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## **UNIVERSITY COLLEGE BIRMINGHAM**

### **REPORT OF THE MEMBERS OF THE CORPORATION FOR THE YEAR TO 31 JULY 2024**

The members present their report and the audited financial statements for the year ended 31 July 2024.

#### **CORPORATION**

The Corporation was established under the Further and Higher Education Act 1992 for the purpose of managing University College Birmingham and was re-established in August 2002 when the institution transferred to the Higher Education Sector. At that point, members of the Corporation were appointed by the Secretary of State. The University is an exempt charity for the purposes of the Charities Act 2011.

#### **PUBLIC BENEFIT STATEMENT**

In 2021, the University prepared a Corporate Strategy for the period 2021 to 2024. The Corporation monitors the performance of the University against this strategy. The strategy is reviewed and updated each year and focusses on:

- Teaching and Learning Priorities;
- The Student Experience;
- Access, Employability and Meaningful Partnerships;
- Becoming a Global University; and
- Investment, Transformation & Sustainability.

#### **Mission and Values**

The University's mission is:

*“To promote and provide the opportunity for participation in the learning process by those with the ambition and commitment to succeed and to maintain a learning community that meets the diverse needs of our students, the economy and society at large.”*

The University's core values are:

- Teaching and learning will always be industry led, research informed and vocational in nature
- The Corporation is deeply committed to fundamental values of equality of opportunity, mutual respect, diversity, integrity and community
- The Corporation governs the University in accordance with the OfS Public Interest Governance Principles and the Nolan Principles of Standards.

The strategic plan incorporates objectives in the key areas of teaching and learning, the student experience, being a global University and access, employability and meaningful partnerships, all of which are underpinned by investment, transformation and sustainability priorities, of which the financial strategy is a key component.

#### **High Quality Education**

The University's teaching has a wide range of public benefits:

- Enabling students to maximise their potential.
- Widening access to education.
- Enabling students to pursue their chosen career path.

## **UNIVERSITY COLLEGE BIRMINGHAM**

### **REPORT OF THE MEMBERS OF THE CORPORATION FOR THE YEAR TO 31 JULY 2024**

Students are attracted by our excellent academic reputation, our graduate employment record and the wide array of other opportunities we offer. We offer placement options across our discipline base and our graduates have excellent employment prospects, not only because of their discipline-specific knowledge and skills but also because of the emphasis we place on developing enterprising individuals with high aspirations. As a result, our graduates are well-equipped to obtain jobs in their chosen area, enjoy strong career progression and make a positive social contribution.

We use a detailed set of Performance Indicators to measure the University's success at recruitment, retention and student satisfaction. We recruit internationally and are committed to promoting a diverse student population.

We support social mobility through a range of activities:

- Enhancing student services and support networks to minimise barriers to retention.
- Diversifying our curriculum, delivery methods and modes of learning to attract a wider range of students.
- Promoting access and minimising barriers to progression by working to understand and to mitigate the difficulties some applicants experience in joining the University.
- Raising aspiration and outreach activities for young people from under-represented groups.

We recognise that tuition fees may be a barrier to accessing our teaching and we publicise the comprehensive financial support that we can provide to students through our website and Open Days.

We encourage gifted and talented young people from socio-economic groups under-represented in Higher Education, to raise their educational aspirations. We provide a supportive learning environment, with central student services and academic departments working in partnership. We have an excellent record for supporting students with disabilities to the successful completion of their studies.

#### **Public Detriment**

Whilst we do not believe that there is any direct harm or detriment to the public arising from our corporate goals, we recognise that our activities have environmental consequences and we have made a number of commitments to promote effective environmental management:

- Make the most efficient and effective use of all resources, encouraging members of our community to develop a sustainable approach.
- Develop and implement effective energy and water conservation measures.
- Act in an environmentally and biodiversity-sensitive manner.
- Reduce overall waste production.
- Continually improve our environmental performance as far as the constraints of our physical infrastructure and estate will permit.

## UNIVERSITY COLLEGE BIRMINGHAM

### REPORT OF THE MEMBERS OF THE CORPORATION FOR THE YEAR TO 31 JULY 2024

#### FINANCIAL OBJECTIVES AND REVIEW OF OUT-TURN FOR THE YEAR

Since incorporation the University has sought to exercise tight cost control whilst seeking to maximise its income from a variety of sources. This has resulted in satisfactory surpluses in all accounting periods. The University will continue to accumulate reserves in order to create a contingency fund to improve its stock of both teaching and residential accommodation and to enhance the condition of its buildings in order to strengthen its appeal to students in an increasingly competitive national and international market.

#### PERFORMANCE INDICATORS

The University sets a wide range of targets for its performance each year and these targets are monitored throughout the year. Reporting of the out-turn against targets and, where possible, benchmarking against appropriate external data is summarised in the University's "HE Performance and Targets" document which is produced for Governor review and approval each year. The main areas in which the University sets targets are as follows:

- Governance
- Student Recruitment
- Student Retention
- Achievement Rates
- Destinations
- Equal Opportunities
- Student Satisfaction
- Accommodation
- Finance.

#### STUDENT NUMBERS

The University is funded according to the units of activity it generates each year. In 2023/24, the University achieved the following estimated full-time equivalent student recruitment:

	<u>Recruitment</u>
Department for Education (previously NCTL) (Full-Time Equivalents)	6
Higher Education: Home and EU (Full-Time Equivalents)	3,677
Further Education: Home and EU (Learner Numbers)	2,772
Further Education Apprenticeships	972
Overseas (Learner Numbers)	3,387

#### CURRICULUM DEVELOPMENTS

Methods of teaching and learning are under continuous review and development to ensure that the curriculum meets the needs of the local population and the Employment Sectors the University serves. In the period 2023-2024, the University made significant strides in commencing and implementing key curriculum developments. The University commenced FE Engineering programmes following a £2.9 million investment in a STEM Centre at Camden House, currently there are 295 FE Engineering students. This year the curriculum has expanded and includes HE provision, currently there are 46 HE Engineering

## UNIVERSITY COLLEGE BIRMINGHAM

### REPORT OF THE MEMBERS OF THE CORPORATION FOR THE YEAR TO 31 JULY 2024

students. The James Cond Sustainable Construction Centre opened in October 2023, a £22 million investment and enrolled 470 FE students. The new sixth form centre was completed in year, with a £5.8 million investment. A number of open days and applicant visit days took place throughout the year to showcase the impressive building and facilities. Students can enrol from September 2024. The University has extended the range of health, nursing, physio, etc. programmes and is further expanding the portfolio in 2024-25. The University has also achieved significant growth this year in Digital and Computing programmes. A new school of Psychology has now opened, recruiting 47 students at undergraduate and postgraduate level in September 2024.

### FINANCES

The Group generated a surplus before other gains and losses in the year of £5,808,000 (2022-2023: £3,028,000), with total comprehensive income of £8,031,000 (2022-23: income of £16,370,000). The net cash inflow from operating activities was £5,929,000 (2022-2023: £18,616,000). Net assets and the balance of cash at bank and in hand at 31 July 2024 were £201,129,000 and £24,222,000 respectively (2022-2023: £193,098,000 and £37,696,000).

During the year, the University purchased tangible fixed assets of £13,029,000 of which £11,365,000 relates to land and buildings and refurbishment.

The key financial performance indicators of the university for the year to 31 July 2024 are as follows:

Current Ratio	1.47:1
Operating Surplus as a Percentage of Income	7%
Net Liquidity Days	204
External Borrowing as a Percentage of Income	0%

### POST BALANCE SHEET EVENTS

There are no post balance sheet events.

### RESOURCES

The University has various resources that it can deploy in pursuit of its strategic objectives.

In addition to the strong financial resources, the University's human resources comprise 649 employees (expressed as full-time equivalents), 329 of whom are teaching staff. The University has an excellent reputation locally, nationally and internationally and considers that maintaining a quality brand is essential for its success at attracting students and external relationships.

### GOING CONCERN

The financial statements have been prepared on a going concern basis and, having evaluated the University's financial prospects, the governing body considers that adequate resources exist for the University to continue in operational existence for the foreseeable future.

In reaching this conclusion, members have taken into account the financial results for 2023-24 (an operating surplus of £5,808,000 and total fixed assets of £186,606,000. Cash balances are £24,222,000, with £18,401,000 held on short term deposit). Further, the members have taken into account the budgeted figures for 2024-25, including an operating surplus of £162,137 and cash balances of £43,000,000.

## **UNIVERSITY COLLEGE BIRMINGHAM**

### **REPORT OF THE MEMBERS OF THE CORPORATION FOR THE YEAR TO 31 JULY 2024**

The University holds fixed asset investments, including property, of greater than £56,000,000 and this portfolio provides robust coverage against a downturn in finances in the short to medium term.

#### **PRINCIPAL RISKS AND UNCERTAINTIES**

The University has undertaken further work during the year to develop and embed the system of internal control, including financial, operational and risk management which is designed to protect its assets and reputation.

Based on the Corporate Plan, the University's Executive Management Team undertakes a comprehensive review of the risks to which the University is exposed. They identify systems and procedures, including specific preventable actions which should mitigate any potential impact on the University. The internal controls are then implemented and the subsequent year's appraisal will review their effectiveness and progress against risk mitigation actions. In addition to the annual review, the Executive Management Team will also consider any risks which may arise as a result of a new area of work being undertaken by the University.

A risk register is maintained at the University level which is reviewed at least annually by the Audit Committee and at each meeting of the full Corporation. The risk register identifies the key risks, the likelihood of those risks occurring, their potential impact on the University and the actions being taken to reduce and mitigate the risks. Risks are prioritised using a consistent scoring system.

Outlined below is a description of the principal risk factors that may affect the University. Not all of the factors are within the University's control. Other factors besides those listed below may also adversely affect the University.

#### a) The Developing Policy Environment for Higher Education

Potential changes floated by government include changes to funding levels, tighter entry requirements for students, expectations around graduate outcomes relating to jobs and salaries. As part of its robust approach to risk management and curriculum development, the University is undertaking a number of detailed strategic reviews of curriculum areas that may be affected by emerging government policy or that might offer opportunities for the University to better meet the needs of local people in attaining high level qualifications, skills and jobs.

#### b) Cybercrime and Cybersecurity

Following recent cases of cybercrime in the local area the University has further strengthened its arrangements for cybersecurity, there is a robust strategy in place for preventing cybercrime, a technical leader to oversee cybersecurity and recent successful audits on the University's cybersecurity.

#### c) Student recruitment

The University is reliant upon government funding through the Office for Students (OfS) and the Education Skills Funding Agency (ESFA) and upon tuition fees receivable from students. These sources of income are dependent upon meeting student number targets for Higher and Further Education in a very competitive market. Failure to meet these targets would therefore have an adverse effect on resources.

#### d) International recruitment

The University strengthened its International strategy in 2021-22 and the results of this have been evident in international recruitment numbers. A change in government policy could have an adverse impact on international numbers, therefore its important the University does not become over reliant on international recruitment.

## **UNIVERSITY COLLEGE BIRMINGHAM**

### **REPORT OF THE MEMBERS OF THE CORPORATION FOR THE YEAR TO 31 JULY 2024**

#### e) Significant stock market fall

The University's fixed asset investments comprise holdings in managed funds and covered warrants and are carried at market value. There is therefore a risk of significant reductions in value as a result of fluctuations in market conditions.

### **CHARITABLE AND TAXATION STATUS**

The University is an exempt charity for the purposes of the Charities Act 2011 and is not liable to Corporation Tax.

### **STAKEHOLDER RELATIONSHIPS**

In line with other universities and colleges, University College Birmingham has many stakeholders. These include:

- Students
- Staff
- Local employers (with specific links)
- ESFA
- West Midlands Combined Authority and the Local Authorities
- The local community
- Other HE and FE institutions
- Trade Unions
- Professional bodies
- Local Enterprise Partnerships

The University recognises the importance of these relationships and engages in regular communication with them.

### **EQUAL OPPORTUNITIES**

The University is committed to a policy of Equal Opportunities. The aim of the policy is to ensure that all applicants, students, employees, all those involved in its work and other users of University facilities receive fair and equal treatment. The University aims to provide a service that, in its teaching, administration and support, actively promotes equality of opportunity and freedom from discrimination on the grounds of age, disability, gender reassignment, marriage and civil partnership, pregnancy and maternity, race, religion or belief (including lack of belief), sex, and sexual orientation (The Equality Act 2010, Section 4).

The University continues to have due regard to the need to:

- Eliminate unlawful discrimination, harassment and victimisation and other conduct prohibited by the Act (The Equality Act 2010)
- Advance equality of opportunity between people who share a protected characteristic and those who do not
- Foster good relations between people who share a protected characteristic and those who do not

The University fosters an environment where discrimination is seriously challenged. It is committed to fairness, justice, equality, respect and dignity by attempting to eradicate discrimination in all spheres of its influence (i.e. admissions and access; student assessment and achievement; student guidance and support; teaching and learning; curriculum; staff recruitment; professional development and support; partnerships and community links; procurement and outsourcing; and quality assurance). To this end the University will:

## **UNIVERSITY COLLEGE BIRMINGHAM**

### **REPORT OF THE MEMBERS OF THE CORPORATION FOR THE YEAR TO 31 JULY 2024**

- Develop an awareness of the dangers of discrimination and prejudice in all spheres and the need to counter discrimination, harassment, victimisation, bullying and prejudicial practices
- Provide for the particular educational needs of students, having regard to their protected characteristics
- Prepare students for life in a modern-day society, building on strengths of cultural diversity, mutual tolerance, dignity and respect
- Enable all staff to deliver a quality service by building upon strengths of cultural diversity, mutual tolerance, dignity and respect.

The University considers all applications for employment from disabled people, making reasonable adjustments to the working environment where required. Where an existing employee becomes disabled every effort is made to ensure that employment with the University continues. The University's policy is to provide training, career development and opportunities for promotion to disabled people which are, as far as possible, identical to those for other employees.

### **DISABILITY STATEMENT**

The University seeks to meet the requirements of the Equality Act 2010 at all times and in particular makes the following commitments to the provision of facilities, equipment and reasonable adjustment:

- As part of the design of new buildings and refurbishment of existing buildings it is installing lifts, ramps, toilets and specific adjustments, so that facilities will allow access to people with a disability;
- The University makes hearing loops available for use by students and staff with a disability and has invested in a lecture capture system (Panopto); the University has also invested in a Premium Grammarly licence (to aid students with proofreading) and has purchased Sonocent Glean (note-taking software) licences
- The University has made a significant investment in the appointment of specialist staff to support students with learning difficulties and/or disabilities. Specialist Support Tutors provide 1:1 support for HE students, as well as assisting with Disabled Students' Allowance queries. There are also a number of Academic Support Workers who provide 1-1 and in-class support to meet the needs of College and 6<sup>th</sup> Form students, in addition to an FE Access Arrangements Coordinator who ensures that appropriate reasonable adjustments are put in place for relevant exams. The University has recently signed up to the Disabled Student Commitment, and this will entail in a continuing programme of staff development to ensure the provision of a high level of appropriate support for students who have learning difficulties and/or disabilities; and
- Counselling, occupational health and wellbeing services support student and staff needs.

To maintain our commitment to equality, independent consultants carry out a detailed annual review of facilities and services offered by the University across all teaching and non-teaching sites. The University remains committed to implementing and maintaining the recommendations of their reports.



## UNIVERSITY COLLEGE BIRMINGHAM

### REPORT OF THE MEMBERS OF THE CORPORATION FOR THE YEAR TO 31 JULY 2024

#### TRADE UNION FACILITY TIME

The Trade Union (Facility Time Publication Requirements) Regulations 2017 require the University to publish information on facility time arrangements for trade union officials at the University

Numbers of employees who were relevant Union officials employed in the relevant period	FTE employee number
2	2.0

Percentage of time	Number of employees
0%	-
1-50%	2
51-99%	-
100%	-

Total cost of facility time	£10,000
Total pay bill	£38,630,000
Percentage of total bill spent on facility time	0.03%

Time spent on paid trade union activities as a percentage of total paid facility time	5%
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#### STAFF AND STUDENT INVOLVEMENT

The University considers good communications with its staff to be very important and to this end holds regular staff meetings and publishes a newsletter which is available to all staff. The University encourages staff and student involvement through membership of formal committees.

#### DISCLOSURE OF INFORMATION TO AUDITORS

The members who held office at the date of approval of this report confirm that, so far as they are each aware, there is no relevant audit information of which the University's auditors are unaware; and each member has taken all the steps that he or she ought to have taken to be aware of any relevant audit information and to establish that the University's auditors are aware of that information.

## UNIVERSITY COLLEGE BIRMINGHAM

### REPORT OF THE MEMBERS OF THE CORPORATION FOR THE YEAR TO 31 JULY 2024

#### PROFESSIONAL ADVISERS

Internal Auditors:	Uniac The Simon Building Oxford Road Manchester M13 9PL	
External Auditors:	Forvis Mazars Park View House 58, The Ropewalk Nottingham NG1 5DW	
Principal Bankers:	National Westminster Bank plc 1 St Philips Place Birmingham B3 2PP	Yorkshire Bank Temple Point 1 Temple Row Birmingham B2 5YB
	Virgin Money 133-138 New Street Birmingham B2 4JQ	Santander Sunderland SR43 4GG
	Bank of Scotland 1 <sup>st</sup> Floor (East) 10 Gresham Street London EC2V 7AE	Lloyds 1 <sup>st</sup> Floor (East) 10 Gresham Street London EC2V 7AE
Principal Solicitors:	Eversheds LLP 115 Colmore Row Birmingham B3 3AL	Shakespeare Martineau LLP 1 Colmore Square Birmingham B4 6AA
	Browne Jacobson LLP Victoria Square House Victoria Square Birmingham B2 4BU	
Investment Advisors:	Oculus Wealth Bridge House Main Street Leeds LS17 0AY	Investec Colmore Plaza 20 Colmore Circus Queensway Birmingham B4 6AT

## MEMBERS

Name	Date of Current Appointment	Term of Office	Date of Resignation	Status of Appointment	Notes	Committees Served
Mr M Wiseman	1 December 2023	3 years		Independent Member	Chair of Corporation	Remuneration and Nominations (Chair)
Dr A Antona	1 August 2023	3 years		Independent Member		Finance and General Purposes (Chair) Remuneration and Nominations
Mrs J Belza	1 December 2022	3 years		Independent Member		Student Services and Standards
Mrs H Brealey	9 November 2022	3 years		Independent Member		
Mr R Colbourne	22 March 2023	2 years		Co-opted Member		
Mr M Coyne	5 July 2023	3 years		Independent Member		Audit (Chair)
Sir G Hall	1 December 2022	3 years		Independent Member		
Prof M Harkin	1 August 2019			Vice-Chancellor & Principal		Finance and General Purposes
Ms A Hussain	8 November 2023	3 years		Independent Member		Finance and General Purposes
Ms H Rasool	8 November 2023	2 years		Staff Member		Student Services and Standards
Mrs S Morris	1 August 2023	3 years		Independent Member		Audit
Mr P Romain	1 December 2023	3 years		Independent Member		Student Services and Standards (Chair)
Mrs L Teague	1 December 2023	3 years		Independent Member	Deputy Chair of Corporation	Audit
Miss D Wilczynska	1 August 2023	1 year		Student Member		Student Services and Standards
Mr N Wright	1 August 2022	3 years		Independent Member		Finance and General Purposes Remuneration and Nominations

## UNIVERSITY COLLEGE BIRMINGHAM

### REPORT OF THE MEMBERS OF THE CORPORATION FOR THE YEAR TO 31 JULY 2024

#### MEETINGS OF THE MEMBERS OF THE CORPORATION

The members of the corporation usually serve one or more committees. The committee meetings held during 2023-24 and the main agenda items discussed are listed below.

<b>Committee</b>	<b>Date Convened</b>	<b>Principal Items Discussed</b>
Corporation	8 November 2023	<ul style="list-style-type: none"><li>• Teaching Excellence Framework Outcomes</li><li>• NSS Outcomes</li><li>• Draft SAR</li><li>• Review of Risk Register</li><li>• Review and proposed changes to Academic Board Standing Orders</li><li>• Proposals for Overseas Visits</li><li>• Annual Accounts Return including the Report and Financial Statements, financial results and updated forecast tables</li><li>• VC &amp; Principal Report from Academic Board</li><li>• Appointment of Members</li></ul>
	15 March 2024	<ul style="list-style-type: none"><li>• VC &amp; Principal Report from Academic Board</li><li>• Review and proposed changes to Academic Board Standing Orders</li><li>• University of Warwick Partnership Update</li><li>• Financial Report for the six months to 31 January 2024</li><li>• Review of Risk Register</li><li>• Estates Development Update</li></ul>
	3 July 2024	<ul style="list-style-type: none"><li>• Financial Report for the ten months to 31 May 2024</li><li>• Draft Access and Participation Plan</li><li>• Review of Risk Register</li><li>• VC &amp; Principal Report from Academic Board</li><li>• Proposed amendment to Academic Board Standing Orders</li><li>• OfS Conditions of Registration Compliance Update</li><li>• Safeguarding and Prevent Update</li><li>• Chair's Report from R&amp;N Committee</li><li>• Financial Forecast (Budget) 2024/25</li><li>• Overseas Trips</li><li>• Estates Development Update</li><li>• Appointment of Members</li></ul>

## UNIVERSITY COLLEGE BIRMINGHAM

### STATEMENT OF CORPORATE GOVERNANCE

<b>Committee</b>	<b>Date Convened</b>	<b>Principal Items Discussed</b>
Finance and General Purposes	18 October 2023	<ul style="list-style-type: none"><li>• Draft updated Budget 2023/24</li><li>• Draft Report and Financial Statements for year to 31 July 2024</li><li>• Health and Safety Review 2022/23 and Action Plan 2023/24</li><li>• Modern Slavery &amp; Human Trafficking Statement</li><li>• Application of Corporation Seal</li><li>• Estates development update</li><li>• Investment update</li><li>• TRAC Benchmarking Exercise</li></ul>
	7 February 2024	<ul style="list-style-type: none"><li>• Proposed Tuition Fees</li><li>• Financial Report for the period to 31 December 2023</li><li>• Estates development update</li><li>• Investment Update</li><li>• Subcontracting Fees and Charges Policy</li><li>• Treasury Management</li><li>• Commercial and Operational Performance</li></ul>
	1 May 2024	<ul style="list-style-type: none"><li>• Gender Pay Gap Report 2023</li><li>• 2023-24 Business Review</li><li>• Draft Budget 2024/25</li><li>• Review of Financial Regulations</li><li>• Estates development update</li><li>• Financial Report for the eight months to 31 March 2024</li><li>• Treasury Management</li><li>• Commercial and Operational Performance</li><li>• Application of Corporation Seal</li><li>• Investment Update</li></ul>
Audit	25 October 2023	<ul style="list-style-type: none"><li>• Internal Audit Reports</li><li>• Review of Risk Management for 2023/24</li><li>• Review of Draft Report and Financial Statements for 2022/23, including the External Auditor's Draft Audit Completion Report</li><li>• Internal Audit Service Annual Report 2022/23</li><li>• Draft Audit Committee Annual Report to the Corporation</li><li>• Estates Development Update</li><li>• Tenders Awarded</li><li>• 2022/23 Value for Money Report</li><li>• Private meeting between Committee Members and Auditors</li><li>• Draft Internal Audit Plan 2023/24</li></ul>

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### REPORT OF THE MEMBERS OF THE CORPORATION FOR THE YEAR TO 31 JULY 2024

	14 February 2024	<ul style="list-style-type: none"><li>• Internal Audit Reports</li><li>• Key Suppliers in 2022/23</li><li>• External Audit Fees 2023/24</li><li>• Tenders Awarded</li><li>• Estates Development Update</li></ul>
	23 May 2024	<ul style="list-style-type: none"><li>• Internal Audit Reports</li><li>• External Audit Strategy Memorandum</li><li>• Assurance on the arrangements for Risk Management Control and Governance</li><li>• Tenders awarded</li><li>• Draft Internal Audit Plan 2024/25</li><li>• Estates development Update</li></ul>
Student Services and Standards	27 September 2023	<ul style="list-style-type: none"><li>• HE External examiner and verifier reports</li><li>• NSS Results Summary 2022/23</li><li>• Draft Further Education Self-Assessment Report</li><li>• Quality Improvement Plan</li><li>• Estates developments</li><li>• Safeguarding Update</li><li>• TEF Outcome</li><li>• Access and Participation Plan Update</li><li>• Apprenticeships Update</li><li>• Guild Executive Report</li></ul>
	21 February 2024	<ul style="list-style-type: none"><li>• FE External Verifier Reports</li><li>• Access and Participation Plan Draft Position</li><li>• Review of FE Quality Improvement Plan</li><li>• HE Observations - Semester One</li><li>• Apprenticeships Update</li><li>• Safeguarding Update</li><li>• Guild Executive Report</li><li>• Estates Developments Update</li></ul>
	12 June 2024	<ul style="list-style-type: none"><li>• Proposed Amendments to the General Student Regulation 2024/25 and UCB Student Charter, including Complaints, Assessment Appeals, Discipline and Student Protection Plan</li><li>• Safeguarding Practice Update</li><li>• Student Complaints 2023/24</li><li>• Review of Quality Improvement Plan</li><li>• Draft SAR 2023/24</li><li>• Student Hardships and Bursary Payments</li><li>• HE Observations – Semester Two</li><li>• External Speaker Requests</li></ul>

**UNIVERSITY COLLEGE BIRMINGHAM**

**REPORT OF THE MEMBERS OF THE CORPORATION FOR THE YEAR TO 31 JULY 2024**

- Apprenticeships Update
- Access and Participation Plan Update
- Estates Development Update
- Guild Executive Report

Remuneration and Nominations	8 November 2023	<ul style="list-style-type: none"><li>• Nominations and appointments of Governors</li><li>• Remuneration and Nominations Committee Annual Statement 2023</li></ul>
	13 December 2023	<ul style="list-style-type: none"><li>• Proposed Sixth Form Pay Scales</li></ul>
	3 July 2024	<ul style="list-style-type: none"><li>• Nominations and appointment of Governors</li><li>• Staff Expenses Summary 2023/24</li><li>• Staff Pay</li></ul>

## UNIVERSITY COLLEGE BIRMINGHAM

### REPORT OF THE MEMBERS OF THE CORPORATION FOR THE YEAR TO 31 JULY 2024

#### Statement of Responsibilities of the Board of Governors

The members of the Corporation of the University are required to present audited financial statements for each financial year.

Within the terms and conditions of the Financial Memorandum agreed between the Office for Students (formerly the Higher Education Funding Council for England) and the Corporation of the University, the Corporation, through its Vice-Chancellor & Principal, is required to prepare financial statements for each financial year in accordance with the 2019 Statement of Recommended Practice – Accounting for Further and Higher Education Institutions and with the Accounts Direction issued by the OfS, which give a true and fair view of the state of affairs of the University and the surplus for that year.

In preparing the financial statements the Corporation is required to:-

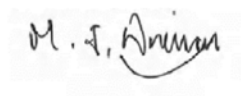
- select suitable accounting policies and then apply them consistently
- make judgements and estimates that are reasonable and prudent
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements
- prepare financial statements on the going concern basis unless it is inappropriate to assume that the University will continue in operation.

The Corporation is also required to prepare a Members' Report which describes what it is trying to do and how it is going about it, including the legal and administrative status of the University.

The Corporation is responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the University and to enable it to ensure that the financial statements are prepared in accordance with the relevant legislation of incorporation and other relevant accounting standards. It has general responsibility for taking such steps that are reasonably open to it to safeguard assets of the University and to prevent and detect fraud and other irregularities.

Members of the Corporation are responsible for ensuring that expenditure and income are applied for the purposes intended by Parliament and that the financial transactions conform to the authorities that govern them. In addition, they are responsible for ensuring that funds from the OfS are used only in accordance with the Terms and Conditions of Funding with the OfS and any other conditions which the OfS may from time to time prescribe. Members of the Corporation must ensure that there are appropriate financial and management controls in place sufficient to safeguard public and other funds and ensure that they are used only in accordance with the conditions under which they have been made available. In addition, members of the Corporation are responsible for securing the economical, efficient and effective management of the University's resources and expenditure, so that the benefits that should be derived from the application of public funds by the OfS are not put at risk.

Approved by order of the members of the Corporation on 20 December 2024 and signed on its behalf by:



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Michael J Wiseman  
Chair  
20 December 2024



## UNIVERSITY COLLEGE BIRMINGHAM

### STATEMENT OF CORPORATE GOVERNANCE

The University is committed to exhibiting best practice in all aspects of corporate governance. It complies with the provisions of the voluntary *Governance Code of Practice* adopted by the Committee of University Chairmen (CUC) as updated in September 2020 and also the UK Corporate Governance Code which was published in 2023. This summary describes the manner in which the University has applied the principles set out in the Combined Code. Its purpose is to help the reader of the accounts understand how the principles have been applied.

In the opinion of the governors, the University complies with the provisions of both the CUC Governance Code of Practice and the UK Corporate Governance Code in so far as they apply to the higher education sector, and it has complied throughout the year ended 31 July 2024.

#### Statement of Primary Responsibilities

Having regard to the Code, the Corporation has adopted the following statement of primary responsibilities:

1. To approve the mission and strategic vision of the University, long-term academic and business plans and key performance indicators, and to ensure that these meet the interests of stakeholders.
2. To delegate authority to the Vice-Chancellor & Principal, as chief executive, for the academic, corporate, financial, estate and personnel management of the University and to establish and keep under regular review the policies, procedures and limits within such management functions as shall be undertaken by and under the authority of the Vice-Chancellor & Principal.
3. To ensure the establishment and monitoring of systems of control and accountability, including financial and operational controls and risk assessment, and procedures for handling internal grievances and for managing conflicts of interest.
4. To ensure that the University has adequate and effective management arrangements in place to comply with the Conditions of Registration with the Office for Students.
5. To approve the University's Access and Participation Plan and monitor specific progress against it, so as to ensure ongoing improvements are made to equality of opportunity for underrepresented groups of students.
6. To ensure processes are in place to monitor and evaluate the performance and effectiveness of the institution against the plans approved key performance indicators, which should be, where possible and appropriate, benchmarked against other comparable institutions.
7. To establish processes to monitor and evaluate the performance and effectiveness of the governing body itself.
8. To conduct its business in accordance with best practice in higher education corporate governance and with the principles of public life drawn up by the Committee on Standards in Public Life and the OfS Public Interest Governance Principles.
9. To safeguard the good name and values of the University.
10. To appoint the Vice-Chancellor & Principal as chief executive, and to put in place suitable arrangements for monitoring his/her performance.
11. To appoint a secretary to the governing body and to ensure that, if the person appointed has managerial responsibilities in the institution, there is an appropriate separation in the lines of accountability.
12. To be the employing authority for all staff in the University and to be responsible for establishing a human resources strategy.

## **UNIVERSITY COLLEGE BIRMINGHAM**

### **STATEMENT OF CORPORATE GOVERNANCE**

#### **Statement of Primary Responsibilities** *(continued)*

13. To be the principal financial and business authority of the University, to ensure that proper books of account are kept, to approve the annual budget and financial statements, and to have overall responsibility for the University's assets, property and estate.
14. To be the University's legal authority and, as such, to ensure that systems are in place for meeting all the University's legal obligations, including those arising from contracts and other legal commitments made in the University's name.
15. To make such provision as it thinks fit for the general welfare of students, in consultation with the Academic Board.
16. To act as trustee for any property, legacy, endowment, bequest or gift in support of the work and welfare of the University.
17. To ensure that the University's constitution is followed at all times and that appropriate advice is available to enable this to happen.
18. To act as the Board of Trustees for the University as an Exempt Charity subject to the provisions of the Charity Act 2011 and to therefore ensure that the University delivers its charitable purposes for the public benefit and submits the information the Office for Students requires in its role as regulator of exempt charities.
19. To promote a culture which supports inclusivity and diversity across the institution.
20. To maintain and protect the principles of academic freedom and freedom of speech legislation.
21. To ensure that all students and staff have opportunities to engage with the governance and management of the institution.

#### **The Corporation**

The composition of the Corporation during the year is set out on page 11. It is the Corporation's responsibility to bring independent judgment to bear on issues of strategy, performance, resources and standards of conduct.

The Corporation is provided with regular and timely information on the overall financial performance of the University, together with other information such as performance against funding targets, proposed capital expenditure, quality matters and personnel-related matters such as health and safety and environmental issues. The Corporation meets each term.

The Corporation conducts its business through a number of committees. Each committee has terms of reference, which have been approved by the Corporation. These committees are: Finance and General Purposes; Remuneration and Nominations; Audit; Student Services and Standards.

The Finance and General Purposes Committee, the Audit Committee, the Student Services and Standards Committee and the full Corporation meet at least termly. The Remuneration and Nominations Committees is convened as necessary. Full minutes of all meetings are available from the University Secretary and Registrar at:

## **UNIVERSITY COLLEGE BIRMINGHAM**

### **STATEMENT OF CORPORATE GOVERNANCE**

University College Birmingham  
Summer Row  
Birmingham  
B3 1JB

The University Secretary and Registrar, as Clerk to the Corporation maintains a register of financial and personal interests of the governors. The register is available for inspection at the above address.

#### **The Corporation**

All governors are able to obtain independent professional advice in the furtherance of their duties at the University's expense and have access to the Clerk to the Corporation, who is responsible to the Board for ensuring compliance with all applicable procedures and regulations. The appointment, evaluation and removal of the Clerk are matters for the Corporation as a whole.

Formal agendas, papers and reports are supplied to governors in a timely manner, prior to Board meetings. Briefings are also provided on an ad-hoc basis.

The Corporation has a strong and independent non-executive element and no individual or group dominates its decision-making process. The Corporation considers that each of its non-executive members is independent of management and free from any business or other relationship, which could materially interfere with the exercise of their independent judgment.

There is a clear division of responsibility in that the roles of the Chair and Vice-Chancellor & Principal are separate.

#### **Remuneration and Nominations Committee**

It is the responsibility of the Remuneration and Nominations Committee to determine the remuneration and benefits of the Vice-Chancellor & Principal and other senior staff, based on a remuneration policy which takes into account the Nolan Principles of Public Life, the CUC Code on HE Senior Staff Remuneration and the University's current financial position in relation to the rest of the sector.

Any new appointments to the Corporation are a matter for the consideration of the Corporation as a whole. The Remuneration and Nominations Committee is responsible for the selection and nomination of new Independent Members for the Corporation's consideration, based on an approved Skills Audit of current membership. The Corporation is responsible for ensuring that appropriate training is provided as required.

Independent Members of the Corporation are appointed for a term of office not exceeding 3 years. Details of remuneration for the year ended 31 July 2024 are set out in note 5 to the financial statements.

#### **Audit Committee**

The Audit Committee comprises three members of the Corporation (excluding the Vice-Chancellor & Principal). The Committee operates in accordance with written terms of reference approved by the Corporation.

The Audit Committee meets on a termly basis and provides a forum for reporting by the University's internal and financial statement auditors, who have access to the Committee for independent discussion, without the presence of University management. The Committee also receives and considers reports from the funding and regulatory agencies as they affect the University's business.

The University's internal auditors monitor the systems of internal control, risk management controls and governance processes in accordance with an agreed plan of input, reporting their findings to management and the Audit Committee. Management is responsible for the implementation of agreed audit

## **UNIVERSITY COLLEGE BIRMINGHAM**

### **STATEMENT OF CORPORATE GOVERNANCE**

recommendations and internal auditors undertake periodic follow-up reviews to ensure such recommendations have been implemented.

The Audit Committee also advises the Corporation on the appointment of internal and financial statement auditors and their remuneration for both audit and non-audit work.

#### **Internal control**

The Vice-Chancellor & Principal, as Accountable Officer, is responsible for ensuring that an effective system of internal control is maintained and operated by the University.

The Corporation is ultimately responsible for the University's system of internal control and for reviewing its effectiveness. However, such a system is designed to manage, rather than eliminate, the risk of failure to achieve business objectives and can provide only reasonable, not absolute, assurance against material mis-statement or loss. The Committee appointed Forvis Mazars as External Auditor and Uniac as internal auditor for the year 2023-24. As well as auditing the statutory accounts, the external auditor comments on the internal control framework and report on any control issues. The internal auditor undertakes a programme of internal audit based on an interrogation of the University risk-register and reports on the findings, including recommendations on a risk rated basis.

The Corporation has delegated to the Vice-Chancellor & Principal, as Accountable Officer, the day-to-day responsibility for reviewing the adequacy of the system of internal financial control and making any appropriate amendments. He is also responsible for reporting to the Corporation any material weaknesses or breakdowns in internal financial control, none have been identified in the year.

The Corporation has reviewed the key risks to which the University is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The Corporation is of the view that there is a formal ongoing process for identifying, evaluating and managing the University's significant risks that has been in place for the year ending 31 July 2024 and up to the date of approval of the annual report and accounts. This process is regularly reviewed by the Corporation.

The Executive Management Team receives reports setting out key performance and risk indicators, and considers possible control issues brought to their attention by early warning mechanisms which are embedded within the departments and reinforced by risk awareness training. The Executive Management Team and the Audit Committee also receive regular reports from internal audit, which include recommendations for improvement. The Audit Committee's role in this area is confined to a high-level review of the arrangements for internal control. The Corporation's agenda includes a regular item for consideration of risk and control and receives reports therein from the Executive Management Team and Audit Committee. The emphasis is on obtaining the relevant degree of assurance, not merely reporting by exception. At its November 2024 meeting, the Corporation carried out the annual assessment for the year ended 31 July 2024 by considering documentation from the Executive Management Team and internal audit, and taking account of events since 31 July 2024 and, having taken sufficient assurance on the internal control framework, agreed that the accounts should be approved.

#### **Public benefit**

University College Birmingham is an exempt charity and has regard to the Charity Commission's guidance on public benefit in the exercise of its duties. Its charitable object is, for the public benefit, to advance education, knowledge and learning by teaching and research. It carries out this object in accordance with the powers granted to the Corporation by Section 124 of the Education Reform Act 1988.

The University has delivered its charitable purposes for the Public Benefit in 2023/24 by providing both Higher and Further education and training to in excess of 10,000 students and providing research and consultancy services for business within its specialist industry areas, namely

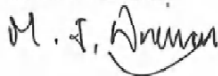
## UNIVERSITY COLLEGE BIRMINGHAM

### STATEMENT OF CORPORATE GOVERNANCE

- Restaurants, hotels and licensed trade
- Engineering and Sustainable Construction
- Nursing
- Physiotherapy
- Digital and Computing
- Finance and Accounting
- Business and Entrepreneurship
- Aviation and Airport Management
- Bakery
- Food and Nutrition
- Tourism
- Early years education and childcare
- Events and entertainment
- Sports therapy
- Sports management
- Beauty therapy, hairdressing, salon management and theatrical special effects & media make-up
- Service sector marketing
- Health and social care

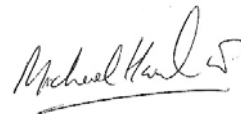
#### Going concern

After making appropriate enquiries, the Corporation considers that the University has adequate resources to continue in operational existence for the foreseeable future. For this reason it continues to adopt the going concern basis in preparing the financial statements.



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Michael J Wiseman  
Chair  
20 December 2024



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Michael Harkin  
Vice-Chancellor & Principal

## **UNIVERSITY COLLEGE BIRMINGHAM**

### **INDEPENDENT AUDITOR'S REPORT TO THE BOARD OF GOVERNORS OF THE UNIVERSITY COLLEGE BIRMINGHAM**

#### **Opinion**

We have audited the financial statements of University College Birmingham ('the University') and its subsidiary ('the Group') for the year ended 31 July 2024 which comprise the Consolidated and University Statement of Comprehensive Income and Expenditure, the Consolidated and University Statement of Changes in Reserves, the Consolidated and University Balance Sheet, the Consolidated Cash Flow Statement and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 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 University's affairs as at 31 July 2024 and of the Group's and University's income and expenditure, gains and losses, changes in reserves and Group's cash flows for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Statement of Recommended Practice – Accounting for Further and Higher Education.

#### **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 University in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### **Conclusions relating to going concern**

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

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

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

#### **Other information**

The other information comprises the information included in the Annual Report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, 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 or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

## UNIVERSITY COLLEGE BIRMINGHAM

### INDEPENDENT AUDITOR'S REPORT TO THE BOARD OF GOVERNORS OF THE UNIVERSITY COLLEGE BIRMINGHAM

#### Responsibilities of Board of Governors

As explained more fully in the Statement of Responsibilities of the Board of Governors set out on page 17, the Board of Governors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Board of Governors are responsible for assessing the Group and 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 intend to liquidate all or part of the University Group or to cease operations, or have no realistic alternative but to do so.

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

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

The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud.

Based on our understanding of the University, the Group and its operations, we considered that non-compliance with the following laws and regulations might have a material effect on the financial statements: OfS requirements, ESFA funding agreements, UK tax legislation, pensions legislation, employment regulation and health and safety regulation, anti-bribery, corruption and fraud and money laundering.

To help us identify instances of non-compliance with these laws and regulations, and in identifying and assessing the risks of material misstatement in respect to non-compliance, our procedures included, but were not limited to:

- Inquiring of management and, where appropriate, those charged with governance, as to whether the University and Group is in compliance with laws and regulations, and discussing their policies and procedures regarding compliance with laws and regulations;
- Inspecting correspondence, if any, with relevant licensing or regulatory authorities;
- Communicating identified laws and regulations to the engagement team and remaining alert to any indications of non-compliance throughout our audit; and
- Considering the risk of acts by the University and Group which were contrary to applicable laws and regulations, including fraud.

We also considered those laws and regulations that have a direct effect on the preparation of the financial statements, such as pensions legislation and the OfS Accounts Direction.

In addition, we evaluated the Board of Governors' and management's incentives and opportunities for fraudulent manipulation of the financial statements, including the risk of management override of controls, and determined that the principal risks related to posting manual journal entries to manipulate financial performance, management bias through judgements and assumptions in significant accounting

## **UNIVERSITY COLLEGE BIRMINGHAM**

### **INDEPENDENT AUDITOR'S REPORT TO THE BOARD OF GOVERNORS OF THE UNIVERSITY COLLEGE BIRMINGHAM**

estimates, in particular in relation to defined benefit pension scheme assets, revenue recognition (which we pinpointed to the cut-off assertion), and significant one-off or unusual transactions.

Our audit procedures in relation to fraud included but were not limited to:

- Making enquiries of the Board of Governors and management on whether they had knowledge of any actual, suspected or alleged fraud;
- Gaining an understanding of the internal controls established to mitigate risks related to fraud;
- Discussing amongst the engagement team the risks of fraud; and
- Addressing the risks of fraud through management override of controls by performing journal entry testing.

There are inherent limitations in the audit procedures described above and the primary responsibility for the prevention and detection of irregularities including fraud rests with management. As with any audit, there remained a risk of non-detection of irregularities, as these may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal controls.

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

#### **Other Required Reporting**

##### **Opinion on other matters prescribed in the OfS Audit Code of Practice issued under the Further and Higher Education Act 1992**

In our opinion, in all material respects:

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

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

In light of the knowledge and understanding of the group and University and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or the Board of Governors' Report.

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

- the provider's grant and fee income, as disclosed in the notes to the accounts, is materially misstated; or
- the provider's expenditure on access and participation activities, as disclosed in the accounts, has been materially misstated.



**UNIVERSITY COLLEGE BIRMINGHAM**

**INDEPENDENT AUDITOR'S REPORT TO THE BOARD OF GOVERNORS OF THE UNIVERSITY  
COLLEGE BIRMINGHAM**

**Use of the audit report**

This report is made solely to the University's members as a body in accordance with paragraph 4(2) of the University's articles and section 124B of the Education Reform Act 1988. Our audit work has been undertaken so that we might state to the University's members 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 group and University and the University's members, as a body, for our audit work, for this report, or for the opinions we have formed.

Signed: Forvis Mazars LLP  
Forvis Mazars LLP (Dec 20, 2024 13:13 GMT)

**Forvis Mazars**

Park View House  
58 The Ropewalk  
Nottingham  
NG1 5DW

Date: Dec 20, 2024

**UNIVERSITY COLLEGE BIRMINGHAM**

**CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR TO 31 JULY 2024**

		2024 £'000	2023 £'000
	Notes		
<b>Income</b>			
Funding body grants	2	18,573	13,558
Academic fees and support grants	2	59,691	51,433
Other operating income	3	6,223	6,598
Investment income	4	2,727	1,571
<b>Total income</b>		<b>87,214</b>	<b>73,160</b>
<b>Expenditure</b>			
Staff costs	5	(38,630)	(32,562)
Other operating expenses	6	(37,836)	(31,019)
Depreciation and amortisation	8	(5,061)	(6,123)
Interest payable	7	121	(428)
<b>Total expenditure</b>		<b>81,406</b>	<b>70,132</b>
<b>Surplus before other gains and losses</b>		<b>5,808</b>	<b>3,028</b>
<b>Surplus before tax</b>		<b>5,808</b>	<b>3,028</b>
Taxation		-	-
<b>Surplus for the year</b>		<b>5,808</b>	<b>3,028</b>
Unrealised (loss)/gain on revaluation of investments	13	2,572	389
Actuarial Gain/(loss) in respect of pension scheme	14	(349)	12,953
<b>Total comprehensive income for the year</b>		<b>8,031</b>	<b>16,370</b>

The statement of comprehensive income is in respect of continuing activities. The figures are consolidated for University College Birmingham and its subsidiaries.

UNIVERSITY COLLEGE BIRMINGHAM

UNIVERSITY STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR TO 31 JULY 2024

		2024 £'000	2023 £'000
	Notes		
<b>Income</b>			
Funding body grants	2	18,573	13,558
Academic fees and support grants	2	59,691	51,433
Other operating income	3	6,223	6,598
Investment income	4	2,727	1,571
<b>Total income</b>		<b>87,214</b>	<b>73,160</b>
<b>Expenditure</b>			
Staff costs	5	(38,630)	(32,562)
Other operating expenses	6	(37,812)	(31,010)
Depreciation	8	(5,061)	(6,123)
Interest payable	7	121	(428)
<b>Total expenditure</b>		<b>81,382</b>	<b>70,123</b>
<b>Surplus before other gains and losses</b>		<b>5,832</b>	<b>3,037</b>
<b>Surplus before tax</b>		<b>5,832</b>	<b>3,037</b>
Taxation		-	-
<b>Surplus for the year</b>		<b>5,832</b>	<b>3,037</b>
Unrealised gain/(loss) on revaluation of investments	13	2,572	389
Actuarial gain/(loss) in respect of pension scheme	14	(349)	12,953
<b>Total comprehensive income for the year</b>		<b>8,055</b>	<b>16,379</b>

UNIVERSITY COLLEGE BIRMINGHAM

CONSOLIDATED STATEMENTS OF CHANGES IN RESERVES FOR THE YEAR TO 31 JULY 2024

<b>Group</b>	<i>Income and Expenditure Account £'000</i>	<i>Revaluation Reserve £'000</i>	<i>Total £'000</i>
<b>Balance at 31 July 2022</b>	<b>166,445</b>	<b>10,283</b>	<b>176,728</b>
Surplus for the year	3,028	-	3,028
Other comprehensive income	12,953	389	13,342
Transfers	140	(140)	-
Other Movements	114	(114)	-
Total comprehensive income for the year	<u>16,237</u>	<u>135</u>	<u>16,370</u>
<b>Balance at 31 July 2023</b>	<b>182,680</b>	<b>10,418</b>	<b>193,098</b>
Surplus for the year	5,808	-	5,808
Other comprehensive income	(349)	2,572	2,223
Transfers	140	(140)	-
Other Movements	-	-	-
Total comprehensive income for the year	<u>5,599</u>	<u>2,432</u>	<u>8,031</u>
<b>Balance at 31 July 2024</b>	<b><u>188,279</u></b>	<b><u>12,850</u></b>	<b><u>201,129</u></b>

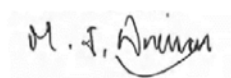
<b>University</b>	<i>Income and Expenditure Account £'000</i>	<i>Revaluation Reserve £'000</i>	<i>Total £'000</i>
<b>Balance at 31 July 2022</b>	<b>166,536</b>	<b>10,169</b>	<b>176,705</b>
Surplus for the year	3,037	-	3,037
Other comprehensive income	12,953	389	13,342
Transfers	140	(140)	-
Other Movements	-	-	-
Total comprehensive income for the year	<u>16,130</u>	<u>(249)</u>	<u>16,379</u>
<b>Balance at 31 July 2023</b>	<b>182,667</b>	<b>10,418</b>	<b>193,085</b>
Surplus for the year	5,832	-	5,832
Other comprehensive income	(349)	2,572	2,223
Transfers	140	(140)	-
Other Movements	-	-	-
Total comprehensive income for the year	<u>5,623</u>	<u>2,432</u>	<u>8,055</u>
<b>Balance at 31 July 2024</b>	<b><u>188,290</u></b>	<b><u>12,850</u></b>	<b><u>201,140</u></b>

**UNIVERSITY COLLEGE BIRMINGHAM**

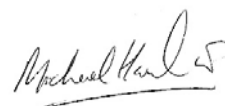
**CONSOLIDATED BALANCE SHEET AS AT 31 JULY 2024**

		2024 £'000	2023 £'000 <i>Restated</i> <i>See note 27</i>
	Notes		
<b>FIXED ASSETS</b>			
Tangible assets	8	130,462	122,493
Investments	9	56,146	52,249
		<u>186,608</u>	<u>174,742</u>
<b>CURRENT ASSETS</b>			
Stock		20	22
Debtors	10	4,150	4,458
Short-term investments	17	18,401	10,424
Cash at bank and in hand	16	24,222	37,696
		<u>46,793</u>	<u>52,600</u>
<b>CREDITORS: amounts falling due within one year</b>	11	(31,778)	(34,244)
		<u>15,015</u>	<u>18,356</u>
<b>NET CURRENT ASSETS</b>			
		201,623	193,098
<b>TOTAL ASSETS INC CURRENT ASSETS</b>			
<b>CREDITORS: amounts falling due after more than one year</b>	12	(494)	-
<b>PENSION LIABILITY</b>		-	-
		<u>201,129</u>	<u>193,098</u>
<b>NET ASSETS</b>			
<b>RESERVES</b>			
Income and expenditure account including pension reserve		188,279	182,680
Revaluation reserves	13	12,850	10,418
		<u>201,129</u>	<u>193,098</u>

The financial statements on pages 26 to 56 were approved by the Corporation on 20 December 2024 and were signed on its behalf by:



Michael J Wiseman  
Chair  
20 December 2024



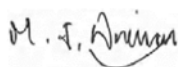
Michael Harkin  
Vice-Chancellor & Principal

UNIVERSITY COLLEGE BIRMINGHAM

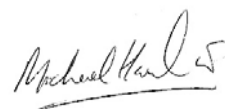
UNIVERSITY BALANCE SHEET AS AT 31 JULY 2024

		2024 £'000	2023 £'000 <i>Restated</i> <i>See note 27</i>
	Notes		
<b>FIXED ASSETS</b>			
Tangible assets	8	130,462	122,493
Investments	9	56,146	52,249
		<u>186,608</u>	<u>174,742</u>
<b>CURRENT ASSETS</b>			
Stock		20	22
Debtors	10	4,159	4,458
Short-term investments	17	18,401	10,424
Cash at bank and in hand	16	24,222	37,696
		<u>46,802</u>	<u>52,600</u>
<b>CREDITORS: amounts falling due within one year</b>	11	(31,776)	(34,257)
		<u>15,026</u>	<u>18,343</u>
<b>NET CURRENT ASSETS</b>			
		201,634	193,085
<b>TOTAL ASSETS INC CURRENT ASSETS</b>			
<b>CREDITORS: amounts falling due after more than one year</b>	12	(494)	-
<b>PENSION LIABILITY</b>		-	-
		<u>201,140</u>	<u>193,085</u>
<b>RESERVES</b>			
Income and expenditure account including pension reserve		188,290	182,667
Revaluation reserves	13	12,850	10,418
		<u>201,140</u>	<u>193,085</u>

The financial statements on pages 26 to 56 were approved by the Corporation on 6 November 2024 and were signed on its behalf by:



Michael J Wiseman  
Chair  
20 December 2024



Michael Harkin  
Vice-Chancellor & Principal

**UNIVERSITY COLLEGE BIRMINGHAM**

**CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR TO 31 JULY 2024**

		<i>2024</i> <i>£'000</i>	<i>2023</i> <i>£'000</i>
	Notes		
<b>NET CASH INFLOW FROM OPERATING ACTIVITIES</b>	15	5,929	18,619
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		<u>          </u>	<u>          </u>
Purchase of tangible fixed assets not under finance leases	8	(13,029)	(19,487)
Income from sale of tangible fixed assets		-	-
Deferred capital grants received		50	100
Purchase of investments		(650)	-
Income from sale of investments		-	-
Purchase of long term cash deposits		(524)	-
Income from investments		324	270
Other interest received		2,403	1,301
New deposit investments		(7,977)	(211)
		<u>(19,403)</u>	<u>(18,027)</u>
<b>INCREASE IN CASH IN THE YEAR</b>		<u>(13,474)</u>	<u>592</u>
<b>RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET FUNDS</b>			
		<i>£'000</i>	<i>£'000</i>
Increase in cash in the year		(13,474)	592
Net funds at 1 August 2023		37,696	37,104
Net funds at 31 July 2024		<u><b>24,222</b></u>	<u><b>37,696</b></u>

## UNIVERSITY COLLEGE BIRMINGHAM

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR TO 31 JULY 2024

#### 1. ACCOUNTING POLICIES

##### ***Statement of accounting policies***

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

##### ***Going concern***

The financial statements have been prepared on the going concern basis, based on an annual assessment of the University's financial prospects by the governors to determine that there are adequate resources to continue in operational existence for the foreseeable future, a minimum of 12 months from the date when the financial statements are authorised for issue.

##### ***Basis of preparation***

These financial statements have been prepared in accordance with the Statement of Recommended Practice (SORP): *Accounting for Further and Higher Education 2019* and in accordance with Financial Reporting Standard ("FRS") 102. The University is a public benefit entity and therefore has applied the relevant public benefit requirement of FRS 102.

##### ***Basis of accounting***

The financial statements have been prepared in accordance with the historical cost convention modified by the revaluation of certain fixed assets.

##### ***Foreign currency***

Transactions denominated in foreign currencies are recorded using the exchange rate prevailing at the date of the transaction.

##### ***Basis of consolidation***

The consolidated financial statements of the group include the financial statements of the University and its subsidiary undertakings. The results of subsidiary and associated undertakings acquired or disposed of during the year are included in the consolidated statements of comprehensive income from or up to the date on which control of the undertaking passes. Intra-group sales and profits are eliminated fully on consolidation. In accordance with FRS 102, the activities of the student union have not been consolidated because the University does not control those activities. All financial statements are prepared to 31 July 2024.

##### ***Recognition of income***

###### ***a) Tuition fee income***

Income from tuition fees is recognised in the period for which it is received and includes all fees payable by students or their sponsors. Where the amount of the tuition fee is reduced, by a discount for prompt payment, income is shown net of the discount. Bursaries and scholarships which are not offered as a deduction on fees are accounted for gross as expenditure and not deducted from income.

###### ***b) Other operating income***

Income from the sale of goods or services is credited to the Consolidated statement of comprehensive income and expenditure when the goods or services are supplied to the external customers or the terms of the contract have been satisfied.

###### ***c) Investment income***

Income from investments represents dividends received. Fluctuations in market value on investments which have been held by the University throughout the year are taken directly to reserves.



## UNIVERSITY COLLEGE BIRMINGHAM

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR TO 31 JULY 2024

#### 1. ACCOUNTING POLICIES *(continued)*

##### d) *Grant funding – funding body grants*

Recurrent grants receivable from the Education Skills Funding Agency and the Department for Education represent the funding allocations attributable to the current financial year and are credited direct to the statements of comprehensive income. Recurrent grants are recognised in line with planned activity. Any under-achievement against this planned activity is adjusted in-year and reflected in the level of recurrent grant recognised in the statements of comprehensive income. Recurrent grants receivable from the Office for Students (formerly the Higher Education Funding Council for England) are based upon the HESSES returns provided by the University in December and June of each academic year.

##### e) *Grant funding – other grants*

Grants receivable from the Department for Education represent the funding allocations attributable to the current financial year and are credited direct to the statements of comprehensive income.

#### ***Pension schemes***

Retirement benefits to employees of the University are provided by the Teachers' Pension Scheme (TPS) and the Local Government Pension Scheme (LGPS). These are defined benefit schemes which are externally funded and contracted out of the State Earnings Related Pension Scheme.

Contributions to the TPS are charged to the income and expenditure account so as to spread the cost of pensions over employees' working lives with the University in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by qualified actuaries on the basis of quinquennial valuations using a prospective benefit method. As stated in Note 14, the TPS is a multi-employer scheme and the University is unable to identify its share of the underlying assets and liabilities of the scheme on a consistent and reasonable basis. The TPS is therefore treated as a defined contribution scheme and the contributions recognised as they are paid each year.

The LGPS is a funded scheme. The assets of the LGPS are measured using closing fair values. LGPS liabilities are measured using the projected unit-credit method and discounted at the current rate of return on a high quality corporate bond of equivalent term and currency to the liabilities. The actuarial valuations are obtained at least triennially and updated at each balance sheet date. The amounts charged to operating surplus are the current service costs and the costs of scheme introductions, benefit changes, settlements and curtailments. They are included as part of staff costs as incurred. Net interest on the net defined benefit liability is also recognised in the Statement of Comprehensive Income and comprises the interest cost on the defined benefit obligation and interest income on the scheme assets, calculated by multiplying the fair value of the scheme assets at the beginning of the period by the rate used to discount the benefit obligations. The difference between the interest income on the scheme assets and the actual return on the scheme assets is recognised in other gains and losses.

#### ***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 element.

#### ***Goodwill***

Goodwill arising on the acquisition of subsidiary undertakings and businesses, representing any excess of the fair value of the consideration over the fair value of the identifiable assets and liabilities acquired is capitalised and written off on a straight line basis over its useful economic life. Useful economic life is assessed separately for each business acquired, depending on the nature of that business. Where a reliable estimate of the useful life of goodwill cannot be made, the life shall not exceed five years. Provision is made for any impairment.

## UNIVERSITY COLLEGE BIRMINGHAM

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR TO 31 JULY 2024

#### 1. ACCOUNTING POLICIES *(continued)*

##### ***Tangible fixed assets***

###### a) Land and buildings

The University's buildings are specialised buildings and therefore it is not appropriate to value them on the basis of open market value. Land and buildings inherited from the Local Education Authority are stated in the balance sheet at valuation on the basis of depreciated replacement cost. Land and buildings acquired since incorporation are capitalised at cost. Freehold land is not depreciated. Freehold buildings are depreciated over their expected useful economic life to the University of 50 years. Leasehold buildings are amortised over the length of the lease.

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

Buildings 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 brought into use.

Where significant subsequent expenditure is incurred on tangible fixed assets it is charged to the income and expenditure account in the period it is incurred, unless it meets one of the following criteria, in which case it is capitalised and depreciated on the relevant basis:

- i. Market value of the fixed asset has subsequently improved
- ii. Asset capacity increases
- iii. Substantial improvement in the quality of output or reduction in operating costs
- iv. Significant extension of the asset's life beyond that conferred by repairs and maintenance

###### b) Refurbishments

For properties owned by the University refurbishments costing less than £15,000 are written off to the income and expenditure account in the period of refurbishment. All other refurbishments are capitalised at cost and are depreciated over their useful economic life to the University of 4 years.

For leased properties, costs are written off to the income and expenditure account in the period of refurbishment unless the refurbishment cost is significant and considered to add significant value, where the university has a long-term lease interest in the property. In such instances costs will be capitalised over their useful economic life to the University.

###### c) Other tangible fixed assets

Other tangible fixed assets costing less than £15,000 per individual item are written off to the income and expenditure account in the period of acquisition. All other tangible fixed assets are capitalised at cost.

Other tangible fixed assets are depreciated over their useful economic lives as follows:

Motor vehicles	4 years
Computer equipment	4 years
General equipment	4 years

##### ***Investment Properties***

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

## UNIVERSITY COLLEGE BIRMINGHAM

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR TO 31 JULY 2024

#### 1. ACCOUNTING POLICIES *(continued)*

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

#### ***Investments in subsidiaries***

The Consolidated Statement of Comprehensive Income and Balance Sheet include the annual accounts of the Corporation and its operating subsidiary undertakings. Details of the University's subsidiary undertakings are provided in the notes to the accounts. The Annual Accounts have been consolidated under the acquisition method of accounting; intra-group transactions are eliminated on consolidation.

#### ***Investments in joint ventures***

Due to the nature of its activities, the University is a member of a number of other joint ventures and companies. The individual detail of these other holdings is not disclosed, nor consolidated into the accounts of the University, purely on the grounds of materiality.

#### ***Leased assets***

Costs in respect of operating leases are charged on a straight-line basis over the lease term. Leasing agreements which transfer to the University substantially all the benefits and risks of ownership of an asset are treated as if the asset had been purchased outright. The assets are included in fixed assets and the capital elements of the leasing commitments are shown as obligations under finance leases. The lease rentals are treated as consisting of capital and interest elements. The capital element is applied to reduce the outstanding obligations and the interest element is charged to the income and expenditure account in proportion to the reducing capital element outstanding. Assets held under finance leases are depreciated over the shorter of the lease term or the useful economic lives of equivalent owned assets. Assets which are held under hire purchase contracts which have the characteristics of finance leases are depreciated over their useful lives.

#### ***Investments***

Investments are held for the long term and are therefore treated as fixed assets and included at market valuation. Fluctuations in value are taken directly to the investment revaluation reserve included within reserves in the balance sheet, so avoiding significant fluctuations in operating surpluses resulting from short term fluctuations in the value of investments.

#### ***Stocks***

Stocks are stated at the lower of cost and net realisable value. Where necessary, provision is made for obsolete, slow moving and defective stocks.

#### ***Maintenance of premises***

The cost of routine corrective maintenance is charged to the income and expenditure account in the period it is incurred.

#### ***Taxation***

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

## UNIVERSITY COLLEGE BIRMINGHAM

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR TO 31 JULY 2024

#### 1. ACCOUNTING POLICIES *(continued)*

The University receives no similar exemption in respect of Value Added Tax. Most of the services provided to students are, however, exempt from VAT. Irrecoverable VAT on inputs is included in the costs of such inputs. Any irrecoverable VAT allocated to fixed assets is included in their cost.

The University's subsidiaries are liable to Corporation Tax in the same way as any other commercial or corporate organisations.

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

#### **Cash and cash equivalents**

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

Cash equivalents are short term, highly liquid investments that are readily convertible to known amounts of cash with insignificant risk of change in value. An investment qualifies as a cash equivalent when it has maturity of 3 months or less from the date of acquisition. Cash investments that have a maturity of 3 months or longer but less than a year from the date of acquisition are classified as short-term investments.

#### **Provisions**

Provisions are recognised when the institution has a present legal or constructive obligation 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.

#### **Deferred Capital Grants**

In accordance with FRS 102 the University accounts for deferred capital grants using the Performance model whereby grants that do not impose specific future performance-related conditions are recognised in the statements of comprehensive income on receipt and grants that impose specific future performance-related conditions are only recognised in the statements of comprehensive income once the performance-related conditions are met.

#### **Agency arrangements**

The University acts as an agent in the collection and payment of Learner Support Funds and Department for Education training bursaries. Related payments received from the Office for Students, ESFA and DfE and subsequent disbursements to students are excluded from the income and expenditure account and are shown separately in note 23, except for the 5% of the grant received which is available to the University to cover administration costs relating to the grant. The University employs one member of staff dedicated to the administration of Learner Support Fund applications and payments.

#### **Financial instruments**

The Group only enters into basic financial instrument transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors, loans from banks and other third parties, loans to related parties and investments in non-puttable ordinary shares.

Debt instruments (other than those wholly repayable or receivable within one year), including loans and other accounts receivable and payable, are initially measured at present value of the future cash flows and subsequently at amortised cost using the effective interest method. Debt instruments that are payable or receivable within one year, typically trade debtors and creditors, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration expected to be paid or received. However,

## UNIVERSITY COLLEGE BIRMINGHAM

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR TO 31 JULY 2024

#### 1. ACCOUNTING POLICIES *(continued)*

if the arrangements of a short-term instrument constitutes a financing transaction, like the payment of a trade debt deferred beyond normal business terms or financed at a rate of interest that is not a market rate or in the case of an out-right short-term loan not at market rate, the financial asset or liability is measured, initially, at the present value of the future cash flow discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost.

Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the Consolidated Statement of Comprehensive Income. For financial assets measured at amortised cost, the impairment loss is measured as the difference between an asset's carrying amount and the present value of estimated cash flows discounted at the asset's original effective interest rate. If a financial asset has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract.

For financial assets measured at cost less impairment, the impairment loss is measured as the difference between an asset's carrying amount and best estimate of the recoverable amount, which is an approximation of the amount that the Group would receive for the asset if it were to be sold at the balance sheet date.

Financial assets and liabilities are offset and the net amount reported in the Balance Sheet when there is an enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

#### **Reserves**

The University has an income & expenditure reserve which is unrestricted, meaning that it can be used to support all activities of the University. There are two other restricted reserves which can only be used for specified purposes. These are the pension reserve which is retained to support the Local Government Pension deficit and the revaluation reserve which reflects unrealised gains in investments.

## UNIVERSITY COLLEGE BIRMINGHAM

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR TO 31 JULY 2024

#### 2. GRANT AND FEE INCOME

<i>Consolidated and University</i>	<i>2024</i> £'000	<i>2023</i> £'000
Grant income from OfS	2,346	2,233
Grant income from other bodies	16,227	11,324
Fee income for taught awards (exc. VAT)	58,815	49,937
Fee income for non-qualifying courses (exc. VAT)	280	275
Contracts	596	1,261
European funds	-	(39)
<b>Total grant and fee income</b>	<b>78,264</b>	<b>64,991</b>

#### 3. OTHER OPERATING INCOME

<i>Consolidated and University</i>	<i>2024</i> £'000	<i>2023</i> £'000
Catering operations	1,384	1,209
Residence income	4,372	4,043
Other income generating activities	385	1,200
Other services rendered	82	146
Subsidiary's operating income	-	-
	<b>6,223</b>	<b>6,598</b>

#### 4. INVESTMENT INCOME

<i>Consolidated and University</i>	<i>2024</i> £'000	<i>2024</i> £'000
Income from investments	324	270
Other interest receivable	2,403	1,301
	<b>2,727</b>	<b>1,571</b>

Income from investments represents dividends received and losses or gains on disposals realised in-year. Fluctuations in market value on investments which have been held by the University throughout the year are taken directly to reserves.

## UNIVERSITY COLLEGE BIRMINGHAM

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR TO 31 JULY 2024

#### 5. STAFF COSTS

The average number of persons employed by the University during the year, expressed as full-time equivalents, was:

<i>Consolidated and University</i>	2024	2023
Teaching departments	329	284
Teaching and other support services	117	186
Administration and central services	111	38
General education expenditure	21	39
Premises	34	23
Catering and residences	37	24
	<b>649</b>	<b>594</b>
	<b>649</b>	<b>594</b>

Wages and salary costs for the University during the year was:

	2024 £'000	2023 £'000
Wages and salaries	27,537	22,602
Social security costs	2,979	2,429
Pension costs (including FRS 102 adjustments of (£228,000) – 2023: £580,000)	5,453	5,263
	35,969	30,294
Payroll sub-total		
Contracted-out lecturing services	2,661	2,268
	<b>38,630</b>	<b>32,562</b>
	<b>38,630</b>	<b>32,562</b>

During the year the University employed staff on permanent and short-term/temporary contracts, this was as detailed:

	2024 £'000	2023 £'000
Employment costs for staff on permanent contracts	36,197	29,714
Contracted-out lecturing services	2,661	2,268
FRS 102 retirement benefit charge	(228)	580
	<b>38,630</b>	<b>32,562</b>
	<b>38,630</b>	<b>32,562</b>

**UNIVERSITY COLLEGE BIRMINGHAM**

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR TO 31 JULY 2024**

**5. STAFF COSTS** *(continued)*

The number of staff, including the Vice-Chancellor & Principal, who received a basic salary in excess of £100,000 in the following ranges was:

<i>Consolidated and University</i>	2024	2023
£105,001 to £110,000	1	-
£115,001 to £120,000	1	3
£120,001 to £125,000	1	-
£130,001 to £135,000	1	-
£220,001 to £240,000	1	1
	<b>5</b>	<b>4</b>

The remuneration paid to the Vice-Chancellor & Principal was:

<i>Consolidated and University</i>	2024 £'000	2023 £'000
Salary	231	204
Bonus	2	32
Discretionary payment	23	-
Benefits in kind	1	1
	257	237
Pension contributions	53	43
Total	<b>310</b>	<b>282</b>

i. The Vice-Chancellor and Principal's basic salary is 6.6 times the median pay of staff (2023: 6.7), where the median pay is calculated on a full-time equivalent basis for the salaries paid by the University to its staff.

ii. The Vice-Chancellor and Principal's total remuneration is 6.8 times the median total remuneration of staff (2023: 7.5), where the median total remuneration is calculated on a full-time equivalent basis for the total remuneration by the University to its staff.



## UNIVERSITY COLLEGE BIRMINGHAM

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR TO 31 JULY 2024

#### 5. STAFF COSTS *(continued)*

The remuneration of the Vice-Chancellor and Principal is determined by the Remuneration and Nominations Committee who take a broad view of the financial performance of the HE sector and base decisions primarily on the recommendations made by the Universities and Colleges Employers' Association (UCEA), who negotiate nationally on the University's behalf. Remuneration and Nominations Committee consider that this is appropriate given the seniority of the post and the success of the University in a very challenging Higher Education environment.

The members of the Corporation other than the Vice-Chancellor & Principal and the member nominated by the staff (who is a University employee) did not receive any payment from the University other than the reimbursement of travel and subsistence expenses incurred in the course of their duties.

#### **Key management personnel**

The members of the Executive Management Team are considered to be the key management personnel of the University, having authority and responsibility for planning, directing and controlling the activities of the University. Staff costs include compensation paid to key management personnel.

	<i>2024</i> £'000	<i>2023</i> £'000
Key management personnel compensation	1,986	1,370
	<b>1,986</b>	<b>1,370</b>
Staff costs included:		
	<i>2024</i> £'000	<i>2023</i> £'000
Access and Participation related costs:		
- Access Investment	1,250	818
- Financial Support	162	138
- Disability Support (excluding expenditure in the two categories above)	0	278
- Research and Evaluation	230	135
	<b>1,642</b>	<b>1,369</b>

#### **Compensation for loss of office**

	<i>2024</i> £'000	<i>2023</i> £'000
Compensation for loss of office to employees of the University	168	-
	<b>168</b>	-
Number of employees	9	-

**UNIVERSITY COLLEGE BIRMINGHAM**

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR TO 31 JULY 2024**

**6. OTHER OPERATING EXPENSES**

	2024		2023	
	Group £'000	University £'000	Group £'000	University £'000
Teaching departments	4,906	4,906	3,966	3,966
Teaching support services	2,644	2,644	2,078	2,078
Other support services	1,997	1,997	1,878	1,878
Administration and central services	4,666	4,666	4,778	4,778
General education expenditure	11,922	11,922	10,373	10,373
Premises costs	8,929	8,929	5,480	5,480
Catering costs	573	573	989	989
Residences expenditure	2,175	2,175	1,466	1,466
Local government pension administration costs	-	-	2	2
Subsidiary expenditure	24	-	9	-
	<b><u>37,836</u></b>	<b><u>37,812</u></b>	<b><u>31,019</u></b>	<b><u>31,010</u></b>

Other operating expenses included:

	2024 £'000	2023 £'000
Auditors' remuneration:		
- external audit	47	45
- internal audit	89	125
- other services provided by external auditors	31	14
	<b><u>167</u></b>	<b><u>184</u></b>
Access and Participation related costs:		
- Access Investment	-	-
- Financial Support	1,236	1,414
- Disability Support (excluding expenditure in the two categories above)	-	-
- Research and Evaluation	-	-
	<b><u>1,236</u></b>	<b><u>1,414</u></b>

The University's Access and Participation Plan can be found at  
<https://www.ucb.ac.uk/media/jhyhztxy/access-and-participation-plan-2020-2021-to-2024-25.pdf>

**7. INTEREST PAYABLE**

<i>Consolidated and University</i>	2024 £'000	2023 £'000
Local government pension deficit interest (note 14)	(121)	428
	<b><u>(121)</u></b>	<b><u>428</u></b>

UNIVERSITY COLLEGE BIRMINGHAM

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR TO 31 JULY 2024

8. TANGIBLE FIXED ASSETS

Consolidated and University	Freehold land and buildings <i>Restated</i> £'000	Refurbishment £'000	Motor vehicles £'000	Computer equipment £'000	General equipment £'000	Total £'000
Cost or valuation:						
At 1 August 2023	138,849	20,171	-	2,170	4,957	166,147
Prior year adjustment	2,382	-	-	-	-	2,382
At 1 August 2023 restated	141,231	20,171	-	2,170	-	168,529
Additions	11,049	316	-	517	1,147	13,029
Disposals	-	-	-	(88)	(334)	(422)
At 31 July 2024	152,280	20,487	-	2,599	5,770	181,136
Depreciation:						
At 1 August 2023	23,992	17,733	-	1,170	3,140	46,035
Charge for the year	2,384	1,351	-	396	929	5,060
Disposals	-	-	-	(88)	(334)	(422)
At 31 July 2024	26,376	19,084	-	1,478	3,735	50,674
Net book value At 31 July 2024	<b>125,904</b>	<b>1,403</b>	-	<b>1,121</b>	<b>2,035</b>	<b>130,462</b>
Net book value: At 1 August 2023	117,239	2,438	-	1,000	1,817	122,494

## UNIVERSITY COLLEGE BIRMINGHAM

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR TO 31 JULY 2024

#### 8. TANGIBLE FIXED ASSETS *(Continued)*

Inherited land and buildings have been valued at depreciated replacement cost by a firm of independent chartered surveyors. Other tangible fixed assets inherited from the local education authority at incorporation have been valued by the University on a depreciated replacement cost basis with the assistance of independent professional advice in 1994. There are no tangible fixed assets held under finance leases. Land and buildings with a net book value of £1,829,340 have been financed by exchequer funds, through for example the receipt of capital grants. Should these assets be sold, the University may be liable, under the terms of the Financial Memorandum with the OfS, to surrender the proceeds.

#### 9. INVESTMENTS

	2024		2023	
	Group £'000	University £'000	Group £'000	University £'000
Managed Funds and Covered Warrants				
Market value at 1 August	14,379	14,379	14,177	14,177
Other changes in-year	152	152	(186)	(186)
Purchase of investments	650	650	-	-
Surplus/(Deficit) on revaluation for year	1,721	1,721	388	388
	<u>16,902</u>	<u>16,902</u>	<u>14,379</u>	<u>14,379</u>
Long Term Cash Deposits				
Value at 1 August	35,143	35,143	35,000	35,000
Additions	524	524	143	143
	<u>35,667</u>	<u>35,667</u>	<u>35,143</u>	<u>35,143</u>
Investment properties				
Value at 1 August	2,515	2,515	2,515	2,515
	-	-	-	-
Surplus / (loss) on revaluation	850	850	-	-
	<u>3,365</u>	<u>3,365</u>	<u>2,515</u>	<u>2,515</u>
Works of Art				
Cost at 1 August and 31 July	212	212	212	212
	<u>212</u>	<u>212</u>	<u>212</u>	<u>212</u>
<b>Total investments</b>	<b><u>56,146</u></b>	<b><u>56,146</u></b>	<b><u>52,249</u></b>	<b><u>52,249</u></b>

Managed funds and covered warrants have been included at market value. Unrealised gains and losses arising from fluctuations in value are included within revaluation reserves. Investments in joint ventures and works of art have been included at cost.

## UNIVERSITY COLLEGE BIRMINGHAM

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR TO 31 JULY 2024

Investment properties were revalued at 31 July 2024 by Cushman & Wakefield, Chartered Surveyors on the basis of Market Value in accordance with the requirements of the RICS Valuation – Global Standards which incorporate the International Valuation Standards (“IVS”) and the RICS Valuation UK National Supplement (the “RICS Red Book”) edition current at the Valuation Date.

#### 10. DEBTORS

	2024		2023	
	Group £'000	University £'000	Group £'000	University £'000
Trade debtors	2,217	2,217	2,589	2,589
Prepayments and accrued income	1,501	1,501	1,398	1,398
Loans to joint ventures (see note 20)	430	430	430	430
Other debtors	2	2	41	41
Amounts owed by group	-	9	-	-
	<b>4,150</b>	<b>4,159</b>	<b>4,458</b>	<b>4,458</b>

#### 11. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2024		2023	
	Group £'000	University £'000	Group £'000 <i>Restated</i>	University £'000 <i>Restated</i>
Amounts falling due within one year:				
Trade creditors	1,551	1,551	4,142	4,157
Other taxation and social security	1,680	1,680	865	865
Accruals and deferred income	25,590	25,588	25,848	25,848
Other creditors	2,957	2,957	3,389	3,387
	<b>31,778</b>	<b>31,776</b>	<b>34,244</b>	<b>34,257</b>

#### Deferred income

Included within creditors are the following items of income which have been deferred until specific performance related conditions have been met.

	2024 £'000	2023 £'000
Tuition fees in advance	16,782	15,473
Accommodation fees in advance	254	134
	<b>17,036</b>	<b>15,608</b>

UNIVERSITY COLLEGE BIRMINGHAM

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR TO 31 JULY 2024

12. CREDITORS: AMOUNTS FALLING DUE AFTER ONE YEAR

	2024		2023	
	Group £'000	University £'000	Group £'000	University £'000
Amounts falling due after one year:				
Accruals	494	494	-	-
	<u>494</u>	<u>494</u>	<u>-</u>	<u>-</u>
	<u><u>494</u></u>	<u><u>494</u></u>	<u><u>-</u></u>	<u><u>-</u></u>

13. REVALUATION RESERVES

	2024		2023	
	Group £'000	University £'000	Group £'000	University £'000
<b><i>Inherited Assets</i></b>				
At 1 August	3,353	3,353	3,493	3,493
Transfer from revaluation reserve to income and expenditure account	(140)	(140)	(140)	(140)
	<u>3,213</u>	<u>3,213</u>	<u>3,353</u>	<u>3,353</u>
	<u><u>3,213</u></u>	<u><u>3,213</u></u>	<u><u>3,353</u></u>	<u><u>3,353</u></u>
<b><i>Investments</i></b>				
At 1 August	7,040	7,040	6,766	6,652
Release of revaluation reserve in respect of investments sold during the year	-	-	-	-
(Decrease)/Increase in valuation of investments during the year	1,722	1,722	389	389
Revaluation of investment properties	850	850	-	-
	<u>9,612</u>	<u>9,612</u>	<u>7,155</u>	<u>7,041</u>
	<u><u>9,612</u></u>	<u><u>9,612</u></u>	<u><u>7,155</u></u>	<u><u>7,041</u></u>
<b><i>Fixed Assets</i></b>				
At 1 August	25	25	25	25
	<u>25</u>	<u>25</u>	<u>25</u>	<u>25</u>
	<u><u>25</u></u>	<u><u>25</u></u>	<u><u>25</u></u>	<u><u>25</u></u>
Total Revaluation Reserve	<u><u>12,850</u></u>	<u><u>12,850</u></u>	<u><u>10,533</u></u>	<u><u>10,419</u></u>

14. PENSION AND SIMILAR OBLIGATIONS

The two principal pension schemes for the University's staff are the Teachers' Pension Scheme (TPS) and the Local Government Pension Scheme (LGPS). Both are defined benefit schemes.

## UNIVERSITY COLLEGE BIRMINGHAM

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR TO 31 JULY 2024

The total pension cost for the University was:

<i>Consolidated and University</i>	<i>2024</i> <i>£'000</i>	<i>2023</i> <i>£'000</i>
Contribution to TPS	3,352	2,488
Contribution to LGPS	2,269	2,195
FRS 102 charge	(228)	580
Total pension (Note 5)	<u>5,393</u>	<u>5,263</u>

#### ***Teachers' Pension Scheme (TPS)***

The University participates in the TPS, which is an unfunded defined benefit pension scheme where contributions payable are credited to the Exchequer and a notional set of investments maintained. The pension cost is normally assessed no less than every four years in accordance with the advice of the Government Actuary.

For the period from 1 August 2023 to 31<sup>st</sup> March 2024 the employer contribution was 23.68%. For the period 1<sup>st</sup> April 2024 to 31 July 2024 the employer contribution was 28.68%. The employee rate was between 7.4% and 11.7%.

The Government Actuary, using normal actuarial principles, conducts a formal actuarial review of the TPS in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014 published by HM Treasury every 4 years. The aim of the review is to ensure scheme costs are recognised and managed appropriately and the review specifies the level of future contributions.

Actuarial scheme valuations are dependent on assumptions about the value of future costs, design of benefits and many other factors. The latest actuarial valuation of the TPS was carried out as at 31 March 2020. The valuation report was published by the Department for Education on 27 October 2023, with the SCAPE rate, set by HMT, applying a notional investment return based on 1.7% above the rate of CPI. The key elements of the valuation outcome are:

- Employer contribution rates set at 28.68% of pensionable pay (including a 0.08% administration levy). This is an increase of 5% in employer contributions and the cost control result is such that no change in member benefits is needed.
- Total scheme liabilities (pensions currently in payment and the estimated cost of future benefits) for service to the effective date of £262,000 million and notional assets (estimated future contributions together with the notional investments held at the valuation date) of £222,200 million, giving a notional past service deficit of £39,800 million.

The result of this valuation will be implemented from 1 April 2024. The next valuation result is due to be implemented from 1 April 2028.

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

#### ***Financial Reporting Standard 102***

Under the definitions set out in Financial Reporting Standard 102, the TPS is a multi-employer pension scheme. The University is unable to identify its share of the underlying assets and liabilities of the scheme. Accordingly, the University has taken advantage of the exemption in FRS 102 and has accounted for its contributions to the scheme as if it were a defined contribution scheme.

## UNIVERSITY COLLEGE BIRMINGHAM

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR TO 31 JULY 2024

#### **Local Government Pension Scheme (LGPS)**

The University participates in the LGPS, which is a funded defined benefit pension scheme where contributions payable are held in a trust separately from the University. The total contribution made for the year ended 31 July 2024 was £3,005,000 of which employer's contributions totalled £2,269,000 and employees' contributions totalled £736,000. The agreed employer contribution rate for the period was 20.9%. The employee contribution rate depends upon the salary of the individual member and varies between 5.5% and 12.5%.

#### **Financial Reporting Standard 102**

The following information is based upon a full actuarial valuation of the Fund at 31 March 2024 updated to 31 July 2024 by a qualified independent actuary.

Weighted average assumptions used to determine benefit obligations at:

	31 July 2024	31 July 2023
Rate of increase in salaries	3.75%	4.0%
Rate of increase for pensions	2.75%	3.0%
CPI inflation assumption	2.75%	3.0%
Discount rate for scheme liabilities	5%	5.05%
Further life expectancies from age 65:		
Retiring today		
Males	22.1 yrs	22.2 yrs
Females	24.0 yrs	24.0 yrs
Retiring in 20 years		
Males	21.4 yrs	21.5 yrs
Females	25.0 yrs	25.1 yrs

Changes to the LGPS under regulation 3 of the LGPS (Amendment) Regulations 2006 (Statutory Instrument 2006/966) permit employees retiring on or after 6 April 2006 to take an extra increase in their lump sum payment on retirement in exchange for a reduction in their future annual pension. The actuaries have assumed that 50% of employees retiring after 6 April 2006 will take advantage of this change to the pension scheme. The actuaries have advised that this will reduce the value of the University's retirement benefit liability.



## UNIVERSITY COLLEGE BIRMINGHAM

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR TO 31 JULY 2024

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

The University's share of the assets in the scheme at the balance sheet date was:

<i>Consolidated and University</i>	<i>Fair value At 31 July 2024 £'000</i>	<i>Fair value At 31 July 2023 £'000</i>
Equities	31,655	37,869
Bonds	21,724	11,695
Property	4,345	3,898
Cash / liquidity	4,345	2,227
Total fair value of assets	<u>62,069</u>	<u>55,689</u>
Present value of plan liabilities	(56,936)	(53,387)
Surplus/(Deficit)	<u>5,133</u>	<u>2,302</u>
Present value of unfunded obligation	-	-
Notional pension asset not recognised	(5,133)	(2,302)
	<u>-</u>	<u>-</u>
	<u><u>-</u></u>	<u><u>-</u></u>

As the present value of the defined benefit obligation at the reporting date is less than the fair value of plan assets at that date, the plan has a notional surplus. As the Corporation do not consider that the University will be able to recover the surplus either through reduced contributions in the future or through refunds from the plan, the surplus has not been recognised in these financial statements in line with paragraph 28.22 of FRS102.

In June 2023 the High Court ruled in the case of Virgin Media Limited v NTL Pension Trustees. The ruling was that certain pension scheme rule amendments were invalid if they were not accompanied by the correct actuarial confirmation.

This High Court ruling was appealed. In a judgment delivered on 25 July 2024, the Court of Appeal unanimously upheld the decision of the High Court.

At the date of approval of these financial statements, while it is known there is potential for additional pension liabilities to be recognised as a result of this ruling, the impact in monetary terms is not known and it is reasonable to form the view that it is not reasonably estimable. Accordingly, no adjustments to reflect the impact of the ruling have been made in these financial statements.

The Corporation will continue to monitor the developments and consider the impact on the LGPS liabilities recognised by the institution.

UNIVERSITY COLLEGE BIRMINGHAM

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR TO 31 JULY 2024

**Analysis of the amounts recognised in the Statement of Comprehensive Income in respect of the scheme**

<i>Consolidated and University</i>	<i>2024</i> <i>£'000</i>	<i>2023</i> <i>£'000</i>
Amounts included in staff costs:		
Service cost	(1,883)	2,752
	=====	=====
	<i>2024</i> <i>£'000</i>	<i>2023</i> <i>£'000</i>
Amounts included in other operating expenses:		
Administration costs	-	6
	=====	=====
Amounts included in interest payable:		
Net interest cost	(121)	428
	=====	=====

**Amount recognised in Other Comprehensive Income**

<i>Consolidated and University</i>	<i>2024</i> <i>£'000</i>	<i>2023</i> <i>£'000</i>
Return on pension scheme assets	1,752	(2,108)
Changes in assumptions underlying the present value of scheme liabilities	2,406	16,198
Change in demographic assumptions	114	650
Experience gain / (loss) on defined benefit obligation	(1,790)	515
Changes in the effect of the asset ceiling	2,302	-
	=====	=====
Actuarial gain/(loss) recognised in Other Comprehensive Income	<b>4,784</b>	<b>15,255</b>
	=====	=====

**Movement in net defined benefit liability during the year**

<i>Consolidated and University</i>	<i>2024</i> <i>£'000</i>	<i>2023</i> <i>£'000</i>
Deficit in scheme at 1 August	-	(11,945)
Movement in year:		
Current service charge	(1,883)	(2,502)
Employer contributions including unfunded	2,111	2,172
Past service charges	-	(250)
Net interest cost	121	(428)
	=====	=====
Actuarial gain/loss	4,784	15,255
Notional pension asset not recognised	(5,133)	(2,302)
	=====	=====
Surplus/(Deficit) in scheme at 31 July	-	-
	=====	=====

As the present value of the defined benefit obligation at the reporting date is less than the fair value of plan assets at that date, the plan has a notional surplus. As the Corporation do not consider that the University will be able to recover the surplus either through reduced contributions in the future or through refunds

**UNIVERSITY COLLEGE BIRMINGHAM**

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR TO 31 JULY 2024**

**14. PENSION AND SIMILAR OBLIGATIONS** *(continued)*

from the plan, the surplus has not been recognised in these financial statements in line with paragraph 28.22 of FRS102.

***Reconciliation of Defined Benefit Obligations***

<i>Consolidated and University</i>	<i>2024</i>	<i>2023</i>
	<i>£'000</i>	<i>£'000</i>
Defined benefit obligation at start of year	53,387	66,798
Current service cost	1,883	2,502
Interest cost	2,735	2,374
Member contributions	868	545
Change in financial assumptions	(2,406)	(16,197)
Change in demographic assumptions	(114)	(650)
Experience (gain)/loss on defined benefit obligation	1,790	(1,120)
Estimated benefits paid net of transfers in	(1,208)	(1,115)
Past service costs, including curtailments	-	250
Unfunded pension payments	-	-
	<hr/>	<hr/>
Defined benefit obligation at end of year	<b>56,935</b>	<b>53,387</b>

***Reconciliation of Assets***

<i>Consolidated and University</i>	<i>2024</i>	<i>2023</i>
	<i>£'000</i>	<i>£'000</i>
Fair value of assets at start of year	55,689	54,853
Interest on assets	2,856	1,946
Return on assets less interest	1,752	(2,713)
Employer contributions including unfunded	2,111	2,173
Member contributions	868	545
Estimated benefits paid plus unfunded net of transfers in	(1,207)	(1,115)
Notional pension asset not recognised	(5,134)	(2,302)
	<hr/>	<hr/>
Fair value of assets at year end	<b>56,935</b>	<b>53,387</b>

***Contributions***

The employer expects to make contributions in the year to 31 July 2025 of £2,249,000 (2022-2023: £2,173,000).

**UNIVERSITY COLLEGE BIRMINGHAM**

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR TO 31 JULY 2024**

**15. RECONCILIATION OF OPERATING SURPLUS TO NET CASH INFLOW FROM OPERATING ACTIVITIES**

	2024 £'000	2023 £'000
Surplus on continuing operations after depreciation of assets at valuation and tax	5,808	3,028
<b>Adjustment for non-cash items:</b>		
Depreciation (note 8)	5,061	6,123
(Increase)/Decrease in stocks	2	4
(Increase)/Decrease in trade debtors	411	1,256
(Increase)/Decrease in prepayments, accrued income and other debtors	(103)	(232)
Increase/(Decrease) in trade creditors	(2,591)	2,742
Increase/(Decrease) in other taxation and social security	815	(994)
Increase/(Decrease) in accruals	(258)	7,329
Increase/(Decrease) in other creditors	(432)	-
Increase/(Decrease) in creditors due after one year	323	-
Pension cost less contributions payable (notes 5 and 14)	(228)	580
Pension administration costs (notes 6 and 14)	-	2
<b>Adjustment for investing or financing activities:</b>		
Deferred capital grants released to income	(50)	(100)
Other interest income (note 4)	(2,403)	(1,301)
Income from investments (note 4)	(324)	(270)
Interest payable (note 7)	(121)	428
Other adjustments	19	24
<b>Net cash inflow from operating activities</b>	<b>5,929</b>	<b>18,619</b>

**16. ANALYSIS OF CHANGES IN NET FUNDS**

	At 1 August 2023 £'000	Cash flows £'000	At 31 July 2024 £'000
Cash at bank and in hand	<b>37,696</b>	<b>(13,474)</b>	<b>24,222</b>

**17. SHORT TERM INVESTMENTS**

	2024	2023
Short term deposits	18,401	10,424

Investments in short term deposits have an original maturity of 4 months or less

**18. CAPITAL COMMITMENTS**

	2024 £'000	2023 £'000 <i>Restated</i>
Contracted for at year end	5,243	8,420

## UNIVERSITY COLLEGE BIRMINGHAM

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR TO 31 JULY 2024

#### 19. LEASES

Consolidated and University

Total future minimum lease payments under non-cancellable operating leases are as follows:

	2024			2023		
	<i>Land &amp; Buildings</i>	<i>Other</i>	<i>Total</i>	<i>Land &amp; Buildings</i>	<i>Other</i>	<i>Total</i>
	£000	£000	£000	£000	£000	£000
- within one year	219	84	303	-	67	67
- between one and five years	4,981	161	5,142	-	195	195
- after five years	=	=	=	=	=	=
	<u>5,200</u>	<u>245</u>	<u>5,445</u>	<u>-</u>	<u>262</u>	<u>262</u>

Rental costs incurred under operating leases are charged to expenditure on a straight-line basis over the period of the leases.

#### 20. RELATED PARTY TRANSACTIONS

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

Transactions with the OfS, DfE and ESFA are detailed in note 2.

The following transactions took place between the Group and related parties during the financial year:

	2024	2023
	£'000	£'000
Purchase of goods/services		
PTP Training Limited – sponsorship of event	12	-
Simpsons Restaurant - hospitality	1	-
	<u>13</u>	<u>=</u>

PTP Training Limited is owned by Mr R Colbourne, a governor of the University. Simpsons Restaurant is owned by Mr A Antona, a governor of the University.

There were no outstanding balances at 31<sup>st</sup> July 2024 arising from the purchase of goods/services.

#### 21. JOINT VENTURES AND SUBSIDIARY ENTITIES

On 25 October 2013, a Limited Liability Partnership called UCB Leisure LLP was incorporated. The Capital of this business is owned equally by University College Birmingham and David Playdon (who up until the incorporation of the business was a Governor of the University). On 22 November 2013 UCB Leisure LLP

## UNIVERSITY COLLEGE BIRMINGHAM

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR TO 31 JULY 2024

purchased the freehold of the land and buildings of Gayhill Golf Club (now renamed Hollywood Golf Club) for a total consideration of £858,000.

The University owns 100% of the share capital of Summer Row Developments Ltd. An entity which principal activity is that of property development for resale.

#### 22. MAJOR NON-CASH TRANSACTIONS

There have been no major non-cash transactions in the year.

#### 23. LEARNER SUPPORT FUNDS

	<i>2024</i> <i>£'000</i>	<i>2023</i> <i>£'000</i>
Funding Agency grants	38	38
Interest earned	-	-
	<hr/>	<hr/>
	38	38
Disbursed to students	(36)	(36)
Administration costs	(2)	(2)
	<hr/>	<hr/>
Balance unspent at 31 July	-	-
	<hr/> <hr/>	<hr/> <hr/>

#### 24. EXPENSES PAID TO OR ON BEHALF OF THE MEMBERS OF THE CORPORATION

During the year expense payments amounting to a total of £7,029 were paid to Corporation Members for expenses they incurred in attending University meetings. Examples of the types of expenses incurred include travel and hotel costs.

No payments for services were made to any of the Members or connected parties, other than under contracts of employment.

## UNIVERSITY COLLEGE BIRMINGHAM

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR TO 31 JULY 2024

#### 25. ACCOUNTING ESTIMATES AND JUDGEMENTS

The main source of estimation uncertainty at the balance sheet date that may cause material adjustment to the carrying amounts of assets or liabilities within the next financial year is the uncertainty surrounding the valuation of the net pension liability.

In order to value the pension liability, it is necessary to make assumptions about future discount rates, salary increases, pension increases and life expectancies.

<b>Change in assumptions at 31 July 2024:</b>	<b>Approximate % increase to Defined Benefit Obligation</b>	<b>Approximate monetary Amount £'000</b>
0.1% decrease in Real Discount Rate	2	1,195
1 year increase in member life expectancy	4	2,277
0.1% increase in the Salary Increase Rate	0	43
0.1% increase in the Pension Increase Rate	2	1,177

Tangible fixed assets, other than investment properties, are depreciated over their useful lives taking into account residual values, where appropriate. The actual lives of the assets and residual values are assessed annually and may vary depending on a number of factors. In re-assessing asset lives, factors such as technological innovation, product life cycles and maintenance programmes are taken into account. Residual value assessments consider issues such as future market conditions, the remaining life of the asset and projected disposal values.

Investment properties are professionally valued annually using a yield methodology. This uses market rental values capitalised at a market capitalisation rate but there is an inevitable degree of judgement involved in that each property is unique and value can only ultimately be reliably tested in the market itself.

The provision for bad or doubtful debts is based on a number of factors for each debtor, including the age and value of the debt and past payment experience of each debtor.

## UNIVERSITY COLLEGE BIRMINGHAM

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR TO 31 JULY 2024

#### 26. FINANCIAL INSTRUMENTS

	2024		2023	
	Group £'000	University £'000	Group £'000	University £'000
<b>Financial Assets</b>				
<b><i>Financial assets at fair value through Statement of Comprehensive Income</i></b>				
Managed funds & covered warrants	52,569	52,569	49,522	49,522
Investment properties	3,365	3,365	2,515	2,515
<b><i>Financial assets that are debt instruments measured at amortised cost</i></b>				
Cash and cash equivalents	42,623	42,623	48,120	48,120
Trade debtors	2,216	2,216	2,589	2,589
Loan to joint venture	430	430	430	430
Loan to subsidiary undertaking	-	-	-	-
Other debtors	2	11	41	41
<b>Financial Liabilities</b>				
<b><i>Financial liabilities measured at amortised cost</i></b>				
Trade creditors	1,551	1,551	4,142	4,157
Other creditors	30,227	30,227	27,718	27,718

The University has no commercial loans from banks or other lenders.

The University engages two investment advisors, Oculus Wealth and Investec to manage investment funds and covered warrants totaling £16.9 million, there is also £35.7 million held in deposit accounts across various accounts. On all matters relating to property investment and development, the University engages independent professional advice.

The University has a subsidiary company, Summer Row Developments Limited, which is used for property development. All other investment properties are in the freehold of the University.

#### 27. PRIOR YEAR ADJUSTMENTS

During the year the University identified an invoice for £2.382M relating to a fixed asset addition that should have been accrued for at 31 July 2023. Accordingly the comparative financial statements have been adjusted to correctly account for this item. The impact of the prior period adjustment on the Group and University balance sheets at 31 July 2023 is to increase tangible fixed assets (Land and buildings) by £2.382M (see note 8) and Creditors: amounts falling due within one year (accruals) by £2.382M (see note 11). This prior period adjustment has no impact on the previously reported result for the year ended 31 July 2023 nor on either the Group or University's net assets at 31 July 2023.