

**Annual Report and
Financial Statements**

2023

2024

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Introduction from the Vice-Chancellor

This is my first introduction to our Annual Report since taking up the role of Vice-Chancellor of Sheffield Hallam University in January 2024. The report is an opportunity to reflect on our successes and challenges this academic year and for me, a moment to look back over my first seven months in post.

I must start by thanking colleagues for their warm welcome to Sheffield Hallam. It has been fantastic to speak to so many people across the University, listen to their experiences and ideas and see the brilliant work that our staff and students do. This welcome has been echoed across the city and region, where I have been greeted by a determined coalition of engaged stakeholders working together to create a more prosperous and equitable future for all communities. Sheffield Hallam's reputation as a truly civic institution drew me to lead the University, and it has been heartening to receive such positive feedback as I've begun building relationships with key organisations and individuals.

I joined Sheffield Hallam at a time of intense change and challenge for the Higher Education sector, in the context of the well documented external pressures being felt by universities right across the Higher Education sector - including rising costs and a volatile international student recruitment picture. Sheffield Hallam has been no exception to this, which has prompted a squeeze on our finances. I am grateful for the way in which our community has handled this period, as we, alongside many others in the sector, make difficult decisions to ensure the University can continue to thrive as one of the most popular universities in the UK.

With challenge comes opportunity, and I am optimistic about the future. This report highlights some of the amazing work Sheffield Hallam is doing.

We have received some excellent accolades this year: awarded Gold in the Teaching Excellence Framework (TEF) for our outstanding support for student success and progression; an increase in student satisfaction in the National Student Survey (NSS); and ranked as 5th best university on the planet for our positive impact on reducing inequalities in the Times Higher Education Impact Rankings 2024. All these things take a huge amount of hard work and it is great to see it paying off.

I have seen first-hand the excellent work and collaboration that is happening across the University. I attended the Inspirational Student Awards and was blown away by the examples of students going above and beyond and demonstrating what makes Sheffield Hallam such a great place to be.

The early years exhibition *Seen. Heard. Valued.* celebrated our community collaboration with parents and children of Meadows Nursery, our Early Years Community Research Centre (EYCRC) and Save the Children. And our Future Now degree shows exhibited the fantastic creative work of our students, who will go on to do incredible things.

We will continue to see change across the next academic year as we work to increase efficiency and respond to the agenda of a new government. I will be working collaboratively, across the University, to ensure that we make the changes needed compassionately and are equipped to be the best that we can possibly be.

Importantly, we will also continue to see the excellent work of Sheffield Hallam staff and students, driven by our goal to transform lives in our city, region and nation, and I'm optimistic for the year ahead.



Professor Liz Mossop

Vice-Chancellor
Sheffield Hallam University



Foreword by the Chair, Tim Smith CBE

I was born in Sheffield and for many years lived in the city, so it has been a huge honour to be appointed Chair of the Board of one of Sheffield's great universities. After a thorough introduction, I officially started my role in April 2024.

I'd like to thank my predecessor, Meg Munn, who following the untimely death of Lord Bob Kerslake, took on the role as Interim Chair. Both helped lead the University with clear vision and integrity.

We know that the last year has been difficult for many in our community.

The ability of staff, students and our partners have impressed all members of the Board as they have adapted, under tough circumstances, to new ways of working and fresh thinking.

It has been a privilege to get to know the new Vice-Chancellor, Liz, and members of the Board, and work alongside them to build on the vision for Sheffield Hallam, as we test our strategy, structure and culture against the new normal. The leadership of the executive team has been a highlight of the last year, and I see evidence of that across our Board agenda.

The role of universities has never been more important. We see that across our work – the Advanced Wellbeing Research Centre (AWRC) supporting local communities to live healthier lives; the National Centre of Excellence for Food Engineering (NCFE) leading the way in food innovation; and our apprenticeship provision, now at 700 employer partnerships, training the next generation.

We continue to be an award-winning University. The National Centre of Excellence for Degree Apprenticeships was recognised at the Education North Awards and our students have been recognised across industry.

Our teacher training has been rated 'outstanding' across all four areas, from early years to post-16, the first university to be rated so by Ofsted.

The Sheffield Business School was awarded the EFMD Business School Impact System (BSIS) label, for its impact on the region.

And Sheffield was named as one of the top three best student cities in the UK.

We continue to work in partnership across the region and indeed the world, signing a Memorandum of Understanding with Jeju Island in South Korea and welcoming His Majesty King Letsie III of Lesotho to the University in May.

With a new government at Westminster, we will continue to seek to influence policy discussions and showcase the work and value of Sheffield Hallam.

Indeed, there will be lots to look forward to in the coming year. Our new buildings at Howard Street will open for teaching, including the South Yorkshire Institute of Technology, marking our partnership with the Department for Education and FE colleges across the region. Our London Campus continues its development, before opening in 2026/27. In addition, our research portfolio is going from strength to strength and attracting new funding.

We will continue to see change and challenge in the year ahead, but I know that the University and our community will seize opportunity to build on our mission to transform lives.



Tim J Smith CBE

Chair of the Board of Governors
Sheffield Hallam University





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.

We are immensely proud to provide people from all backgrounds with the opportunity to acquire the skills, knowledge and experience to succeed at whatever they choose to do. 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, showcasing all that Sheffield Hallam has achieved while also setting out our plans and priorities for the future.

Sheffield Hallam University is one of the UK's largest and most diverse universities: a community of around 35,000 students, 4,500 staff and 295,000 alumni around the globe.

Highlights from 2023/2024

The range of achievements over this year outlined below reflect the exceptional work of our staff and students, our wider vibrant University community, and our trailblazing collaborations – across teaching, research, innovation and our partnerships. We have been particularly pleased to see this be externally recognised yet again through a number of prestigious awards.

This includes being awarded **Teaching Excellence Framework (TEF) Gold 2023** for our outstanding support for student success and progression. The University was praised for its work on supporting students to succeed, both during and after their studies.

We were also delighted to be named the North's best apprenticeship provider at the **Educate North Awards 2024**. The award recognised our work to develop apprenticeships – providing more apprenticeship routes than any other provider in the UK, with over 3,000 degree apprentices studying across 40 subjects.

Sheffield Hallam also won two categories at the **Times Higher Awards 2023**. Our Centre of Excellence in Terrorism, Resilience, Intelligence and Organised Crime Research (CENTRIC) won in the International Collaboration of the Year category for work with the International Organization for Migration (IOM), on a security platform that has been used to keep UN agency staff safe in some of the world's most volatile environments, including the current conflict in Ukraine.

Our collaboration with the University of Sheffield and Sheffield City Council was recognised in the **Outstanding Marketing/Communications Team of the Year** category. This was for an innovative joint student recruitment campaign *Sheffield. Your University City* which focused on promoting Sheffield.



Fostering a culture of inclusion

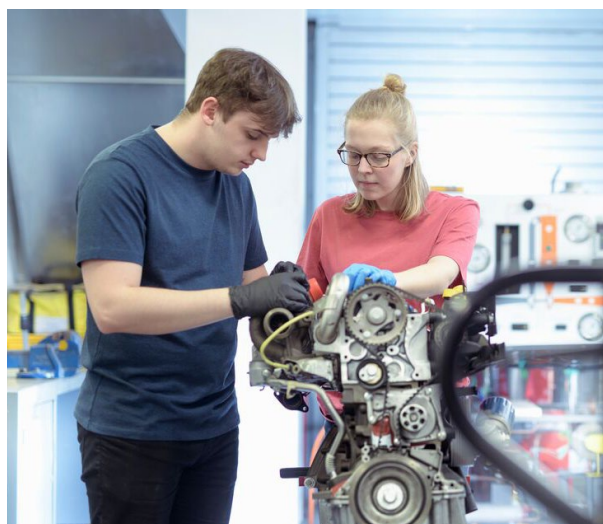
We were tremendously proud to be ranked as 5th best university on the planet for our positive impact on reducing inequalities in the **Times Higher Education Impact Rankings 2024**.

Our commitment to developing a culture of inclusion underpinned the decision to invest in a **new equity, equality, diversity and inclusion (EEDI) team** in September 2023. The team provides strategic oversight of this vitally important work, collaborating with internal stakeholders across the University to understand, influence and embed EEDI priorities that will have a lasting, positive impact on student and staff inclusion.

This year saw the publication of the **Hallam Equity, Equality, Diversity and Inclusion (EEDI) Framework 2024-27**. Under the vision “Sheffield Hallam: A Culture of Inclusion”, it sets the strategic direction for all the work we are doing to become the most inclusive university we can be for our students, staff and communities. The framework will be implemented through a refreshed EEDI Delivery Plan.

Externally, Sheffield Hallam is engaging with opportunities to contribute to Sheffield's ambition to create a more inclusive and equitable future for the city's communities. For example, the University is a partner in the newly formed **Race Equality Partnership for Sheffield (REPS)**.

Evidence of the success of our inclusion work features elsewhere in this report, and we are also proud that in the last five years we have renewed our **Disability Confident Leader** status, have signed up to the **Mental Health Charter**, been awarded silver in the **Stonewall Workplace Equality Index**, renewed our **Athena Swan** bronze status and achieved a silver award in the Defence Employer Recognition Scheme. We are also members of the **Race Equality Charter**.



Student experience

We were delighted that an independent annual survey of students at Sheffield Hallam showed a significant increase in overall student satisfaction, with a **four percentage point jump in positivity** compared to last year. Positive responses from students across survey questions for the 2024 National Student Survey (NSS) averaged 80% overall, increasing from 76% in 2023. Further student experiences are highlighted below:

- **Sheffield Hallam’s teacher training was Ofsted rated ‘outstanding’ across all areas: early years, primary, secondary and post-16**, the only university to achieve this standard across all four phases. The University is one of the country’s biggest providers of initial teacher education, supporting over 1,000 new teachers every year and training a quarter of all new teachers in the Yorkshire region.
- **More than 40 students from a black background graduated from the ASPIRE (Accomplished Study Programme in Research Excellence) programme.** Set up to help tackle inequality in research and encourage diversity at doctoral-level study, the programme is led by Sheffield Hallam in partnership with Manchester Metropolitan University and Advance HE, aiming to address the underrepresentation of black and black heritage research students.

Jerome Smith, who was one of the 2024 cohort, said: **“Through ASPIRE, I learned that I do belong in research and improved my confidence. I now understand the freedom and opportunities a PhD offers and the power it holds. I recognise that I represent not only myself but every student who looks like me and aspires to achieve. Ultimately, ASPIRE has set me on this path and provided opportunities I would have missed.”**



- During the 2023-2024 academic year **1,535 Sheffield Hallam students volunteered for an average of four hours per month**, totalling around 74,000 hours giving back to the community. Co-ordinated by the Hallam Students’ Union (HSU), students have got involved in a variety of charitable projects, aiding not just the local, but the wider community as well. Akruti Pandoria, applied sport and exercise science student, spent time volunteering for a litter pick-up initiative in the Peak District.

Akruti said: **“While you may not always have the hours to spare, having the heart to help can make a meaningful impact. Volunteering with the Hallam Students’ Union for a litter pick-up in the Peak District was a truly rewarding experience. The sense of community and shared purpose made the experience particularly meaningful. This experience reinforced my commitment to making a positive impact on the environment and showed me the power of teamwork and dedication.”**



- **Sheffield Hallam became one of the best equipped PlayStation teaching labs in Europe** following investment in 34 new PlayStation®5 development kits, offering students the chance to create video games using the latest technology on industry-accredited games courses. The development lab was officially opened in May 2024, as part of the Department of Computing’s ‘Game Over 24’ end of year showcase and celebration.



The year has seen some outstanding stories of individual success:

- **Professor Heidi Probst**, who led a research project to develop a specially designed bra to improve accuracy and dignity for women undergoing radiotherapy for breast cancer was recognised in the King’s New Year Honours 2024 with an MBE.



- Sheffield Hallam degree apprentice, **Fran Coult**, was awarded **Young Professional of the Year** at the Rail Business Awards 2024. The Supply Chain Apprentice at Alstom, won the award which recognises the most outstanding employee under-35 within the UK rail industry.

Fran said about receiving her award: **“My personal and professional development with Alstom throughout my apprenticeship has been vast. I look forward to continuing to shape my career in rail and push for further positive changes across equality, diversity and inclusion within the industry.”**



- Sheffield Hallam student, **Bilal Ali**, featured in the **national Universities UK '100 Faces campaign'**, which celebrated the positive impact of first-in-the-family graduates in the UK. Bilal, who is studying for an Accounting and Finance degree, is registered blind. During his time at university he has thrived. He has undertaken an internship, secured an accountancy job and been awarded an Inspirational Student Award.

Bilal said: **"Going to university has been something I've wanted to do for a long time but didn't think I'd achieve due to my visual disability, but hard work and dedication got me there."**

- **Ozzy Jama**, from Sheffield, became the first student to secure a new fully-funded Master’s course in **strength and conditioning coaching**, helping to increase diversity in the industry. The scholarship was established jointly between Sheffield Hallam and the Talented Athlete Scholarship Scheme (TASS) in 2023. It aims to advance equity of opportunity and will enable exceptional individuals to have the opportunity to access postgraduate study to improve their chances of forging a successful career in the industry. Ozzy has overcome adversity in his life through physical activity and is now keen to give back and have a career in the industry.

Ozzy said: **“The scholarship came at a really good time for me, and I was grateful to God for the opportunity. I had a passion for strength training but I didn’t have the knowledge. Now I know more about the science behind it. I’ve got an appetite for learning, and I find it joyful.”**



- Sheffield Hallam researcher, **Dr Alice Bullas**, was awarded a **£1.6 million Future Leaders Fellowship** from UK Research and Innovation (UKRI) to develop new body measurement methods for children living with obesity. The project is centred around developing new approaches for data collection of external body shapes, body composition and health measures from 400 children from diverse backgrounds across Sheffield.



Applying knowledge

- **Sheffield Hallam celebrated its 700th employer partnership** to provide apprenticeships to learners during National Apprenticeship Week (NAW24) in February 2024. The University is the home of the National Centre of Excellence for Degree Apprenticeships (NCEDA) and offers more disciplines and subjects than any other provider in the UK. As well as working with hundreds of start-up businesses and SMEs in the South Yorkshire region, Sheffield Hallam has fostered partnerships with large and multinational organisations as well as the South Yorkshire Mayoral Combined Authority (SYMCA) and South Yorkshire Apprenticeship Hub, which pledged £200k of funding for local apprenticeships.
- Google announced investment in ground-breaking research, apprenticeships and digital skills training through **the South Yorkshire Digital Health Hub** to help address health inequalities and drive economic growth across the region. Led by Sheffield Hallam and the University of Sheffield, the £4 million Hub aims to improve peoples’ health and quality of life by creating innovative digital health tools that fuse data from daily life activities with NHS data.



- Sheffield Hallam welcomed the first cohort of business leaders from Barnsley and Rotherham to the Government-funded **Help to Grow: Management programme** in March 2024. The group of 22 senior leaders from small and medium-sized businesses took part in the 12-week course designed for local business owners and senior leaders who are keen to grow their organisation. It is accredited by the Small Business Charter and 90% subsidised by the Government.
- A project to give more power to low-income, marginalised and isolated communities across Yorkshire to confront the challenges posed by climate change and widening inequalities was awarded £5 million in funding. The **Yorkshire and Humber Policy Innovation Partnership (YPIP)** will connect the expertise of the region’s 12 universities, with the efforts of its residents, councils, and businesses to create a more inclusive and sustainable society.

- **Active Together**, the pioneering exercise, nutrition and wellbeing cancer support service, received a £4 million funding boost to expand across South Yorkshire. The programme has helped more than 1,000 patients in Sheffield and is designed and delivered by experts at Sheffield Hallam’s Advanced Wellbeing Research Centre (AWRC) in partnership with Sheffield Teaching Hospitals and is funded by Yorkshire Cancer Research.

Active Together participant Neil said: **“Taking part in Active Together created in me a new philosophical attitude. The exercise not only made me feel fit, but also made me feel like I was in control of my own destiny.”**



- The University’s **National Centre of Excellence for Food Engineering (NCEFE) secured £232,000** to lead the project with industry partners Premier Foods which will trial a new heating system for sauces aiming to reduce carbon impact while enhancing nutrition and taste. The pilot scale study will address challenges faced by the food industry, such as uneven heating, reduced food quality through over-processing, energy inefficiencies, and negative environmental impacts and could inform future spending on food processing technology.
- A new research network bringing together leading experts from across the region to improve health outcomes for children across **South Yorkshire was launched in March 2024. The South Yorkshire Children and Young People’s Health Research network (SYCPHeR)**, is a partnership between Sheffield Children’s NHS Foundation Trust, Sheffield Hallam University and the University of Sheffield. It will lead cutting-edge therapies and treatments while establishing a direct link between research conducted at both institutions and the everyday experiences of patients.



Shaping place

Sheffield Hallam’s Early Years Community Research Centre (EYCRC) and Save the Children held a **unique art exhibition, *Seen. Heard. Valued.***, which celebrated artwork, stories and photography from parents, carers and children at The Meadows Nursery in Shirecliffe and told the story of how the nursery has had a positive impact on their lives. The exhibition was launched in April 2024 with the families from the nursery and guests from Save the Children, Sheffield Hallam and across Sheffield.



The South Yorkshire Institute of Technology (SYIoT) was launched at the South Yorkshire Skills Expo on 22 March, with Sheffield Hallam as a key partner. Backed by more than £21 million in funding from the Department for Education, the establishment of SYIoT in South Yorkshire marks a significant milestone for the region, kite marking the high-quality, higher-level technical education and training provision in the region. One of only 21 IoTs nationally, the Institute marks a major investment and recognition of the region’s higher education providers.

The annual **Future Now Festival of Creativity** returned to venues across Sheffield in the summer term, showcasing creative work from Sheffield Hallam’s graduating students. The festival is Sheffield’s biggest student-led exhibition, featuring the best emerging talent in creative disciplines including art, design, fashion, film, architecture, broadcasting, crafts, animation and performance. One of the biggest events during the festival was the fashion show, a catwalk through Sheffield’s Winter Gardens.

St Luke’s – Sheffield’s Hospice partnered with Sheffield Hallam to support the Future Now programme. Nearly 300 students worked across six projects in collaboration with the charity, providing solutions and insight for them to consider as part of their retail and marketing strategies. Future Now supports the University’s Knowledge Applied ethos, providing students with opportunities to collaborate with peers, communities, researchers, businesses and enterprises to tackle key societal issues in Sheffield and South Yorkshire.

Measuring our performance

Sheffield Hallam's Transforming Lives strategy was launched in 2017. At the start of 2023/24 we settled on a new, focused set of Key Performance Indicators (KPIs) to monitor progress against that strategy. The changing external context created a challenging backdrop to these performance measures in 23/24, but we have seen positive movement in a number of areas, and have a clear recovery plan in place for 24/25. Our performance against each KPI is shown below.

Portfolio and recruitment KPIs

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

2022/23	6,767
2023/24 performance	5,809

After growing our undergraduate intake in September 2022, we saw a drop of around 900 this year. This can be partly explained by a fall in the participation rate of 18-year-olds in Higher Education, but did also represent a drop in market share. Applications for September 2024 to date would suggest that growth across the sector is unlikely, but that Sheffield Hallam is on track to regain some of the market lost this year.

Improved average entry tariff

2022/23	121
2023/24 performance	114

Because of the delay in receiving sector data from HESA, linked to the move to the Data Futures model, we have switched to using UCAS data instead this year. In September 2023, we saw a drop in average entry tariff of roughly one grade. However, this is in the context of a drop across the sector of an almost identical amount, as A-Level grades returned to a pre-pandemic level. Therefore, in line with our aims, we slightly improved our rank in the sector by tariff.

Student experience across the lifecycle KPIs

Maintain strong continuation rates for undergraduate students

2022/23	91.1%
2023/24 performance	88.7%

The latest data, reported in August 2024, relates to continuation of students from their first to second years in the 2022/23 academic year. 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. In fact, our benchmark as set by the OfS fell from 88.7% to 86.5%, meaning that we are now 2.2 percentage points above the OfS benchmark (compared to 1.8 last year), and comfortably ahead of the minimum standard for the sector of 80%. Internal enrolment data for our 2023/24 returners would suggest that Continuation rates will return to previous levels in the next OfS data release.

Learning, teaching and assessment KPIs

Maintain strong rates of progression to highly skilled employment

2022/23	72%
2023/24 performance	72.5%

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 2021/22, has raised by 72.5%. The figure for the sector as a whole also fell, but by a slightly smaller amount. We remain ahead of benchmark (by 0.6 percentage points) and comfortably ahead of the OfS minimum standard of 60%.

Improved satisfaction with teaching and learning

Undergraduate:	
2022/23	81%
2023/24 performance	83.1%

Postgraduate:	
2022/23	87%
2023/24 performance	85.1%

We saw a strong positive increase in our scores for satisfaction with teaching and learning on undergraduate courses, moving from below 81% to over 83% this year. This reflects the significant work carried out in recent years, and brings us almost back up to the sector average. Postgraduate scores from the Postgraduate Taught Experience Survey (PTES) dropped slightly after previously coming close to the top quartile of the sector. Sheffield Hallam remains comfortably above the sector average.

People and organisation KPIs

Reduce staff costs as a % of income

2022/23	62.5%
2023/24 performance	65.4%

The fall in income has led to an increase in this metric from last year. The University is taking steps both to build income as well as bringing down staff costs. Staff costs exclude restructuring costs but include agency staff costs.

Achieve budget targets for operating cash as % of income

2022/23	5.3%
2023/24 performance	-0.8%
	(4.5% excluding one-off costs)

Cash generation as a % of income of -0.8% is below the budgeted level and down on the 5.3% seen in the prior year. If one-off voluntary severance costs, associated with a programme of cost reductions across the University in response to the teaching income shortfall, are excluded the % increases to 4.5% which is in line with the budget.

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

Research and innovation KPIs

Increase research and innovation income

2022/23	£28.7 million
2023/24 performance	£32.8 million

Income from Research and Knowledge Transfer has continued to grow in line with targets, following two years where the income awarded through grants has reached its highest levels.

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

Looking ahead to 2024/25

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 that we continue to deliver this strategy successfully in a changing environment, we have refocused our strategic plan to aid the recovery of our position. The new plan sets out three key areas of focus for the coming 12 months:

- Grow our revenue in the most efficient way
- Improve our student recruitment, experience, retention and success
- Reimagine the way we work to control costs and improve collaboration

Under each of these areas of focus we have agreed key delivery priorities and the measures that we will use to track performance. These measures will be reported in next year's annual report in place of the KPIs set out above.



Climate action strategy

The Climate Emergency is the largest global challenge of our time. As the crisis accelerates, we have made significant changes in how we operate as an institution to ensure all our activities are delivered in a sound and environmentally sustainable way.

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. Our ambition is to become one of the greenest and most sustainable institutions in the country.

In 2023, we launched our ambitious Climate Action Strategy which set out a whole-of-institution approach to tackle the climate emergency and embed climate awareness across everything we do at Sheffield Hallam. Our strategy is informed by the collaborative work we undertook with Arup, the sustainable development organisation, which brought to light our overall climate impact. Through this work we developed a comprehensive Carbon Management Tool to help us ensure we make evidence-based decisions, and accurately track our progress against our targets. Our Climate Strategy is evidence-based, and we take a twofold approach to climate mitigation and resilience that recognises the interconnected nature of protecting against climate risks whilst also reducing climate change.

Since the launch of the Climate Action Strategy, we have focussed on embedding climate action governance within existing structures and systems. The aim has been to empower existing leaders to deliver outcomes by incorporating climate priorities within their teams' work, reporting to the Climate Action Steering Group on progress and risks.

There has been notable progress on key initiatives across the University, including in greenhouse emissions data modelling, launch of the climate action impact assessment process, continued certification to environmental management ISO, fleet electrification, research investments, green initiatives and communication campaigns to maintain awareness amongst students, staff and stakeholders.

Our climate action progress has been recognised in the Green Gown Awards 2024, where we are shortlisted for the Climate Action 2030 award. Sheffield Hallam ranked 43rd out of 151 in the People and Planet's University League. This is the only comprehensive and independent league table of UK universities ranked by environmental and ethical performance.

In 2023 - 2024 a year into our new Climate Action strategy, we have made some meaningful impacts:

Reducing Scope 1 and 2 direct emissions: Energy, buildings and campus fleet

- We have reduced our overall baseline carbon footprint by 15.89% since 2018/19. We have achieved this through energy efficient design, consideration in products and services, delivering energy efficiency projects and the purchase of renewable energy.
- We are developing a smaller, better utilised and more energy efficient estate, which in the long-term will be reduced in size by 30%. Our Campus Plan, which includes the opening of the new net zero ready Howard Street buildings in the forthcoming year, will help to further consolidate activities onto a smaller and more energy efficient estate. This programme will reduce both Scope 3 embodied carbon and through efficient design reduce Scopes 1 and 2 emissions.
- The University has an ongoing replacement programme to create a fully electric fleet in the longer term. Despite the increased use and growth in the number of vehicles, emissions have dropped by 43.17% since the 2018/19 baseline including EV charging emissions.

Reducing Scope 3 indirect emissions: Procurement, food and drink, water, travel and waste recycling

- Procurement is potentially the largest section on the University's scope 3 footprint, it is currently estimated at six and a half times the size of the University's combined Scope 1 and 2 emissions. This includes central procurement, ICT, maintenance as well as food and catering. The University's long-term target is to achieve net zero in Scope 3 emissions by 2050. The first steps towards achieving this are to gain a more accurate picture. In the 23/24 year significant progress has been made in mapping Scope 3 emissions with broken down spend based data for the first time and more detailed data now available for Waste and Travel which can be used to set targets and drive action moving forwards.
- We use the TUCO catering frameworks to ensure both local and ethical sourcing of our produce. In addition, we arrange individual supplier agreements, ensuring local sourcing, limiting trans-fat, use only free range egg products, use seasonal produce and don't use air freighted goods. University catering outlets have rolled out plastic-free packaging and single-use coffee cup recycling pods.
- A Responsible Procurement Statement has been approved by the University Executive Board and is to be published externally. The statement will align to the principles to be set out in the draft Ethical Framework currently under development.
- In December 2023, we adopted the EAUC Standardised Carbon Emissions Framework to ensure our climate data strategy is aligned with the wider sector and global standards. We have audited our data in areas of largest impact and have a sector aligned maturity pathway for further development of our data methodologies.
- Our six-year Travel Plan launched this year, which champions low carbon, active travel to staff and students through improvements in infrastructure, incentives and information, with low carbon the default first choice option for business travel. Compared to the 2018/19 baseline there has been an 85.21% drop in travel related emissions including commuting and business travel, with a 91.42% reduction in emissions caused from flights made by staff.
- We do not send any waste to landfill. Any material that we cannot recycle is incinerated and returned to many of our buildings as heat to make our waste disposal and energy sources more sustainable.



Our risk environment

Understanding our risk environment

In 2023/24, the University has risen to challenges and navigated changes, both internally and externally. Externally, our risk environment continues to be challenging as rising costs and changes in immigration policy have an effect on both student and staff recruitment. Internally, we have welcomed a new Vice-Chancellor and Chair of the Board of Governors; started to teach our redeveloped portfolio; and managed significant changes to our workforce. We have therefore embraced the opportunities these changes have brought as well as managing the risks.

Through this period, we have maintained our focus on our organisational values, our people and our communities. This year, we have launched a new online portfolio of courses, working with a partner; achieved recognition of our high-quality teaching and learning; expanded our research activity and profile; and continued to invest in the future of our University and region. Looking ahead to 2024/25, our focus remains on transforming lives through high-quality teaching, research and knowledge exchange.

This year we have revised our approach to the management of corporate risks in line with our strategic plan. Our improved process continues to ensure a robust and effective risk management framework is in place, while further supporting decision-making and providing a whole-institution view of strategic risk. Strategic and operational risks continue to be assessed regularly, and we have implemented additional risk management governance and guidance to support institutional resilience.

Recruiting students and enhancing our offer

The University's primary source of income is UK undergraduate students. In a highly competitive market with limited applicant growth, attracting these students remains a challenge. Considerable work has been delivered in 2023/24 to build on areas of opportunity and respond to the challenging market. Alongside the implementation of a new Student Recruitment Strategy, a refresh of our brand messaging was completed, positioning our high-quality, applied learning offer at the heart of prospective student communications.

2023/24 also presented a challenging year for international student recruitment. The change in UKVI immigration policy regarding dependents and the review of the Graduate Immigration Route further shaped the perception of the UK as unwelcoming as a global study destination. The University welcomes the new UK Government's recognition of the economic, social and cultural value that international students bring to local communities. This is evident on our campus and within our city; and we remain committed to providing a welcoming environment for international students.

The University has also maintained its strategic focus on innovation and diversification. Significant progress has been made on the redevelopment of our Academic Portfolio. This provides enhanced consistency and sustainability within our provision, ensuring we deliver the greatest possible difference for students and society. Work to deliver our exciting new London Campus is also progressing to planned timescales. Our new Online delivery offer has also launched this year with our first cohort of students starting in September 2024. This offer is part of our commitment to accessible education and continues our proud tradition of being one of the UK's most progressive universities.

Ensuring financial sustainability

The 2023/24 economic climate of a challenging recruitment market, fixed undergraduate home fee, and rising costs has led to significant financial pressure for higher education providers. The continued increase in delivery costs, such as wages and pensions, and the changes in the external international student recruitment environment have required decisive action to respond to the changing financial risk profile.

Over the past year we have taken collaborative in-year action to reduce costs across the University. As well as addressing the financial risk, we are also taking the opportunity to reshape our workforce for the future, focusing on efficiency and continuous improvement to achieve a lower-cost model of delivery. This will enable us to continue creating value for students and making targeted investments to achieve our Transforming Lives mission. Income diversification remains a strategic priority to expand our offer and reduce our reliance on home undergraduate recruitment.

We recognise that the high cost of living continues to affect our staff members, and we remain dedicated to supporting staff as far as possible. We continue to be committed to national collective bargaining through the Universities and Colleges Employers Association and to ensuring that all staff are paid at least in line with the Real Living Wage.

Over the next 12 months we will continue to focus on monitoring risk in this area and implementing measures to ensure long-term sustainability and success through the delivery of our strategic plan and our medium-term financial strategy.

Adapting to the uncertain higher education policy landscape

Despite a challenging wider policy environment over the past year, there have been very few direct changes to higher education policy. However, the change in UKVI immigration policy for international students and their dependants and changes to the immigration rules regarding Skilled Worker sponsorship have impacted staff and student recruitment. These policy decisions have also affected the global reputation of the UK higher education sector.

We welcome the more positive tone of the new Government towards higher education, and their commitment to a review of the sector. As a University centred on applied learning, we share the Government's focus on skills and believe we are well-positioned to work together with local and national organisations to meet the UK's skills need.

Recognising this is a time of both potential opportunities and uncertainty within the higher education policy landscape, we will continue to build relationships with Government ministers and maintain established dialogues with local and sector partners.

Delivering high-quality teaching and excellent student outcomes

Building supportive and inclusive learning communities and engaging students in learning is essential to delivering high-quality teaching, excellent student outcomes and an exceptional student experience. We were thrilled to be awarded the Gold rating in the Teaching Excellence Framework in late 2023, recognising the unwavering commitment of our staff to student success. The implementation of our new Learning, Teaching and Assessment framework further aims to deliver excellent pedagogical practice and encourage innovation across the organisation, supporting students to succeed.

We have also experienced an increase in student satisfaction this year within the National Student Survey (NSS), demonstrating successful mitigation of risks related to disruption due to organisational change. Over 2024/25 we will also embed our new Academic Delivery Models which will improve the consistency of the learning experience for students and increase efficiency.

Studying increasingly needs to fit around other work or family commitments, particularly due to the high cost of living. We continue to work with the Students' Union to support students with their wellbeing and financial options and work towards equity of attainment across all student groups. This is also a key focus of our re-developed Access and Participation Plan, and the achievement of this will remain a University priority for 2024/25.

Growing our research and innovation activity

This year we have continued to develop our research profile and grow our research income. Our strategic, multi-disciplinary approach to research bids has been successful. We have secured bids across all areas of research, with the average value of these increasing by over 50%.

We welcomed the UK's reassociation with Horizon Europe earlier this year and have continued to engage with European partners to generate research income. Our continued focus on research which supports our organisational values aligns well with current funding priorities, and we believe we are well-placed to continue engagement and collaboration with external partners.

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 have had substantial involvement in the regional plan for good growth and are proud to have contributed to South Yorkshire securing the first UK Investment Zone.

We remain committed to supporting our staff and research students, capitalising on our strengths, and investing in transformative and innovative research. In the short-term, we are growing our capacity and strengthening leadership capability in strategic priority areas. We are also looking ahead and preparing for REF2029 in order to maximise opportunity.

Developing our physical and digital infrastructure

Progress on our ambitious multi-year Campus Plan investment programme has continued this year thanks to the collective team effort of our Hallam Alliance partnership. Our Campus Plan is central to achieving our strategic priorities and providing an engaging campus with high-quality, modern spaces specifically designed to facilitate collaborative and flexible teaching and learning.

We expect work on our Howard Street development to complete in 2024/25, creating an outstanding new gateway to Sheffield. A cross-University team also oversaw the closure of our Oneleven building this year, achieving a balance between quality and cost-effectiveness and supporting the University's long-term sustainability objectives. Following the completion of this first phase of work, we will be re-modelling our 2040 vision for our campus, ensuring that this aligns with our medium-term financial strategy and our core vision and focus on sustainability.

We continue to invest in our digital infrastructure to enable the achievement of our research and teaching and learning ambitions. Investment is further key to achieving additional efficiencies within our ways of working. An emerging risk we continue to monitor in this area is the risk of cyber-attacks, particularly following the recent warning that UK universities are increasingly a target.

Supporting our people

The measures we have taken in 2023/24 to address the financial risk have had an impact on our staff members. The launch of academic and professional services voluntary severance (VS) schemes has increased uncertainty and necessitated tough decisions across the organisation. Our careful decision-making has focused on prioritising the delivery of our core operations and reducing the financial risk. We feel confident that these actions will ensure we have the right structures in place for our future.

We have offered additional support to our people throughout this year, with a focus on wellbeing. Following the launch of the two VS schemes, we provided tailored support through workshops and one-to-one conversations to help staff members to make informed and considered personal decisions. We have also expanded the wellbeing support available to leaders, managers and individual staff members and continue to develop this offer to support our people through change.

Wider employment market conditions, the change in UKVI sponsorship rules, and the implementation of organisational change have sustained recruitment and retention challenges this year. To address the elements within our control, we have initiated a review of our reward, recognition, and benefits and how we articulate and promote our Employer Value Proposition. The University is also seeking to strengthen its career frameworks for both academic and professional services staff.

The University remains committed to providing a safe, inclusive culture where diversity is valued and celebrated. This year we were successful in achieving the Athena SWAN bronze award in recognition of this. We have also created a specialist Equity, Equality, Diversity and Inclusion (EEDI) team and launched our EEDI framework. This is designed to support us becoming the most inclusive University we can be for our staff, students, and wider community.

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 respond to these. Through these actions we have minimised disruption to both the staff and student experience.

Contributing to our region and reducing our environmental impact

As an anchor institution at the heart of South Yorkshire, the University strives to make a positive impact on the lives of people across our city, the region, and beyond. Continuing to contribute to our region's economy, health, regeneration, culture, and community remains a University priority. Our commitment to place and civic engagement is ingrained within our organisational culture.

This year we have made substantial progress in embedding our Climate Action strategy. We have developed, implemented, and begun to embed tools, policies, and plans which support the reduction of our climate impact. We have also increased biodiversity within our campus and continue to encourage all our people to think innovatively about increasing sustainability. Advancing knowledge and capability to tackle the challenges of climate change through events, lectures, and thought leadership has also been a key priority.

Financial Performance

The reported deficit for the year was £16.3 million (2023: £4.7 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), surplus from the sale of fixed assets and the exceptional one-off voluntary severance costs this equates to an underlying operating deficit of £3.5 million (2023: £1.1 million deficit).

	2024 £m	2023 £m
Reported deficit	(16.3)	(4.7)
Exclude:		
Pension adjustments - staff costs	(4.9)	2.4
Pension adjustments - interest	0.1	1.7
Surplus from sale of fixed assets and share of Joint venture / associate operating (deficit)/ surplus	0.1	(0.5)
One-off voluntary severance costs	17.5	0.0
Underlying operating deficit	(3.5)	(1.1)

The operating deficit reflects what has been a challenging year in financial terms for the University. The high level of inflation in recent years has led to increases in expenditure whilst growth in income has been restricted by the fixed home undergraduate fee, which has not significantly increased since 2012. Income growth from increased student numbers has also proved challenging over the last year, with changes in government policy in relation to student visas and the economic climate in Nigeria having a significant impact on our international student numbers.

A shortfall against income targets resulted in significant in-year savings being made across both Colleges and Professional Services. These savings included a Voluntary Severance (VS) scheme and associated restructuring within our Colleges, non-pay cost management, vacancy management and more recently a VS scheme across Professional Services which will reduce our costs further going into the next financial year.

During 2024 the University has undertaken a programme of cost reductions across the University which resulted in one-off voluntary severance (VS) costs of £17.5m. Further details can be found in note 10 of the financial statements.

The University's generated net cash from operating activities of £2.8 million (2023: £12.5 million), representing 0.8% of income (2023: 3.8%), excluding the one-off voluntary severance costs this increases to £10.4 million (3.2% of income).

Cash and cash equivalents at 31 July 2024 are £93.8 million (2023: £77.6 million) with additional short-term investments of £39.0 million (2023: £124.0 million). Overall there has been a reduction in cash of £68.8 million, mainly as a result of £72.7 million capital spend in the year (2023: £53.3 million).

The significant capital expenditure is primarily due to the substantial progress that has been made on the three new buildings on the Howard Street development which is due for completion in 2025, where expenditure was c. £65 million.

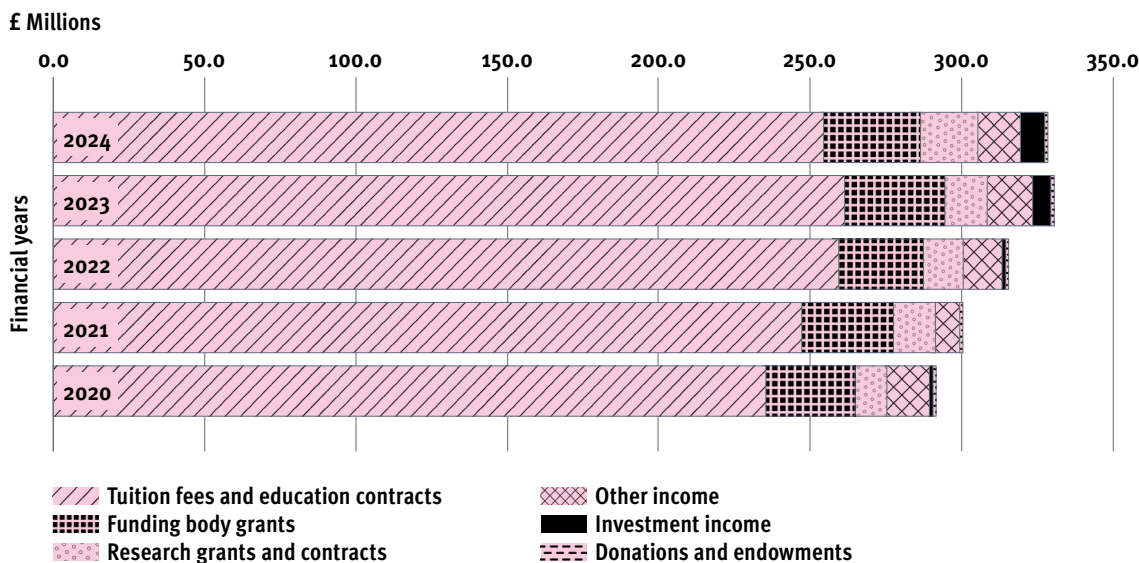
Cash balances are expected to reduce again in 2025, as capital expenditure is incurred to complete the three new buildings on the Howard Street development.

Net Debt (cash and cash equivalents less borrowings) is £50.1 million (2023: £69.4 million).

The total comprehensive expenditure for the year is £16.2 million (2023: £40.9 million income), this includes a £0.1 million actuarial gain (2023: £45.7 million) in relation to the Local Government Pension Scheme, which partially offsets the operating loss of £16.3 million (2023: £4.7 million), shown in the previous table. Further details on the actuarial gain can be found in the pension sections of this report and note 27.

Income

Total income for the year ended 31 July 2024 is £327.8 million (2023: £329.7 million). The reduction in income is driven by lower income from tuition fees, offset in part by higher income from research grants and contracts and from investment income.



Tuition fee income has reduced by £7.8 million overall. The key movements are shown below.

Income type	Variance to 2023/24	Notes
Full time home undergraduate student fees	(£8.4 million)	Lower number of new students in 2024
Part time home undergraduate student fees	+£1.8 million	Higher numbers of students on apprenticeship courses
International Student fees	(£1.1 million)	Changes in the government's visa policy in relation to dependents, along with pressures on the Nigerian currency have impacted on international student numbers.
Other tuition fees	(£0.1 million)	
Tuition fee income	(£7.8 million)	

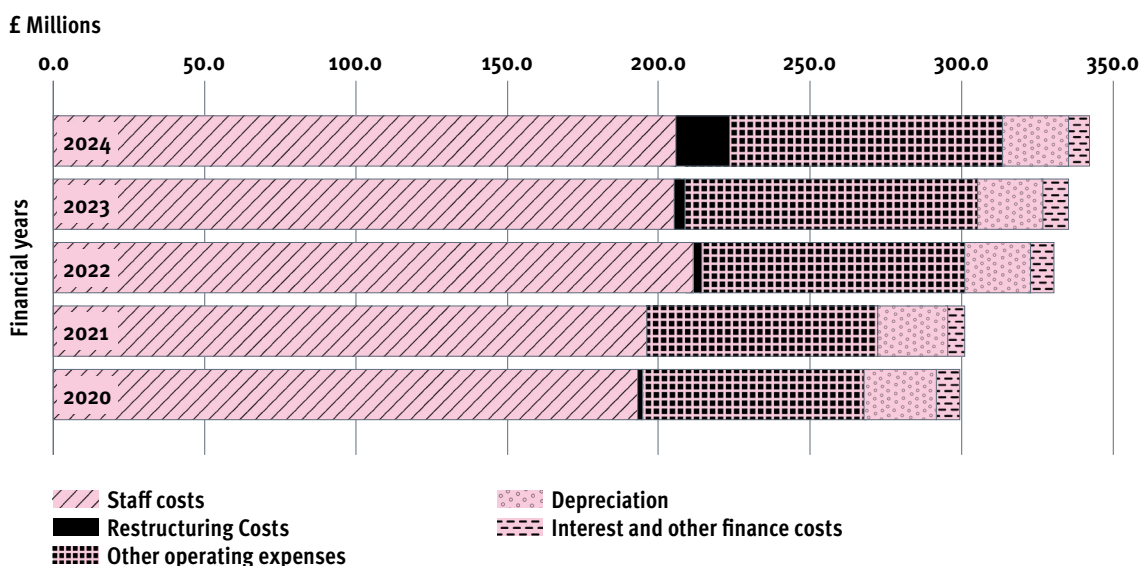
The £4.4 million increase in research grants and contracts income is driven by increases in income from UK government and local authorities of £1.8m, £1.3m from research councils and £0.8m from UK based charities. The research council increase is largely due to projects which started during 2023 and have seen a full year of delivery in 2024, notably the National Civic Impact Accelerator project funded through the Research England Development (RED) fund. The increase in income from UK charities is due to an extension of funding for the 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 increase in UK government and local authorities income is made up of a number of new significant awards across all Colleges. Overall the increase in income reflects the strategy of bidding for larger value, longer term projects.

Other income was £14.3 million, a small decrease from the 2023 figure of £15.1 million. This reduction in income is driven by £1.2 million lower funding from the European Regional Development Fund (ERDF) following the Sheffield Innovation Programme coming to an end in July 2023.

Investment income is £1.6 million higher than in 2023, due to having significant cash balances throughout the year, coupled with the sustained high interest rates over the last 12 months. The cash balance (cash and cash equivalents plus short term investments) for 2024 averaged £159 million.

Expenditure

Total expenditure for the year ended 31 July 2024 is £344.0 million (2023: £334.9 million). There is a significant reduction year on year in other operating costs of £7.6 million (detailed below), offset by an increase in staff costs of £17.1 million.



Wages and salaries are up £5.0 million on the previous year, with an increase of c. £6.5 million due to the pay award in August 2023 (average 4.2% compared to 2023 pay), offset in part by savings from the VS scheme across Colleges of £2.5 million.

Pension costs are £4.6 million lower in total, split £3.9 million on the Universities Superannuation Scheme (USS) and £ 2.0 million on the Local Government Pension Scheme (LGPS) offset by a £ 1.2 million increase on the Teachers' Pension Scheme (TPS).

The USS decrease reflects the release of the remaining deficit recovery provision, following the 2023 actuarial funding valuation which disclosed a funding surplus. The LGPS reduction reflects a reduction of £4 million in the current service cost (the employer 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 – in particular the employer contribution rate increased from 23.68% to 28.68% with effect from 1 April 2024 (see note 27 and 25).

	Teachers' Pension Scheme (TPS) £000	Universities Superannuation Scheme (USS) £000	Local Government Pension Scheme (LGPS) £000	National Employment Savings Trust (NEST) £000	2024 £000	2023 £000
Employer Contributions	19,358	1,130	14,190	71	34,749	32,454
Creation/(Release) of pension provision	-	(5,058)	-	-	(5,058)	(1,873)
Adjustment for current service cost	-	-	190	-	190	3,936
Total Pension Cost 2024	19,358	(3,928)	14,380	71	29,881	34,517
Total Pension Cost 2023	18,112	(56)	16,364	97	34,517	

The reduction in other operating costs of £7.6 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 2022/23	Notes
Premise costs	+£1.6 million	Higher energy costs (£1.4m) and an increase in insurance costs (£0.2m)
Professional services	+£1.6 million	Includes higher payments to partners in relation to Research and Innovation projects (£1.0m)
Equipment & consumables	-£1.4 million	Due to the shortfall in income for the year tight cost controls have been in place to reduce all areas of non-pay spend during the year
Books & periodicals	-£0.8 million	Due to the shortfall in income for the year tight cost controls have been in place to reduce all areas of non-pay spend during the year
Staff development	-£0.9 million	Due to the shortfall in income for the year tight cost controls have been in place to reduce all areas of non-pay spend during the year
Marketing	-£0.5 million	Due to the shortfall in income for the year tight cost controls have been in place to reduce all areas of non-pay spend during the year
Computers & IT	-£1.9 million	Due to the shortfall in income for the year tight cost controls have been in place to reduce all areas of non-pay spend during the year
Student grants & expenses	-£2.9 million	One-off additional funding was received in 2023 from the Office for Students to support students with cost-of-living challenges. No additional funding was received in 2024.
Bad Debts	-£2.0 million	The 2023 bad debt provision was increased to reflect the increased risk around payments due economic issues affecting some of our international students. The University has continued to support international students in repaying their debt and there is a small reduction in the provision in 2024.
Other	-£0.4 million	
Total other operating costs	-£7.6 million	

Interest and other finance costs overall are similar to last year at around £7.0 million, bank loan interest has increased by £1.4million, the full year impact of interest payable on the £20 million term loan received in April 2023. This is offset by a £1.5 million reduction in interest on the Local Government Pension Scheme (see note 27).

In the Statement of Financial Position total net assets have reduced to £305.7 million (2023: £321.8 million). The reduction is mainly due to the reported deficit for the year.

There has been an increase in the value of fixed assets as at 31 July 2024 of £53.4 million. This reflects capitalisation of £74.9 million, offset by depreciation of £21.5 million for the year. The capitalised costs mainly relate to the Howard Street development of three new buildings which are within 'work in progress' at the year end.

Trade and other receivables are £7.5 million lower than last year, with a reduction in trade debtors of £9.3 million reflecting a reduction in total debt to the University, offset in part by a £1.0 million increase in accrued income.

Current asset investments, which represent cash investments with a maturity of more than three months at acquisition, are £85.0 million lower than at 31 July 2023, offset by a higher level of cash and cash equivalents which are up £16.2 million. Overall 'cash' is £132.8 million which is £68.8 million lower, primarily due to the investment in the campus and the progress in the development on Howard Street.

Creditors falling due within one year are up £2.4 million on last year, with increases in Trade Payables (£7.6 million) and accruals (£5.8 million) being offset by a reduction in deferred income (£10.7 million). The increase in accruals is due to the inclusion of £9.8 million relating to VS payments due to be paid in early 2025. The reduction in deferred income includes £3.7 million relating to deferred student income reflecting the lower overseas students who enrolled in January 2024 and a further £4.5 million relating to overseas students deposits with lower overseas students expected to enrol in 2024 as a result of government changes to student visas.

Creditors falling due after more than one year are £3.5 million lower, reflecting loan repayments made during the year.

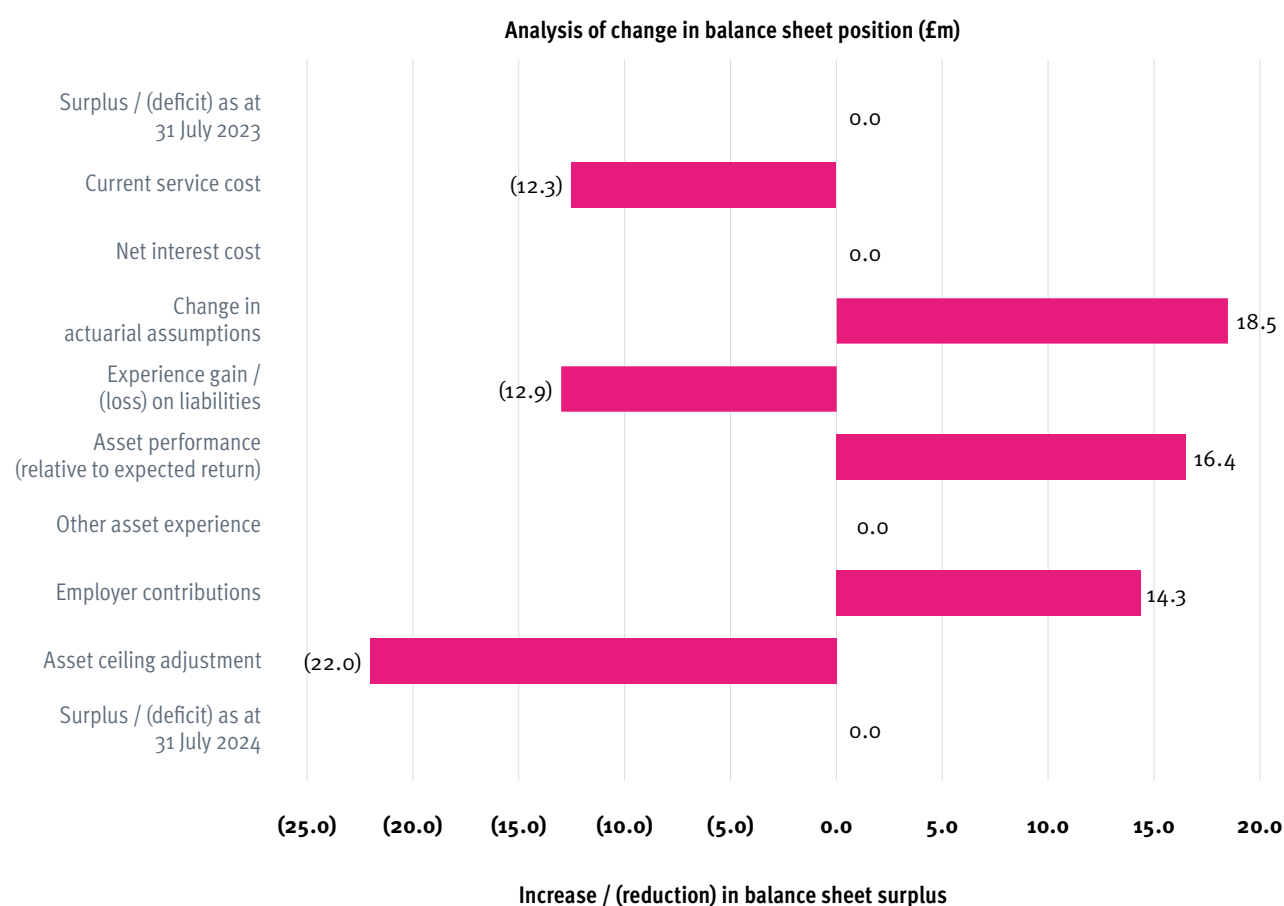
There is a reduction in the value of other provisions, excluding the pension provisions, of £0.9 million compared to 2023. This reduction arises from £0.9 million of provisions created at 31 July 2023 being utilised during the year, £0.4 million against the Teachers' pension scheme provision and £0.4 million against the demolition provision relating to the cost of demolishing two temporary buildings.

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

The USS provision at 31 July 2023 was £4.9 million, which reflected the deficit recovery plan that the University signed up to following the actuarial funding valuation as at 31 March 2020. The 31 March 2023 actuarial funding valuation of this scheme was completed in December 2023 and a funding surplus was disclosed of £7.4 billion, removing the need for any past service deficit recovery contributions to be paid by USS participating employers. Changes to contribution rates were implemented from 1 January 2024 and from that date the University was no longer required to make the deficit recovery contributions. The remaining liability of £4.9 million was released to the Income and expenditure account. 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 (SOCl).

The LGPS provision reflects 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 2024 the scheme was valued as being in surplus and the University's share of that surplus was £80.4 million (2023 £55.6 million). The movement reflects the current service cost for the period of £12.3 million, the past service costs of £2.2 million, less employer contributions of £14.3 million, plus a net interest credit of £0.1 million, with an actuarial gain of £22.1 million. The improved position at 31 July 2024 has emerged as a result of a combination of a fall in inflation expectations and actual asset performance being better than expected, albeit partially offset by an experience loss in recognition of the Pension Increase Order 2024.

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. This is consistent with the approach adopted last year and has resulted in an increase in the asset ceiling adjustment of £22.0 and an overall net interest cost of 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 (SOCl). 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 2023/24

The higher education sector is facing unprecedented financial challenges as it seeks to balance increasing cost, uncertainty over future tuition fee levels and the need to become more efficient in day-to-day operations.

The University recognises that it needs to become more financially efficient. A significant change programme to achieve this objective has been approved by the Board of Governors and the University had provided for significant one-off costs in the budget for 2024/5 and cash flow projections over the next few years. These one-off costs will negatively impact the university's financial performance for the next few years including causing the university to breach existing banking covenants as one-off costs reduce in-year cash generation and overall cash balances. The university has successfully agreed variations to its banking covenants for the 2024/5 year-end to allow the programme to proceed.

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 2026 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. These also include use of the existing revolving credit facility (RCF) to manage the peaks and troughs of monthly cashflow.
- **compliance with covenants** under the loan facilities. The University has successfully agreed temporary changes to its loan covenants as part of its plan to fund significant organisational changes over the next two years. However, it has not been possible to secure covenant changes for the full period to 31 July 2026 in all cases. This means that further covenant variations will be necessary before 31 July 2026.
- **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 2024/25 and 2025/6 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.

2024/25 budget and plan for 2025/26 and beyond

The approved budget for 2024/25 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 2024/25, which shows a £8.3m favourable variance against the budgeted deficit of £31.8m. This equates to £6.5m headroom against the weakest amended covenant. There are also strong indications that the intake of international students in January 2025 will exceed budget.

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. The covenant headroom for 2024/25 is reasonable, however, a series of financial improvement measures have been identified that, if required, could add a further £5.4m to headroom in year. These measures include delaying revenue investment and reducing non-essential spend in the short term while the wider work to secure the University's financial sustainability is delivered.

Over the last two years, the University has demonstrated that it can successfully deliver in-year improvements to forecast outturn, with covenant headroom increasing by £6m between the second quarter of 2022/23 and year end outturn and by £5m between the first quarter of 2023/24 and the year-end out-turn.

The combination of the positive quarter one 2024/25 financials and the additional mitigating actions that have been identified are sufficient to ensure that the University can meet all the amended covenants for 2024/25 with a level of headroom that management believe is sufficient to mitigate risk.

The University's planning assumptions for 2025/26 are for a small increase in income from 2024/25 levels. Management believe that these assumptions are realistic, but the increasing competition within the sector, and the fact that the university can only seek to influence its income and cannot control it, means that there is an element of risk in those assumptions. A modest drop in income for 2025/6 would cause the university to have to take corrective action to reduce expenditure to ensure financial stability.

The completion of the university's Howard Street development and associated capital expenditure means that the university's cash balances will be lower in the near future than the university has experienced for some years. Budgeted cash balances for 31 July 2025 are £63.1m (equivalent to 74 days expenditure) and £56.1m by 31 July 2026 (equivalent to 65 days expenditure). However, the timing of Student Loan Company payments, which are paid in three instalments of 25% / 25% and 50% across the year, means that month-to-month cash balances can vary materially, with the lowest monthly cash balance in this period forecast to be just over £30m in April 2026 (equivalent to 36 days expenditure).

The uncertainties inherent in delivering the significant change programme, the need to ensure the extension of a revolving credit facility beyond December 2025 and need to renegotiate some banking covenants ahead of 31 July 2026 combine to indicate that there is a material uncertainty in the university's forecasts for the going concern period.

These accounts are prepared on a going concern basis, on the assumption that the functions of the university will continue for the foreseeable future, while recognising that there is a material uncertainty related to events or conditions that may cast significant doubt on the entity's ability to continue as a going concern.

The Board of Governors consider that the University can comply with all the amended financial covenants for 2024/25 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.

Charitable status and public benefit

Sheffield Hallam University 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). Our 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 our 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.

Sheffield Hallam’s leadership of the Civic University Network continues to grow, with the establishment and progress of the **National Civic Impact Accelerator (NCIA) programme**, a three-year Research England funded initiative to deepen the civic impact of universities in their places. The NCIA is filling evidence gaps on how universities can work in a place-responsive way and working intensively with 14 university partnerships across the country to pilot new civic approaches, deepen impact, and gain insights from their innovative practice. These new insights and our evidence base will give all universities in the country the tools and intelligence they need to deepen their own civic missions.

In June, we convened the first ever in-person conference for the civic university movement in the UK, building a national community of practice for civic professionals, academics and their local partners. **CiviCon24** brought together over 150 changemakers to explore how the Higher Education sector can best serve the needs of local communities.

Widening participation

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.

We have demonstrated our strategic commitment by signing up to the **Care Leavers Covenant** and the **Armed Forces Covenant**. We have also been awarded the quality mark from the National Network for the Education of Care Leavers (NNECL).

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 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.



Supporting applicants on their journey to Sheffield Hallam

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 and beyond with new regional support teams in the West Midlands area.

Our programme of outreach activity has grown significantly this year and includes:

- 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 mentoring scheme for applicants from minoritised groups

Our **SHU Progress**, **Access Hallam** and **Black British Entrants Programmes** provide additional support in the application year, such as visits to Sheffield Hallam, a mentor, and tailored resources. For pupils facing additional challenges* we offer a personal contact throughout the application process, interview preparation sessions and special consideration during the admissions process.

We also deliver our **Open Days** and key student recruitment activity with accessibility and inclusivity as a central principle.

*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 the SHU Progress support framework to any applicant who identifies as Black British while we continue to 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 2023/24 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, which we publish on our website, 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 by the Director for Fair Access and Participation in September 2019 with no conditions of registration. It includes targets to address the biggest disparities in access, continuation, attainment, and progression to employment. We submitted our new plan for 2025/26 onwards in August 2024, and are awaiting approval from the Office for Students later in the Autumn.

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 2023/24, we invested almost £4.9 million through financial support including:

- The **Student Success Scholarship** to support students from disadvantaged and underrepresented groups, which includes an enhanced support package and a financial award of up to £2,100. More than 4,100 awards were made in 2023/24 with over £3.8 million awarded overall.
- The **Hallam Hardship Fund** which is focused on alleviating immediate hardship caused by unexpected life events. Awards are typically £600. In 2023/24, more than 370 awards were made with more than £170,000 awarded overall.

- The **Care Leavers Bursary** package guarantees £3,600 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 2023/24 we supported 58 care leavers.
- Our **Performance Athlete Support Programme** has grown; in 2023/24 we provided more than £30,000 of support to our performance athletes, enabling them to maintain the balance between study, work and competition.
- The **Access Fund** is designed to support Care Leavers, Estranged Students and Student Carers. More than £58,000 of discretionary support was provided in 2023/24. This included enhanced support to final year students with no family support to help them transition out of university.
- We continued to provide support to talented scholars seeking sanctuary through our **Sanctuary Scholarships**. In 2023/24 over £73k was provided to help students with their tuition fees and living costs.
- Our **Placement Bursary** has helped 217 students during their sandwich placement year, with more than £170,000 provided in total.
- To aid students with **short-term cash flow issues** the University is pleased to provide Tesco Vouchers; these vouchers are accessible on the same day and allow us to provide immediate welfare support in urgent cases. In 2023/24 more than 750 vouchers were distributed at a cost of over £25,000.
- Finally, to aid all students with the **cost-of-living crisis** we have invested almost £345,000 in support for students who were either in their final year or who were struggling with purchasing essentials, with over 2,400 awards made.



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. Our impact and engagement activity includes 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.

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 how the University's research is engaging the public and transforming lives are reflected in the Highlights section.

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 aim to make our research as transparent and widely available as possible. As set out in our **Open Research Position Statement**, we are committed to the principles of open research. Open research promotes research integrity through transparency, drives innovation, and by involving the public in and with research strengthens trust in and support for research.

Our sector-leading **Open Access policy** allows authors to open up access to their papers in journals, conference proceedings and edited collections so they can be shared from the day of publication through unrestricted online access. The policy implements the novel mechanism of 'rights retention': our authors retain the right to distribute a version of their own work which they would normally give away to their publisher. We were the first in England to adopt such a policy. Our **research data management policy** encourages authors to archive and share their primary research data, so that others can see based on what evidence our authors reached their conclusions. Our policy on the **responsible use of metrics in research assessment** ensures that we assess our research fairly.

We continue to foster a research culture of openness and transparency. Our **Open Research Champions network** brings researchers and professional services colleagues together to discuss and promote open practices, and together with the University of Sheffield, we organise a yearly Sheffield **OpenFest** that celebrates open research.

In July 2024, the University joined the **United Kingdom Reproducibility Network (UKRN)**. As part of its membership, we are engaged in a project to recognise and reward open research practices in recruitment, promotions and appraisals.



Fundraising and Philanthropy

The Hallam Fund ran two new appeals this academic year, including the successful roll-out of our new crowdfunding website through a Winter Appeal to provide emergency funding to support estranged and care experienced students. A total of £18,511 was raised. Staff also ran the Sheffield Half Marathon, raising additional funds for Sanctuary students.

Additional one-off income was also received this year from the conclusion of the **SHU Card decommissioning project**. A first instalment of £149,400 had been donated and disbursed in the previous academic year (2022/23). Following the ultimate deadline for refunds from SHU card balances, a final instalment of £423,542 was transferred to the Hallam Fund in August 2023, to be spent in line with the university's charitable objectives.

The total funding available for disbursement in the 2023/24 academic year was £523,078, which includes £89,225 from regular donations, fundraising appeals and leadership donations.

The **Hallam Fund** awards undergraduate scholarships to individual students from a widening participation background for a period of three years at a value of £3,000 per year. The Hallam Fund Disbursements Panel agreed to support three new scholarships to commence in 2023/24, bringing the total spend on **Hallam Fund Scholarships** this year to £27,000 on nine scholarships. The remaining funds available were opened up to wider project applications, with **65 received across three funding rounds, including 37 for the Early Career Researchers (ECR) Fund**, which was established to enable a more significant proportion of the available funds to be spent on research projects. The Hallam Fund Disbursements Panel agreed to provide support to 29 projects in total for this academic year.

In addition to the Hallam Fund, the University continues ongoing **philanthropic partnerships** with Santander Universities, AESSEAL Engineering, the Barratt Foundation, Europa Capital, the Heller Family and the Cantor Trust. In addition, new funding was also secured from major commitments from alumni including Chris Coles, Andrew Long and Ben Sykes – all contributing to support for student hardship, global mobility, and career development opportunities for students.

Student fundraising and volunteering

Co-ordinated by the Sheffield Hallam Students' Union, volunteering roles are a way for students to gain rewarding experience and to support the local community, and can help them decide on a career path. During 2023/24, 1,535 Sheffield Hallam students volunteered for an average of four hours per month - totalling around 74,000 hours giving back to the community.

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 2023 to 31 March 2024.
- 72 employees (65.91 FTE) were trade union officials in the reporting period.
- The total cost of trade union facility time was £229,965.85 or 0.10% of the University's total pay bill.



Corporate governance

Constitution and Charitable Status

Sheffield Hallam (the University) 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). The Act grants the power to provide higher and further education, as well as to carry out research and publish the results.

The University is also an exempt charity, under the Charities Act 1993 (later consolidated in the Charities Act 2011), and by virtue of its incorporation under the 1988 Act, 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 (the Board) are the charity trustees and are responsible for ensuring compliance with charity legislation. In exercising its powers and duties, the Board 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 by the Committee on Standards in Public Life (Nolan Principles) and in 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 effectiveness will take place during 2024/25. The periodic external reviews are complemented by a regular internal Board survey and Committee effectiveness reviews with overall themes and recommendations considered by the Governance and Nominations Committee.

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 the University's website and includes confirmed minutes of the Board's meetings, its sub-Committees, and the Academic Board.

Internal control

The Board 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 the University to identify and address vulnerabilities in relation to its control environment and assessing the University's performance in the delivery of value for money.

The internal auditors 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 senior 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. The University's risk management process encompasses all types of risk including corporate, operational, compliance and regulatory risk. The Board 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 2024 and up to the date of approval of the Financial Statements; that it is regularly reviewed by the Board; and that it accords with OfS guidance.

The following mechanisms are in place to support the University'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 receives 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 receives reports from the chair of the Audit and Risk Committee concerning internal control and risk management. The Board 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 the University including:

- A risk management framework which defines the University's risk lifecycle process and the roles and responsibilities of key actors in risk governance.
- A risk appetite statement.
- 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 the Board.

Risk management processes have operated successfully throughout the year.

Following changes in University leadership, new arrangements for executive governance have been finalised 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 provide onwards information, recommendations and assurance to the Academic Assurance Committee and the Board on the discharge of its responsibilities.

The University 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 the University understands and monitors the adequacy and effectiveness of arrangements for the oversight of compliance with the OfS ongoing conditions of registration. The assurance framework has been reviewed in line with the revised risk management framework.

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 2024 and up to the date of approval of the Financial Statements.

The University 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 University' which is presented as part of this Annual Report.

Structure of corporate governance

Membership of the Board of Governors

The University's Board of Governors (the Board) 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 are separate from the role of the Vice-Chancellor.

Members during 2023/24 were:

Independent members

Meg Munn

(Interim Chair of the Board to 2 April 2024.
Retired from the Board on 2 April 2024)

Tim Smith CBE

(Member of the Board and Chair Designate from
1 January 2024. Chair of the Board from 3 April 2024)

Giles Searby

(Deputy Chair of the Board)

Joanna Allen

Professor Jeff Bale

(to 29 November 2023)

Gabrielle Berring

John Cowling

Angela Foulkes CBE

Ian Hall

Sameer Kothari

Dr Matt Lilley

Professor Julietta Patnick CBE

Professor Keith Ridgway

Jonathan Slater

(to 16 January 2024)

Penny Thompson CBE

Staff

Dr Claire Ketnor

Dr Jia Liu

Matthew Parkin

Student nominees

Abiola Fasipe

(student nominee July 2023 – June 2024)

Emmanuel Takyi

(student nominee July 2023 – June 2024)

Sarah Lahreche

(student nominee July 2024 – June 2025)

Martha Mitchell

(student nominee July 2024 – June 2025)

Vice-Chancellor

Professor Sir Chris Husbands

(to 31 December 2023)

Professor Liz Mossop

(from 1 January 2024)

Professor Malcolm Todd and Amy Grey were appointed to the Board from 1 August 2024 and were members of the Board on the date on which the Annual Report and Financial Statements were approved.

The matters specifically referred to the Board 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 Regulatory Framework, including its terms and conditions of funding for higher education institutions, the Board has responsibilities for the ongoing strategic direction of the University, 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. A bespoke induction programme was provided to the new externally recruited Chair of the Board in Spring 2024 in preparation for the formal transition of responsibilities. All members of the Board are offered opportunities to develop their knowledge of the University and aspects of their responsibilities as a governor, including through regular briefings and an annual update and development day. Briefings have covered a variety of topics including Access and Participation; Reputation, Brand and Prospective Student Marketing; and the Student Experience. Student Governors have attended Advance HE induction events.

The Board 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 act under delegated powers and/or in advisory capacity. They comprise mainly independent members of the Board, one of whom is designated to chair meetings. Minutes of Committee meetings, alongside overview reports, are submitted to the Board.

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.

The terms of reference of the Board and its sub-committees, together with the open minutes, are published on the University's website under the Governance section.

Remuneration Statement

Introduction

Purpose of the Remuneration Committee

The Remuneration Committee is responsible for providing assurance to the Board of Governors (the Board) 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 (HE) Code of Governance, the CUC HE 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-Chancellor(s)
- Chief Finance Officer
- Chief Operating 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, membership of the Committee over the year 2023/24 was as follows:

- Penny Thompson, Independent Board Member (Chair of the Committee from 1 February 2021);
- Jo Allen, Chair of the Audit and Risk Committee;
- John Cowling, Chair of the Employment and Finance Committee;
- Meg Munn, Chair of the Board (to 3 April 2024);
- Giles Searby, Deputy Chair of the Board;
- Tim Smith, Chair of the Board (with effect from 4 April 2024); and
- Andrea Walters, Co-opted Independent Member.

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

As recommended by the Code, the Vice-Chancellor is not a member of the Committee and attended meetings on an exceptional basis, for specific items only, unrelated to their own remuneration. At its June 2024 meeting, the Committee agreed that the Vice-Chancellor would regularly attend meetings going forward to advise on Executive and senior staff matters. In line with the Code, the Vice-Chancellor would not attend for any items relating to their remuneration. The University Secretary and the Chief People Officer, Pro Vice-Chancellor (Diversity and Inclusion)/Director of Human Resources and Organisational Development continued to regularly attend Committee meetings (except for matters relating to their own remuneration).

Meeting frequency, attendance and availability of minutes

During the 2023/24 academic year, the Committee met on the following occasions:

- 20 September 2023
- 31 January 2024
- 25 June 2024

Attendance for the year was 83% (2022/23: 77%) 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 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 increasingly challenging financial context.

People are fundamental to 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) All variable reward (remuneration increases) should be linked to University and individual performance and awarded to recognise performance consistent with institutional objectives.

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 (UEB and Board Appointments)

Any new roles or significant changes to existing roles are externally evaluated 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 Board Appointment/UEB roles have been re-evaluated every three years using external consultants, and the outcomes considered by the Remuneration Committee (most recently in January 2024). The value of all UEB and Senior Staff Grade (SSG) roles is 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

Over the 2023/24 period, the Pay Review Process for senior staff considered 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 Board appointments and other UEB members, following the Finance and Employment Committee's (FEC) decision in relation to SSG employees.
- **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). 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.
- **Non-Consolidated Awards** – non-consolidated performance related payments, to focus on rewarding top performers who exceed expectations.

For 2023/24, the non-consolidated award element was suspended, as in the previous four years. The Committee recommended the permanent removal of this element from the UEB/SSG pay processes with effect from 2024/25 which was approved by FEC on 6 March 2024.

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;
- 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, 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 June meeting, together with objectives for the 2024/25 academic year.

Other Board Appointments

Objectives for Board Appointments are set by the Vice Chancellor/Deputy Vice-Chancellor(s) 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-Chancellor(s), who make recommendations to the Remuneration Committee in relation to any adjustments to base salaries and/or additional allowances.

UEB Members (outside of Board appointments)

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

Benchmarking performance against comparator institutions and roles

The benchmarking of the salary for the Vice-Chancellor was undertaken on appointment and will be reviewed on a regular basis. The choice of comparator organisations will reflect the University's strategic objectives and the UCEA Senior Staff Remuneration Survey is one of the benchmarking data tools for the University's senior leadership structure in addition to the triennial external benchmarking exercise.

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 is provided below. The pay multiple ratios for 2023/24 are based on the full-time equivalent salary for the current Vice-Chancellor assuming they had been in the post for the whole financial year.

Pay multiple based on median FTE salary	2024	2023	2022	2021	2020 ¹
Basic salary	7.30	7.04	7.10	7.10	7.10
Total remuneration (including pension contributions)	8.88	7.32	7.39	7.30	7.38 ²

¹ Based on OfS Accounts Direction.

² In line with the definition of total remuneration in the OfS guidance

Vice-Chancellor Remuneration: 2019/20 – 2023/24 Comparison

Remuneration Details	2023/24	2022/23	2021/22	2020/21	2019/20
Basic salary	£260,000 ¹	£253,417	£243,600	£240,000	£240,000
Payment of dividends	-	-	-	-	-
Performance related pay and other bonuses	-	£500 ²	£250 ²	-	-
Pension contributions (or payments in lieu of)	£65,901 ¹	£17,774	£17,052	£16,800	£16,800
Salary sacrifice arrangements	-	-	-	-	-
Compensation for loss of office	-	-	-	-	-
Other taxable benefits	-	-	-	-	-
Non-taxable benefits	-	-	-	-	-
Other remuneration	£15,000 ³	-	-	-	-

¹The current Vice-Chancellor received £151,667 basic salary and £40,248 in pension contributions from 1 January 2024 to 31 July 2024. The 2024 figures above have been extrapolated over the full 12-month period for comparative purposes.

²In 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).

³The current Vice-Chancellor received a one-off disturbance allowance of £15,000 on joining the University to support relocation. In recognition of this, the current Vice-Chancellor made charitable donations of £2,000 to the Hallam Fund during the current financial year (through Give As You Earn) and will continue to pay £400 per month over the next year.

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 in challenging circumstances since joining the University in January 2024. The University's performance has generally improved, in line with strategic expectations, and in particular:

- the improved performance in the 2024 NSS with an upward trend in all areas;
- The climb from 83rd to 75th place in The Guardian's University Guide for 2025;
- the excellent institutional TEF result;
- the outstanding rating by Ofsted across all initial teacher education courses;
- the outcome of the 2021 REF results; 78% of the University's impact is world leading or internationally excellent (4*+3*) and continuing increases in Research and Innovation awarded income meaning the University is on track to hit its highest annual total;
- a small decline in the percentage of students in highly skilled employment or further study according to the latest Graduate Outcomes Survey, however, given the general decline across the sector, the change in the University's position compared to its competitors is minimal,
- a steady recruitment performance in a problematic external context, particularly in relation to international student recruitment, including positive performances in relation to Higher Degree Apprenticeships and Home Postgraduate Research students;
- the significant financial challenges and measures taken to address these including Voluntary Severance Schemes and academic restructure;
- 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 policymakers; 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:

- *Apprenticeship Award at the Educate North Awards 2024*
- *University of the Year in the Educate North Awards 2022*
- *Higher Education Institution of the Year at the National Education Opportunities*
- *Outstanding Entrepreneurial University at the Times Higher Education Awards 2021*
- *University of the Year in the National Social Mobility Awards 2021*

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 was further revised in June 2024 to narrow the scope of the policy to UEB members only and to define the exceptional circumstances where income could be retained by senior staff (with the exception of the Vice-Chancellor and Deputy Vice-Chancellor posts where income is always 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 2023/24

The impact of the increasingly challenging financial context in the HE sector on senior staff remuneration decisions.

Significant changes

The Vice-Chancellor joined the University on 1 January 2024.

A new University Secretary and Clerk to the Board was appointed with effect from 1 May 2024.

The Chief People Officer and Deputy Vice-Chancellor (Strategic Development) roles were permanently removed from the UEB structure, following the departure of the postholders at the end of July 2024. Further reshaping of the University's senior leadership team will be undertaken during the 2024/25 academic year.

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, 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
- 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 27 January 2025.



Tim Smith CBE,
Chair of the Board of Governors



Professor Liz Mossop,
Vice-Chancellor

Independent auditor's report to the Board of Governors 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 2024, which comprise the Consolidated and University Statement of Comprehensive Income, the Consolidated and University Statements of Changes in Reserves, the Consolidated and University Statement of Financial Position, 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 2024 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; and
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the 'Auditor's responsibilities for the audit of the financial statements' section of our report. We 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.

Material uncertainty related to going concern

We draw attention to note 1 in the financial statements, which indicates that there are uncertainties inherent in delivering a significant ongoing change programme, a need to ensure the extension of a revolving credit facility beyond December 2025 and a need to renegotiate some banking covenants ahead of 31 July 2026. As stated in note 1, these events or conditions, along with the other matters as set forth in note 1, indicate that a material uncertainty exists that may cast significant doubt on the group's and parent University's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

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

Our responsibilities

We are responsible for concluding on the appropriateness of the Board of Governors' 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 or the parent University to cease to continue as a going concern.

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

Other information

The other information comprises the information included in the annual report and financial statements other than the financial statements and our auditor's report thereon. The Board of Governors is responsible for the other information contained within the annual report and financial statements. 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 OfS Terms and Conditions of funding for higher education institutions (issued July 2023), the funding agreement with UK Research and Innovation (including Research England), the Education and Skills Funding Agency and the Department for Education, and any other terms and conditions attached to them; 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 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 has been materially misstated.

Responsibilities of the Board of Governors

As explained more fully in the Statement of responsibilities of the Board of Governors set out on page 39, the Board of Governors is responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Board of Governors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Board of Governors are responsible for assessing the group'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 Board of Governors either intends to liquidate the group or the parent University or to cease operations, or has no realistic alternative but to do so.

Auditor's responsibilities 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 parent 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 and Research Act 2017, the OfS Framework and the OfS Accounts Direction.
- We understood how the group and parent 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 those 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 parent University's operations, including the nature of its revenue sources, expected financial statements disclosures and business risks that may result in a material misstatement; and
 - The group and parent University's control environment including the adequacy of procedures for authorisation of transactions.
- We assessed the susceptibility of the group and parent University's financial statements to material misstatement, including how fraud might occur. Audit procedures performed by the engagement team included:
 - Evaluating the design and implementation of 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 an 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. This description forms part of our auditor's report.

Use of our report

This report is made solely to the University's Board of Governors, as a body, in accordance with paragraph 3.1 of the University's articles of government. Our audit work has been undertaken so that we might state to the University's Board of Governors those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the University and the University's Board of Governors as a body, for our audit work, for this report, or for the opinions we have formed.



Katy L Doherty
Senior Statutory Auditor

for and behalf of Grant Thornton UK LLP
Statutory Auditor, Chartered Accountants
Leeds

Financial Statements 2023-2024

Consolidated and University Statement of Comprehensive Income for the year ended 31 July 2024

	Note	Consolidated		University	
		2024 £000	2023 £000	2024 £000	2023 £000
Income					
Tuition fees and education contracts	3	253,939	261,702	253,939	261,669
Funding body grants	4	32,650	32,253	32,650	32,253
Research grants and contracts	5	18,492	14,051	16,959	12,848
Other income	7	14,262	15,146	10,938	11,987
Investment income	8	7,611	6,015	7,611	6,015
Donations and endowments	9	801	505	801	505
Total income		327,755	329,672	322,898	325,277
(excludes share of joint venture £9m, 2022: £10.4m)					
Expenditure					
Staff costs	10	(208,421)	(208,774)	(205,246)	(205,929)
Restructure Costs	10	(17,468)	-	(17,468)	-
Other operating expenses	11	(89,465)	(97,058)	(87,665)	(95,391)
Depreciation and impairment	14/15	(21,545)	(21,788)	(21,545)	(21,787)
Interest and other finance costs	12	(7,084)	(7,309)	(7,084)	(7,309)
Total expenditure	13	(343,983)	(334,929)	(339,008)	(330,416)
Deficit before other gains, losses and share of operating surplus of joint ventures and associate companies					
		(16,228)	(5,257)	(16,110)	(5,139)
Surplus on disposal of fixed assets		9	462	9	462
Share of operating (deficit) / surplus in joint ventures and associates	17	(78)	46	-	-
Deficit before tax		(16,297)	(4,749)	(16,101)	(4,677)
Taxation		-	-	-	-
Deficit for the year		(16,297)	(4,749)	(16,101)	(4,677)
Other comprehensive income					
Restriction of pension surplus	27	(21,952)	(55,616)	(21,952)	(55,616)
Actuarial gain in respect of pension scheme	27	22,098	101,284	22,098	101,284
Total comprehensive income for the year		(16,151)	40,919	(15,955)	40,991
Represented by:					
Endowment comprehensive expenditure for the year	28	-	(1)	-	(1)
Unrestricted comprehensive income for the year		(16,151)	40,920	(15,955)	40,992
		(16,151)	40,919	(15,955)	40,991

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 2024

	Income and expenditure reserve			Total £000
	Endowment reserve £000	Restricted reserve £000	Unrestricted reserve £000	
Balance as at 1 August 2022	19	13	280,898	280,930
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) / income for the year	(1)	-	40,920	40,919
Balance as at 1 August 2023	18	13	321,818	321,849
Deficit for the year	-	-	(16,297)	(16,297)
Other comprehensive income	-	-	146	146
Release of endowment funds spent in year	-	-	-	-
Total comprehensive (expenditure) / income for the year	-	-	16,151	16,151
Balance as at 31 July 2024	18	13	305,667	305,698

University Statement of Changes in Reserves for the year ended 31 July 2024

	Income and expenditure reserve			Total £000
	Endowment reserve £000	Restricted reserve £000	Unrestricted reserve £000	
Balance as at 1 August 2022	19	13	281,653	281,685
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) / income for the year	(1)	-	40,992	40,991
Balance as at 1 August 2023	18	13	322,645	322,676
Deficit for the year	-	-	(16,101)	(16,101)
Other comprehensive income	-	-	146	146
Release of endowment funds spent in year	-	-	-	-
Total comprehensive (expenditure) / income for the year	-	-	(15,955)	(15,955)
Balance as at 31 July 2024	18	13	306,690	306,721

Consolidated and University Statement of Financial Position for the year ended 31 July 2024

	Note	Consolidated		University	
		2024 £000	2023 £000	2024 £000	2023 £000
Non-current assets					
Fixed assets	14,15	407,006	353,645	407,006	353,645
Investments	16	42	42	45	45
Investment in associate companies	17	3	81	-	-
		<u>407,051</u>	<u>353,768</u>	<u>407,051</u>	<u>353,690</u>
Current assets					
Stock	18	73	93	73	80
Trade and other receivables	19	29,455	36,995	30,080	37,386
Investments	20	39,000	124,000	39,000	124,000
Cash and cash equivalents		93,764	77,608	93,679	77,555
		<u>162,292</u>	<u>238,696</u>	<u>162,832</u>	<u>239,021</u>
Creditors: amounts falling due within one year	21	<u>(80,550)</u>	<u>(78,154)</u>	<u>(80,067)</u>	<u>(77,574)</u>
Net current assets		<u>81,742</u>	<u>160,542</u>	<u>82,765</u>	<u>161,447</u>
Total assets less current liabilities		<u>488,793</u>	<u>514,310</u>	<u>489,816</u>	<u>515,137</u>
Creditors: amounts falling due after more than one year	22	<u>(180,329)</u>	<u>(183,861)</u>	<u>(180,329)</u>	<u>(183,861)</u>
Provisions					
Pension provisions	25	-	(4,944)	-	(4,944)
Other provisions	26	<u>(2,766)</u>	<u>(3,656)</u>	<u>(2,766)</u>	<u>(3,656)</u>
Total net assets		<u>305,698</u>	<u>321,849</u>	<u>306,721</u>	<u>322,676</u>
Restricted reserves					
Income and expenditure reserve - endowment reserve	28	18	18	18	18
Income and expenditure reserve - restricted	29	13	13	13	13
Unrestricted reserves					
Income and expenditure reserve – unrestricted		<u>305,667</u>	<u>321,818</u>	<u>306,690</u>	<u>322,645</u>
Total reserves		<u>305,698</u>	<u>321,849</u>	<u>306,721</u>	<u>322,676</u>

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

The Financial Statements on pages 43 to 92 were approved on behalf of the Board of Governors on 27 January 2025.



Tim Smith CBE
Chair of the Board of Governors



Professor Liz Mossop
Vice-Chancellor

Consolidated Statement of Cash Flows for the year ended 31 July 2024

	Note	2024 £000	2023 £000
Cash flow from operating activities			
Deficit for the year		(16,297)	(4,749)
Adjustment for non-cash items			
Depreciation and impairment	14	21,545	21,788
Decrease in stock	18	20	45
Decrease/(increase) in trade and other receivables		6,698	(1,048)
Increase in creditors		172	2,420
(Decrease)/increase in pension provision	25	(4,798)	4,144
(Decrease) in other provisions	26	(890)	(5,994)
Share of operating deficit /(surplus) in joint venture		78	(46)
Adjustment for investing or financing activities			
Investment income receivable	8	(7,599)	(6,002)
Interest receivable	8	(12)	(13)
Endowments receivable	28	-	-
Endowments payable	28	1	1
Interest payable	12	7,007	5,626
Gain on the disposal of fixed assets		(9)	(462)
Capital grant income	22	(3,157)	(3,258)
Net cash inflow from operating activities		2,759	12,452
Cash flows from investing activities			
Proceeds from sales of fixed assets		23	579
Capital grants receipts	22	2,732	961
Investment income received		8,437	5,040
Interest received		15	13
Payment of loan to associate company	19	-	54
Payments made to acquire fixed assets		(72,662)	(53,287)
Maturing deposits		85,000	36,000
		23,545	(10,640)
Cash flows from financing activities			
New unsecured loans		-	20,000
Interest paid		(6,957)	(5,428)
Repayments of amounts borrowed		(3,190)	(2,575)
Endowment payments		(1)	(1)
		(10,148)	11,996
Increase in cash and cash equivalents in the year		16,156	13,808
Cash and cash equivalents at beginning of the year		77,608	63,800
Cash and cash equivalents at end of the year		93,764	77,608

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 2023/24

The higher education sector is facing unprecedented financial challenges as it seeks to balance increasing cost, uncertainty over future tuition fee levels and the need to become more efficient in day-to-day operations.

The University recognises that it needs to become more financially efficient. A significant change programme to achieve this objective has been approved by the Board of Governors and the University had provided for significant one-off costs in the budget for 2024/5 and cash flow projections over the next few years. These one-off costs will negatively impact the university's financial performance for the next few years including causing the university to breach existing banking covenants as one-off costs reduce in-year cash generation and overall cash balances. The university has successfully agreed variations to its banking covenants for the 2024/5 year-end to allow the programme to proceed.

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 2026 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. These also include use of the existing revolving credit facility (RCF) to manage the peaks and troughs of monthly cashflow.
- **compliance with covenants** under the loan facilities. The University has successfully agreed temporary changes to its loan covenants as part of its plan to fund significant organisational changes over the next two years. However, it has not been possible to secure covenant changes for the full period to 31 July 2026 in all cases. This means that further covenant variations will be necessary before 31 July 2026.
- **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 2024/25 and 2025/6 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.

2024/25 budget and plan for 2025/26 and beyond

The approved budget for 2024/25 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 2024/25, which shows a £8.3m favourable variance against the budgeted deficit of £31.8m. This equates to £6.5m headroom against the weakest amended covenant. There are also strong indications that the intake of international students in January 2025 will exceed budget.

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. The covenant headroom for 2024/25 is reasonable, however, a series of financial improvement measures have been identified that, if required, could add a further £5.4m to headroom in year. These measures include delaying revenue investment and reducing non-essential spend in the short term while the wider work to secure the University's financial sustainability is delivered.

Over the last two years, the University has demonstrated that it can successfully deliver in-year improvements to forecast outturn, with covenant headroom increasing by £6m between the second quarter of 2022/23 and year end outturn and by £5m between the first quarter of 2023/24 and the year-end out-turn.

The combination of the positive quarter one 2024/25 financials and the additional mitigating actions that have been identified are sufficient to ensure that the University can meet all the amended covenants for 2024/25 with a level of headroom that management believe is sufficient to mitigate risk.

The University's planning assumptions for 2025/26 are for a small increase in income from 2024/25 levels. Management believe that these assumptions are realistic, but the increasing competition within the sector, and the fact that the university can only seek to influence its income and cannot control it, means that there is an element of risk in those assumptions. A modest drop in income for 2025/26 would cause the university to have to take corrective action to reduce expenditure to ensure financial stability.

The completion of the university's Howard Street development and associated capital expenditure means that the university's cash balances will be lower in the near future than the university has experienced for some years. Budgeted cash balances for 31 July 2025 are £63.1m (equivalent to 74 days expenditure) and £56.1m by 31 July 2026 (equivalent to 65 days expenditure). However, the timing of Student Loan Company payments, which are paid in three instalments of 25% / 25% and 50% across the year, means that month-to-month cash balances can vary materially, with the lowest monthly cash balance in this period forecast to be just over £30m in April 2026 (equivalent to 36 days expenditure).

The uncertainties inherent in delivering the significant change programme, the need to ensure the extension of a revolving credit facility beyond December 2025 and need to renegotiate some banking covenants ahead of 31 July 2026 combine to indicate that there is a material uncertainty in the university's forecasts for the going concern period.

These accounts are prepared on a going concern basis, on the assumption that the functions of the university will continue for the foreseeable future, while recognising that there is a material uncertainty related to events or conditions that may cast significant doubt on the entity's ability to continue as a going concern.

The Board of Governors consider that the University can comply with all the amended financial covenants for 2024/25 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.

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 joint ventures and associates for the financial year to 31 July 2024. 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. This includes, for example, income from catering and conferences, consultancy income, rental income and nursery income.

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 and the deficit recovery contributions payable under the scheme's Recovery Plan.

Where a scheme valuation determines that the scheme is in deficit on a technical provisions basis (as was the case following the 2020 valuation), the trustee of the scheme must agree a Recovery Plan that determines how each employer within the scheme will fund an overall deficit. The University recognises a liability for the contributions payable that arise from such an agreement (to the extent that they relate to a deficit) with related expenses being recognised through the income statement. Further disclosures relating to the deficit recovery liability can be found in note 25.

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.

At 31 July 2023, the institution's balance sheet included a liability of £4.9m for future contributions payable under the deficit recovery agreement which was concluded on 30 September 2021, following the 2020 valuation when the scheme was in deficit. No deficit recovery plan was required from the 2023 valuation, because the scheme was in surplus. Changes to contribution rates were implemented from 1 January 2024 and from that date the University was no longer required to make the deficit recovery contributions. The remaining liability of £4.9m was released to the income and expenditure account. Further disclosure relating to the deficit recovery liability can be found 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 2024 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.

SHU Education Services Limited entered into an Agreement for the Lease for a commercial property in London in July 2022; the University is the guarantor for the lease. Management assessment of the lease is that it should be treated as an operating lease, based on the risks and rewards of ownership and the residual value at end of the lease. The agreement is for a fixed term commencing at the earliest in 2026, there have been no material transactions relating to the lease in this financial year.

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 Financial Reporting Standard 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 the 31 July 2024 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 £82.4 million. Management made an adjustment for past service costs of £2million, relating to the VS scheme, amounting to a surplus of £80.4million. 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 2024 should be restricted to £nil.

3. Tuition fees and education contracts

	Consolidated		University	
	2024 £000	2023 £000	2024 £000	2023 £000
Full-time and undergraduate home students	154,290	162,689	154,290	162,689
Full-time and postgraduate home students	13,727	13,428	13,727	13,428
Part-time undergraduate home students	19,808	18,001	19,808	18,001
Part-time postgraduate home students	5,076	5,192	5,076	5,192
International students	55,913	57,047	55,913	57,047
Fees from NHS contracts	4,762	4,954	4,762	4,954
Other fees and support grants	363	391	363	358
	253,939	261,702	253,939	261,669

4. Funding body grants

	Consolidated		University	
	2024 £000	2023 £000	2024 £000	2023 £000
Recurrent grants				
Office for Students	14,785	14,542	14,785	14,542
Research England	7,565	8,076	7,565	8,076
Education and Skills Funding Agency	2,563	2,171	2,563	2,171
Department for Education	104	76	104	76
Deferred capital grants released in year	1,039	1,096	1,039	1,096
Specific grants				
Office for Students	1,678	2,615	1,678	2,615
Research England	2,798	1,515	2,798	1,515
Deferred capital grants released in year	2,118	2,162	2,118	2,162
	32,650	32,253	32,650	32,253

Specific deferred capital grants released in year includes £584,000 (2023: £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	
	2024 £000	2023 £000	2024 £000	2023 £000
Research councils	5,440	4,109	5,440	4,109
UK based charities	3,142	2,408	3,029	2,334
UK central government bodies, local authorities and health authorities	6,270	4,491	5,813	3,993
UK industry, commerce and public corporations	953	744	418	282
EU government bodies	1,153	1,636	1,154	1,545
EU other	183	176	177	166
Overseas-based charities	145	118	145	117
Other overseas	600	353	442	277
Other sources	606	16	341	25
	18,492	14,051	16,959	12,848

6. Grant and Fee income

	Consolidated		University	
	2024 £000	2023 £000	2024 £000	2023 £000
Grant income from the OFS	29,983	29,955	29,983	29,955
Grant income from other bodies	15,201	12,217	14,782	11,791
Fee income for taught awards (exclusive of VAT)	247,776	256,065	247,776	256,064
Fee income for research awards (exclusive of VAT)	11,606	10,086	8,283	7,231
Fee income from non-qualifying courses (exclusive of VAT)	4,489	3,972	4,489	3,939
	309,055	312,295	305,313	308,980

7. Other income

	Consolidated		University	
	2024 £000	2023 £000	2024 £000	2023 £000
Catering and conferences	2,543	2,640	2,188	2,259
Consultancy	2,789	2,292	621	250
Other revenue grants	1,624	2,709	1,357	2,489
Rental income	440	497	440	497
Nursery income	364	369	-	-
Other income	6,502	6,639	6,332	6,492
	14,262	15,146	10,938	11,987

Included within 'Other Income' is £660,498 which was received from the British Council to fund the Sheffield Hallam University Turing Mobility Project 23/24, which is disclosed here in accordance with Grant Funding Arrangement dated July 2023.

8. Investment income

	Consolidated and University	
	2024 £000	2023 £000
Interest on short-term investments	7,599	6,002
Interest on loan	12	13
	7,611	6,015

9. Donations and endowments

	Consolidated		University	
	2024 £000	2023 £000	2024 £000	2023 £000
Unrestricted donations	801	505	801	505
	801	505	801	505

10. Staff Costs

	Consolidated		University	
	2024 £000	2023 £000	2024 £000	2023 £000
Wages and salaries	160,867	155,845	158,243	153,490
Social security costs	17,673	17,199	17,496	17,036
Pension costs (note 27)	29,881	34,517	29,507	34,190
Reorganisation costs	0	1,213	0	1,213
	208,421	208,774	205,246	205,929
Restructure Costs	17,468	0	17,468	0

2023/24 has been a challenging year for the University's finances, as well as UK Higher Education Sector as a whole. To achieve required savings, a wide-ranging review of the services we offer and how we organise them in future has been undertaken, to ensure that the University is able to deliver core services and support the University's strategic priorities.

During the year ending 31 July 2024, the University incurred costs totalling £17.5 million relating to voluntary severance payments in both academic (£7.6 million) and professional services (£9.9 million) departments. The number of staff affected was 160 academic and 295 in professional services.

Average number of staff employed during the year

Consolidated
and University

	2024 Number of FTE	2023 Number of FTE
Academic delivery	1,635	1,682
Service delivery	1,091	1,114
Corporate services	367	381
Estates and technology	390	332
Facilities and support	211	219
	3,694	3,728

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

	2024 Number	2023 Number
£100,000 - £104,999	5	7
£105,000 - £109,999	4	1
£110,000 - £114,999	1	-
£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	-	-
£145,000 - £149,999	1	4
£150,000 - £154,999	3	1
£155,000 - £159,999	-	-
£160,000 - £164,999	-	-
£165,000 - £169,999	-	2
£170,000 - £174,999	2	-
£240,000 - £244,999	-	-
£255,000 - £259,999	-	1
	18	17

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	
	2024 Number	2023 Number
£100,000 - £104,999	6	7
£105,000 - £109,999	6	1
£110,000 - £114,999	1	1
£115,000 - £119,999	1	1
£120,000 - £124,999	-	-
£125,000 - £129,999	-	-
£130,000 - £134,999	-	2
£135,000 - £139,999	2	-
£140,000 - £144,999	-	-
£145,000 - £149,999	1	4
£150,000 - £154,999	3	1
£155,000 - £159,999	1	-
£160,000 - £164,999	-	-
£165,000 - £169,999	-	2
£170,000 - £174,000	2	-
£255,000 - £259,999	-	1
£260,000-£264,999	2	-
	25	20

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 was a change to the University's Vice-Chancellor, the outgoing Vice-Chancellor left on 31 December 2023, the new Vice-Chancellor started on 1 January 2024. Both of their full time equivalent, annual salaries are shown in this table.

During the year there was 1 starter and 6 leavers with annual salaries over £100,000.

Total remuneration of the Vice-Chancellor	Outgoing Vice-Chancellor		Current Vice-Chancellor		Consolidated and University	
	2024 £000	2024 £000	2024 £000	2024 £000	2023 £000	2023 £000
Salary	110	152	262	262	254	254
Other remuneration	3	15	18	18	-	-
Other taxable benefits	-	-	-	-	-	-
	113	167	280	280	254	254
Pension contributions	8	40	48	48	18	18
	121	207	328	328	272	272

The current Vice-Chancellor received a one-off disturbance allowance of £15,000 on joining the University to support relocation. In recognition of this, the current Vice-Chancellor made charitable donations of £2,000 to the Hallam Fund during the current financial year (through Give As You Earn) and will continue to pay £400 per month over the next year. The Vice-Chancellor is a member of the Teacher's Pension Scheme. Contributions to the pension scheme were made in line with the scheme rules.

The Vice-Chancellor was a member of the Primary Qualification Sub-Committee (PQSC), part of the Royal College of Veterinary Surgeons. Payment for preparation and attendance at PQSC meetings was invoiced by the University and the income received will be credited to the Hallam Fund.

The outgoing Vice-Chancellor was a member of the NEST pension scheme. Contributions to the pension scheme were made in line with the scheme rules. The outgoing Vice-Chancellor held the following roles whilst employed at the University:

- as a Board Member on the QAC(Quality Assurance Council) of the UGC (University Grants Committee in Hong Kong); and
- as Chair of the Teaching Excellence and Students Outcomes Framework at Office for Students.

Income in respect of these roles was paid directly to the University to be then donated to the Hallam Fund, at the request of the outgoing Vice-Chancellor.

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**

	2024	2023
Basic salary	7.3	7.1
Total remuneration (including pension contributions) *	8.9	7.3

* 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 pay multiple ratios for 2023/24 are based on the full time equivalent salary for the current Vice-Chancellor assuming that they had been in the post for the whole financial year. Total remuneration includes pension contribution paid to the TPS during the year (actual or assumed) and a disturbance allowance of £15,000.

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	
	2024	2023
Compensation paid (£000)	9,003	1,696
Number of staff	236	313

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 2024 reflects a restructure of academic staff, where 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. It also includes redundancy and Payment in Lieu of Notice. The £9million compensation payments are included in the £17.5 million restructure costs, as detailed in note 10 above. The balance being costs The University is committed too, but not paid in year.

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 Executive Board to be key management personnel. Remuneration paid to key management personnel is included in staff costs.

The University Executive Board (UEB) includes the following roles:

Vice-Chancellor	Deputy Vice-Chancellor
Pro Vice-Chancellor for Learning, Teaching and Student Success	Pro Vice-Chancellor for Research, Innovation and Knowledge Exchange
Pro Vice-Chancellor Engagement and Partnerships	Pro Vice-Chancellor Business and Enterprise
Pro Vice-Chancellor Strategic Development	Pro Vice-Chancellor Diversity and Inclusion
Chief Finance Officer	Secretary and Clerk to the Board

During the year ended 31 July 2024 there were 11 (2023:11) members of the UEB who served during the period.

	Consolidated and University	
	2023 £000	2023 £000
Key management personnel remuneration payable	1,903	2,039

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	
	2024 £000	2023 £000	2024 £000	2023 £000
Operating lease expenditure – land and buildings	1,068	1,074	1,068	1,074
Operating lease expenditure – equipment	51	72	51	72
External auditor's remuneration in respect of audit services (University) (Current year)	137	108	137	108
External auditor's remuneration in respect of audit services (University) (prior year)	8	0	8	-
External auditor's remuneration in respect of audit services (Subsidiaries)	27	31	-	-
External auditor's remuneration in respect of non-audit services:				
- Grant audits	108	45	108	45
- Tax	32	2	-	-
- Other	17	14	17	14
Internal audit services	156	227	156	227

The amounts shown above are inclusive of VAT.

12. Interest and other finance costs

	Consolidated and University	
	2024 £000	2023 £000
Bank loans	7,007	5,626
Unwinding of USS pension provision discount (note 25)	114	206
Net interest charge on pension scheme (note 27)	(44)	1,476
Other interest	7	1
	7,084	7,309

13. Analysis of total expenditure by activity

	Consolidated		University	
	2024 £000	2023 £000	2024 £000	2023 £000
Academic departments	130,749	129,955	130,703	129,677
Academic services	79,316	77,607	78,953	77,318
Administration and central services	48,448	50,237	47,846	49,606
Premises	40,859	39,039	40,859	39,039
Residences, catering and conferences	2,868	2,765	2,628	2,426
Research grants and contracts	17,701	17,812	16,588	16,801
Other expenses	24,042	17,514	21,431	15,550
	343,983	334,929	339,008	330,416

14. Tangible fixed assets – Consolidated

	Land and Buildings		Assets under Construction	Equipment	Total
	Freehold £000	Long leasehold £000	£000	£000	£000
Cost					
As at 1 August 2023	396,273	10,760	69,621	69,761	546,415
Additions	1,544	19	71,301	2,056	74,920
Disposals	(984)	-	-	(276)	(1,260)
Transfers	4,587	61	(6,634)	1,986	-
As at 31 July 2024	401,420	10,840	134,288	73,527	620,075
Depreciation					
As at 1 August 2023	137,531	5,088	-	50,151	192,770
Charge for the year	16,106	591	-	4,848	21,545
Impairment	-	-	-	-	-
Disposals	(977)	-	-	(269)	(1,246)
As at 31 July 2024	152,660	5,679	-	54,730	213,069
Net Book Value					
As at 31 July 2024	248,760	5,161	134,288	18,797	407,006
As at 31 July 2023	258,742	5,672	69,621	19,610	353,645

As at 31 July 2024, freehold land and buildings included £25,298,000 (2023: £25,298,000) in respect of freehold land that is not depreciated.

As at 31 July 2024, Freehold Land & Buildings cost included £14,565,000 (2023: £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 £000	Long leasehold £000	£000	£000	£000
Cost					
As at 1 August 2023	396,273	10,760	69,621	69,761	546,415
Additions	1,544	19	71,301	2,056	74,920
Disposals	(984)	-	-	(276)	(1,260)
Transfers	4,587	61	(6,634)	1,986	-
As at 31 July 2024	401,420	10,840	134,288	73,527	620,075
Depreciation					
As at 1 August 2023	137,531	5,088	-	50,151	192,770
Charge for the year	16,106	591	-	4,848	21,545
Impairment	-	-	-	-	-
Disposals	(977)	-	-	(269)	(1,246)
As at 31 July 2024	152,660	5,679	-	54,730	213,069
Net Book Value					
As at 31 July 2024	248,760	5,161	134,288	18,797	407,006
As at 31 July 2023	258,742	5,672	69,621	19,610	353,645

As at 31 July 2024, freehold land and buildings included £25,298,000 (2023: £25,298,000) in respect of freehold land that is not depreciated.

As at 31 July 2024, Freehold Land & Buildings cost included £14,565,000 (2023: £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	
	2024 £000	2023 £000	2024 £000	2023 £000
Investments in subsidiaries	-	-	3	3
Investments in direct holdings	42	42	42	42
	42	42	45	45

Subsidiaries

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

Name of company	Company Registration Number	Registered Charity Number	Principal Activity	Percentage of Ordinary 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 of conference facilities and letting of accommodation	100
SHU Law Limited - dissolved 10 September 2024	11170526		Provision of legal services	**
SHU Trust*	07658891	1142910	Charitable trust (Dormant)	**
SHU Education Services Limited*	14000049		Dormant	**

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 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.

17. Investment in associate companies and joint ventures

	Consolidated		University	
	2024 £000	2023 £000	2024 £000	2023 £000
Investment in associate companies (Note 17a)	3	81	-	-
Investment in joint ventures (Note 17b)	-	-	-	-
Investment in associate companies and joint ventures	3	81	-	-

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 2024, which show the company had net assets of £9,000 (30 June 2023 Management Accounts: Net assets of £232,000). The University's investment in the associate company at 31 July 2024 is therefore 35% of the net assets value being £3,000 (2023: £81,000).

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	
	2024 £000	2023 £000	2024 £000	2023 £000
Share of net assets:				
At 1 August	81	35	-	-
Share of operating surplus/(deficit)	(78)	46	-	-
At 31 July	3	81	-	-
Net assets comprised of:				
Share of gross assets	161	242	-	-
Share of gross liabilities	(158)	(161)	-	-
Investment in associate	3	81	-	-

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 2024 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 (2023: nil).

The University's 25% share of the turnover of £9,061,000 (based on draft figures) (2023: £9,045,000 draft and £9,042,000 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, in which it holds a 32% shareholding. 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 education technical education.

The company's draft accounts to 31 July 2024 shows total income of £116,490 and a net asset position of £6,139. The University's 32% share of turnover of £37,000 and the University's 32% share of operating surplus in the joint venture of £1,900 has not been included in the University's Group Accounts because it is not material.

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 (2023: £4,040,000) plus the University's agreed cash contributions of £39,000 per annum for the next 5 years, totalling £195,000 (2023: £195,000).

18. Stock

	Consolidated		University	
	2024 £000	2023 £000	2024 £000	2023 £000
Stock and assets for resale	73	93	73	80
	73	93	73	80

19. Trade and other receivables

	Consolidated		University	
	2024 £000	2023 £000	2024 £000	2023 £000
Trade receivables	7,370	16,631	6,660	15,999
Prepayments	10,790	10,089	10,786	10,089
Accrued Income	11,202	10,179	10,584	9,665
Amounts due from group undertakings	-	-	1,957	1,537
Loan to associate company	93	96	93	96
	29,455	36,995	30,080	37,386

Amounts due after more than one year included above are:

	Consolidated		University	
	2024 £000	2023 £000	2024 £000	2023 £000
Loan to associate company	93	96	93	96
	93	96	93	96

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	
	2024 £000	2023 £000
Short-term deposits maturing within three months of the Statement of Financial Position date	39,000	40,000
Short-term deposits maturing more than three months after the Statement of Financial Position date	-	84,000
	39,000	124,000

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 2024, the weighted average interest rate on the fixed rate deposits was 5.19% per annum (2023: 4.91%) and the remaining weighted average period for which the interest rate is fixed on these deposits was 44 days (2023: 104 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	
	2024 £000	2023 £000	2024 £000	2023 £000
Unsecured loans (note 23)	3,242	3,160	3,242	3,160
Trade payables	13,035	5,459	13,033	5,435
Social security and other taxation payable	4,160	4,521	4,160	4,521
Accruals	32,860	27,073	32,667	26,782
Deferred income	27,253	37,941	26,965	37,676
	80,550	78,154	80,067	77,574

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	
	2024 £000	2023 £000
Capital grant income	2,949	3,084

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

	Consolidated and University	
	2024 £000	2023 £000
Unsecured loans (note 23)	70,589	73,831
Private Placement (note 23)	70,000	70,000
Deferred income	39,740	40,030
	180,329	183,861

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	
	2024 £000	2023 £000
Capital grant income	39,740	40,030

Capital Grants

	Consolidated and University	
	2024 £000	2023 £000
Balance as at 1 August	43,114	45,411
Cash receivable	2,732	961
Released to statement of comprehensive income (note 4)	(3,157)	(3,258)
Balance as at 31 July	42,689	43,114

At 31 July 2024, capital grants included £11,224,000 (2023: £11,808,000) 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	
	2024 £000	2023 £000
Analysis of unsecured loans at amortised cost:		
Due within one year	3,242	3,160
Due between one and two years	3,325	3,242
Due between two and five years	10,522	10,243
Due in five years or more	126,742	130,346
	143,831	146,991

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

	Consolidated and University				
	Term	Interest rate	2024 £000	2023 £000	
Barclays term loan	July 2037	Fixed	6.52%	28,166	29,640
Santander term loan	April 2031	** Variable	6.98%*	45,666	47,352
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
				143,831	146,991

* Average rate for the period 15 April 2024 to 17 July 2024

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

The Santander and Barclays facilities are at commercial rates.

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	
	2024 £000	2023 £000	2024 £000	2023 £000
Financial assets				
Trade receivables	7,289	16,563	6,580	15,933
Amounts due from group undertakings	-	-	1,957	1,537
Loan to associate company	93	96	93	96
Accrued income	11,202	10,179	10,584	9,665
Short-term deposits	39,000	124,000	39,000	124,000
Cash and cash equivalents	93,765	77,608	93,679	77,555
Financial liabilities				
Trade payables	13,035	5,459	13,033	5,435
Other creditors	37,020	31,594	36,827	31,303
Unsecured loans	143,831	146,991	143,831	146,991

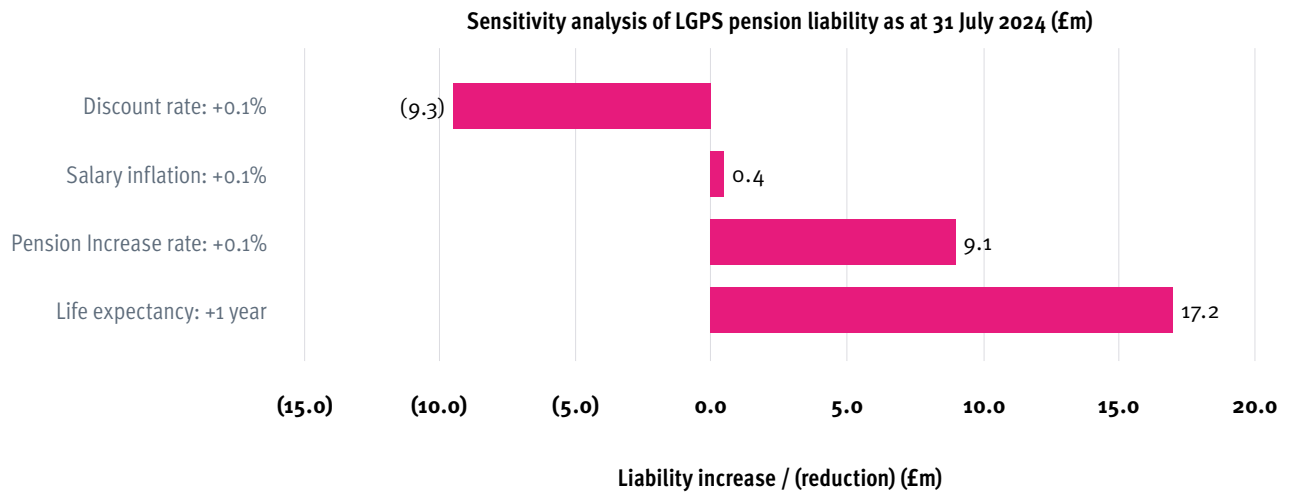
25. Pension provisions

	LGPS pension provision 2024 £000	USS pension provision 2024 £000	Consolidated and University	
			Total pension provisions 2024 £000	Total pension provisions 2023 £000
As at 1 August	-	4,944	4,944	46,468
Amounts charged to pension costs: non-cash items				
Current service cost	12,331	-	12,331	16,588
Past service cost	2,177	-	2,177	-
Change in expected contributions	-	(4,884)	(4,884)	(1,067)
	14,508	(4,884)	9,624	15,521
Less				
Employer contributions	(14,318)	-	(14,318)	(12,652)
Deficit contributions	-	(174)	(174)	(407)
	190	(5,058)	(4,868)	2,462
Amounts charged to Interest and other finance costs: non-cash items				
Unwinding of USS pension provision discount	-	114	114	206
Net interest charge on pension scheme	(44)	-	(44)	1,476
	(44)	114	70	1,682
Total charged to expenditure	146	(4,944)	(4,798)	4,144
Restriction of pension surplus	21,952	-	21,952	-
Actuarial (gain) charged to other comprehensive expenditure	(22,098)	-	(22,098)	(45,668)
As at 31 July	-	-	-	4,944

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

As at 31 July 2023, the University's balance sheet included a liability for future contributions payable under the deficit recovery agreement which was concluded on 30 September 2021, following the 2020 valuation when the scheme was in deficit. No deficit recovery plan was required from the 2023 valuation, because the scheme was in surplus.

Changes to the contribution rates were implemented from 1 January 2024 and from that date the University was no longer required to make deficit recovery contributions.

The USS pension provision as at 31 July 2023 was calculated to be £4,944,000. The movement in the provision reflects the deficit contributions paid up to 31 December 2023, offset by the unwinding of the discount factor. The remaining liability of £4.8 million was released to the income and expenditure account.

26. Other provisions

	Consolidated and University						
	Pension enhancement on termination £000	Teachers' Pension Scheme contributions £000	Local Government Pension Scheme contributions £000	Asbestos removal £000	Demolitions	Dilapidations £000	Total other provisions £000
As at 1 August 2023	80	1,310	300	86	441	1,440	3,656
Created in year	40	-	-	-	-	-	40
Utilised in year	(45)	(444)	-	-	(441)	-	(930)
Released in year	-	-	-	-	-	-	-
As at 31 July 2024	75	866	300	86	0	1,440	2,766

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 £0.444 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 asbestos provision relates to the removal of asbestos from the University's estate. Work on the removal has started and the majority was utilised over the year ended 31 July 2023, the remaining provision is expected to be utilised in 2025.

The demolition provision relates to the estimated cost of demolishing two temporary buildings, this has been fully utilised in 2024.

The dilapidations provision relates to decommissioning costs for the Head Post Office building and will be utilised 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	
	2024 £000	2023 £000	2024 £000	2023 £000
Teachers' Pension Scheme	19,358	18,112	19,167	17,888
Universities Superannuation Scheme	(3,928)	(56)	(3,929)	(56)
Local Government Pension Scheme	14,380	16,364	14,198	16,261
NEST Pension Scheme	71	97	71	97
Total pension cost (note 10)	29,881	34,517	29,507	34,190

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 2024 (2023: £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	
	2024 £000	2023 £000	2024 £000	2023 £000
Employer contributions	19,358	18,112	19,167	17,888
	19,358	18,112	19,167	17,888

There was a balance of £2,252,000 owing by the University at 31 July 2024 (2023: £2,177,000).

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 6.7%.

Year ended 31 March 2024		Year ended 31 March 2024	
£1-£34,289	7.4%	£1-£32,135	7.4%
£34,290-£46,159	8.6%	£32,136-£43,259	8.6%
£46,159-£54,739	9.6%	£43,260-£51,292	9.6%
£54,730-£72,534	10.2%	£51,293-£67,979	10.2%
£72,535-£98,908	11.3%	£67,980-£92,697	11.3%
£98,909 or above	11.7%	£92,689 or above	11.7%

Employer contributions increased in September 2019 to 23.60% (previously 16.4%). 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 6.7% from 8 April 2024 (2023: 10.1% 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 2023/24 TPS Accounts were based on the liability as at 31 March 2023 and rolling that liability forward to 31 March 2024.

The next valuation, based on membership data as at 31 March 2020, is underway and any changes to contributions will take effect in April 2025.

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 2024	31 March 2023	31 March 2016
Nominal discount rate	5.10%	4.15%	2.80%
Rate of general pay increases	3.55%	3.65%	4.20%
Rate of pension increases	2.55%	2.40%	2.00%
Value of notional assets	-	-	£196.1bn
Value of liabilities	£278.8bn	£303.2bn	£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 2023 were based on the assumptions adopted for the 2016 valuation.

The cost of benefits accrued in the year ended 31 March 2024 (the current service cost) is assessed as 27.3% (2023: 82.3%) 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.

	2023/24 Percentage of pay	2022/23 Percentage of pay
Employer contributions *	23.60%	23.60%
Employee contributions (average)	9.40%	9.50%
Total Contributions	33.00%	33.10%
Current service cost (expressed as a % of pay)	27.30%	82.30%

* 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.

A deficit recovery plan was put in place as part of the 2020 valuation, which required payment of 6.2% of salaries over the period 1 April 2022 until 31 March 2024, at which point the rate would increase to 6.3%. As set out in Note 25, no deficit recovery plan was required under the 2023 valuation because the scheme was in surplus on a technical provisions basis.

The University was no longer required to make deficit recovery contributions from 1 January 2024 and accordingly released the outstanding provision to the profit and loss account.

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

	Consolidated and University	
	2024 £000	2023 £000
Employer contributions	1,130	1,418
Less deficit contributions (see note 25)	(174)	(407)
Change in expected contributions (see note 25)	(4,884)	(1,067)
	(3,928)	(56)

There was a balance of £110,000 owing by the University at 31 July 2024 (2023: £181,000).

Deficit recovery contributions due within one year are £174,000 (2023: £429,000).

The latest available complete actuarial valuation of the Retirement Income Builder is as at 31 March 2023 (the valuation date), which was carried out using the project unit method.

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 2023 valuation was the seventh valuation for the scheme under the scheme-specific funding regime introduced by the Pensions Act 2004, which requires schemes to have sufficient and appropriate assets to cover their technical provisions (the statutory funding objective). At the valuation date, the value of the assets of the scheme was £73.1 billion and the value of the scheme's technical provisions was £65.7 billion indicating a surplus of £7.4 billion and a funding ratio of 111%.

The key financial assumptions used in the 2023 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

Price Inflation - Consumer Price Index (CPI)	3% p.a. (based on a long-term average expected level of CPI, broadly consistent with long-term market expectations).
RPI/CPI gap	1% pa to 2030, reducing to 0.1% p.a. from 2030
Pension increases (subject to a floor of 0%)	Benefits with no cap: CPI assumption plus 3bps Benefits subject to a 'soft cap' of 5% (providing inflationary increases up to 5%, and half of any excess inflation over 5% up to a maximum of 10%): CPI assumption minus 3bps
Discount rate (forward rates)	Fixed Interest gilt yield curve plus: Pre-retirement: 2.5% p.a. Post-retirement: 0.9% 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 2023 actuarial valuation. The mortality assumptions used in these figures are as follows:

2023 valuation

Mortality base table	101% of S2PMA "light" for males and 95% of S3PFA for females.
Future improvements to mortality	CMI 2021 with a smoothing parameter of 7.5, an initial addition of 0.4% p.a., 10% w202 and w2021 parameters, 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:

	2024	2023
Males currently aged 65 years	23.7	24.0
Females currently aged 65 years	25.6	25.6
Males currently aged 45 years	25.4	26.0
Females currently aged 45 years	27.2	27.4

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 or the fund).

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 2023 to 31 March 2024 was 19.8%. From 1 April 2024, the employer contribution rate increased to 20.8%, which also includes a deficit contribution.

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).

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 2023: between 5.5% and 12.5%).

There was a balance of £1,573,000 owing by the University at 31 July 2024 (2023: £1,524,000).

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 2024 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:

	2024	2023
Salary increase rate	3.25%	3.25%
Pension increase rate (CPI) *	2.75%	3.00%
Discount rate	5.00%	5.05%
Inflation	2.75%	2.80%

* The pension increase rate assumptions are based on the inflation assumption but make additional allowance for the 2025 Pension Increase Order (in 2024) and the 2024 Pension Increase order (in 2023).

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

The assumed life expectations on retirement age 65 are:

	31 July 2024	31 July 2023
Retiring today		
Males	20.5	20.6
Females	23.6	23.6
Retiring in 20 years		
Males	21.3	21.4
Females	25.0	25.0

Scheme assets

The assets in the LGPS were:

	2024 Fund value £000	2023 Fund value £000
Equities	343,471	321,272
Bonds	107,655	102,434
Property	51,264	37,249
Cash	10,253	4,656
	512,643	465,611

Analysis of the amount shown in the Statement of Financial Position

	Consolidated and University	
	2024 £000	2023 £000
Total fair value of assets	512,643	465,611
Present value of funded scheme liabilities	(432,266)	(409,937)
Present value of unfunded scheme liabilities	-	(58)
Asset ceiling adjustment *	(80,377)	(55,616)
Surplus/(Deficit) in scheme- net pension liability	-	-

* 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	
	2024 £000	2023 £000
Current service cost *	(12,331)	(16,588)
Past service costs (including curtailments)	(2,177)	
Total operating charge	(14,508)	(16,588)

* administration expenses are included in current service costs for 2024 and equate to £352,000 (0.5% of payroll assumed as £70,464,000) (2023: £336,000).

Amounts charged to interest payable and other finance costs

	Consolidated and University	
	2024 £000	2023 £000
Interest on pension scheme assets	23,685	15,946
Interest on pension scheme liabilities	(20,832)	(17,422)
Interest on the effect of the asset ceiling	(2,809)	-
Net interest cost	44	(1,476)

* administration expenses are included in current service cost for 2024 and equate to £352,000 (0.5% of payroll assumed as £70,464,000) (2023:£336,000)

Amounts recognised in other comprehensive income/(expenditure)

	Consolidated and University	
	2024 £000	2023 £000
Return on assets excluding amounts included in interest income (pension scheme assets)	16,447	(23,673)
Experience (loss)/gain (pension scheme assets)	-	14,129
Experience (loss)/gain (pension scheme liabilities)	(12,869)	(74,675)
Gain/(loss) on assumptions (pension scheme liabilities)	18,520	185,503
Movement for asset ceiling adjustment	(21,952)	(55,616)
Total amounts recognised in other comprehensive income/(expenditure)	146	45,668

Movement in deficit in the year

	Consolidated and University	
	2024 £000	2023 £000
Deficit in the scheme at 1 August	-	(40,256)
Current service costs	(12,331)	(16,588)
Past service costs	(2,177)	-
Contributions	14,318	12,652
Other finance costs	44	(1,476)
Total amounts recognised in other comprehensive income/(expenditure)	146	45,668
Surplus /(Deficit) in the scheme provided at 31 July (note 25)	-	-

Analysis of the movement in the present value of scheme liabilities

	Consolidated and University	
	2024 £000	2023 £000
Liabilities at 1 August	409,995	492,935
Current service cost	12,331	16,588
Past service costs	2,177	-
Interest on pension liabilities	20,832	17,422
Employee contributions	4,669	4,471
Actuarial (gain)/loss on assumptions	(18,520)	(185,503)
Experience loss/(gain)	12,869	74,675
Benefits paid	(12,087)	(10,593)
Settlements and curtailments	-	-
Liabilities at 31 July	432,266	409,995

Analysis of the movement in the market value of scheme assets

	Consolidated and University	
	2024 £000	2023 £000
Assets at 1 August	465,611	452,679
Interest income on plan assets	23,685	15,946
Return on assets excluding amounts included in interest income (pension scheme assets)	16,447	(23,673)
Experience (loss)/gain	-	14,129
Administration expenses *	-	-
Employer contributions	14,318	12,652
Employee contributions	4,669	4,471
Benefits paid	(12,087)	(10,593)
Assets at 31 July	512,643	465,611

* administration expenses are included in current service cost for 2024 and equate to £352,000 (0.5% of payroll assumed as £70,464,000) (2023:£336,000)

Section 37 confirmations (Virgin Media vs NTL Pension Trustees II Limited ruling)

The University is aware of a UK High Court legal ruling in June 2023 between Virgin Media Limited and NTL Pension Trustees II Limited, which decided that certain historic rule amendments were invalid if they were not accompanied by actuarial certifications. The ruling was subject to an appeal with a judgement delivered on 25 July 2024. The Court of Appeal unanimously upheld the decision of the High Court and concluded that pre-April 2013 conditions applied to amendments to both future and past service. Whilst this ruling was in respect of another pension scheme, the University understands that this judgement will need to be reviewed for its relevance to LGPS.

Currently no additional allowance within the accounting figures has been made for this ruling for the following reasons:

- The Court of Appeal have only recently delivered its verdict to uphold the decision of the High Court (on 25 July 2024).
- It is currently unknown whether Section 37 certificates for prior LGPS scheme amendments (HMT and GAD are currently looking into this).
- It is currently unknown whether there would be any potential remedy required to public service schemes (including the LGPS).
- It is currently unknown what the impact of any potential remedy would be.

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 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% 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	
	2024 £000	2023 £000
Balance as at 1 August	18	19
Expenditure	-	(1)
Total endowment comprehensive (expenditure)/income for the year	-	(1)
Balance as at 31 July	18	18
Analysis by type of purpose:		
Scholarships and bursaries	18	18
Analysis by asset:		
Current assets – investments	18	18

29. Restricted reserve

Restricted net assets relating to restricted donations are as follows:

	Consolidated and University	
	2024 £000	2023 £000
Balance as at 1 August	13	13
Total restricted comprehensive expenditure for the year	-	-
Balance as at 31 July	13	13
Analysis by type of purpose:		
Prize funds	10	10
Art fund	3	3
Scholarships and bursaries	-	-
Analysis by asset:		
Current assets – investments	13	13

30. Consolidated reconciliation of net debt

	At 1 August 2023 £000	Cash Flows £000	Non-cash changes £000	At 31 July 2024 £000
Cash and cash equivalents				
Cash	77,608	16,157	-	93,765
Borrowings				
Amounts falling due within one year	(3,160)	3,190	(3,272)	(3,242)
Amounts falling due after more than one year	(143,831)	-	3,242	(140,589)
	(146,991)	3,190	(30)	(143,831)
Net debt	(69,383)	19,347	(30)	(50,066)

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	
	2024 £000	2023 £000
Buildings		
Within one year	1,143	1,125
Between one and five years	4,231	4,286
Over five years	22,030	23,081
Equipment		
Within one year	188	119
Between one and five years	150	138
Over five years	-	-
	27,742	28,749

One of the subsidiary companies of the University, SHU Education Services Limited, a dormant company, 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. SHU is a guarantor for the agreement for the lease. The agreement is for a fixed term commencing at the earliest in 2026 and the initial assessment of the lease terms, under the current FRS 102, indicate that this will be classified as an operating lease. The Agreement for Lease contains several conditions that need to be fulfilled in order for the agreement to convert into a full lease agreement, including the start on site of the building of the commercial property, which has now commenced.

There have been no material transactions during this financial year, but the commitment under the lease is disclosed below.

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

	Consolidated and University	
	2024 £000	2023 £000
Buildings		
Within one year	-	-
Between one and five years	15,147	-
Over five years	102,731	-
	117,878	-

32. Capital commitments

Provision has not been made for the following capital commitments:

	Consolidated and University	
	2024 £000	2023 £000
Commitments contracted not provided at 31 July	21,541	58,217
Authorised not contracted for at 31 July	36,551	26,163
	58,092	84,380

33. Access and participation expenditure

	Consolidated and University	
	2024 £000	2023 £000
Access investment	2,906	2,780
Financial support	4,409	6,165
Disability support	5,864	5,759
Research and evaluation	771	691
	13,950	15,395

£8,790,124 (2023: £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 £2,906,000 compared to £2,780,000 reported last year.

Financial support costs are directed at underrepresented and disadvantaged student groups and include expenditure such as bursaries, scholarships etc. Financial Support was £4,409,000 compared to £6,165,000 reported last year, due to reductions in applications for student success bursaries.

Support for disabled students, was £5,864,000 which was broadly in line to £5,759,000 last year.

Research and evaluation costs related to access and participation activities were £771,000 compared to £691,000 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 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.

	Consolidated and University	
	2024	2023
	£000	£000
Initial teacher training bursaries		
Funds received	3,089	1,815
Disbursed to students	(3,089)	(1,743)
Balance unspent/(overspent) as at 31 July	-	72

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 2023/24. None of the outstanding balances are secured.

Related Party		Income received from £000	Expenditure incurred £000	Amounts due from £000	Amounts due to £000
Association of Colleges (AoC)	2024	32	-	14	-
	2023	16	-	8	-
Brigantia Learning Trust	2024	-	-	-	-
	2023	3	-	-	-
Cranswick PLC	2024	8	-	-	-
	2023	Note 1	Note 1	Note 1	Note 1
Element Society	2024	1	-	-	-
	2023	-	-	-	-
HESA	2024	Note 2	Note 2	Note 2	Note 2
	2023	-	72	-	-
Hunter's Bar Junior School	2024	-	3	-	-
	2023	-	1	-	-
JISC	2024	27	2,016	9	86
	2023	21	2,268	-	17
Legacy Park Limited	2024	146	15	12	-
	2023	Note 3	Note 3	Note 3	Note 3
NEUPC	2024	-	9	-	-
	2023	Note 4	Note 4	Note 4	Note 4
Sheffield Hallam University Union of Students	2024	339	2,622	33	18
	2023	289	2,512	5	1
Sheffield Science Park Company Ltd	2024	-	-	-	-
	2023	-	3	-	-
Sheffield UTC Academy Trust	2024	-	4	-	2
	2023	-	2	-	-
SINO British College	2024	914	-	-	-
	2023	706	-	-	-
Sonnet Advisory and Impact CIC	2024	12	-	3	-
	2023	13	21	-	-
South Yorkshire LEP	2024	48	-	33	-
	2023	1	34	-	1
STEM Learning Limited	2024	-	-	-	-
	2023	47	-	-	-
The PeerTalk Charitable Foundation	2024	1	-	-	-
	2023	-	-	-	-
The Sheffield College	2024	305	511	-	176
	2023	242	395	1	50
The University Vocational Awards Council	2024	-	8	-	4
	2023	Note 5	Note 5	Note 5	Note 5
Universities UK (UUK)	2024	Note 6	Note 6	Note 6	Note 6
	2023	-	50	-	46
Yorkshire Universities	2024	3	27	-	-
	2023	1	27	-	-

Note 1: Tim Smith CBE's term as a member of the Board of Governors of Sheffield Hallam University began on 1 January 2024. Therefore, transactions with Cranswick PLC were not considered for 2022/23.

Note 2: Professor Sir Chris Husbands' relationship with HESA ended on 4 October 2022. Therefore, transactions with HESA were not considered for 2023/24.

Note 3: Professor Conor Moss joined the University Executive Board in June 2024. Therefore, transactions with Legacy Park Limited were not considered for 2022/23.

Note 4: Ryan Keyworth became a director of North Eastern Universities Purchasing Consortium Limited (NEUPC) on 24 January 2024. Therefore, transactions with NEUPC were not considered for 2022/23.

Note 5: Dan Lally joined the University Executive Board in June 2024, and his relationship with The University Vocational Awards Council began on 19 October 2023. Therefore, transactions with The University Vocational Awards Council were not considered for 2022/23.

Note 6: Professor Sir Chris Husbands' relationship with Universities UK ended on 31 July 2023. Therefore, transactions with Universities UK were not considered for 2023/24.

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.

Brigantia Learning Trust

Richard Calvert, former Deputy Vice-Chancellor (Strategy and Operations), was a member of Brigantia Learning Trust. The relationship ended on 15 December 2022. Richard Calvert left Sheffield Hallam University on 31 July 2024. Nicola Rawlins, Group Director of Recruitment, Communications and Marketing, is a member of Brigantia Learning Trust. Nicola Rawlins joined the University Executive Board in June 2024. Income received relates to tuition fees.

Cranswick PLC

Tim Smith CBE, Chair of the Board of Governors, is Non-executive Chairman of Cranswick PLC. His term as a member of the Board of Governors began on 1 January 2024 and he became Chair of the Board of Governors on 4 April 2024. Income received relates to room hire and hospitality.

Element Society

Professor Sally Jackson, formerly Chief People Officer and Pro Vice-Chancellor for Diversity and Inclusion, was a trustee of Element Society. The relationship ended on 1 December 2023. Income received relates to room hire. Professor Sally Jackson left Sheffield Hallam University on 31 July 2024.

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 incurred 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, formerly Vice-Chancellor and member of the Board of Governors, is a member of the Board of JISC. Professor Sir Chris Husbands left Sheffield Hallam University on 31 December 2023. Income relates to the JSL co-location agreement, catering and the HEDD annual rebate. Expenditure relates to IT services, software licensing, learning resources, advertising and training.

Legacy Park Limited

Professor Conor Moss, Dean of the College of Business, Technology and Engineering, is a Director of Legacy Park Limited. Professor Conor Moss joined the University Executive Board in June 2024. Income relates to staff costs of a seconded staff. Expenditure relates to the development of Sheffield Olympic Legacy Park.

North Eastern Universities Purchasing Consortium Limited (NEUPC)

Ryan Keyworth, Chief Financial Officer, is a Director of NEUPC. The relationship started on 24 January 2024. Expenditure relates to membership fees and credit checks.

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 2023/24 financial year:

- Abiola Fasipe
- Sarah Lahreche
- Martha Mitchell
- Emmanuel Owusu Takyi

Income received relates to estates and facilities charges, IT support, printing, and catering. Expenditure incurred relates to the yearly grant made to the Students' Union by the University, clothing, funding for student societies, rep expenses, focus groups, and admin services.

Sheffield Science Park Company Ltd

Professor Kevin Kerrigan, formerly Pro Vice-Chancellor for Business and Enterprise, was a Director of Sheffield Science Park Company Ltd. The relationship ended on 19 September 2023. Professor Kevin Kerrigan left Sheffield Hallam University on 30 September 2023. Conor Moss, Dean of the College of Business, Technology and Engineering, is a Director of Sheffield Science Park Company Limited. The relationship started on 19 September 2023. Expenditure incurred relates to cleaning, utility, licence costs and a contribution to the South Yorkshire Incubator Accelerator Network fund.

Sheffield UTC Academy Trust

Angela Foulkes, a Governor, is a Member and Trustee of Sheffield UTC Academy Trust. Expenditure incurred relates to student placements.

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 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)**

Angela Foulkes, a Governor, was a Board Member of South Yorkshire LEP. The relationship ended on 13 August 2023. Kevin Kerrigan, formerly Pro Vice-Chancellor for Business and Enterprise, was a Board Member of South Yorkshire LEP. The relationship ended on 25 September 2023. Income received relates to back office costs, consultancy on travel strategy, room hire, and a capital grant relating the construction of the National Centre for Excellence in Food Engineering. Expenditure incurred relates to Sheffield Innovation Programme ERDF funding and fees for running a cable in Supertram ducting.

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 PeerTalk Charitable Foundation

Meg Munn, a Governor to 3 April 2024, is the Chair and a Charity Trustee of The PeerTalk Charitable Foundation. Income received relates to focus group costs.

The Sheffield College

Angela Foulkes, a Governor, is the Chief Executive and Principal of The Sheffield College. Income received relates to course fees and income from regional funds. 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.

The University Vocational Awards Council

Dan Lally, Group Director of Business, Enterprise, Skills and Employability, is a Director of The University Vocational Awards Council. The relationship started on 19 October 2023. Dan Lally joined the University Executive Board in June 2024. Expenditure relates to membership and conference fees.

Universities UK (UUK)

Professor Sir Chris Husbands, formerly Vice-Chancellor and member of the Board of Governors, was a Director of Universities UK (UUK). The relationship ended on 31 July 2023. Professor Sir Chris Husbands left Sheffield Hallam University on 31 December 2023. Expenditure incurred relates to subscription fees and conferences.

Yorkshire Universities

Professor Sir Chris Husbands, formerly Vice-Chancellor and member of the Board of Governors, was a Director of Yorkshire Universities. The relationship ended on 31 December 2023. Professor Sir Chris Husbands left Sheffield Hallam University on 31 December 2023. Professor Liz Mossop, Vice-Chancellor and member of the Board of Governors, is a Director of Yorkshire Universities. Professor Liz Mossop joined Sheffield Hallam University and became a Director of Yorkshire Universities on 1 January 2024. Income received relates to conference catering. Expenditure incurred relates to subscription fees.

All members of the Board of Governors and the University Executive Board 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 to 31 December 2023, was a member of the Board of Governors to 31 December 2023.

Professor Liz Mossop, Vice-Chancellor from 1 January 2024, was a member of the Board of Governors from 1 January 2024.

Professor Sir Chris Husbands and Professor Liz Mossop received remuneration in connection with their employment and this is disclosed in note 10.

They did not receive supplementary payment in relation to their membership of the Board of Governors.

In addition, the following were members of staff and members of the Board of Governors during 2023/24:

- Dr Claire Ketnor
- Dr Jia Liu
- Mr Matthew Parkin

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 2023/24, expenses totalling £6,000 (2022/23: £7,000) were paid to or on behalf of 10 (2022/23: 13) members of the Board of Governors.

The expenses for 2023/24 related to travel, subsistence and accommodation, and the expenses for 2022/23 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

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Leeds
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Internal auditor

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Banker

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