



University of Chester

Annual Report and Financial Statements **Year ended 31 July 2022**

Registered Charity No. 525938

Contents**Year ended 31 July 2022**

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Financial Highlights

Year ended 31 July 2022

Result

During the year to 31 July 2022 (year to 31 July 2021 figures in brackets) the consolidated University and subsidiary companies:

- Generated income of £135.8 million (£122.8 million)
- Generated a deficit before other gains and losses of £6.5 million (£5.6 million deficit)
- Generated a net cash inflow from operating activities of £9.1 million (£7.2 million)
- Increased expenditure by £13.9 million (£4.0 million)

Financial Strength

At 31 July 2022 the University had:

- Cash and cash equivalents of £27.0 million (£30.6 million)
- Investments of £10.0 million (£8.0 million)
- Total net assets of £89.9 million (£27.8 million)
- A defined benefit pension liability of £7.3million (£70.6 million)

Financial Investments

During the year to 31 July 2022 the University invested £9.0 million (£4.6 million) in tangible fixed assets.

Staff and students

During the academic year the University:

- Employed an average of 1,537 members of staff (1,565)
- Taught, directly or through collaborative provision and distance learning, higher education students as follows:

Student Headcounts - based on HESA Returns (Student and Agg. Overseas) - (ex Dormant modes)

		Full-Time	Other	2021/22 Total	2020/21 Total	Increase/ (Decrease)
Home/EU	Undergraduate	6,622	718	7,340	7,504	(2%)
	Postgraduate	1,166	3,365	4,531	4,696	(4%)
	Nursing and Midwifery	1,863	167	2,030	1,924	6%
International	Undergraduate	981	135	1,116	1,324	(16%)
	Postgraduate	2,639	180	2,819	1,727	63%
	Nursing and Midwifery	11		11	155	(93%)
2021/22 Total		13,282	4,565	17,847	17,330	3%
2020/21 Total		12,545	4,785	17,330		
Increase/ (Decrease)		6%	(5%)	3%		

The 2021/22 figures are for students studying between August 2021 and July 2022. The 2020/21 figures are for students studying between August 2020 and July 2021.

Members of the University Council and their interests

Year ended 31 July 2022

The members of the University Council are the University's charity trustees under charity law. The members of the University Council who served as trustees during the year or subsequently are detailed below:

Members of the University Council 2021/2022		(1)	(2)
Foundation Members:			
Canon Dr Jeff Turnbull (<i>President</i>)	Retired 31-07-2022	•	
The Right Reverend the Lord Bishop of Chester, Mark Tanner			
The Very Reverend Dr Tim Stratford			
Professor Eunice Simmons (<i>Vice-Chancellor</i>)		•	
Mr Francis Ball	Retired 31-07-2022	•	
Dr David Briggs		•	
Professor Steven Broomhead			•
Professor Charles Forsdick			
Mrs Jeannie France-Hayhurst			
Mr Nick Jenkins		•	
Professor Helen O'Sullivan	Appointed 01-09-2021		
Dr Angela Seeney			•
Mrs Sandra Verity	Retired 31-07-2022	•	
Non-Foundation Members:			
Mr Jack Rankin (<i>Previous Students' Union President</i>)	Left 30-06-2022	•	
Ms Lauren Friel (<i>Current Students' Union President</i>)	Appointed 01-07-2022	•	
Professor John Alcolado	Appointed 17-09-2021		
Mrs Cathy Bond			•
Mr Marcus Clinton			
Sir Neil Cossons	Retired 31-07-2022	•	
Councillor Mrs Razia Daniels			
Dr Meredydd David (<i>Deputy President</i>)		•	
Ms Karen Howell			
Mrs Kate Nwosu-Aaron Efe	Appointed 01-01-2022		
Mr Jonathan Moores (<i>Secretary to the Council</i>)	Appointed 01-08-2021		

Report of the University Council

Year ended 31 July 2022

During the year the main operational activities of the University Council were carried out through two committees. The current membership of these committees is shown above for each Council member

- (1) Planning & Resources Committee
- (2) Audit & Risk Management Committee

The University is also guided and governed by four further committees, namely, Mission; Nominations & Governance Review; Promotions and Senior Salaries.

Members of the University Council had no interest in contracts with the University.

University Senior Staff

The senior staff of the University to whom day to day management is delegated are as follows:

Professor Eunice Simmons	Vice-Chancellor
Professor Helen O'Sullivan	Provost and Deputy Vice-Chancellor
Professor Paul Bissell	Pro Vice-Chancellor Research and Innovation – <i>Appointed January 2022</i>
Dr Helen Galbraith	Pro Vice-Chancellor – Student Experience
Mr Richard Waddington	Pro Vice-Chancellor Resources Chief Financial Officer/Bursar
Mr Jonathan Moores	Registrar and University Secretary
Mrs Rashmi Patel	Interim Director of Human Resources
Mr Steve Jeffree	Interim Director of Digital Transformation
Mr Jerry Headley	Executive Director of Estates Strategy – <i>Resigned January 2022</i>
Professor Neville Ford	Pro Vice-Chancellor Enhancement (0.5) – <i>Retired March 2022</i>

Report of the University Council (continued)

Year ended 31 July 2022

University Advisors

The University retains a number of professional advisers. The advisers during the year were as follows:

University Advisor	Address
Bankers	NatWest Bank plc 2-8 Church Street 1 st Floor Liverpool L1 3BG
Auditors - External	KPMG LLP 1 St Peter's Square Manchester M2 3AE
Auditors - Internal	RSM 9 th Floor 3 Hardman Street Manchester M3 3HF
Solicitors	Knights LLP 58 Nicholas Street Chester CH1 2NP
Insurance Brokers	U M Association Ltd 5 St Helen's Place London EC3A 6AB

Report of the University Council (continued)**Year ended 31 July 2022**

The Members of the University Council present their Annual Report for the year ended 31 July 2022 under the Charities Act 2011 together with the audited financial statements for the year.

Structure, Governance and Management

Type of organisation: Registered Charity

Nature of Governing Document: Trust Deed

How the Charity is constituted: The University Council set the mission and approve the strategy and policies. Members of the University Council (Governors) are the management trustees and the day-to-day management is with the Senior Management. Chester Diocesan Board of Finance is the custodian trustee of the charity's real estate property, acting as bare trustee of land.

Method of Appointment of Trustees: Trustees are appointed in accordance with the Instrument of Government. The Charity has a Nominations and Governance Review Committee. The Charity is responsible for ensuring that appropriate training is provided. Trustees are appointed for an initial term of office not exceeding three years.

Governors Induction and Training: The University Council have available a range of training opportunities delivered through a variety of formats. The main source of external training is through attendance on various courses organised by Advance HE. In addition, the University Council attends an "Away Day" where contributions on relevant topics are made by external and internal speakers. New members of Council are provided with an induction briefing by the Charity Secretary and an induction meeting with the President of the Council.

Organisation: The Composition of the Council is set out on page 4. It is the Council's responsibility to bring independent judgement to bear on issues of strategy, performance, resources and standards of conduct.

The Chief Executive (Vice-Chancellor Professor E.A. Simmons) is appointed by the Council to manage the day to day operations of the Charity, and is supported by a Strategic Executive Team.

Scope and period of financial statements

The financial statements have been presented for the year ended 31 July 2022.

Principal activities of the University

The principal activity of the University is the provision of higher education. The University has a series of well-established programmes leading to the award of BA, BSc, BEd, BTh, BPhil, MA, MEd, MSc and PhD degrees.

The University is committed to the promotion of academic, vocational and personal development and professional training, preparing its students, in collaboration with employers and professional partners in the region and beyond, to make a positive contribution to the social and economic context in which they hope to work.

The University owns a substantial amount of property including a large number of residential properties which are maintained for the sole use of its students.

The Charity has three trading wholly owned subsidiaries:

- Chester Conferences Limited – provision of conference and short-course facilities
- Thornton Research Properties Limited – rental of office and industrial space at Thornton Science Park
- Universities Economic Development Unit Limited - facilitate and support the Northwest HEIs' future collective activity, engagement and representation in relation to European Structural Funds

Strategic Report

In the 2021/22 academic year the University consolidated its on-going initiatives to further improve the quality and delivery of provision for our diverse student body. The planning process in 2021/22 focused on the student experience, the road to net zero, and investment in a sustainable, fit-for-purpose IT infrastructure.

In this period the University recorded a deficit of £8.4m on turnover of £136m. £4.7m of this deficit relates to reduction in value of Thornton Science Park, with land and buildings having a £2.8m impairment and the fair value of investment properties on the site falling by £1.9m. Without these unusual items, the University would have a reduced deficit of £3.7m compared to £5.6m in 2021.

Recruitment has increased with student numbers increasing overall by 3%. There has been a large increase in international students and although Undergraduate student numbers have fallen, the intakes in autumn 2021 at levels 3 and 4 showed a 6% increase compared to 2020.

At a sector level, only the higher tariff universities increased their applicant numbers. Grade inflation and the willingness of higher tariff universities to over recruit, in our market share for some subject areas, was a challenge. As a result, lower and medium tariff universities were hit the hardest this cycle, so to maintain our recruitment level with last year was a real success. Grade inflation meant that the Clearing and *Insurance to firm* markets were significantly squeezed across the sector this year. The increase in students being accepted to their first choice was evident in the reduction of insurance to firm students for Chester, and we recruited fewer students through Clearing than in previous years. We faced real risk through self-release and did well to keep the number down, fewer than in 2020.

Chester saw a slight uplift in applications to Undergraduate programmes overall, namely in Biological Sciences, Computer Science, Arts and Media, Psychology, Counselling Skills, Professional Policing, and Business, particularly around the subject area of 'Finance' and Digital Marketing. Applications to Foundation Year pathways increased significantly, mostly due to nursing, a renewed Computing pathway, a new Social Work pathway, and a handful of Business and Social Science programmes. History within the Humanities pathway also did very well with a large increase in applications. At University Centre Shrewsbury (UCS), Childhood Studies with Applied Psychology generated a healthy number of applications. Including all Undergraduate, Initial Teacher Training and Nursing numbers, we maintained the 2020 numbers for UCS. Across the University the balance of the Undergraduate and Postgraduate portfolio and the performance of Single Honours and Combined Honours routes continues to be reviewed to understand where there might be a sensible rationalisation of programmes.

In a much needed and exciting development for the University, we have initiated a digital transformation programme, Digital Chester, which will inspire and enable students and staff to succeed through the use of sector leading digital solutions and services. Barriers to active participation are being removed to provide a diverse and fully inclusive experience and the digital provision will provide a consistent and high-quality environment for all students, enabling the citizen student model. We are centring sustainability, adopting new and disruptive technologies where appropriate. Proven, established modern solutions are being used wherever possible, allowing us to accelerate implementation and realise value. We aim to learn from others and leapfrog our capabilities by ambitiously implementing current best practice, rather than adopting a slower incremental pace of change. This is a very significant investment which is transforming the institution - allowing us to embrace the opportunities that digital enables, and deliver the ambitious vision of the University.

In 2021/22 Professor Jackie Potter joined the University to establish and lead the Centre for Academic Innovation Development. The new centre will be a catalyst to for colleagues from across the university to collaborate and build the teaching and learning culture, environments, systems and skills that will best support our diverse student body to achieve success. The centre uses evidence from the sector of what works and also leads inquiry into what works for our students. In its first months it has focused on defining initial support for teaching staff to extend and embed digitally-enhanced teaching and learning across the diverse portfolio of subjects and courses and delivered a conference to celebrate the spirit of scholarly inquiry into teaching practices.

Report of the University Council (continued)**Year ended 31 July 2022**

Strategic Report (continued)

We have also been joined by Richard Mendez, Director for the Directorate of Access, Skills and Apprenticeships (DASA). During the year, the team successfully submitted the ESFA's Register of Apprenticeship Training Provider meaning the University is permitted to continue with the delivery of apprenticeship provision. The Careers & Employability team underwent a re-focus of core activity and began a joint piece of *Graduate Outcome Survey* (GOS) work with key faculty staff during the summer, with KPIs submitted to the relevant governance committees for approval. Santander Universities funds and projects now sit with the Careers & Employability team, and they will leverage this opportunity to enhance GOS outcomes. The Outreach team were shortlisted and runners-up in the *What Uni Student Choice Awards* under the Widening Participation award category. The University's Ofsted inspection took place in May 2022. While the overarching rating was not what we wanted ('Requires Improvement'), the Faculty of Health & Social Care received noticeable praise from Ofsted inspectors for the quality of their provision. A key priority for the year ahead is a successful Ofsted monitoring visit with a rating of 'Significant Progress' or 'Reasonable Progress' and successful submission of our Access & Participation Plan 2024, due July 2023.

In the Student Services Directorate, our Unacceptable Behaviours Group (UBG) continued their work in tackling unacceptable behaviours and promoting respect throughout our campus communities. This work included the Campus Climate Survey which was circulated to all students in November 2021. Its focus was around students' experiences and perceptions of sexual violence, but it also looked at wider issues such as safety, fairness, and student behaviour. A number of recommendations came out of this survey which are being progressed. Funding received via the Police and Crime Commissioners Safer Streets bid led to initiatives to improve student safety including the launch of a 'safer taxi scheme', the identification of 'safe spaces' and the installation of additional CCTV cameras and lighting on campus. We launched our Sexual Violence Liaison Officer service, a specialised support service for students who have experienced sexual violence. The university now has a dedicated team of qualified sexual violence liaison officers (SVLOs) to support students who have experienced sexual harassment and/or violence either recently, or in the past.

A new mandatory Safeguarding and Prevent Training module has been developed, which is aimed at all staff and links directly to our new Safeguarding Policy. Enhanced training was delivered to our new network of safeguarding coordinators.

We invested in a [Student Assistance Programme](#), which provides 24/7, 365 days a year crisis support to students and complements our centralised Student Services provision, ensuring that all students can have access to support as soon as they need it. In addition to the usual student feedback we seek from our own service users, student feedback on our Wellbeing and Mental Health service was gained through a new Wellbeing Survey facilitated by the Students' Union. The aim was to obtain a snapshot of students' wellbeing, exploring what had impacted on them and what had helped them. It also provided the opportunity to use feedback to develop service provision, which has led to a number of opportunities to make positive change, in particular on the theme of social isolation which was a key concern for students. The University has signed up to the [Mental Health Charter](#), taking a whole university approach to improving staff and student mental health. The work is being facilitated through the newly formed Wellbeing Steering Group. The Student Comms team launched *Student Shoutout* across multiple platforms to target key messaging to students throughout the academic year and advertise wellbeing sessions.

Student Services are building on the work previously undertaken by the International Centre on the Induction and Welcome activities provided for our growing numbers of international students, with the aim of improving an improved student experience. Feedback from this student group is being sought through the [International Student Barometer](#) to help inform the changes we are making.

Report of the University Council (continued)
Year ended 31 July 2022

Future Prospects

Growth in student numbers is expected to continue especially from international students, however, increased applications from Home students are also expected. Cash generation has reduced since 2020, although cash balances remain strong therefore will enable the University to adapt to challenging external factors. The University has invested in capital projects in order to improve the estate and facilities, and other parts of the estate will be disposed of in order to generate cash for further investment.

The key challenge remains dealing with inflationary pressure on pay and non pay costs. This is a matter generally, but particularly with regards to energy costs, although the University has mitigated this by purchasing the majority of its energy for the year ending 31st July 2023.

The University Council, the Vice-Chancellor and the rest of the Strategic Executive Team would like to take this opportunity to thank all the staff, students and friends of the University for their on-going commitment to our students and our success during the past year.

Report of the University Council (continued)
Year ended 31 July 2022

Financial Review

	Year ended 31 July 2022	Year ended 31 July 2021
Financial Performance Indicator		
Deficit before other gains and losses for the year	(£6.5m)	(£5.6m)
Margin %	(4.8%)	(4.6%)
Deficit for the year	(£8.4m)	(£5.7m)
Margin %	(6.2%)	(4.6%)
Staff costs as % of income	61.2%	67.0%
Cash inflow from operating activities	£9.1m	£7.2m
Current assets ratio	1.6	1.7
Net liquidity (days) (Number of days expenditure held as cash/investments, based on total expenditure less depreciation)	101	114

Financial Performance in 2021/22 compared to previous year:

	Year ended 31 July 2022	Year ended 31 July 2021
	£'000	£'000
Income	135,775	122,719
Expenditure	(142,253)	(128,353)
Loss on changes in fair value on investment properties	(1,879)	(59)
Deficit	(8,357)	(5,693)

- Group income has increased by £13.1m (10.7%).
 - Tuition fees increased by £4.3m (4.4%) this was due to an increase in both Full Time Home and Full Time Overseas students.
- Other income increased by £6.8m (57.6%).
 - Residence, catering and conference income increased by £1.8m (57.3%). This was due to activity increasing following lifting of restrictions.

Report of the University Council (continued)

Year ended 31 July 2022

Financial Review (continued)

- Expenditure increased by £13.9m (10.8%).
- Staffing costs increased by £0.9m (1.1%), this was primarily as a result of an increase in pension charges (increase pension provision).
 - Other operating expenses increased by £8.9m (23.0%). This was due to increased premises and facilities expenditure (including energy) and increased international recruitment costs
 - The University invested £9.0m in fixed assets, the largest items of capital expenditure included:
 - Purchase and refurbishment of teaching facilities in Warrington town centre
 - Creation and enhancement of clinical skills laboratories

Trade Union Facilities Time data for the period 1 April 2021 – 31 March 2022

TABLE 1	Total Number of Union Officials	14
	Full time equivalent employee number	13.03
TABLE 2	Percentage of time Spent on facility time	
	0%	0
	1-50%	14
	51-99%	0
	100%	0
TABLE 3	Percentage of pay bill spent on facility time	
	Total cost of facility time	71701.33
	Total Pay Bill	77,033,359.48
	% of the total pay bill spent on facility time	0.09
TABLE 4	Paid trade union activities	
	% of total paid facility time hours	0

Risks and uncertainties

The key risk is upward pressure on the University cost base due to inflation. This impacts particularly on operating expenses particularly energy, although this particular cost has been partially mitigated through the forward purchase of energy for the 2022/23 financial year. This is likely to lead to further pressure on pay costs, and the 2022 pay award, although significantly below inflation, was higher than recent years. It is expected that both these pressures will continue in the immediate term at least.

The wider economic situation and pressure on public finances also give rise to a broader set of uncertainties including grant funding and interest rates. The standard home undergraduate tuition fee has been fixed at £9,250 until 2025, which will not offset rises in costs.

Having seen significant growth in overseas recruitment in 2021/22, this increase is continued for the 2022/23 year. Recruitment to undergraduate courses in 2022 remains stable compared to 2021.

As the University is in a deficit position, compliance with banking covenants is at risk and although agreement has been reached with lenders for the 2022 and 2023 financial period, this will remain a key risk until the University moves into a stable surplus position.

Report of the University Council (continued)**Year ended 31 July 2022**

Public benefits and inclusivity

The beneficiaries are the students who participate in higher education at the University of Chester. Ultimately higher education provides a skilled population that can contribute to the growth of the economy and the wider community as a whole.

The University of Chester has a strong network of student support including a Students' Union, has a commitment to providing education in an open inclusive environment and a bursary scheme for those students from low income households. In addition, tuition fee loans allow students to defer the repayment of fees until they finish their studies and earn over £27,295 a year. It is felt that these measures contribute to widening participation and ensure that the opportunity to participate is not restricted by the ability to pay fees.

The acquisition of property ensures residences are available for occupation solely by students of the University of Chester at an affordable rent and has the underlying benefit of widening participation in higher education. This investment in the housing stock is facilitated by the activities of the subsidiary companies and gift aiding taxable profits to the Charity. Once in receipt of these funds the Charity can utilise them to meet the overall objectives stated above.

In setting our objectives and planning our activities the University Council has given careful consideration to the Charity Commission's general guidance on public benefit. The balance of the benefits against any detriment or harm are considered during the decision-making processes of the University and during the activities performed. Property purchases and developments always comply with building regulation guidelines and restrictive covenants and there is regard for the wider environmental impacts. The aim of the Charity is the provision of higher education, and the infrastructure required for this should be balanced against the environmental impact this can have.

Aims, objectives and activities for the public benefit

The underlying aim of the Charity continues to be the provision of higher education.

The objectives of the Charity are:

- To ensure that the University's Christian foundation, underpinning ethos and supportive people-centred culture continue to play an appropriately prominent and facilitative role in the development and strengthening of the institution.
- To be a successful teaching led and research informed University.
- To deliver high quality, actively supported and highly regarded teaching within a curriculum.
- To employ a framework which is responsive to emerging developments and improvements in programme design and delivery including work-based learning and technology enhanced learning.
- To ensure that teaching activities are informed by relevant and up-to-date research and advanced scholarship.
- To promote an environment within which staff are able to translate the research undertaken by themselves or others into effective technology and knowledge transfer and exchange services to business and industry.
- To creatively develop new and successful niche markets.
- To seek modest growth and consolidation in student numbers, with an emphasis upon: maintaining a broadly-based curriculum grounded in the University's current portfolio of disciplines; further development of taught postgraduate and research degree provision; further development of part-time student numbers and foundation degree programmes; and exploring appropriate international development opportunities.
- To be committed to employer and community engagement which is successful in attracting into study individuals with a range of backgrounds and experiences.

Report of the University Council (continued)**Year ended 31 July 2022**

Aims, objectives and activities for the public benefit (continued)

- To manage the University's operations and finances efficiently and prudently with an increasingly varied range of income sources.
- To ensure that the University's forward vision and strategy are actively shared and promoted amongst staff, students and interested external stakeholders.

Strategies employed to achieve the objectives

- To provide our students with the best possible integrated learning experiences that enhance their intellectual, professional and personal growth, both inside and outside of the University.
- To provide programmes of study, delivery methods and academic support arrangements that are of high quality and responsive to learner needs and employer expectations.
- To foster excellence in research, scholarship and knowledge transfer/enterprise.
- To apply our intellectual and academic resources to social, economic and community development in the region, the nation and, where appropriate, internationally.
- To create an intellectual community and workplace that respects, welcomes and promotes diversity and equality through learning and teaching; research and scholarship; outreach and other University activities and practices.
- To provide a modern learning and working environment that meets the diverse needs of our staff, students and other users in a flexible, cost effective and efficient manner.
- To sustain and develop a financially secure University within which management systems and structures actively empower staff and students to respond creatively, collaboratively and effectively to the many opportunities and challenges facing the institution.

Investment powers and policy

The Charity invests funds on short-term deposit to ensure a safe and reasonable level of interest is earned and assists the Charity in achieving its objectives. The interest earned within the year amounted to £80k (2021: £82k).

The use of short-term deposits is deemed appropriate as this provides a low risk investment with an acceptable rate of return. Short-term deposits also provide the required flexibility to access cash quickly as and when it is required.

The University's Treasury Management Policy incorporates the Socially Responsible Investment Policy.

Reserves policy (not including pension liability)

The Charity's Trust Deed places no specific restrictions on the application of the Charity's funds, provided that they are applied solely towards the objectives of the Charity as set forth in the Deed.

The Charity aims to provide facilities of a high standard and this is achieved through a programme of substantial capital investment, which is financed from general reserves, the subsidiary covenant payments and from bank borrowings. It is the University Council's policy to keep free reserves at a reasonable level in light of the organisation's requirements.

Reserves are mainly needed to fund growth and asset acquisition and refurbish the existing property stock. In addition, short-term reserves will also be needed to fund the development of new courses as well as other initiatives. The Trustees therefore consider the ideal level of reserves at 31 July 2022 to be at least 150% of short-term creditors before taking into consideration the pension liability. This level of reserves would allow all external short-term creditors at this date to be paid in full, and leave sufficient funds to invest.

Report of the University Council (continued)**Year ended 31 July 2022**

Reserves policy (not including pension liability) (continued)

The actual Consolidated Reserves for year ended 31 July 2022:

Unrestricted: £90,074k (2021: £27,335k)

Endowments: £431k (2021: £423k)

Pension liability £7,256k (2021: £71,145k)

At 31 July 2022 consolidated reserves are therefore 298% of short-term creditors and deemed to be sufficient.

Employee consultation

The average number of lecturing and support staff employed by the University during the year was 1,537 (2021: 1,565). An active policy of information dissemination encourages employee involvement and participation in the University development process. Employee representatives are regularly consulted on a variety of issues affecting their own and the University's interests.

Auditor

The members of the University Council 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 auditor is 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 auditor is aware of that information.

Going concern

The University recorded a deficit of £6.5m before other gains and losses, but a positive operating cashflow helped ensure the University ended the year with cash and cash equivalents of £27.0m, and investments of £10.0m. The budget for 2022/23 is for the University to record a second consecutive deficit, but cash flow forecasts demonstrate adequate availability of financial resources.

These deficits mean that the University was not compliant with its original loan covenants for 2022 and was projected to breach its loan covenants in 2023. However, agreement has been reached with lenders to amend these covenants to ensure that the University remains compliant.

The end of lockdown measures during the Covid-19 pandemic saw several income streams stay below pre pandemic levels particularly income from student residences and conferences. However, income from student residences has improved in Autumn and growth in conference activity is has resumed. Recruitment of home undergraduates in 2022 is similar to the level recruited in 2021. However, the University saw significant growth in overseas students in 2021/22 and this growth has continued into Autumn 2022 recruitment.

There continues to be pressure on the cost base of the University particularly due to high inflation particularly utility costs.

We have sensitised our forecasts to assess the impact of potential falls in student numbers and potential cost increases and are satisfied that the University has sufficient headroom in its cash flow projections to withstand the impact of reasonably possible downside scenarios during the 12 months following the date of approval of the financial statements.

Report of the University Council (continued)
Year ended 31 July 2022

Going concern (continued)

On this basis, the University Council is satisfied that, despite the current economic and political uncertainty, the University has adequate resources to continue in operational existence for the foreseeable future and for at least 12 months from the date of signature of these financial statements. Further details regarding the basis of preparation are given in the Statement of Accounting Policies.

Conclusion

The University has had a challenging year. Despite reductions in public funding and upward pressure on costs, the University is well placed to manage challenges in the coming years, due to careful cost management and the strategic refocusing of the University's portfolio across all its faculties and sites which should ensure the University can continue to recruit well in the future.



President of the Council:
Dr Meredydd David



Deputy President of the Council:
Mrs Cathy Bond

13th April 2023

Corporate Governance Statement**Year ended 31 July 2022**

Corporate Governance Statement

The University is committed to exhibiting best practice in all aspects of governance. This summary describes the manner in which the University complies with Committee of University Chairs (CUC) Higher Education Code of Governance (2014) and its continued compliance with the 2020 edition issued September 2020. The purpose of this summary is to help the reader of the financial statements understand how the principles have been applied.

In the opinion of the Members of the University Council, the University has applied the principles of the Higher Education Code of Governance (2014 and 2020) in so far as they apply to the Higher Education Sector, and it has applied these throughout the year ended 31 July 2022 and up to the date of these accounts.

The University Council

The composition of the University Council is set out on page 4. It is the University Council's responsibility to bring independent judgement to bear on issues of strategy, performance, resources and standards of conduct.

The University Council meets four times a year and has several committees, including the Academic Governance and Student Outcomes Committee, Audit and Risk Management Committee, Mission Committee, Nominations and Governance Review Committee, Planning and Resources Committee, and the Senior Salaries (Remuneration) Committee.

Planning and Resources Committee

The Planning and Resources Committee meet six times a year and advises the Council on the University's corporate strategy. The Committee scrutinises proposed major developments, policy initiatives and all strategic academic and non-academic plans, including financial, physical and human resources, risk and value for money. The Committee also considers in detail the annual budget and financial forecasts and monitors performance, together with reviewing the implementation of policies relating to equality, diversity and inclusion. It makes recommendations, as appropriate, to the Council.

A University Health, Safety and Environment Committee reports to the Planning & Resources Committee. It meets at least three times a year, reviews existing safety policies, considers the need for new safety procedures, reviews the implementation of approved safety procedures, provides advice on health and safety to staff and students, receives notification of all accidents, studies incidents and related statistics, receives reports from the health and safety manager and sustainability manager, and promotes co-operation across the University to secure sound health, safety and sustainability. The Health, Safety and Environment Committee's annual report is presented to the Planning & Resources Committee.

Nominations and Governance Review Committee

Any new appointments to the University Council are made in accordance with the Instrument of Government. The University Council has a Nominations and Governance Review Committee which considers the skills mix and general requirements for membership of the University Council, having due regard to equality and diversity considerations. The Committee also oversees a full and robust review of the effectiveness of governance at least every four years and monitors the implementation of actions arising from such governance reviews. University Council is responsible for ensuring that appropriate training is provided. Members of the Council are appointed for an initial term of office not exceeding three years and are eligible for re-appointment for two further terms of three years.

Corporate Governance Statement (continued)**Year ended 31 July 2022**

Senior Salaries Remuneration Committee

The Senior Salaries Committee considers and makes recommendations to the University Council on the remuneration and conditions of service of:

- the Vice-Chancellor;
- the Deputy Vice-Chancellor; and (following the recommendation of the Vice-Chancellor):
 - (i) the holders of senior posts:
 - PVC Resources and Bursar/Chief Financial Officer;
 - Registrar and University Secretary; and
 - (ii) the holders of such other senior posts as the Council may from time to time determine and the following posts:
 - Pro Vice-Chancellor (Student Experience)
 - Pro Vice-Chancellor (Research and Innovation)
 - Executive Director of Estates Strategy
 - Executive Director of Human Resources

The University Council shall take the Senior Salaries Committee's recommendations into account in considering and determining the remuneration and conditions of service of the holders of the senior posts specified above.

To determine grievances against the Vice-Chancellor and similar matters which relate to remuneration and conditions of service.

In discharging its terms of reference, the Senior Salaries Committee will:

1. consider comparative information on the emoluments of employees within its remit when determining salaries, benefits and terms and conditions;
2. ensure that all arrangements are clearly recorded;
3. report on its decisions and operation at least annually to the University Council. Such a report should not normally be withheld from any members of the University Council and will record, inter alia:
 - a) the resulting overall levels of increase in the aggregate salary costs of the Vice-Chancellor, the Deputy Vice-Chancellor and the holders of other posts the remuneration of which is determined by the Committee; and
 - b) the agreed base salary for the Vice-Chancellor

Mission Committee

The Mission Committee meets at least three times a year and its role are to consider and advise the Council on arrangements at the University relating to the following:

- a) Support and promotion of the Christian ethos of the University through interpreting the nature and character of the University as defined by the University Council and monitoring its impact on University life
- b) Equality, diversity and inclusion
- c) Wellbeing of staff and students
- d) Ethics and ethical standards
- e) Sustainability
- f) Other elements of corporate social responsibility

and to make recommendations as necessary to the University Council.

Academic Governance and Student Outcomes Committee

The Academic Governance and Student Outcomes Committee considers and monitors the fitness for purpose of the curriculum, the academic portfolio and University policies and practices for their delivery, including the following:

- a) Learning and teaching
- b) Defining and maintaining academic standards
- c) Programme development and review
- d) Student support
- e) Student experience
- f) Quality management and enhancement
- g) Internationalisation
- h) Apprenticeships
- i) Placements

The Committee also monitors the University's research, innovation and knowledge exchange strategies and performance, including reviewing outcomes of the Research Excellence Framework, Knowledge Excellence Framework or similar national or international assessment and ranking exercises and other key performance indicators relating to research, innovation and knowledge exchange.

Audit and Risk Management Committee

The Audit and Risk Management Committee meets at least four times a year. The Audit and Risk Management Committee considers both internal and external audit reports and recommendations together with management's response and it reviews the annual financial statements. In order to allow sufficient independence, members of the Audit and Risk Management Committee do not sit on Council Committees where staffing or financial matters are decided. For further independence there are external professional members who are not Members of the University Council. The Independent Auditor responsible for Internal Audit attends each meeting of the Audit and Risk Management Committee. The Audit and Risk Management Committee meet annually with the Internal and External Auditors without Officers of the University being present.

The Committee prepares an Annual Report for each financial year, addressed to the University Council and the Vice-Chancellor. The Annual Report includes the Committee's opinion on the extent to which the University Council may rely on the internal control system and the arrangements for the following:

- a) risk management, control and governance (the risk management element includes the accuracy of the statements of internal control included with the annual statement of accounts);
- b) sustainability, economy, efficiency and effectiveness (value for money);
- c) management and quality assurance of data submitted to HESA, the SLC, to Office for Students and other funding and regulatory bodies.

The Annual Report also refers to the work of the Audit & Risk Management Committee undertaken during the year, the work of the Internal Auditors, the work of the External Auditors, and any other audit work undertaken. The Annual Report will also express the Committee's overall opinion on the effectiveness of the University in relation to those areas highlighted in the bullet points above. The Committee continues to adopt the CUC HE Audit Code of Practice 2020

Statement of Internal Control

The University Council is responsible for the University's system of internal control and for reviewing its effectiveness. Such a system is designed to manage rather than eliminate the risk of failure to achieve business objectives and can only provide reasonable and not absolute assurance against material misstatement or loss.

During the course of the year, internal audit work was undertaken by RSM. RSM's annual report for the year 21/22 concluded a positive overall opinion and confirmed that the university had "an adequate and effective framework for risk management, governance, internal control and economy, efficiency and effectiveness. However, our work has identified further enhancements to the framework for risk management, governance, internal control and economy, efficiency and effectiveness to ensure that it remains adequate and effective".

The University Council 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 University Council is of the view that there is an ongoing process for identifying, evaluating and managing the University's significant risks, that has been in place for the year ended 31 July 2022 and up to the date of approval of the annual report and financial statements, that it is regularly reviewed by the University Council and that it accords with Higher Education Code of Governance.

The Strategic Executive 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 operational units and reinforced by risk awareness training. The Strategic Executive Team and the Planning and Resources Committee also receive regular reports from the internal auditor and from the Health, Safety and Environment Committee which include recommendations for improvement. The Audit and Risk Management Committee's role in this area is confined to a high-level review of the arrangements for internal financial control. The Council's agenda includes a regular item for consideration of risk and control and receives reports thereon from the Vice-Chancellor and the Audit and Risk Management Committee. The emphasis is on obtaining the relevant degree of assurance and not merely reporting by exception. At its Michaelmas meeting, the Council carried out the annual assessment for the year ended 31 July 2022 by considering documentation from the Vice-Chancellor and the Audit and Risk Management Committee and took account of events since 31 July 2022.

Regularity and propriety in the use of public funding

It is the view of University Council that the internal control environment described above, together with all the corporate governance arrangements ensure regularity and propriety in the use of public funding.



President of the Council

Dr Meredydd David



Deputy President of the Council

Mrs Cathy Bond

Parkgate Road,
CHESTER,
CH1 4BJ13th April 2023

Statement of University Council Responsibilities in Respect of the Annual Report and the Financial Statements
Year ended 31 July 2022

Statement of University Council Responsibilities in Respect of the Annual Report and the Financial Statements

The University Council is responsible for preparing the Annual Report and the financial statements in accordance with the requirements of the Office for Students' Terms and Conditions of Funding for Higher Education Institutions and Research England's Terms and Conditions of Research England Grant and applicable law and regulations.

It is required to prepare the group and parent University financial statements in accordance with UK accounting standards and applicable law (UK Generally Accepted Accounting Practice), including FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland. The Terms and Conditions of Funding further require the financial statements to be prepared in accordance with the requirements of the Accounts Direction dated 25 October 2019 issued by the Office for Students ('the Accounts Direction') and the 2019 Statement of Recommended Practice – Accounting for Further and Higher Education.

The University Council is required to prepare financial statements which give a true and fair view of the state of affairs of the group and of the parent University and of their income and expenditure, gains and losses and changes in reserves, and of the Group's cash flows for that period. In preparing each of the group and parent University financial statements, the University Council is required to: select suitable accounting policies and then apply them consistently;

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK accounting standards and the 2019 Statement of Recommended Practice– Accounting for Further and Higher Education have been followed, subject to any material departures disclosed and explained in the financial statements;
- assess the group and parent University's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- use the going concern basis of accounting unless it either intends to liquidate the group or the parent University or to cease operations, or have no realistic alternative but to do so.

The University Council is responsible for keeping adequate accounting records that are sufficient to show and explain the parent University's transactions and disclose with reasonable accuracy at any time the financial position of the parent University. It is responsible for such internal control as it determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and has general responsibility for taking such steps as are reasonably open to it to safeguard the assets of the group and to prevent and detect fraud and other irregularities.

The University Council is also responsible for ensuring that:

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

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

Independent Auditor's Report to the University Council of the University of Chester
Year ended 31 July 2022

Opinion

We have audited the financial statements of the University of Chester ("the University") for the year ended 31 July 2022 which comprise the Consolidated and University Statement of Comprehensive Income and Expenditure, Consolidated and University Statements of Changes in Reserves, Consolidated and University Balance Sheets, Consolidated Cash Flow Statement and related notes, including the accounting policies.

In our opinion the financial statements:

- give a true and fair view of the state of the Group's and of the University's affairs as at 31 July 2022, and of the Group's and of the University's income and expenditure, gains and losses and changes in reserves, and of the Group's cash flows, for the year then ended; and
- have been properly prepared in accordance with UK accounting standards, including FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland.
- have been properly prepared in accordance with the requirements of the Charities Act 2011.

Basis for opinion

We have been appointed as auditor under section 144 of the Charities Act 2011 (or its predecessors) and report in accordance with the regulations made under section 154 of the Act.

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

Going concern

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

In our evaluation of the University Council's conclusions, we considered the inherent risks to the Group's business model and analysed how those risks might affect the Group and University's financial resources or ability to continue operations over the going concern period.

Our conclusions based on this work:

- we consider that the University Council's use of the going concern basis of accounting in the preparation of the financial statements is appropriate;
- we have not identified, and concur with the University Council's assessment that there is not, a material uncertainty related to events or conditions that, individually or collectively, may cast significant doubt on the Group or the University's ability to continue as a going concern for the going concern period.

However, as we cannot predict all future events or conditions and as subsequent events may result in outcomes that are inconsistent with judgements that were reasonable at the time they were made, the above conclusions are not a guarantee that the Group or the University will continue in operation.

**Independent Auditor's Report to the University Council of the University of Chester
(continued)****Year ended 31 July 2022**

Fraud and breaches of laws and regulations – ability to detect

To identify risks of material misstatement due to fraud (“fraud risks”) we assessed events or conditions that could indicate an incentive or pressure to commit fraud or provide an opportunity to commit fraud. Our risk assessment procedures included:

- Enquiring of the Chief Operating Officer, the Audit and Risk Management Committee, Internal Audit, the Director of Legal Services and inspection of policy documentation as to the Group’s high-level policies and procedures to prevent and detect fraud, including the internal audit function, and the Group’s channel for “whistleblowing”, as well as whether they have knowledge of any actual, suspected or alleged fraud.
- Reading University Council, Audit and Risk Management committee and Planning and Resource Committee minutes.
- Using analytical procedures to identify any unusual or unexpected relationships.

We communicated identified fraud risks throughout the audit team and remained alert to any indications of fraud throughout the audit.

As required by auditing standards and taking into account possible pressures to meet loan covenants we perform procedures to address the risk of management override in particular the risk that Group management may be in a position to make inappropriate accounting entries. On this audit we do not believe there is a fraud risk related to revenue recognition because we do not consider there to be sufficient opportunity, possible incentives and reasonable rationale to fraudulently manipulate revenue in the financial statements due to the simple nature of the income streams.

We did not identify any additional fraud risks.

In determining the audit procedures, we took into account the results of our evaluation and testing of the operating effectiveness of some of the Group-wide fraud risk management controls

We also performed procedures including:

- Identifying journal entries and other adjustments to test based on risk criteria and comparing the identified entries to supporting documentation. These included those posted by non-finance staff or the Chief Operating Officer and journals posted to cash that were outside the normal course of business.
- Assessing significant accounting estimates for bias

Identifying and responding to risks of material misstatement due to non-compliance with laws and regulations

We identified areas of laws and regulations that could reasonably be expected to have a material effect on the financial statements from our general commercial and sector experience, and through discussion with the University Council and other management (as required by auditing standards), and from inspection of the Group’s regulatory and legal correspondence and discussed with the University Council and other management the policies and procedures regarding compliance with laws and regulations.

As the Group is regulated, our assessment of risks involved gaining an understanding of the control environment including the entity’s procedures for complying with regulatory requirements.

We communicated identified laws and regulations throughout our team and remained alert to any indications of non-compliance throughout the audit.

The potential effect of these laws and regulations on the financial statements varies considerably.

**Independent Auditor's Report to the University Council of the University of Chester
(continued)****Year ended 31 July 2022**

Firstly, the Group is subject to laws and regulations that directly affect the financial statements including financial reporting legislation, taxation legislation, pensions legislation and specific disclosures required by higher education legislation and regulation, charities legislation and related legislation and we assessed the extent of compliance with these laws and regulations as part of our procedures on the related financial statement items.

Whilst the University is subject to many other laws and regulations, we did not identify any others where the consequences of non-compliance alone could have a material effect on amounts or disclosures in the financial statements.

Context of the ability of the audit to detect fraud or breaches of law or regulation

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely the inherently limited procedures required by auditing standards would identify it.

In addition, as with any audit, there remained a higher risk of non-detection of fraud, as these may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. Our audit procedures are designed to detect material misstatement. We are not responsible for preventing non-compliance or fraud and cannot be expected to detect non-compliance with all laws and regulations.

Other information

The University Council is responsible for the other information, which comprises the Strategic Review and the Report of the University Council and Corporate Governance Statement. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except as explicitly stated below, any form of assurance conclusion thereon.

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

Matters on which we are required to report by exception

Under the Charities Act 2011 we are required to report to you if, in our opinion:

- the charity has not kept sufficient accounting records; or
- the financial statements are not in agreement with the accounting records; or
- we have not received all the information and explanations we require for our audit.

We have nothing to report in these respects.

University Council responsibilities

As explained more fully in its statement set out on page 21, the University Council is responsible for: the preparation of the financial statements and for being satisfied that they give a true and fair view; such internal control as it determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error; assessing the Group and parent University's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and using the going concern basis of accounting unless it either intends to liquidate the Group or the parent University or to cease operations, or has no realistic alternative but to do so.

**Independent Auditor's Report to the University Council of the University of Chester
(continued)****Year ended 31 July 2022**

Auditor's responsibilities

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

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

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

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

In our opinion, in all material respects:

- funds from whatever source administered by the Group or the University for specific purposes have been properly applied to those purposes and managed in accordance with relevant legislation;
- income has been applied in accordance with the University's articles of government
- funds provided by the Office for Students, UK Research and Innovation (including Research England), the Education and Skills Funding Agency and the Department for Education have been applied in accordance with the relevant terms and conditions; and
- the financial statements meet the requirements of the Accounts Direction dated 25 October 2019 issued by the Office for Students.

Matters on which we are required to report by exception

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

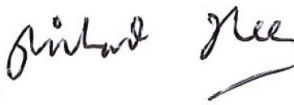
We are also required by the Accounts Direction to report to you where the results of our audit work indicate that the Group's and the University's grant and fee income, as disclosed in note 3 to the financial statements has been materially misstated.

We have nothing to report in these respects.

**Independent Auditor's Report to the University Council of the University of Chester
(continued)****Year ended 31 July 2022**

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

This report is made solely to the University Council, who are the trustees of the university for the purposes of charity law, in accordance with section 144 of the Charities Act 2011 (or its predecessors) and regulations made under section 154 of that Act and of the Articles, Charters, Statutes or Ordinances of the institution paragraph 13(2) of the University's Articles of Government and section 124B of the Education Reform Act 1988. Our audit work has been undertaken so that we might state to the University Council those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the University and the University Council for our audit work, for this report, or for the opinions we have formed.

**Richard Lee****for and on behalf of KPMG LLP, Statutory Auditor**

Chartered Accountants
1 St Peters Square
Manchester
M2 3AE

20th April 2023

KPMG LLP is eligible to act as an auditor in terms of section 1212 of the Companies Act 2006

Consolidated and University Statement of Comprehensive Income and Expenditure
Year ended 31 July 2022

	Notes	Year ended 31 July 2022		Year ended 31 July 2021	
		Consolidated £'000	University £'000	Consolidated £'000	University £'000
Income					
Tuition fees and education contracts	1	102,508	102,508	98,173	98,173
Funding body grants	2	11,580	11,580	10,584	10,584
Research grants and contracts	4	2,778	2,778	1,870	1,870
Other income	5	18,540	18,411	11,763	11,862
Investment income	6	363	363	311	311
Total income before endowments and donations		135,769	135,640	122,701	122,800
Donations and endowments	7	6	6	18	18
Total Income		135,775	135,646	122,719	122,818
Expenditure					
Staff costs	8	83,126	83,127	82,230	82,222
Other operating expenses	11	47,762	47,706	38,819	38,747
Depreciation	12	5,975	5,975	5,039	5,039
Depreciation due to impairment	12	2,763	2,763	-	-
Interest and other finance costs	10	2,627	2,627	2,265	2,265
Total Expenditure		142,253	142,198	128,353	128,273
Deficit before other gains or losses		(6,478)	(6,552)	(5,634)	(5,455)

**Consolidated and University Statement of Comprehensive Income and Expenditure
(continued)**

Year ended 31 July 2022

	Notes	Year ended 31 July 2022		Year ended 31 July 2021	
		Consolidated	University	Consolidated	University
		£'000	£'000	£'000	£'000
Loss on changes in fair value of investment properties	12	(1,879)	(1,879)	(59)	(59)
Deficit for the year		(8,357)	(8,431)	(5,693)	(5,514)
Actuarial gain/(loss) in respect of pension schemes	24	71,104	71,104	(11,092)	(11,092)
Total comprehensive income for the year		62,747	62,673	(16,785)	(16,606)
Represented by					
Endowment comprehensive income for the year		8	8	18	18
Unrestricted comprehensive income for the year		62,739	62,665	(16,803)	(16,624)
Attributable to the University		62,747	62,673	(16,785)	(16,606)
Deficit for the year attributable to:					
University		(8,357)	(8,431)	(5,693)	(5,514)

All items of income and expenditure relate to continuing activities

Consolidated and University Statement of changes in Reserves
Year ended 31 July 2022

Consolidated	Income and Expenditure Account		Total
	Endowment	Unrestricted	
	£'000	£'000	
			£'000
Balance at 1 August 2020	405	44,138	44,543
Surplus from the statement of comprehensive income and expenditure	18	(5,711)	(5,693)
Other comprehensive income	-	(11,092)	(11,092)
Release of restricted funds spent in year	-	-	-
Total comprehensive income for the year	18	(16,803)	(16,785)
Balance at 1 August 2021	423	27,335	27,758
Surplus from the statement of comprehensive income and expenditure	6	(8,363)	(8,357)
Other comprehensive income	-	71,104	71,104
Release of restricted funds spent in year	2	(2)	-
Total comprehensive income for the year	8	62,739	62,747
Balance at 31 July 2022	431	90,074	90,505

Consolidated and University Statement of changes in Reserves (continued)
Year ended 31 July 2022

University	Income and Expenditure Account		Total
	Endowment	Unrestricted	
	£'000	£'000	
Balance at 1 August 2020	405	43,398	43,803
Surplus from the statement of comprehensive income and expenditure	18	(5,532)	(5,514)
Other comprehensive income	-	(11,092)	(11,092)
Release of restricted funds spent in year	-	-	-
Total comprehensive income for the year	18	(16,624)	(16,606)
Balance at 1 August 2021	423	26,774	27,197
Surplus from the statement of comprehensive income and expenditure	6	(8,437)	(8,431)
Other comprehensive income	-	71,104	71,104
Release of restricted funds spent in year	2	(2)	-
Total comprehensive income for the year	8	62,665	62,673
Balance at 31 July 2022	431	89,439	89,870

Consolidated and University Balance Sheets
Year ended 31 July 2022

	Notes	As at 31 July 2022		As at 31 July 2021	
		Consolidated	University	Consolidated	University
		£'000	£'000	£'000	£'000
Fixed assets	12	115,902	115,902	118,313	118,313
Investment properties	12	9,790	9,790	9,004	9,004
Current assets					
Stock	13	121	121	107	107
Trade and other receivables	14	11,391	10,918	9,403	9,234
Investments	15	10,000	10,000	8,000	8,000
Cash and cash equivalents	21	26,950	26,245	30,598	29,864
		48,462	47,284	48,108	47,205
Less: Creditors: amounts falling due within one year	16	(30,322)	(29,779)	(28,333)	(27,991)
Net current assets		18,140	17,505	19,775	19,214
Total assets less current liabilities		143,832	143,197	147,092	146,531
Creditors: amounts falling due after more than one year	17	(46,071)	(46,071)	(48,189)	(48,189)
Provisions					
Provisions for liabilities	18	(7,256)	(7,256)	(71,145)	(71,145)
Net assets		90,505	89,870	27,758	27,197
Restricted Reserves					
Income and expenditure reserve - endowment reserve	19	431	431	423	423
Unrestricted Reserves					
Income and expenditure reserve – unrestricted		90,074	89,439	27,335	26,774
Total Reserves		90,505	89,870	27,758	27,197

The financial statements were approved by the University Council on 13th April 2023 and were signed on its behalf on that date by:



Professor E.A. Simmons, Vice-Chancellor



Dr M. David, President of the Council

Consolidated Cash Flow Statement
Year ended 31 July 2022

	Notes	Year ended 31 July 2022	Year ended 31 July 2021
		£'000	£'000
Cash flow from operating activities			
Deficit for the year		(8,357)	(5,693)
Adjustment for non-cash items			
Depreciation	12	8,738	5,039
Loss on investments	12	1,879	59
Increase in stock	13	(14)	(28)
Increase in debtors	14	(1,988)	(1,856)
Increase in creditors	16	1,530	4,177
Increase in pension provision	24	7,215	5,226
Adjustment for investing or financing activities			
Investment income	6	(82)	(84)
Interest payable	10	1,448	1,479
Endowment income	19	(6)	(18)
Capital grant income	2	(1,219)	(1,065)
Net cash inflow from operating activities		<u>9,144</u>	<u>7,236</u>
Cash flows from investing activities			
Capital grants receipts		1,723	869
New deposits	15	(2,000)	12,101
Investment income	6	82	84
Payments made to acquire fixed assets	12	(8,992)	(4,560)
		<u>(9,187)</u>	<u>8,494</u>
Cash flows from financing activities			
Interest paid	10	(1,448)	(1,479)
Endowment cash received	19	6	18
Repayments of amounts borrowed	17	(2,163)	(2,128)
		<u>(3,605)</u>	<u>(3,589)</u>
Increase/(Decrease) in cash and cash equivalents in the year		<u>(3,648)</u>	<u>12,141</u>
Cash and cash equivalents at beginning of the year	21	30,598	18,457
Cash and cash equivalents at end of the year	21	26,950	30,598

Statement of Accounting Policies

Year ended 31 July 2022

The following accounting policies have been applied consistently in the current and preceding years dealing with items which are considered material in relation to the University's financial statements.

Basis of preparation

The financial statements have been prepared under the Statement of Recommended Practice (SORP): Accounting for Further and Higher Education Institutions 2015 and in accordance with Financial Reporting Standards (FRS 102). These financial statements are prepared in accordance with the historical cost convention. They have also been prepared in accordance with the 'carried forward' powers and duties of previous legislation (Further and Higher Education Act 1992 and the Higher Education Act 2004) and the new powers of the Higher Education and Research Act 2017 during the transition period to 31 July 2019, the Accounts Direction issued by the Office for Students (OfS), the Terms and conditions of funding for higher education institutions issued by the Office for Students and the Terms and conditions of Research England Grant.

The University is a public benefit entity and therefore has applied the relevant public benefit requirement of the applicable UK laws and accounting standards.

Going concern

The Group and parent University's activities, together with the factors likely to affect its future development, performance and position, are set out in the Strategic Report which forms part of the Report of the University Council. The Report of the University Council also describes the financial position of the Institution, its cash flows, liquidity position and borrowing facilities.

The financial statements have been prepared on a going concern basis which the Council consider to be appropriate for the following reasons.

The University recorded a deficit of £6.5m before other gains and losses, but a positive operating cashflow helped ensure the University ended the year with cash and cash equivalents of £27.0m, and investments of £10.0m. The budget for 2022/23 is for the University to record a second consecutive deficit, but cash flow forecasts demonstrate adequate availability of financial resources. These deficits mean that the University was not compliant with its original loan covenants for 2022 and was projected to breach its loan covenants in 2023. However, agreement has been reached with lenders to amend these covenants to ensure that the University remains compliant.

The Council have prepared cash flow forecasts for a period of 12 months from the date of approval of these financial statements. We have sensitised our forecasts to assess the impact of potential falls in student numbers and potential cost increases and are satisfied that the University has sufficient headroom in its cash flow projections to withstand the impact of reasonably possible downside scenarios during the 12 months following the date of approval of the financial statements. After reviewing these forecasts the Council is of the opinion that, taking account of severe but plausible downsides, the Group and parent University will have sufficient funds to meet their liabilities as they fall due over the period of 12 months from the date of approval of the financial statements (the going concern assessment period). The Report of the University Council provides more information on going concern on page 15.

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

Basis of consolidation

The consolidated financial statements include the University and all of its subsidiaries for the financial year to 31 July 2022. Intra group sales and profits are eliminated on consolidation.

The consolidated financial statements do not include those of the Students' Union because the University does not control these activities.

Statement of Accounting Policies (continued)**Year ended 31 July 2022**

Cash flow statement

As permitted by Section 7, paragraphs 1.11 and 1.12 of FRS 102 'Statements of Cash Flows', the University's cash flow statement has not been included in these financial statements.

Recognition of income

Funding council block grants are accounted for in the year to which they relate.

Fee income is stated gross and credited to the Statement of Comprehensive Income and Expenditure account over the period in which the students are studying. Where the amount of the tuition fee is reduced, income receivable is shown net of the discount. Bursaries and scholarships are accounted for gross as expenditure and included within operating income.

Recurrent income from government grants, contracts and other services rendered are accounted for on an accruals basis and included to the extent of the completion of the contract or service concerned; any payments received in advance of such performance are recognised on the balance sheet as liabilities.

Recurrent income from non-government grants are accounted for under the performance model, and the grant is recognised as and when performance conditions are met.

Government grants received in respect of the acquisition or construction of fixed assets are treated as deferred capital grants under the accruals model. The grants are credited to deferred capital grants and an annual transfer made to the Statement of Comprehensive Income and Expenditure account over the useful economic life of the asset at the same rate as the depreciation charge on the asset for which the grant was awarded.

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

Fixed assets and depreciation

A fixed asset is capitalised at cost where the expenditure exceeds £10,000. Assets are depreciated over their useful lives on a straight line basis as follows:

Freehold buildings	-	2% pa on cost
Plant and machinery	-	25% pa on cost
Computer equipment	-	33% pa on cost

Land is capitalised at cost and is not depreciated.

Investment Properties

Investment property is land and buildings held for rental income or capital appreciation rather than for use delivering services. Investment properties are measured initially at cost and subsequently at fair value movements recognised in the Surplus or Deficit. Properties are not depreciated but are revalued or reviewed annually according to market conditions as at 31 July each year.

Intangible assets – research and development

Research expenditure is written off as incurred. Development expenditure is also written off, except where the directors are satisfied as to the technical, commercial and financial viability of individual projects. In such cases, the identifiable expenditure is capitalised as an intangible asset and amortised over the period during which the Group is expected to benefit. This period is between three and five years. Provision is made for any impairment.

Statement of Accounting Policies (continued)**Year ended 31 July 2022**

Maintenance

The University has a five-year planned maintenance programme which is reviewed on an annual basis. Actual expenditure on routine and planned maintenance is charged to the Statement of Comprehensive Income and Expenditure in the year it is incurred.

Stocks

Stocks are stated at the lower of cost and net realisable value.

Provisions

Provisions are recognised when the University has a 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.

Pension schemes

The two principal pension schemes for the University's staff are the Cheshire Pension Fund and the Teachers' Pension Scheme. Pension costs are assessed on the latest actuarial valuations of the schemes and are accounted for on the basis of FRS 102 Section 28. The Cheshire Pension Fund has a full valuation every three years (last valued at March 2019) carried out by professionally qualified independent actuaries and the Teachers' Pension Scheme is assessed every five years (last valued at March 2016).

The Cheshire Pension Fund is a funded, defined benefit scheme with the assets of the scheme held separately from those of the Group in separate trustee administered funds. Assets are included in the valuation at market value, and scheme liabilities are measured on an actuarial basis using the projected unit method; these liabilities are discounted at the current rate of return on AA rated corporate bonds. The post-retirement benefit surplus or deficit is included on the University's balance sheet. Surpluses are included only to the extent that they are recoverable through reduced contributions in the future or through refunds from the schemes. The current service cost and any past service costs are included in the Statement of Comprehensive Income and Expenditure account within operating expenses and the expected return on the scheme's assets, net of the impact of the unwinding of the discount on scheme liabilities, is included within other finance income. Actuarial gains and losses, including differences between the expected and actual return on scheme assets, are recognised in the statement of total recognised gains and losses.

The Teachers' Pension Scheme is an unfunded, defined benefit multi-employer scheme. Because of the mutual nature of the scheme, the scheme's assets are not hypothecated to individual institutions and scheme-wide contribution rates are set. The University is therefore exposed to actuarial risks associated with other institutions' employees and is unable to identify its share of the underlying assets and liabilities of the scheme on a consistent and reasonable basis. Therefore, as required by FRS 102 Section 28 this scheme is accounted for as if it is a defined contribution scheme. As a result, the amount charged to the Statement of Comprehensive Income and Expenditure account represents the contributions payable to the scheme in respect of the accounting year.

Employment benefits

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

Statement of Accounting Policies (continued)**Year ended 31 July 2022**

Leases

Where the University enters into a lease which entails taking substantially all the risks and rewards of ownership of an asset, the lease is treated as a 'finance lease'. The asset is recorded in the balance sheet as a tangible fixed asset and is depreciated over its estimated useful life or the term of the lease, whichever is shorter. Future instalments under such leases, net of finance charges, are included within creditors. Rentals payable are apportioned between the finance element, which is charged to the profit and loss account, and the capital element which reduces the outstanding obligation for future instalments.

All other leases are accounted for as 'operating leases' and the rental charges are charged to the Statement of Comprehensive Income and Expenditure on a straight line basis over the life of the lease.

Cash flows and liquid resources

Cash flows comprise increases or decreases in cash. 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. No investments, however liquid, are included in cash.

Liquid resources represent assets held that are readily disposable. They comprise term deposits held as part of the University's treasury management activities.

Taxation

The University is considered to pass the tests set out in Paragraph 1 Schedule 6 Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes. Accordingly, the University is potentially exempt from taxation in respect of income or capital gains received within categories covered by Chapter 3 Part 11 Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes. Subsidiary companies are liable to corporation tax.

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

Endowment assets

Endowment assets are carried at market value. Appreciation/depreciation in the market value of endowment assets and any gain or loss on disposal is added to or subtracted from the endowment funds concerned and is not brought into the Statement of Comprehensive Income and Expenditure account but reported through the statement of total recognised gains and losses.

Financial instruments

Financial assets and financial liabilities are recognised when the University becomes a party to the contractual provisions of the instrument.

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the University after deducting all of its liabilities.

All financial assets and liabilities are initially measured at transaction price (including transaction costs), except for those financial assets classified as at fair value through profit or loss, which are initially measured at fair value (which is normally the transaction price excluding transaction costs), unless the arrangement constitutes a financing transaction.

Statement of Accounting Policies (continued)**Year ended 31 July 2022**

Financial instruments (continued)

If an arrangement constitutes a financing transaction, the financial asset or financial liability is measured at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

Financial assets and liabilities are only offset in the balance sheet when, and only when there exists a legally enforceable right to set off the recognised amounts and the University intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Derivatives

Derivatives are held on the balance sheet at fair value with movements in fair value recorded in the Surplus or Deficit.

Significant estimates and judgements

Preparation of financial statements require significant estimates and judgements for which management relies of appropriate professional advice. The estimates and judgements that have significant risk of causing a material adjustment to the carrying amounts of assets and liabilities are:

a. Pension liabilities

The University participates in the Cheshire Pension Fund which is a defined benefit scheme. The present value of the University obligations depends on a number of factors including life expectancy, salary increases, asset valuations, liability periods and discount rates on corporate bonds. A qualified actuary estimates these values so management can determine net pension obligations in the balance sheet.

Asset values are reported using estimated asset allocations prepared by the scheme Actuary. This asset value is calculated at each triennial valuation. Thereafter it is rolled forward for accounting valuation purposes using investment returns, contributions received, and benefits paid out. During each annual reporting period between triennial valuations asset returns are estimated using 11 months of market experience and one month of extrapolation being assumed. However, for the year ended 31 July 2022 the pension valuation was calculated using asset returns as at that date. The difference in asset values using the actual asset return data compared to estimated was £9,984k. This was significantly higher than previous years due to changes in the inflation rate used in the actual valuation due to temporary higher levels of UK inflation. The inflation rate 9.9% was included for 2022/23 returning to 2.7% thereafter.

Details of the assumptions used, and associated sensitivities, are included in note 24.

b. Investment properties

The investment properties are held at Thornton Science Park, which the University operates for research, and investment properties.

The fair value of investment property is determined by management upon receipt of a report by a registered valuer on the properties in question on the basis of continual use.

Notes to the Financial Statements
Year ended 31 July 2022

	Year Ended 31 July 2022		Year Ended 31 July 2021	
	Consolidated	University	Consolidated	University
	£'000	£'000	£'000	£'000
1 Tuition Fees and Education Contracts				
Full-time home and EU students	72,506	72,506	77,306	77,306
Full-time international students	22,180	22,180	12,519	12,519
Part-time students	4,330	4,330	3,916	3,916
Education Contracts	968	968	2,027	2,027
Other Fees and Support Grants	2,524	2,524	2,405	2,405
	102,508	102,508	98,173	98,173
2 Funding Body Grants				
Recurrent Grant				
Office for Students	5,282	5,282	5,811	5,811
UKRI	1,961	1,961	1,587	1,587
DfE	114	114	354	354
Capital grant	1,219	1,219	1,065	1,065
Specific Grants				
OfS	1,243	1,243	187	187
Higher Education Innovation Fund	1,296	1,296	1,219	1,219
Uni Connect	368	368	361	361
DfE	97	97	-	-
	11,580	11,580	10,584	10,584
3 Details of Grant and Fee Income				
Grant income from Office for Students	6,525	6,525	5,998	5,998
Grant income from other bodies	5,055	5,055	4,586	4,586
Fee income for taught awards	98,184	98,184	93,691	93,691
Fee income for research awards	1,633	1,633	911	911
Fee income for non-qualifying courses	2,691	2,691	3,571	3,571
Total grant and fee income	114,088	114,088	108,757	108,757

Notes to the Financial Statements (continued)

Year ended 31 July 2022

	Notes	Year Ended 31 July 2022		Year Ended 31 July 2021	
		Consolidated	University	Consolidated	University
		£'000	£'000	£'000	£'000
4 Research Grants and Contracts					
Research councils		803	803	310	310
Research charities		565	565	450	450
Government (UK and overseas)		447	447	326	326
Industry and commerce		45	45	35	35
Other		918	918	749	749
		2,778	2,778	1,870	1,870
5 Other income					
Residences, catering and conferences		4,849	4,761	3,083	3,141
Other income		13,691	13,650	8,680	8,721
		18,540	18,411	11,763	11,862
Other income relates to European grants, rental income and other income (e.g. nurseries, fitness centres).					
6 Investment income					
Investment income on endowments	19	2	2	2	2
Other investment income		80	80	82	82
Movement in fair value of derivatives	17	281	281	227	227
		363	363	311	311
7 Donations and endowments					
New endowments	19	6	6	18	18
8 Staff costs					
Salaries		58,983	58,984	59,834	59,826
Social security costs		6,257	6,257	6,035	6,035
Other pension costs		17,886	17,886	16,361	16,361
Total		83,126	83,127	82,230	82,222

Notes to the Financial Statements (continued)
Year ended 31 July 2022

8 Staff Costs (continued)

Emoluments of the Head of Institution

	2022	2021
	£'000	£'000
Professor E.A. Simmons 1 August 2021 to 31 July 2022:		
Salary	250	250
Benefits	-	-
Other Remuneration – Pension & Expenses	61	59
	311	309

	2022	2021
Professor E.A. Simmons 1 August 2021 to 31 July 2022:		
Basic Salary Ratio	8.0	7.2
Median Total Remuneration all staff	8.4	8.0

The justification for the Head of Institution pay can be found on page 18.

Notes to the Financial Statements (continued)
Year ended 31 July 2022

8 Staff Costs (continued)

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

	2022	2021
£100,000 to £104,999	1	1
£105,000 to £109,999	-	1
£110,000 to £114,999	-	-
£115,000 to £119,999	-	-
£120,000 to £124,999	-	-
£125,000 to £129,999	1	1
£130,000 to £134,999	3	1
£135,000 to £139,999	-	-
£140,000 to £144,999	-	-
£145,000 to £149,999	-	-
£150,000 to £154,999	2	1
£155,000 to £159,999	1	1
£160,000 to £164,999	1	1
Over £165,000	1	-
	<u>10</u>	<u>7</u>
Total Compensation paid to key management personnel	<u>1,634</u>	<u>1,256</u>

Key Management personnel consist of 10 individuals that make up the Strategic Executive Team. Compensation consists of salary, bonus, employer's national insurance and employer's pension contribution.

	2022	2021
Average staff numbers by major category:		
Academic Departments	581	589
Academic Services	118	130
Administration/Central Services	424	426
Premises	180	191
Catering and Residence	65	74
Nursing	170	155
	<u>1,537</u>	<u>1,565</u>

Compensation for loss of office

81 payments were made in respect of compensation for loss of office during the year totalling £478k

Council Members

Reimbursements to members of University Council for expenditure incurred in attending Council and meetings of its committees amounted to £943 (2021: £80). Council members did not receive any remuneration from the University.

Notes to the Financial Statements (continued)
Year ended 31 July 2022

	Notes	Year Ended 31 July 2022		Year Ended 31 July 2021	
		Consolidated	University	Consolidated	University
		£'000	£'000	£'000	£'000
9 Access & Participation					
Access Investment		671	671	719	719
Financial Support	1	1,900	1,900	1,890	1,890
Disability Support		860	860	957	957
Research and evaluation (i)		489	489	258	258
		3,921	3,921	3,824	3,824

(i) £1,897k of these costs are already included in the overall staff costs figures included in the financial statements, see note 8

The University of Chester's Access and Participation plan can be found here:

<https://www1.chester.ac.uk/undergraduate/widening-participation/access-and-participation-plan>

10 Interest and other finance costs

Loan interest		1,448	1,448	1,479	1,479
Net charge on pension scheme	24	1,179	1,179	786	786
		2,627	2,627	2,265	2,265

11 Analysis of other operating expenses by activity

Academic and related expenditure		12,737	12,748	13,804	13,804
Administration and central services		12,725	12,758	7,226	7,226
Premises (including service concession cost)		18,914	18,914	15,726	15,726
Residences, catering and conferences		1,630	1,626	592	590
Research grants and contracts		866	866	841	841
Other expenses		890	794	630	560
		47,762	47,706	38,819	38,747

Other operating expenses include:

External auditor's remuneration in respect of audit services		91	71	84	65
External auditor's remuneration in respect of non-audit services		33	25	38	31
Operating lease rentals:					
vehicles		210	210	215	215

Notes to the Financial Statements (continued)

Year ended 31 July 2022

12 Fixed Assets

	Freehold Land and Buildings	Plant and Machinery	Computer Equipment	Total
Consolidated and University	£'000	£'000	£'000	£'000
Cost				
At 1 August 2021	148,406	26,978	9,968	185,352
Additions	3,811	3,720	1,434	8,965
Transfer to investment properties	(3,182)	-	-	(3,182)
At 31 July 2022	149,035	30,698	11,402	191,135
Depreciation				
At 1 August 2021	32,894	25,032	9,113	67,039
Transfer to investment properties	(544)	-	-	(544)
Charge for year	2,845	2,026	1,104	5,975
Charge due to impairment	2,763	-	-	2,763
At 31 July 2022	37,958	27,058	10,217	75,233
Net book value				
At 31 July 2022	111,077	3,640	1,185	115,902
At 31 July 2021	115,512	1,946	855	118,313

As a result of a valuation done during 2022/23 an impairment of Land and Buildings at Thornton Science Park has resulted in an accelerated depreciation charge of £2.8m for the year.

At 31 July 2022, freehold land and buildings included £7.8m (2021 - £7.8m) in respect of freehold land and is not depreciated.

Notes to the Financial Statements (continued)
Year ended 31 July 2022

12 Fixed Assets (Continued)

Investment properties	Investment Properties £'000
Consolidated and University	
At 1 August 2020	<u>9,063</u>
Additions	-
Loss on change in fair value	(59)
At 31 July 2021	<u>9,004</u>
Additions	27
Transfers from Land & Buildings	2,638
Loss on change in fair value	(1,879)
At 31 July 2022	<u>9,790</u>

The investment properties are at Thornton Science Park. An overage deed is in place on these properties until 20th March 2034. Under the terms of this overage deed, if the University disposes of these properties then 50% (40% from 31st March 2024) of the market value is payable to the former owners, Shell Research Limited.

The non-current investments have been valued at market value

13 Stock	Year ended 31 July 2022		Year ended 31 July 2021	
	Consolidated	University	Consolidated	University
	£'000	£'000	£'000	£'000
General consumables	<u>121</u>	<u>121</u>	107	107

14 Trade and other receivables

Amounts falling due within one year:

Trade receivables	6,996	6,043	5,254	4,988
Other receivables	17	17	35	34
Prepayments and accrued income	4,378	3,804	4,114	3,800
Amounts due from subsidiary companies	-	1,054	-	412
	<u>11,391</u>	<u>10,918</u>	9,403	9,234

Notes to the Financial Statements (continued)

Year ended 31 July 2022

15 Current Investments

	Year ended 31 July 2022		Year ended 31 July 2021	
	Consolidated	University	Consolidated	University
	£'000	£'000	£'000	£'000
Short term deposits	<u>10,000</u>	<u>10,000</u>	<u>8,000</u>	<u>8,000</u>

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

At 31 July 2022 the weighted average interest rate of these deposits was 0.5% per annum. The deposits are in accounts that require notice. The weighted average period of notice was 125 days. The fair value of these deposits was not materially different from the book value.

16 Creditors: amounts falling due within one year

	Year ended 31 July 2022		Year ended 31 July 2021	
	Consolidated	University	Consolidated	University
	£'000	£'000	£'000	£'000
Secured loans*	852	852	836	836
Unsecured loans	1,349	1,349	1,326	1,326
Trade payables	5,266	4,911	5,132	5,005
Social security and other taxation payable	1,869	1,687	1,650	1,480
Accruals and deferred income	20,986	20,963	19,389	19,299
Amounts due to subsidiary companies	-	17	-	45
	<u>30,322</u>	<u>29,779</u>	<u>28,333</u>	<u>27,991</u>

* The bank loans are secured on freehold properties owned by the University with a carrying value of £7.2m (2020: £7.3m), over which the lender holds a legal charge.

17 Creditors: amounts falling due after more than one year

Deferred income	21,729	21,729	21,364	21,364
Derivatives	196	196	477	477
Secured loans	5,277	5,277	6,129	6,129
Unsecured loans	18,869	18,869	20,219	20,219
	<u>46,071</u>	<u>46,071</u>	<u>48,189</u>	<u>48,189</u>

Notes to the Financial Statements (continued)

Year ended 31 July 2022

17 Creditors: amounts falling due after more than one year (continued)

Analysis of secured and unsecured loans:

	Year ended 31 July 2022		Year ended 31 July 2021	
	Consolidated	University	Consolidated	University
	£'000	£'000	£'000	£'000
Due within one year or on demand (Note 14)	2,201	2,201	2,162	2,162
Due between one and two years	3,041	3,041	2,202	2,202
Due between two and five years	6,214	6,214	7,400	7,400
Due in five years or more	14,891	14,891	16,746	16,746
Due after more than one year	24,146	24,146	26,348	26,348
Total secured and unsecured loans	26,347	26,347	28,510	28,510
Secured loans repayable by 2031	6,129	6,129	6,965	6,965
Unsecured loans repayable by 2038	20,218	20,218	21,545	21,545
	26,347	26,347	28,510	28,510

The secured loans were all repaid during the year. Refinancing followed at a lower amount. Included in loans are the following:

Lender	Amount £'000	Term	Interest rate %	Borrower
Barclays	1,576	2026	7.37	University
Barclays	1,040	2028	6.74	University
Barclays	1,053	2024	2.81	University
Barclays	3,500	2031	7.18	University
Lloyds TSB	6,602	2034	5.55	University
Santander	8,676	2037	5.43	University
Santander	3,900	2038	3.06	University
TOTAL	26,347			

Notes to the Financial Statements (continued)

Year ended 31 July 2022

18 Provisions for Liabilities

Consolidated	Pension enhancements on termination	Pension scheme provision under FRS 102 (Note 24)	Total Provisions
	£'000	£'000	£'000
At 1 August 2021	390	70,755	71,145
Utilised in year	(25)	(63,864)	(63,889)
Additions in year	-	-	-
At 31 July 2022	365	6,891	7,256

University	Pension enhancement on termination	Pension scheme provision under FRS 102 (Note 24)	Total Provisions
	£'000	£'000	£'000
At 1 August 2021	390	70,755	71,145
Utilised in year	(25)	(63,864)	(63,889)
Additions in year	-	-	-
At 31 July 2022	365	6,891	7,256

The Pension enhancement on termination provision relates to enhancements given to staff taking early retirement under a reorganisation programme. It is expected that this provision will be fully utilised over the next 10-20 years.

The pension scheme provision relates to the Cheshire Pension Fund, a funded defined benefit scheme with the assets of the scheme held separately from those of the Group in separate trustee administered funds. The provision is the deficit on the post-retirement benefits in excess of those assets.

Pension enhancement

The assumptions for calculating the provision for Pension enhancements on termination under FRS 102 are as follows:

	Consolidated	
	2022	2021
Discount rate	2.0%	2.0%
Inflation	2.0%	2.0%

Notes to the Financial Statements (continued)
Year ended 31 July 2022

19 Endowment Reserves

Restricted net assets relating to endowments are as follows:

	Restricted permanent endowments	Expendable endowments	2022 Total	2021 Total
	£'000	£'000	£'000	£'000
Balances at 1 August 2021				
Capital	130	270	400	382
Accumulated income	-	23	23	23
	<u>130</u>	<u>293</u>	<u>423</u>	<u>405</u>
New Endowments	-	6	6	18
Investment Income	-	2	2	2
Expenditure (Decrease) / increase in market value of investments	-	-	-	(2)
	-	-	-	-
Total endowment Comprehensive income for the year	<u>-</u>	<u>8</u>	<u>8</u>	<u>18</u>
At 31 July 2021	<u><u>130</u></u>	<u><u>301</u></u>	<u><u>431</u></u>	<u><u>423</u></u>
Represented by:				
Capital	130	276	406	400
Accumulated income	-	25	25	23
	<u>130</u>	<u>301</u>	<u>431</u>	<u>423</u>
Analysis by type of purpose:				
Prize funds		65	65	239
General	130	263	366	184
	<u>130</u>	<u>328</u>	<u>431</u>	<u>423</u>
Analysis by asset				
Cash & cash equivalents			431	423

The endowments received during the year relate to expendable donations received from Alumni (£3k) and Chester TWIN (£15k)

Notes to the Financial Statements (continued)
Year ended 31 July 2022

20 Financial Instruments	Year ended 31 July 2022		Year ended 31 July 2021	
	£'000	£'000	£'000	£'000
Financial Liabilities				
Derivatives	<u>196</u>	<u>196</u>	<u>477</u>	<u>477</u>

The University uses derivatives to hedge interest rate exposure on some of its secured loans.
The Financial liabilities are at fair value through Statement of Comprehensive Income at the balance sheet date.

21 Cash and Cash Equivalents	Notes	At 1 August	Cash	At 31 July
		2021	Flows	2022
		£'000	£'000	£'000
Consolidated				
Cash and cash equivalents		<u>30,598</u>	<u>(3,648)</u>	<u>26,950</u>

22 Lease Obligations

Total rentals payable under operating leases:

	31 July 2022		31 July 2021
	Other leases	Total	Total
	£'000	£'000	£'000
Payable during the year			
Future minimum lease payments due:			
Not later than 1 year	162	162	145
Later than 1 year and not later than 5 years	<u>197</u>	<u>197</u>	<u>242</u>
Total lease payments due	<u>359</u>	<u>359</u>	<u>387</u>

Lease obligations relate to vehicle leases.

Notes to the Financial Statements (continued)**Year ended 31 July 2022**

23 Subsidiary Undertakings

The subsidiary companies (all of which are registered in England & Wales), wholly-owned or effectively controlled by the University, are as follows:

Company	Principal Activity	Status
Chester Conferences Ltd	Management of conference and related commercial facilities	100% owned
Universities Economic Development Unit Ltd	Management of European Grant funding	100% owned
Thornton Research Properties	Management of Thornton Science Park	100% owned

The registered office for the University and its subsidiary companies is:

C/O Vice-Chancellor
University of Chester
Parkgate Road
Chester
CH1 4BJ

24 Pension Schemes

Contributions to the schemes are charged to the Income and Expenditure account so as to spread the cost of the pensions over the employees' working lives with the University of Chester. The pension charge for the year was £17,885,926 (2021: £16,361,571 which includes £40,318 (2021: £40,242) in respect of enhanced pension entitlements of staff taking early retirement under the reorganisation programme. The calculation of the cost of early retirement provisions charged to the Statement of Comprehensive Income and Expenditure account in the year of retirement is based on the total capital cost of providing enhanced pensions with allowance for future investment returns at 4% in excess of price inflation.

An amount of £364,707 (2021: £389,660) is included in provisions for liabilities and charges representing the extent to which the capital cost charged exceeds actual payments made. The provision will be released against the cost to the University of enhanced pension entitlements over the estimated life expectancy of each relevant employee. Were the institution to close and there be no successor established, the Secretary of State would become the compensating authority.

24 Pension Schemes (continued)

Teachers' Pension Scheme

The Teachers' Pension Scheme is an unfunded defined benefit scheme. Contributions on a pay as you go basis are credited to the exchequer under arrangements governed by the Superannuation Act 1972. The total contribution for the year ended 31 July 2022 was £9,874,387 (2021: £9,662,834) of which the employers' contributions totalled £6,971,543 (2021: £6,819,740) and the employees' contributions totalled £2,902,843 (2021: £2,843,834). The pensions cost is assessed every five years in accordance with the advice of the government actuary. The assumptions and other data that have the most significant effect on the determination of the contribution levels are as follows:

Latest actuarial valuations	31 March 2016
Actuarial method	Prospective Benefits
Investment returns per annum	2.9%
Salary scale increases per annum	4.2 %
Market value of assets at date of last valuation	£196.1bn
Proportion of members' accrued benefits covered by the actuarial value of the assets	90%

Following the implementation of Teachers' Pensions (Employers' Supplementary Contributions) Regulations 2000, the government actuary carried out a further review on the level of employers' contributions. The employer were paid at the rate of 23.68%. Employee contribution rates are dependent on salary levels and were in bandings between 7.4% -11.7%.

The TPS is a multi-employer scheme where the share of assets and liabilities applicable to each employer is not identified. The University accounts for its pension costs on a defined contribution basis as permitted by FRS 102 Section 28.

Cheshire Pension Fund

The University participates in the Cheshire Pension Fund, 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 12 months ended 31 July 2022 was £5,794,040 (2021: £5,994,052) of which the employers' contributions totalled £4,564,567 (2021: £4,728,154) and employees contributions totalled £1,229,473 (2021: £1,265,898). The agreed contribution rates for future years are 24.7% for employers and in bandings 5.5%-12.5% for employees depending on the level of their salary.

Valuation date	31 March 2019
Valuation Method	Projected Unit Method
Value of notional needs	£115 Million
Funding level of accrued benefits	98.4%
Investment return per annum	3.20%
Salary scale increases per annum	2.90%

Notes to the Financial Statements (continued)

Year ended 31 July 2022

24 Pension Schemes (continued)

The following information is based upon a full actuarial valuation of the fund as at 31 March 2019 updated to July 2021 by a qualified independent actuary.

	31 July	31 July	31 July
	2022	2021	2020
	%	%	%
Inflation	9.9	3.2	3.1
Rate of increases in salaries	3.4	3.5	2.8
Rate of increase in pensions	3.0	2.8	2.1
Discount rate for liabilities	3.5	1.6	1.4

There has been a change in approach in allowing for inflation experience at 31 July 2022 to make allowance for the exceptionally high inflation over the period since September 2021. The DBO at 31 July 2022 includes allowance for emerging inflation experience up to July 2022, which has increased the DBO at 31 July 2022 by £9.4m. Also, the fund actuary has not updated mortality assumption as at 31 July 2022 to reflect the potential effects of COVID-19. This is mainly because their remains uncertainty of the COVID-19 impact on long term mortality rates for pension scheme members

The current mortality assumptions include sufficient allowance for future improvements in mortality rates. The assumed life expectations on retirement age at 65 are:

	31 July	31 July
	2022	2021
	%	%
Retiring today		
Males	21.2	21.4
Females	23.8	24.0
Retiring in 20 years		
Males	22.1	22.4
Females	25.5	25.7

Recent changes in global and UK economic pressures and tightening of monetary policy have had a significant impact on asset markets and corporate bonds yields, which are key to the FRS102 assessment of the net pension asset or liability. In particular, AA corporate bond yields, used to set the FRS102 discount rate, have increased significantly since 31 July 2022, with corresponding falls in asset values. The markets have been exceptionally volatile and therefore while both gross DBOs and assets will have fallen, it is difficult to estimate the impact of these changes on the net balance sheet position.

LGPS assets do not include any of the University's own financial instruments or any property occupied by the University. The asset values are reported using estimated asset allocations prepared by the scheme Actuary. This asset value is calculated at each triennial valuation. Thereafter it is rolled forward to accounting dates using investment returns, contributions received, and benefits paid out.

Notes to the Financial Statements (continued)
Year ended 31 July 2022

24 Pension Schemes (continued)

The expected return on assets is based on the long-term future expected investment return for each asset class at the beginning of the year. The University's share of assets in the scheme were:

	31 July 2022	31 July 2021
	£'000	£'000
Equities	64,147	69,733
Bonds	55,400	65,185
Property	17,495	15,159
Cash	8,747	1,516
Total market value of assets	<u>145,789</u>	<u>151,593</u>

The above asset values as at 31 July 2021 are at bid value as required under FRS 102 Section 28:

	2022	2021
	£'000	£'000
University's estimated asset share	145,789	151,593
Present value of scheme liabilities	(152,680)	(222,348)
Deficit in the scheme	<u>(6,891)</u>	<u>(70,755)</u>

Under FRS 102 Section 28, provision has been made by the University for the institution's share of the deficit in the scheme.

Analysis of amount (charged)/credited to the Statement of Comprehensive Income and Expenditure account

The University's pension charge for the year in accordance with FRS 102 Section 28 is made up of the following:

	2022	2021
	£'000	£'000
Current Service cost	10,586	9,204
Past Service Cost (including curtailments)	40	38
	<u>10,626</u>	<u>9,242</u>

Analysis of net return on pension scheme

	2022	2021
	£'000	£'000
Expected return on pension scheme assets	2,453	1,864
Impact on pension scheme liabilities	(3,632)	(2,650)
Net charge	<u>(1,179)</u>	<u>(786)</u>

Notes to the Financial Statements (continued)
Year ended 31 July 2022

24 Pension Schemes (continued)

Amounts recognised in Other Comprehensive Income

	2022	2021
	£'000	£'000
Actuarial gain / (loss) – defined benefit obligations	82,979	(26,059)
Actuarial (loss) / gain – fair value of employer assets	(11,875)	14,967
	<u>71,104</u>	<u>(11,092)</u>
Actuarial loss	<u>71,104</u>	<u>(11,092)</u>

The cumulative amount of actuarial gains and losses recognised in the Statement of Comprehensive Income and Expenditure since the adoption of FRS 102 Section 28 is £3.9 million (2019: £12.3 million).

	2022	2021
	£'000	£'000
Deficit in scheme at beginning of year	(70,755)	(54,396)
Movement in year:		
Current service charge	(10,626)	(9,242)
Employer contributions	4,565	4,761
Net charge on assets	(1,179)	(786)
Actuarial gain / (loss)	71,104	(11,092)
	<u>(6,891)</u>	<u>(70,755)</u>
Net deficit	<u>(6,891)</u>	<u>(70,755)</u>

	2022	2021
	£'000	£'000
Liabilities at start of year	222,348	185,227
Service cost	10,626	9,242
Interest cost	3,632	2,650
Employee contributions	1,229	1,265
Actuarial (gain)/loss	(82,979)	26,059
Benefits paid	(2,176)	(2,095)
	<u>152,680</u>	<u>222,348</u>
Liabilities at end of year	<u>152,680</u>	<u>222,348</u>
Assets at start of year	151,593	130,831
Expected return on Assets	2,453	1,864
Actuarial (loss) / gain	(11,875)	14,967
Employer contributions	4,565	4,761
Employee contributions	1,229	1,265
Benefits paid	(2,176)	(2,095)
	<u>145,789</u>	<u>151,593</u>
Assets at end of year	<u>145,789</u>	<u>151,593</u>

Notes to the Financial Statements (continued)**Year ended 31 July 2022**

24 Pension Schemes (continued)

The CPI inflation has risen over the period by 0.20%. The change in the CPI inflation assumption is a result of underlying changes in market implied RPI, coupled with any changes in the RPI-CPI gap from the previous year and the adjustment to CPI to reflect the high inflationary environment in year 1.

25 Related Party Transactions

Members of the Council are required to declare any outside interests. When an item arises in which a member has a pecuniary, business, family or other personal interest, it must be declared and the member concerned may not take part in the consideration of the matter nor vote on it. The Council has considered the financial effect of all transactions involving organisations in which a member of the Council may have an interest. It is confirmed that these are conducted at arm's length and in accordance with the University's Financial Regulations.

The Vice-Chancellor Professor E.A. Simmons and Mr M. Clinton were on the Governing Body of Reaseheath College. The University receives fee income from Reaseheath students, and subsequently passes 100% of this income to Reaseheath College. For the 21/22 year this was a total of £425k (20/21 £452k). The University also received £2k of other income from the College (20/21 £6k).

Professor Simmons was also a member or director of the following organisations:

- National Trust – payments were made of £1,960
- Cheshire and Warrington Local Enterprise Partnership (LEP) – income received £101,449 (20/21 £488,165)
- North West Business Leadership Team (NWBLT) – payments were made of £12,000 (20/21 £10,000)
- The Colleges and Universities of the Anglican Communion (CUAC) – payments of £3,902 were made
- The Alliance for Sustainability Leadership in Education (EAUC) – payments of £2,824 were made

The Vice-Chancellor and Dr D. Briggs were members of Cheshire Business Leaders Ltd. – payments were made of £417 (20/21 £300). Other income received £417.

The Vice-Chancellor and Steven Broomhead were members of Warrington Chamber of Commerce & Ind – payments were made of £792 (20/21 Membership fees – £792)

The Deputy Vice-Chancellor, Professor Helen O'Sullivan was on the board of Advanced HE (previously The Higher Education Academy) – payments were made of £55,336 (20/21 £10,812).

Deputy Vice-Chancellor Professor Helen O'Sullivan was the chair of the board of trustees for the Association for Learning Technology – payments were made of £560 (20/21 £456).

Pro Vice-Chancellor Dr Helen Galbraith was an executive member of Association of Heads of University Administration (AHUA) – payments were made of £1,450 (20/21 £1,450).

Pro Vice-Chancellor Professor Neville Ford was on the board of ECC Ltd – payments were made of £7,894 (20/21 £7,776).

Professor John Alcolado was a Non-Executive Director of Warrington and Halton NHS Trust – income received £2,040.

Cathy Bond was a Trustee of North West Cancer Research – income received £81,663 (20/21 £77,711).

Jack Rankin and Lauren Friel were employed by Chester Students' Union – payments were made of £566,572 (20/21 406,035). Income received £25,077.

Dr D. Briggs (mentioned above) was Trustee of the following organisations:

- Warrington Youth Club – payments were made of £25,000 (20/21 £25,000)
- Cheshire Agricultural Society – payments were made of £300.

Notes to the Financial Statements (continued)**Year ended 31 July 2022**

25 Related Party Transactions (continued)

Canon Dr J. Turnbull was Trustee and Clerk of:

- Duddon C of E School Trust – payments were made of £854 (20/21 464).
- Chester Blue Coat C of E Educational Foundation – payments were made of £513 (20/21 £2,218).

Councillor Razia Daniels was employed by Cheshire West and Chester Council – payments were made of £100,627 (excluding rates) (20/21 £28,680) and income received £241,777 (20/21 £76,568).

Councillor Razia Daniels was also a Director at the Queen's School – income was received of £1,320.

Steven Broomhead was the Chief Executive Officer of Warrington Borough Council – payments were made of £1,240 (20/21 £78,229) and £443,644 income was received (20/21 £80,055).

Steven Broomhead was also a director with Warrington Wolves – £21,326 income received (20/21 £3,078).

The Right Reverend the Lord Bishop of Chester, Mark Tanner and The Very Reverend Dr Tim Stratford were both members of Diocese of Chester – £24,420 income received (20/21 £24,092).

Dr D. Briggs and Canon Dr J. Turnbull (both mentioned above) were associated with Chester Cathedral – payments made £103,612 and Chester Cathedral Enterprises – Income received £417 (20/21 £1,182).

Nick Jenkins's wife was a governor at Glyndwr University – £28,988 income received (20/21 £52,156)

Karen Howell was the Chief Executive Officer of Wirral Community Health and Care NHS Foundation Trust – income received £213,059.

Notes to the Financial Statements (continued)

Year ended 31 July 2022

26 US Department of Education Financial Responsibility Supplemental Schedule

In satisfaction of its obligations to facilitate students' access to US federal financial aid, the University is required, by the US Department of Education, to present the following Supplemental Schedule in a prescribed format.

The amounts presented within the schedules have been:

- prepared under the historical cost convention, subject to the revaluation of certain fixed assets;
- prepared using United Kingdom generally accepted accounting practice, in accordance with Financial Reporting Standard 102 (FRS 102) and the Statement of Recommended Practice: Accounting for Further and Higher Education (2019 edition);
- presented in pounds sterling.

The schedules set out how each amount disclosed has been extracted from the financial statements. As set out above, the accounting policies used in determining the amounts disclosed are not intended to and do not comply with the requirements of accounting principles generally accepted in the United States of America

Note Ref:	Primary Reserve Ratio: Expendable net assets:	2022		2021	
		£'000	£'000	£'000	£'000
Line 15 Balance Sheet	Net assets without donor restrictions		90,074		27,335
Note 19	Net Assets with Donor restrictions		431		423
Note 25	Secured and unsecured related party receivable	443		108	
Note 25	unsecured related party receivable		(443)		(108)
Note 12	Property plant and Equipment post implementation	115,902		118,313	
Note 12	Property plant and Equipment pre-implementation		(113,108)		(113,108)
Note 12	Property plant and Equipment post implementation WITH debt				
Note 12	Property plant and Equipment post implementation WITHOUT debt		(2,794)		(5,205)
Note 12	Construction in progress				
N/A	Lease Right of use assets, net				
N/A	Lease Right of use assets, pre-implementation				
N/A	Lease Right of use assets, post implementation				
N/A	Goodwill /Intangible assets				
Note 18	Post-employment and pension liabilities		7,256		71,145
Note 17	Long term debt for long term purposes		26,347	28,510	
Note 17	Long term debt for long term purposes	Pre-implementation		32,784	32,784
Note 17	Long term debt for long term purposes	Post implementation		(6,437)	(2,147)
Note 17	Line of credit	Construction in progress			-
N/A	Lease Right of use assets - Liabilities				
N/A	Lease right of use assets - liabilities	Pre-implementation			-
N/A	Lease right of use assets - liabilities	Post implementation			-

Notes to the Financial Statements (continued)

Year ended 31 July 2022

26 US Department of Education Financial Responsibility Supplemental Schedule (continued)		2022		2021	
		£'000	£'000	£'000	£'000
N/A	Annuities with Donor restrictions			-	
N/A	Term endowments with Donor restrictions				-
N/A	Life income funds with Donor restrictions				-
Note 19	Net Assets with Donor restrictions in Perpetuity		(130)		(130)
<u>Total Expenses and Losses:</u>					
Note 8, 10, 11, 19, 24 Cash Flow Line 7	Total operating expenses without Donor restrictions		126,273		116,591
Note 6,12,10	Non-operating and net investment		8,375		6,207
Note 12	net investment losses		1,879		(59)
Note 24, Cash Flow Line 7	Pension related changes		(63,864)		(16,318)
<u>Equity Ratio:</u>					
<u>Modified net assets:</u>					
Line 15 Balance Sheet	Net assets without donor restrictions		90,074		27,335
Note 19	Net Assets with Donor restrictions		431		423
N/A	Goodwill - Intangible assets				
Note 25	Secured and unsecured related party receivable	443		108	
Note 25	unsecured related party receivable		443		(108)
<u>Modified assets:</u>					
Balance Sheet Lines 1, 2 & 7	Total assets		174,154		175,425
N/A	Lease right of use asset pre implementation				
N/A	pre implementation right of use leases				
N/A	Goodwill - Intangible assets				
Note 25	Secured and unsecured related party receivable	443		108	
Note 25	unsecured related party receivable		443		(108)
Net income Ratio:					
Line 15 Balance Sheet	Change in net assets without Donor restrictions		62,149		(16,803)
Notes 1,2,4,5	Total Revenues and Gains		135,406		122,390