellor and member of the Board of Governors, is a Director of Universities UK (UUK). Expenditure incurred relates to subscription fees and conferences.

**Yorkshire Universities**

Professor Sir Chris Husbands, Vice-Chancellor and member of the Board of Governors, is a Director of Yorkshire Universities. Income received relates to research activities. Expenditure incurred relates to subscription fees.

All members of the Board of Governors and the University Leadership Team submitted "Nil" returns in respect of any relevant interests of close family members.

The University's register of Governors' and key management personnel interests is held by the Governance, Legal and Sector Regulation Team and is available for inspection.

**36. Transactions with trustees**

Members of the Board of Governors are trustees of the University as an exempt charity.

Professor Sir Chris Husbands, Vice-Chancellor, is a governor of the University. Professor Sir Chris Husbands received remuneration in connection with his employment and this is disclosed in note 10. He did not receive supplementary payment in relation to his membership of the Board of Governors.

The following were members of staff and members of the Board of Governors during 2022/23:

- Dr Claire Ketnor was selected as a governor from the membership of the Academic Board. She is taking a planned period of leave from December 2022 to December 2023.
- Dr Jia Liu was elected as a governor by and from the academic staff of the University.
- Mr Matthew Parkin was elected as a governor by and from the professional services staff of the University.
- Dr Lucian Tipi was selected from the academic staff of the University. He was a member of the Board of Governors to 2 December 2022.

They were paid by the University in connection with their employment but received no supplementary payment for their membership of the Board of Governors.

During 2022/23, expenses totalling £7,000 (2021/22: £7,000) were paid to or on behalf of 13 (2021/22: 13) members of the Board of Governors.

The expenses for 2022/23 and 2021/22 related to travel, subsistence, accommodation, training and subscriptions.

Other than expenses, members of the Board of Governors did not receive any payments or other benefits for serving on the Board. In addition, other than the transactions with trustees listed above, members of the Board of Governors did not receive any payments for services provided by the member of the Board to the University.

Transactions with related parties are declared in note 35.

Providers of Financial Services

**External auditor**

Grant Thornton UK LLP  
30 Finsbury Square  
London  
EC2A 1AG

**Internal auditor**

KPMG LLP  
1 Sovereign Square  
Sovereign Street  
Leeds  
LS1 4DA

**Banker**

HSBC  
Carmel House  
49-63 Fargate  
Sheffield  
S1 2HD

**Insurance broker**

Arthur J Gallagher Insurance Brokers Limited  
Spectrum Building  
7th Floor  
55 Blythswood Street  
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