



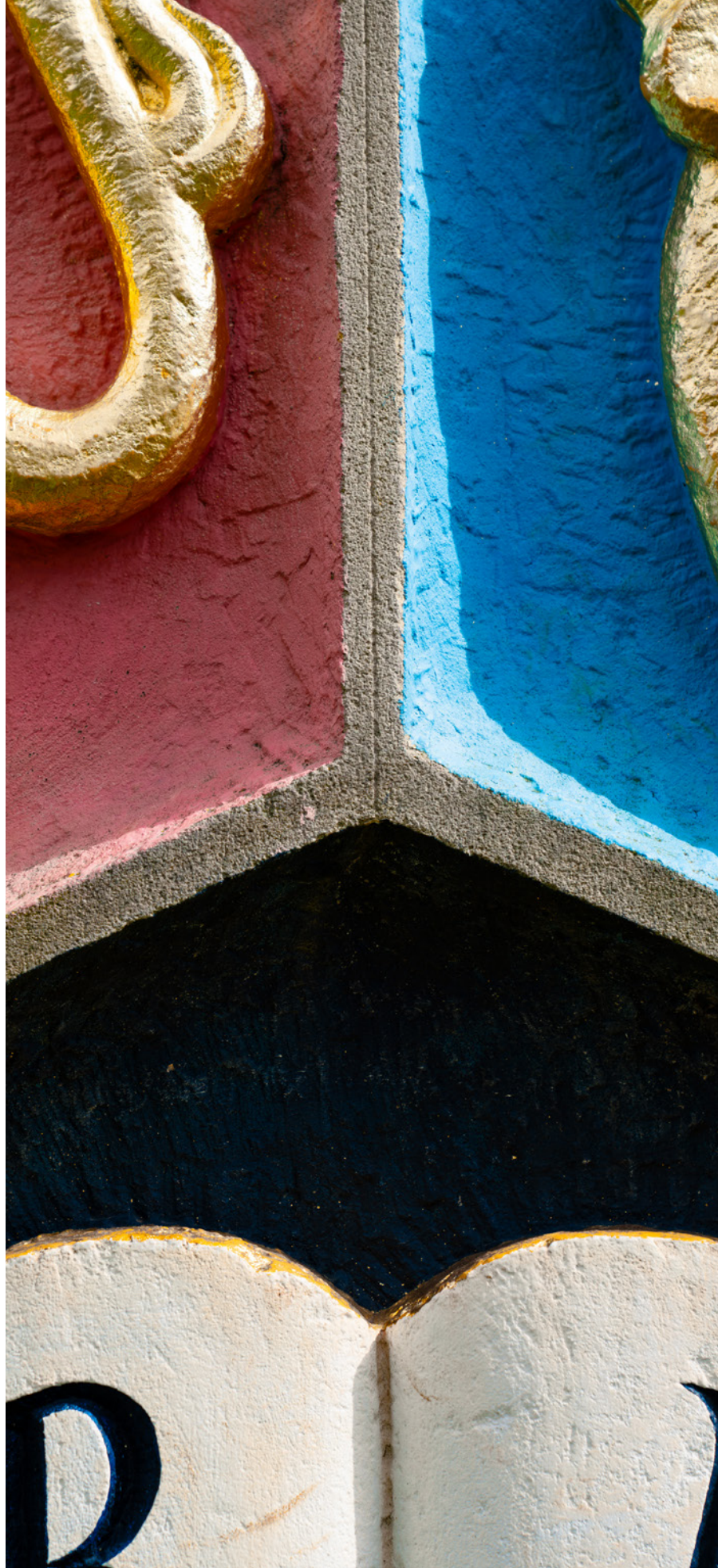
UNIVERSITY OF
BIRMINGHAM

Annual Report and Accounts

2023/24

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We activate

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Contents



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Vice-Chancellor's report

The value and impact of universities locally in their communities, nationally in addressing economic and social challenges, and internationally as major exporters and contributors to UK soft power, has never been more important.

This year, we commissioned London Economics to assess our economic and social impact. Their review highlighted that our contribution to the UK economy totals £4.4 billion per annum and we support some 20,000 jobs – 13,000 in the West Midlands alone – through education, skills, research and development, and spending in the local economy. The University of Birmingham is an economic powerhouse, which makes a lasting impact on individuals and society.

Our achievements this year are too numerous to mention in a short report like this – but I hope to give a flavour of some of the fantastic work undertaken by our University community. I am exceptionally proud of the progress we have made this year, and I would like to thank all our

University community for their invaluable contribution to our success.

The quality, ambition, and impact of our research continues to grow. We are attracting record volumes of research funding – our research awards exceeded £250 million for the second year running – and securing prestigious prizes and fellowships at a phenomenal rate. We were the proud recipients of two very distinguished awards this year.

In February, we were presented with a Queen's Anniversary Prize – one of the highest national honours for a UK institution in higher and further education – for our longstanding partnership with Rolls-Royce. Established in 1989, the partnership centres on the science of advanced metallic alloys and the development of ever safer, more reliable, and more efficient aeroengines. In May, Tyseley Energy Park – home to the University's Birmingham Energy Innovation Centre – received a King's Award for its leadership and dedication to advancing

sustainable power, transport, heat, waste, and recycling solutions. The King's Award is one of the most sought-after business accolades, and we are honoured to be partners in such an outstanding facility.

The continued development of our research expertise has been recognised in an improved position in the QS World University Rankings. This year, we rose four places, to 80th. We also rose ten places, to 31st, in the ranking's International Research Network indicator, a measure of the global scope and distribution of our international research partnerships.

Establishing, nurturing, and advancing local, national, and international collaborations is a key part of our Birmingham 2030 strategy. Our partnership with the University of Illinois at Urbana-Champaign (UIUC) is one example of a growing number of broad and deep collaborations that deliver outstanding benefits to our staff and students.

This year, we welcomed friends from UIUC to Birmingham to celebrate 10 years of the Birmingham-Illinois Partnership for Discovery, Engagement & Education (BRIDGE). Our partnership has created 115 research projects as well as five research fellowships, where outstanding academics spend time at both universities. Both partners have committed to supporting BRIDGE for at least the next five years and will focus on developing meaningful research partnerships with institutions in the Global South.

In June, our innovative summer programme gave students the opportunity to put the pressures of revision, essays, and exams behind them. Through a series of activities, events, and developmental sessions, attendees were prepared for life as a University of Birmingham graduate, or their next year of study, with opportunities to learn and develop new skills and knowledge. Alongside this, our 'UoB Xtra' offer presented fun social engagements, encouraging students to relax and celebrate.

In recent years, students have presented challenging feedback in the National Student Survey and we have been ambitious in our response. In July, we received results from the latest survey, which reported considerable improvement in our scores for 'Assessment and Feedback' and 'Student Voice'. Changing satisfaction takes time – and I am grateful for colleagues' continuing efforts to improve the experience of our students. There is more to do – but we are making very good progress.

Our students go on to achieve extraordinary things; whether as one of the 5,300 nurses, teachers, and social workers we train each year, or through the many and varied contributions they make to local and national economies and to social and cultural life. I was really pleased to see that the quality of our graduates was recognised in this year's High Fliers graduate market report, which identified Birmingham as the number one most targeted university by the top 100 graduate employers.

Sport is one of the many ways we enrich lives. The University is a leading centre for sports science and provides unrivalled support to gifted athletes through our Performance Sport programme. A multi-disciplinary team of sports practitioners offer expert coaching, training, and development in our outstanding Sport and Fitness centre. The talent and determination of athletes, coaches, and officials come to the fore in an Olympic year – and we cheered over 30 individuals with a University of Birmingham connection – be they staff, students, or alumni – at the Paris games. We couldn't be more impressed by their incredible achievements.

We are a global university that is very proud to call Birmingham home. Over the last year we have worked with staff, students, partners, and neighbours to develop an exciting new vision for our Edgbaston campus. The vision provides broad ideas for developing the University's estate over the next two decades and beyond; steering our decisions so that we can embrace innovative technologies, adopt fresh

sustainability approaches, and navigate emerging challenges.

The University of Birmingham Dubai is a beacon of civic engagement in the Gulf region. Its research and education profile continues to rise with pioneering studies such as analysing the first ancient genomes from Eastern Arabia, which revealed that people appear to have developed resistance to malaria following the appearance of agriculture in the region around 5,000 years ago. We welcomed leading artificial intelligence and education experts from across the United Arab Emirates to discuss the influence of generative AI on education, teachers, and students.

The success of Birmingham, as of all universities, ultimately rests on the people in its community. The talents and abilities of our people are clear in everything we do: from the delivery of high-quality education and cutting-edge research to the provision of sector-leading Professional Services and technical staff support. It was really pleasing to see the results from our staff survey that showed levels of satisfaction continuing to rise. The feedback we receive from the survey really matters: we will use the results to continue to tackle areas of concern and make Birmingham an outstanding place to work.

Our ambition to bring the very best talent to the University is demonstrated in our plans to recruit 100 new Anniversary Fellows and 25 new Anniversary Chairs over the next five years. World-leading academic experts will help us build on 125 years of Nobel

Prize-winning research by making new discoveries and changing how the world works.

We established our Equality, Diversity, and Inclusion Centre in 2023 to lead the work required to diversify our workforce and foster an inclusive culture where everyone can thrive. The creation of a Staff Disability Hub and the development of additional support for performance and development reviews offer immediate benefits, and other action, such as work to address the gender and ethnicity pay gap, is well underway. We are particularly proud of our Aditi Leadership Programme, which develops leadership capacity among Black, Asian and minority ethnic colleagues.

Demonstrating leadership in sustainability, whether in our day-to-day operations, research, or teaching and learning, is of key importance – and is one of the pillars of our 'Birmingham 2030' strategy. The University of Birmingham secured 35th position in this year's QS World Sustainability Ranking – a rise of 66 places – which recognises our commitment to becoming a net-zero organisation by 2045.

Our commitment to sustainability is further underscored by contributions to the fight against the climate emergency. On the eve of global leaders gathering for COP28 in Dubai, we launched a special report that delivered recommendations on how research can help us to understand and address climate challenges, such as water and food security, global adaptation, global finance, and health and environmental

quality. The launch was part of our COP28 activities in Dubai – a series of events convening academics, researchers, industry leaders, government officials and media.

As the academic year drew to a close, we took time to celebrate the tenure of Lord Karan Bilimoria, who stepped down as Chancellor after a decade of distinguished service. Lord Bilimoria has been a powerful ambassador for the University: he has been a vocal advocate for strengthening ties across the world, and between the UK and India in particular, and has helped forge links with industrial partners, universities, and government. He leaves behind an impressive and enduring legacy. Lord Bilimoria is succeeded by Dr Sandie Okoro, one of the country's preeminent lawyers and an equality rights champion – and a proud graduate of our University.

As we finalise plans to celebrate the University of Birmingham's 125th anniversary in 2025, I am confident we have the vision and ambition to establish Birmingham as one of the world's leading universities.

Professor Adam Tickell

Vice-Chancellor and Principal



Chief Financial Officer's report

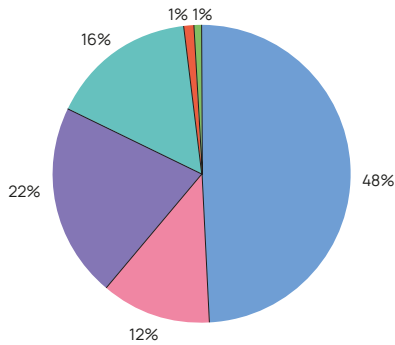
Universities in the UK offer a very wide range of benefits and at the University of Birmingham, through world-class research and education we are helping to create a dynamic economy, stronger communities, a more sustainable world, and a better future for the UK and beyond. We deliver outstanding teaching and learning experiences which enable strong influence within our communities, collaborating with businesses on joint research projects and supplying highly qualified and motivated graduates. We run ancillary services, such as student residences, conferencing and sport, in support of staff and students, which provide additional funds to invest into research and teaching. The University is a complex business which directly employs over 8,000 people and supports thousands of jobs in the UK as outlined in the Vice-Chancellor's report. The Our Community section of this Annual Report provides more information about the contribution the University is making through its operations. Led by Council, our governing body, supported by its committees, as Chief Financial Officer, I need to ensure we run

the finances of the University effectively and that we have enough cash to meet the ambitions of our strategy, Birmingham 2030. This year has been one of the most challenging since I entered the Higher Education sector. We are affected by events at a local, national and international level. For example the Birmingham City Council section 114 notice, effectively notifying the government that it will not be able to balance its budget for this financial year, government policy on visas, and world conflicts have all directly impacted on our operations. In responding to them, we have extended our internal financial reporting and communicated widely about the impact external factors have on the University and its finances. We have sought to engage everyone in driving income up and costs down, whilst looking for opportunities to invest for long term growth. I am grateful to my Executive Board colleagues and everyone across the University for working with me on this, together we have delivered on budget, despite a lower than anticipated number of international students (as seen by many across the sector).

Income

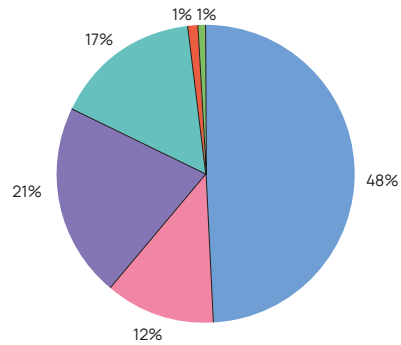
The total consolidated income of the University group is £945 million, a 1.7 per cent increase from the prior year (2022/23: £929 million). Over 50% of our income is fixed, or subject to increases that are below the level of inflation in recent years. In 2023, there was a UK wide slowdown in the level of international student interest, compared to recent years, impacting the University at both the Edgbaston and the Dubai campuses. This reduction against budget was mitigated with one-off success in gaining additional funding body grants of £14 million and an increase in research income flowing from record award levels in recent years. It is great to see our research income exceed £200 million for the first time this year. A change in investment strategy and higher interest rates generated an additional £4 million of income this year. Other income was lower than prior years with no Commonwealth Games and fewer external capital grants.

Income analysis



2023/24 total income - £945 million

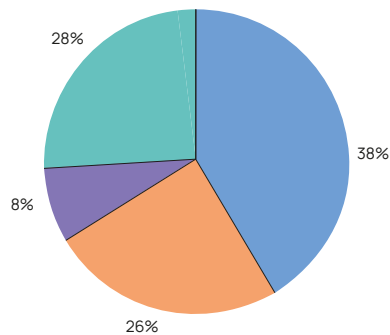
- Tuition fees and education contracts **£456 million (48%)**
- Funding body grants **£110 million (12%)**
- Research grants and contracts **£205 million (22%)**
- Other income **£151 million (16%)**
- Investment income **£14 million (1%)**
- Donations and endowments **£9 million (1%)**



2022/23 total income - £929 million

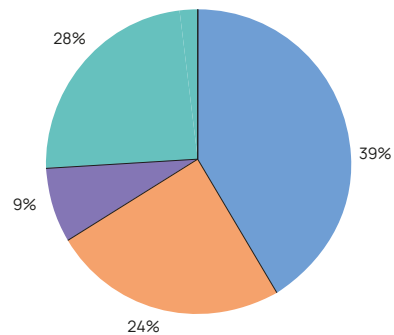
- Tuition fees and education contracts **£445 million (48%)**
- Funding body grants **£113 million (12%)**
- Research grants and contracts **£197 million (21%)**
- Other income **£155 million (17%)**
- Investment income **£10 million (1%)**
- Donations and endowments **£9 million (1%)**

Tuition fee analysis



2023/24 tuition fees - £456 million

- Undergraduate tuition - home **£173 million (38%)**
- Undergraduate tuition - other students **£118 million (26%)**
- Postgraduate tuition - home **£37 million (8%)**
- Postgraduate tuition - other students **£126 million (28%)**
- Other courses **£2 million**



2022/23 tuition fees - £445 million

- Undergraduate tuition - home **£173 million (39%)**
- Undergraduate tuition - other students **£108 million (24%)**
- Postgraduate tuition - home **£39 million (9%)**
- Postgraduate tuition - other students **£124 million (28%)**
- Other courses **£1 million**

Expenditure

Inflation is coming down yet remains high against levels in the last decade and this continues to impact the cost base of the University, with our running costs still increasing faster than our income is growing.

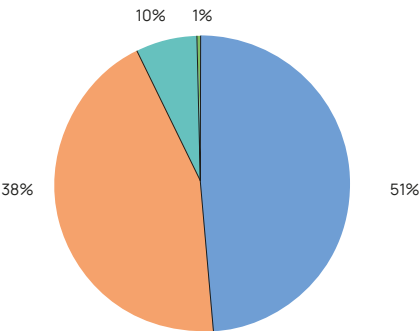
A reduction in the deficit recovery costs for the Universities Superannuation Scheme (USS) saved surplus after tax, of

c£10 million compared to budget and has resulted in the provision held in the balance sheet last year end of £268 million, being released which has significantly inflated the surplus for the year of £212 million, compared to £20 million last year. This year we have invested in our support staff, achieving agreement to implement new rates and terms and conditions, with a resultant £5 million increase in costs year on year. In addition, cost of living increases, performance recognition and a small

growth in people employed has resulted in staff costs overall increasing by six per cent year on year.

Depreciation and amortisation are higher than the prior year as we completed campus and digital improvements in 2024.

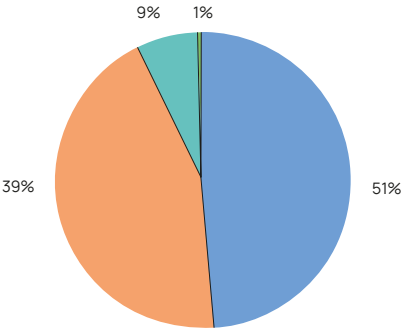
Expenditure analysis



2023/24 expenditure* – £1,012 million

- Staff costs £512 million (51%)
- Other operating expenses £382 million (38%)
- Depreciation and amortisation £102 million (10%)
- Interest and other finance costs £16 million (1%)

*excluding USS provision movement



2022/23 expenditure* – £945 million

- Staff costs £484 million (51%)
- Other operating expenses £362 million (39%)
- Depreciation and amortisation £87 million (9%)
- Interest and other finance costs £12 million (1%)

*excluding USS provision movement



Investing for the future

The University holds approx. £1.5 billion of fixed assets, with approximately 90 per cent being in freehold land and buildings. The money and people required to keep on top of the maintenance of this is significant. Whilst we invest in new assets, we spend significantly less on maintenance, and this is not enough to address the challenge of upkeep and achieving our carbon zero targets.

During the year we have worked with an external consultant to devise the 'Estates and Campus Strategy' for our Birmingham campus that has provided principles to enable prioritised change and development through to 2045. This coincides with our commitment to becoming net-zero for carbon, with our targets being considered in the strategy. We will need to increase our surplus and cash generation to fund these ambitions in support of the University's strategic plan.

In the year we completed the Molecular Science building which is the base for over 500 scientists from across different disciplines. Research in the facility brings together academics from across two colleges to work on materials for energy applications or healthcare; making plastics recyclable; environmental effects of drugs in the ecosystem; and the environmental impact of critical materials such as lithium. The new building is a sustainable hub, designed to offer the best possible laboratory spaces, and maximise energy efficiency throughout.



We continue to spend on our student systems, and this year improvements have included a new approach to timetabling; significant improvements relating to attendance tracking; a new system for reasonable adjustment plans, enabling students to check and amend their own personal records; and a new student fee enquiry process. Some of these changes have longer term benefits that are reflected in intangible assets, whereas others are deemed business as usual and are expensed in the year.

The final phase of the Pritchatts Park student residences has been released and the site is now complete. This is an arrangement with an external party to design, build, and operate, providing high quality living and social spaces in sustainable and low carbon buildings.

The development of the Birmingham Health Innovation Campus continues, with phase one expected to be operational by the end of 2024. A grant from third parties of £13 million remains in deferred income until the building is complete. In addition, there is £17 million in assets in the course of construction at the year end.

During the year, over £15 million was allocated to strategic projects across the University, resulting in staff appointments, and supporting spend in areas such as chemistry, medicine, sport exercise, data science and culture.

Key financial indicators	2021/22				
	2023/24	2022/23	Restated	2020/21	2019/20
Consolidated	£m	£m	£m	£m	£m
Total income	945	929	888	786	749
Surplus/(deficit) before tax*	212	20	(171)	59	60
Earnings before interest, tax, depreciation and amortisation (EBITDA)**	35	58	91	86	69
EBITDA as a % of income	4%	6%	10%	11%	9%
Cash flow from operations	23	24	82	99	72
Cash flow from operations as a % of income	2%	3%	9%	13%	10%
Capital expenditure	46	86	70	91	109
Net assets	1,335	1,128	1,136	1,290	1,225
Net cash/(debt)	(45)	(121)	(65)	(94)	(119)
Borrowing as a % of income (gearing)	26%	27%	29%	34%	35%

*Surplus/(deficit) before tax includes the movement on the USS provision. This impacts the result each year as follows: 2023/24 £268 million increase, 2022/23 £55 million increase, 2021/22 £203 million decrease, 2020/21 £12 million increase, 2019/20 £75 million increase.

**The EBITDA calculation excludes the movement on the USS provision.

Cash and investments

The University has several types of cash and investments:

- Endowment gifts, where any investment needs to generate sufficient funds to support the activity for which the funds were provided and the capital secured on a long-term basis such that short term valuation adjustments are acceptable, the Long-Term Portfolio (LTP).
- Those that represent cash required in the medium term but not immediately for day-to-day operations, which need to generate a return and not suffer capital losses, the Medium-Term Portfolio (MTP). and
- Those required to support short term operational needs, which are held by investment managers as a portfolio, the Liquidity Portfolio (LP); or in bank deposit, money market and/or current accounts, together known as the Operating Funds (OF).

The LTP and MTP are overseen by the Investment Sub-Committee, a sub-committee of the Strategy, Planning and Resources Committee (SPRC), based on an outsourced chief investment officer (OCIO) model, successfully implemented this year. The OCIO manages the day to day running of the portfolios in line with agreed mandates. The mandates are set in line with the University's policy on responsible investment, which sets out our commitment to integrating environmental, social and governance matters into all investment decisions. The average yield of the liquidity funds in the MTP at the year-end was 5.1 per cent and the LTP return for the year was 8.8 per cent.

Details of the policy and the most recent holdings are published on the University website (birmingham.ac.uk/university/social-responsibility-sustainability/ethical-investment-and-finance/).

The average monthly outlay is £90 million (2022/23: £80 million). Year-end cash and cash equivalents held in the MTP and OF of £196 million (2022/23: £126 million) represents approximately two months (2022/23: 1.5 months) of expenditure.

The University has borrowings, including loan notes issued to funders as part of a private placement in 2017, and a Lloyds loan entered into in 2020. Full details of the level and terms are set out in Note 16 of the financial statements.

Financial strategy and going concern

The long-term financial strategy of the University is to generate sufficient cash to deliver the ambitions of the 2030 Strategy, enable investment into the physical and digital infrastructure, support staff and student experiences, and to develop and respond to change, all of which will secure its long-term future. In support of this, and

to ensure financial sustainability, a five-year planning cycle is in place, comprising a one-year budget and four-year projections which are at both University level and on a bottom-up basis with budget centres. All of this is aligned with the overarching strategy through local strategic plans assessed against the Birmingham 2030 strategic framework and its supporting longer term outlook (Birmingham 2030 - Strategic Framework (birmingham.ac.uk/university/our-strategy/)).

Using a balanced scorecard which includes financial metrics, such as income levels and proportions; EBITDA, gearing, and cash generated as a percentage of income; we can assess the delivery of both strategic and financial plans across the year and to take action, in the light of those reviews and external factors. The five-year planning process includes the preparation of income and expenditure statements, cash flows, capital plans and summarised balance sheets. The budgets and projections are subjected to sensitivity assessments which flex the key assumptions and enable us to assess the long-term financial sustainability of the University as well as to inform decision making.

The University's Council has determined that the University has adequate resources to continue in operational existence throughout the going concern period to 31 July 2026. To support the Council in making this assessment, a thorough review has been carried out including stress testing of assumptions and reverse stress testing to confirm appropriate headroom in the event of a plausible downside scenario. Based on this determination, these statements have been prepared on a 'going concern' basis.



Principal risks and uncertainties

The Strategic Risk Register is aligned with the strategy of the University, Birmingham 2030, and continues to provide a view of the internal and external challenges associated with the delivery of the strategy. The risks in the register are periodically reviewed by Council, most recently in April 2024. This year, external factors considered in the quarterly Executive Board updates have included the UK-wide position for international student recruitment; external economic factors such as energy costs, inflation and the jobs market; the geopolitical climate and the conflicts in Gaza and Ukraine; industrial relations; the political climate of the UK; and regulation applicable to the University. This has not resulted in changes to the overall risks, however, refinement of the scale of each risk and the necessary mitigations occurs at each review point. An exercise was held during the year to consider and develop the University's response to a cyber attack. The key risks recorded in the Strategic Risk Register and examples of the mitigating actions are set out in the following table.

Area of activity	Description of risk/uncertainty	Examples of mitigating actions
Research	Achieving research quality, scale, income and reputation required to support the global top 50 ambition.	<ul style="list-style-type: none"> ▪ Development of research funding strategy to enable improved responses to funding calls, support for new funding routes and investment to support activity. ▪ Embed the Research Strategy and Services Division to support researchers at all stages of the process. ▪ Tracking of key performance indicators at all levels of the University to ensure timely actions for any required corrections. ▪ Development of new partnerships and alliances to support alternative activity and funding. ▪ Facilitate inter-disciplinary groups to utilise our broad offering more effectively in funding applications.
Education	Sustain academic standards, excellent teaching and student experience.	<ul style="list-style-type: none"> ▪ Deliver prioritised investment in academic and other aspects of teaching to support planned changes. ▪ Free up time to enable capacity to be spent on teaching and its support, with investments in locations, processes and systems. ▪ Continue to review programme make-up to ensure responding to both student and employer needs for the future. ▪ Seek opportunities for inter-disciplinary delivery to utilise our broad offering effectively.
	Achieve student recruitment and diversification targets at quality and scale set out in strategic plans.	<ul style="list-style-type: none"> ▪ Deliver on existing and new business cases for student recruitment and delivery routes. ▪ Develop new approaches to applicant attraction and conversion and ensure engagement throughout the student lifecycle. ▪ Build on the initial success of the Dubai campus and partnership locations to deliver growth. ▪ Continue to respond to student needs for support with direct and indirect funding and activity.
Engagement and impact	Exploit the use of our innovation sites and assets to support the global top 50 ambition.	<ul style="list-style-type: none"> ▪ Development of new partnership and other arrangements to strengthen collaboration and use of our assets, both physical and intellectual. ▪ Extend academic engagement in public policy and other activities. ▪ Increase academic conferences to boost reputation.
Global and local	Strengthen our influence, impact and reputation through engagement on a national and international basis.	<ul style="list-style-type: none"> ▪ Identify partnerships to support growth in income and reputation. ▪ Capitalise on current arrangements within the international strategy. ▪ Active management of partners and engagement to maximise outputs.

Area of activity	Description of risk/uncertainty	Examples of mitigating actions
People and culture	Recruit, develop and retain a diverse and high calibre workforce to enable a diverse, collaborative and intellectually stimulating environment to deliver our global top 50 ambitions.	<ul style="list-style-type: none"> ▪ Embed the Birmingham Academic Career and Birmingham Professional Frameworks and supporting action plans. ▪ Establish first cohort of 125th Anniversary Fellows and Chairs. ▪ Complete activities to encourage a supportive culture which expects high performance and embeds our values. ▪ Invest to deliver efficient processes and systems to free up time for other activity. ▪ Delivery of Bold Vision for Diversity, Equality & Inclusion.
Sustainability	Develop and deliver plans for Net Zero carbon, including embracing sustainable behaviours, investments, research and teaching.	<ul style="list-style-type: none"> ▪ Delivery of plans to address scopes 1,2 and 3 Net Zero by 2045. ▪ Integration of sustainability in teaching and research areas to develop plans to address all relevant sustainability goals. ▪ Use of our position as a global civic university to create a more sustainable world. ▪ Wide engagement with student and staff champions to promote and support sustainable behaviours and associated action plans.
All	Deliver the supporting strategies required to deliver <i>Birmingham 2030</i> ambitions.	<ul style="list-style-type: none"> ▪ Development of prioritised investment plans, for growth, change as well as the needs of the infrastructure and digital strategies. ▪ Devise new approach to space utilisation and allocation to support strategic aims and improved on campus experiences.
	Make adequate and appropriate investment in academic activity and campus infrastructure on a prioritised basis to deliver <i>Birmingham 2030</i> ambitions.	<ul style="list-style-type: none"> ▪ Promote innovation and opportunities for alternative funding. ▪ Delivery of growth and investment plans already in place, with close monitoring of outcomes. ▪ Close monitoring of key performance indicators to enable actions to be taken on a timely basis.

The ways in which these risks and uncertainties manifest is continually changing. Maintaining our strategic direction and doing the right things provide much of the mitigation and in some cases convert risks into opportunities. I anticipate that this University will respond positively to the challenges facing our sector and continue to act as an anchor in the region, nationally and globally. Our staff, students and partners alongside the diversity of our operations and good financial management combine to deliver resilience. We will continue to drive change to enable our longer-term financial sustainability.

Erica Conway
Chief Financial Officer



Chair of Council's report

As Pro-Chancellor and Chair of Council, my role is to lead and chair the University's governing body. Council brings together independent lay members, who are in the majority, the University's senior leadership team and representatives of the academic and student communities. Together we have the ultimate responsibility for the University's governance, strategy and performance.

This has been another extremely busy and productive year for both Council and the University. Alongside our role in ensuring good governance and scrutinising performance, Council has been working closely with the University's senior leadership team on the key priority areas in which we need to make progress in order to achieve our long-term ambition of reaching the global Top 50 of universities.

We dedicated our April 2024 Council Strategy Day to reviewing the academic vision and strategy for research and educational excellence in each of our five Colleges in the context of the University's Global Top 50 ambition and need for financial sustainability. This work was followed by a deep dive into the University's research excellence in June, with members of Council having the opportunity to meet researchers from all five Colleges and discuss their research.

We were delighted to approve the University's Framework for Estates and Campus Strategy for the period to 2045. This was the culmination of the University's twelve-month masterplanning exercise, with the support of Kohn Pederson Fox, a leading global architectural practice. The Framework supports the delivery of the University's 2030 strategic priorities for education and research and sets out

an ambitious vision for the future of the University's campus. Four key 'cornerstone' projects have been identified and more work has been commissioned by Council on prioritisation, sequencing, costing and affordability of these projects for report back during the 2024/25 academic year.

A key University priority for this year has been to achieve an improved performance in the National Student Survey (NSS) in 2024. Council monitored progress on measures to improve the student experience closely throughout the year and we were pleased to note in July 2024 that the University's targets for both Teaching Quality and Student Engagement had been achieved. However, there remains more work to do to improve student experience and priority actions have been agreed for 2024/25.

Council recognises that to achieve the University's ambitions we must continue

to attract the best staff and students, and to create an environment in which all can flourish and succeed. The work being led by the Provost and Vice-Principal to promote an institutional culture of excellence within the University remains key to achieving this. The first year of the Birmingham Anniversary Chairs and Fellows Scheme approved by Council has also been completed. This represents a significant investment in the future and aims to celebrate the University's 125th Anniversary by appointing 100 new Anniversary Fellows and 25 new Anniversary Chairs.

Whilst this past year has been tremendously exciting and productive, it has also been challenging. There are significant financial challenges facing the higher education sector. These challenges have arisen from factors including uncertainty in international student demand, the policy environment for international students and

graduate visas, the real terms decline in home tuition fees, inflation, and the funding model for research. Council has spent a good proportion of its time this year on work to ensure that the University is well positioned to respond to these challenges. This included oversight of the collective and exemplary response of the University to the unexpected changes in the international student market during 2023/24.

Finally, I want to thank the University Executive Board and the University's broader leadership and staff community for their hard work this year and their commitment to supporting the University and its ambitions for the future, in the service of our students and of society.

I would also like to thank my fellow members of Council for their work this year. The effectiveness of Council is reviewed every three years and the most recent

effectiveness review was reported in June 2024. This review benefitted from external scrutiny and advice provided by Will Spinks, former Registrar, Secretary and Chief Operating Officer at the University of Manchester. The overall conclusion of the review was that Council could be assured that Birmingham not only had excellent compliance with the CUC Higher Education Code of Governance, but also had many examples of leading-edge practice. Areas of strength and leading-edge practice cited included governance culture; the quality of work done in committees; and a desire and ambition to be better. This external validation of our work confirms we are on a firm footing as we look forward to the opportunities and challenges ahead and celebrating the 125th anniversary of the University in 2025.

Mervyn Walker
Pro-Chancellor and Chair of Council





Our community

The University is an exempt charity by virtue of Schedule 3 of the Charities Act 2011. The Office for Students (OfS) is the University's principal regulator under the Charities Act 2011. The University's principal place of business is Edgbaston, Birmingham B15 2TT.

The University operates autonomously, having regard to requirements to fulfil its charitable objectives under the Royal Charter (by which it was established in 1900), to the OfS and other regulatory bodies within the sector.

In setting strategy and implementing decisions to enhance our activity, the University's Council has due regard to Charity Commission guidance on public benefit and takes account of this when exercising its powers and duties.

The University's activities are governed by its Charter and Statutes. In accordance with these, the University's objectives are to be a teaching and an examining university, and to further the prosecution of original research.



Educational benefit

In 2023/24, the University taught more than 40,000 students, offering a high-quality academic experience at both undergraduate and postgraduate level. Our subject range is one of the broadest of any UK university, and our students form part of a vibrant academic community, studying and working alongside some of the finest academic minds in the world.

As one of the first universities to set up a fair access scheme more than 20 years ago, we have a longstanding commitment to ensuring that students from a diverse range of social and cultural backgrounds can study at the University of Birmingham. This year, 40.7 per cent of our home undergraduate students are from a minority ethnic background, 18.5 per cent have declared a disability, 73.7 per cent are from state schools, and 23.7 per cent are first generation into higher education.

We are proud of our long-standing approach to widening participation and met our Access and Participation target of over 9.5 per cent students coming from the most disadvantaged backgrounds, many from the West Midlands region. The ratio of students from high participation areas to those from low participation areas is 4:1.

We believe that financial worries should not be a barrier to accessing higher education, offering financial support for eligible students through scholarships, our Pathways to Birmingham initiative, and our Student Support fund. Birmingham Scholars, our dedicated initiative for improving student access, success and progression, is designed to support students from under-represented backgrounds.

We also have a specific programme for Care Leavers, which includes a £2,000 cash bursary and other support. A signatory of Care Leavers' Covenant – a national inclusion programme that supports care leavers aged 16–25 to live independently – since 2020, we have also been awarded the NNECL Quality Mark. The University of Birmingham is the lead partner in the Aimhigher West Midlands

partnership, a widening participation partnership working to address educational inequality across West Midlands. This year, Aimhigher delivered five events from the HE4ME programme – aimed at learners in care – which were attended by 54 learners. It also worked with more than 100 West Midlands schools, engaging 11,600 individual learners through 350 activities, including attainment-raising programmes, subject masterclasses, mentoring and residential summer schools.

We are extending access to university qualifications in other ways, including through UoB Online and Skills Bootcamps. Professor Corinne Boz became UoB Online's first Academic Dean, overseeing the development and launch of three new programmes: Mental Health MSc, Engineering Leadership MBA, Higher Education Policy PGCert. We signed an agreement with 2U/edX to launch up to 20 new programmes, while a redesigned online MBA was ranked among the *Financial Times'* global top 10 of online MBA courses.

Once here, our students access support and enhance their employability through mentoring relationships and engagement in flagship programmes such as the Birmingham Award and the Birmingham Project. Many of our students are also setting up in business themselves, supported by UoB Elevate – an incubator and business growth programme for our students and graduates. According to the most recent (2022/23) HESA data, the University is in the upper quartile of UK universities for student start-ups.

These educational benefits spill over into the region. Our investment in the University of Birmingham School raises the ambition of, and opportunities for, a diverse range of young people from across the city. Rated 'Good' by Ofsted, the school was named 'Secondary School of the Year' at the Midlands Education Awards 2024.

We are a net importer of graduates. Almost all graduates with West Midlands as their home region (93 per cent one-year post-study) remain in the region post-study, while some graduates from outside the West Midlands (15 per cent one-year post-study) remain in the region.

After graduation, our students take the training, skills and attributes they have gained with us into a variety of careers and locations. An alumni survey conducted in January 2024 showed that more than 90 per cent of respondents believed that their degree helped improve their critical thinking and analytical skills. We have alumni in almost every country in the world and they maintain strong contacts with us long after graduation.



Research benefit

For more than a century, research from our university has been changing the way the world works, leaving a lasting impact on lives, culture, industry and society. Working with industry and other funding bodies, we continue to create original and enduring solutions to some of the world's biggest issues.

To bring our research to a global audience, we created a campaign in which researchers worked with digital artists to share ideas and inspire a creative response to their research. Each of the scenes the digital artists created are inspired by the wider focus of a research challenge theme: Fairer World; Life-Changing Technologies; Connecting Cultures; Thriving Planet; and Global Health.

The University of Birmingham secured £1 million funding from the Wellcome Trust's Institutional Fund for Research Culture to trial new ways to develop its race-inclusive research culture. The grant funds a programme of research, training and capacity-building called ASPIRE. Learnings from the programme will be shared with other higher education institutions and funders.

The Foreign, Commonwealth and Development Office (FCDO), in partnership with the University of Birmingham and the International Initiative for Impact Evaluation (3ie) announced the establishment of a new research commissioning centre to support the Research and Evidence Directorate. FCDO will invest up to £25 million in the centre over the coming years to test and pilot approaches to commissioning research more effectively and efficiently.

A national research hub, designed to support the UK's transition to a circular manufacturing ecosystem, is to be established by the University of Birmingham. Part of UK Research and Innovation's 'Manufacturing research hubs for a sustainable future' programme, the hub will receive £34.6 million in funding over the next seven years.

The National Institute for Health and Care Research, Innovate UK, the Advanced Therapy Treatment Centre Network and the Cell and Gene Therapy Catapult announced a £17.9 million strategic initiative to bolster the UK's clinical trials infrastructure. The Midlands-Wales Advanced Therapy Treatment Centre will be jointly delivered

by University of Birmingham and University Hospitals Birmingham.

Engaging local and international communities

We are committed to being an exemplary civic and global university – bringing the best to our campuses and taking our best to the world to strengthen research excellence, student experience, and international reputation. The public and private benefit we attract, and our operational expenditure and capital investment mean we have a significant beneficial impact on the region's economy – estimated at £4.4 billion each year.

Based in Centenary Square in Birmingham City Centre, The Exchange delivers a public programme of free exhibitions, events and family-friendly activities, inviting people to engage around a key research theme. In 2023, the theme was 'A Place to Call Home', which explored questions about home and homelessness. 'AI Futures' launched in February 2024, asked questions about artificial intelligence through the lens of university research.



Alongside the exhibitions and installations in the Vaults, visitors are invited to explore the rich history of The Exchange through a heritage programme. Heritage building tours for adults and families offer audiences a chance to uncover the building's hidden history and fascinating stories.

The Culture and Community strand of the programme focuses on The Exchange as a welcoming hub for community involvement and collaboration. Collaborative partnerships have been crucial to the programme's success in attracting new audiences. Exhibitions 'Vanley Burke: A Gift to Birmingham' and 'We need 2 tlk' by Exodus Crooks were produced in partnership with Ikon Gallery.

In the past year, almost 40,000 attendees came to activities and exhibitions at The Exchange. Latest HESA (2022/23) figures show the University of Birmingham allocated 3,934 days to public events and activities – the equivalent of 11 years. Our Edgbaston campus also welcomed students, staff and other visitors and these are some examples of the way we celebrate our different communities.

The Sikh Society celebrated 20 years of Langar on Campus, sharing free food provided by the local Sikh community. The Islamic Society hosted a Community Iftar, with 1,300 guests visiting campus to enjoy a meal together. For this year's Holocaust Memorial Day, the Jewish Society invited Holocaust Survivor Janine Webber BEM to share a first-hand account of life in Poland during World War II.

The University was also well represented at the Birmingham Pride parade, with staff and students marching with the UNified at Pride contingent. We partnered with six local universities (Aston University, Birmingham City University, Birmingham Newman University, University College Birmingham, University of Law and University of Wolverhampton) to form the higher education group and demonstrate our joint commitment to LGBTQ+ inclusivity in higher education.

Professor Cong Cong from Nanjing University gave the China Institute's Lunar New Year Lecture, sharing her insights into Chinese translations of Shakespeare's work. It is part of an ongoing relationship that goes back to 2016, when the Institute, Nanjing University and Nanjing-based

Phoenix Media and Publishing set up the Shakespeare Centre, China.

Looking further afield, the University marked 10 years of collaboration with the University of Illinois Urbana-Champaign (UIUC), opened its Brazil Institute and attained University of Sanctuary status. The latter recognises our efforts to make the institution a place of safety, solidarity and empowerment for people forced to flee their homes.

Marking 10 years of successful collaboration through the 'BRIDGE' (Birmingham-Illinois Partnership for Discovery, Engagement and Education) Alliance, UIUC and the University of Birmingham agreed additional investment in their partnership to develop new research collaborations. This builds on 115 collaborative projects tackling major global challenges.

In November, the University launched its Brazil Institute, which aims to deepen and widen engagement between the two countries. The Institute will host the University's long-standing Birmingham Brazil Visiting Fellows scheme, through which nearly 100 Brazilian academics have come to the University.



The University enhanced relationships with partner institutions in China and India, signing a new agreement with Jiangsu Industry Technology Research Institute to help Chinese researchers develop their skills in technology innovation and product development. The long-standing partners will establish a PhD researcher programme that will see JITRI researchers progressing doctorate-level research in both Birmingham and Nanjing.

Huazhong University of Science and Technology and the University of Birmingham are developing a joint programme to provide students in China with the opportunity to receive dual bachelor's degrees in biomedical sciences and pharmacy from both institutions – aiming to recruit the first cohort of students for 2025/26.

The Indian Institute of Heritage and University of Birmingham announced a strategic partnership to create new opportunities for students and academics in the fields of heritage, museums and museology. The University and Indian Institute of Technology Madras launched a new Joint Masters programme in Sustainable Energy Systems, helping to develop specialists in a fast-growing industry that is leading the fight against climate change.

Campus developments

In collaboration with staff, students, partners and neighbours, we have developed our 2045 Campus Vision, which provides broad ideas for how the University's estate could be developed over the next two decades and beyond. It will steer our decisions and provide the flexibility to adapt, embrace new technologies and sustainability approaches, and navigate new challenges.

One change on campus this year is the new University Station, which opened in January following a multi-million-pound upgrade to

cater for growing passenger numbers. The station features 'Dear Brum', a poem written by Casey Bailey that celebrates the life, culture and community of the city. Another is the Molecular Sciences Building, a new home for chemical, environmental and biomolecular sciences. The new building will be the base for more than 500 scientists from across different disciplines, conducting research including making plastics recyclable, the environmental effects of drugs in the ecosystem and the environmental impact of critical materials.

Sustainability

This year, the University's commitment to sustainability and environmental stewardship was recognised with a rise of 51 places in the People and Planet University League and achieving 35th position in the 2024 QS World Sustainability Ranking. Additionally, our River Cole Community Commons project received high commendation at the UK & Ireland Green Gown Awards 2023, while teams and individuals won 40 Green Impact Awards: 30 Platinum, two Gold, five Silver, and three Bronze. Green Impact is a United-Nations recognised programme that promotes sustainable practices in organisations across the world.

Heritage buildings, collections and assets

The University holds and maintains historic buildings, collections of art and other valuable items of artistic, scientific and historical importance. The University conserves these assets and occasionally supplements the collections where appropriate. The collections are used for research and teaching purposes, and there are exhibition and event programmes open to the public.

These include five accredited museums and collections:

- Research and Cultural Collections – thousands of artefacts that showcase examples of research and discovery

created in Birmingham with global reach. You can see a selection in the current exhibition, 'A History Through Objects'.

- The Barber Institute of Fine Arts – an Old Master and Impressionist gallery of world renown
- Winterbourne House and Garden – an Arts and Crafts house and stunning botanical garden
- The Lapworth Museum of Geology – a specialist geological museum dating back to 1880
- Cadbury Research Library – approximately 120,000 antiquarian books dating from 1471 and three million archives and manuscripts, all of which provide a rich resource for teaching and research

Listed buildings of heritage significance on our Edgbaston campus and in the city centre, include:

- The Aston Webb Building, Great Hall and Clock Tower, our Grade II listed building at the heart of the Edgbaston campus
- The Muirhead Tower, a Modernist icon of Brutalist architecture
- The Exchange, located in Centenary Square in Birmingham

Fellowships and scholarships

The University provides scholarships and bursaries on a targeted basis to encourage entry to and continuation of higher education from as wide a cross-section of the community as possible. In 2023/24, financial support amounted to £59 million (2022/23: £56 million). This year, the University invested in supporting students affected by the cost-of-living crisis.

Some of the other scholarships we offer are for certain student types, for example, musicians studying other subjects may be offered music tuition. Sports scholarships and performance awards support students to continue their sporting success alongside their study.

Fundraising

During the year, our alumni and supporters have volunteered more than 250,000 hours of their time to support the student experience and graduate employability through mentoring, delivering guest lectures, speaking at events, providing internships and more. In the last year, more than 2,000 alumni made donations to support scholarships for students.

Alumni, staff and students all play a role in Birmingham In Action, which brings together many of the University's charitable projects to tackle five key challenges. Fundraising activities included face-to-face meetings, corporate philanthropy, applications to trusts and foundations, legacy stewardship, and direct mail. Over the year, we raised a total of £21.8 million (2022/23: £16.2 million).

We are grateful for the generous donations that enable us to fulfil our philanthropic and research objectives. By making a gift of time or money, you can help turn pioneering research into life-changing solutions, and ensure young people are not held back by their circumstances. More information can be found at birmingham.ac.uk/birmingham-in-action.

We work within OfS regulation and keep up to date with guidance from other charity governance bodies to ensure we deliver the best service for our supporters, alumni and donors. We have clear systems, including robust due diligence, in place to protect the University's reputation and financial and other assets. The University has received no allegations or investigations from regulatory bodies about our fundraising practice.

The primary responsibility for fundraising at the University is held by the Development and Alumni Relations Office (DARO). The Director of DARO is accountable to Council for fundraising performance. Day-to-day supervision of fundraising is conducted within DARO, and its strategy, targets,

resources and risk assessment are clearly set out and approved on an annual basis.

All our supporters are treated fairly and without discrimination and we adhere to the recommendations from the Institute of Fundraising, particularly the protection of vulnerable supporters. Our transparent dialogue with all members of our donor and non-donor communities represents our commitment to a lifelong relationship with all friends of the University.

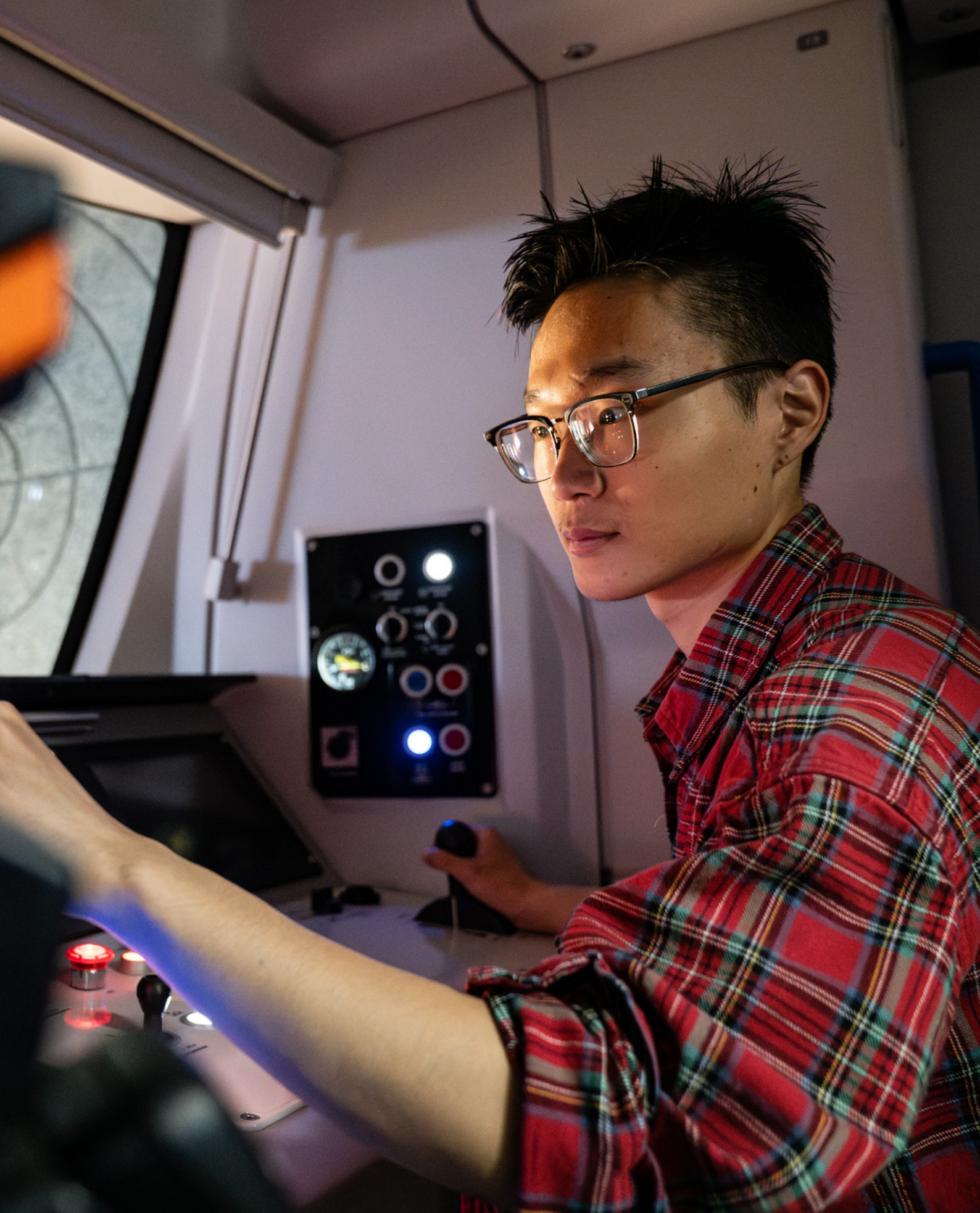
We deliver a global programme of events and activities, offering our alumni the opportunity to hear from our academics, to continue their personal and professional development and to reunite with their fellow graduates. We encourage everyone to engage in the full range, whether donating, volunteering, attending events or reading the latest academic and alumni news in *Old Joe*: oldjoe.co.uk.

Conclusion

The University was England's first civic university, where students from all backgrounds and regions were accepted on an equal basis and we continue to innovate and engage, responding to the challenges around us to ensure we inspire great minds whatever their background.

We contribute directly to the public benefit through the outcomes of our teaching and research, and our commitment to enhancing our civic and global roles. Our staff and many of our students recognise that wider engagement with our environment and community can deliver significant benefits alongside achieving the requirements of our Charter and Statutes, first introduced in the 1900s, which remain relevant today.





Corporate governance statement

The following statement is provided to enable readers of the financial statements to understand the key aspects of the governance of the University of Birmingham.

The University is committed to best practice in all aspects of corporate governance and conducts its business in accordance with:

- (i) the seven principles identified by the Committee on Standards in Public Life (selflessness, integrity, objectivity, accountability, openness, honesty and leadership);
- (ii) the guidance on corporate governance which has been provided for the sector by the Committee of University Chairs (CUC), including the Higher Education Code of Governance. The University has also supplemented this guidance by publishing its own Code of Practice on Corporate Governance;
- (iii) the public interest governance principles identified by the Office for Students. This includes significant engagement with our stakeholders, particularly students and staff.

Status of the University

The University is an independent corporation whose legal status derives from its Royal Charter granted in 1900. The University's title, objects, degree awarding powers and framework of governance are set out in the Charter and its supporting Statutes.

The University is an exempt charity and is subject to regulation by the Office for Students (OfS). The members of the University Council are the charity trustees and are responsible for ensuring compliance with charity law.

Council

The governing body of the University is the Council and is chaired by the Pro-Chancellor, Mervyn Walker. Council consists of 24 lay, academic and student members, the majority of whom are external to the University. The Council continues to take opportunities to broaden the diversity and skills profile of its membership, recognising the benefits to the

University of having members from a range of different backgrounds.

The actual powers of the Council are set out in the Charter and Statutes of the University. The primary responsibilities of Council in the CUC Code include:

1. To approve the mission and strategic vision of the University, long-term academic and business plans and key performance indicators, and to ensure that these meet the interests of stakeholders.
2. To ensure that processes are in place to monitor and evaluate the performance and effectiveness of the University against the strategy, plans and approved key performance indicators, which should be, where possible and appropriate, benchmarked against other comparable institutions.
3. To ensure the establishment and monitoring of systems of control and accountability, including financial and

operational controls, risk assessment, value for money arrangements, and procedures for handling internal grievances and for managing conflicts of interest.

4. To delegate authority to the Vice-Chancellor and Principal, as head of the University, for the academic, corporate, financial, estate and human resource management of the University and to keep under regular review how such management functions are undertaken by and under the authority of the Vice-Chancellor and Principal.
5. To safeguard the good name and values of the University.
6. To be the employing authority for all staff in the University and to be accountable for ensuring that an appropriate human resources strategy is established.
7. To be the principal financial and business authority of the University, to ensure that proper books of account are kept, to approve the annual

budget and financial statements, and to have overall accountability for the University's assets, property and estate.

8. To be the University's legal authority and, as such, to ensure that systems are in place for meeting all the University's legal obligations, including those arising from contracts and other legal commitments made in the institution's name. This includes accountability for health, safety and security and for equality, diversity and inclusion.
9. To receive assurance that adequate provision has been made for the general welfare of students.

Council meets five times per year.

The formal meetings of Council are supplemented by briefing sessions to explore key issues, strategy days, visits to departments, external speakers on major issues in higher education and attendance at key University events such as the University Annual Meeting, the Chancellor's

Dinner, and Degree Congregations. This ensures that members of Council are part of the wider community of the University and that they are fully briefed on the activities of and challenges facing the University.

Council members also spend time within the wider activities of the University. This can take the form of specific meetings with students and members of staff including mentoring, delivery of and attendance at lectures and events, representing the University in social or business communities, fundraising and raising the awareness, profile and excellence of the University within their own networks.

Council undertakes regular reviews of its effectiveness. The most recent effectiveness review of Council and its Committees reported to Council in June 2024. The Effectiveness Review benefitted from external scrutiny and advice provided by Will Spinks, former Registrar, Secretary and Chief Operating Officer at the University of Manchester. The overall conclusion of the Effectiveness Review was that Council



Back row left to right: Dr Clive Hickman, Professor Aleksandra Cavoski, Dr Thomas Waite, Nick Owen, Professor Adam Tickell, Syed Sadath, Anthony Lilley.

Front row left to right: Lisa Fretwell, Professor Stephen Jarvis, Dame Cilla Snowball, Mervyn Walker, Ravikiran Rajashekar, Rosie Harris, Tim Gardam.

Lucy Baldwin, Professor Matthew Broome, Deborah Cadman, Harjinder Kang, Professor Catherine Mangan, Mick Laverty, Professor Elizabeth Sapay, Richard Swann and Jacqueline Taylor are also members of Council.

could be assured that Birmingham not only had excellent compliance with the CUC Higher Education Code of Governance, but also had many examples of leading-edge practice. An Action Plan was approved by Council in October 2024 to manage implementation of the recommendations arising from the effectiveness review. A progress report on implementation will be made to Council in October 2025.

Senate

The Senate is chaired by the Vice-Chancellor and consists of up to 60 members drawn from the leadership team of the University, academic staff and the student community. It is the principal academic body of the University and is responsible to the Council for regulating and directing the academic work of the University in teaching, examining and research and for award of all Degrees, Diplomas, Certificates and other academic distinctions of the University. Senate oversees quality assurance and standards of the education provided by the University and provides an annual assurance report to Council on academic quality, standards and the student experience. Council also considers a report from each meeting of

Senate covering key aspects of teaching and learning, student experience and quality matters.

University Executive Board

The University Executive Board is the senior management team of the University and a Committee of Council. Its membership consists of the Vice-Chancellor and Principal (Chair), the Provost and Vice-Principal, the Pro-Vice-Chancellors, the Heads of College, the Registrar and Secretary and the Chief Financial Officer. It normally meets weekly to steer the implementation of strategy and policies under Council's direction and within the Council's scheme of delegation. It oversees and makes decisions on major issues relating to the University and monitors institutional performance. It also fosters good communication and inter-collegiate activity in the University.

Committees of Council

There are four other Committees of Council: Strategy, Planning and Resources Committee (SPRC), Audit Committee, Membership Committee and Remuneration Committee. All of these include lay members

of the Council. The decisions and recommendations of these Committees are formally reported to Council and their membership and terms of reference are reviewed on an annual basis. The Council operates a Scheme of Delegation which delegates specific matters to University Committees or senior members of staff.

The attendance at meetings of Council and its Committees for 2023/24 is shown on the following page.



		Council membership dates	Council 5 in year	SPRC 6 in year	Audit 5 in year	Remuneration 2 in year	Membership 2 in year
Lay Members appointed by the Council							
Deborah Cadman OBE			2/5	-	-	-	1/2
Tim Gardam CBE			3/5	6/6	-	-	-
Rosemary Harris			5/5	-	4/5	-	-
Dr Clive Hickman OBE			2/5	-	4/5	-	-
Steve Hollis	Term ended July 2024		3/5	4/6	-	2/2	1/2
Dame Lin Homer DCB	Term ended July 2024		4/5	6/6	-	2/2	2/2
Harjinder Kang			2/5	-	-	1/2	-
Mick Lavery			4/5	-	5/5	-	-
Anthony Lilley OBE			5/5	-	-	-	-
Richard Swann			3/5	4/6	-	-	-
Jacqueline Taylor			5/5	-	4/5	2/2	-
Mervyn Walker, Pro-Chancellor and Chair of Council			5/5	6/6	-	2/2	2/2
Lucy Baldwin			4/5	-	-	-	-
Lisa Fretwell			4/5	-	5/5	-	-
Dame Cilla Snowball DBE			3/5	5/6	-	-	-
Nick Owen CBE	Term commenced August 2023		4/5	-	-	-	-

Appointed by Guild of Students							
Amira Campbell, President of the Guild Of Students	Term ended July 2024		4/5	6/6	-	-	-
Tianjie (Alice) Liu, International Officer	Term ended July 2024		5/5	-	-	-	-
Sayed Sadath, President of the Guild of Students	Term commenced July 2024		N/A	N/A	N/A	N/A	N/A
Ravikiran Rajashekar, International Officer	Term commenced July 2024		N/A	N/A	N/A	N/A	N/A

Ex-Officio Members							
Professor Adam Tickell, The Vice-Chancellor and Principal			5/5	6/6	-	-	2/2
Professor Stephen Jarvis, The Provost and Vice-Principal			5/5	6/6	-	-	2/2

Academic Members Appointed by Senate							
Professor Pam Kearns	Resigned July 2024		4/5	-	-	-	-
Professor Catherine Mangan			5/5	-	-	-	-
Professor Helen Abbott	Resigned May 2024		4/4	4/4	-	-	1/1
Professor David Hannah	Term ended July 2024		4/5	6/6	-	-	-

Secretary to Council	
Mr Lee Sanders, The Registrar and Secretary	

Strategy, Planning and Resources Committee

SPRC during 2023/24 comprised the Pro-Chancellor and Chair of Council (Chair), the Deputy Pro-Chancellors, the Vice-Chancellor, the Provost, three Pro-Vice-Chancellors, two academic members of Council, three lay members of Council and the President of the Guild of Students. It met six times during 2023/24.

The key responsibilities of SPRC are:

- a. oversight of the strategic planning of the University, bringing together academic, financial and physical planning;
- b. oversight and development of the University's financial strategy for institutional sustainability. This includes consideration of the University's annual budget and forward look, financial scenarios and long term financial projections and monitoring financial performance. The Committee also recommends the University's Annual Report and Accounts to the Council each November;
- c. oversight, development and implementation of systems of institutional performance monitoring and review of progress towards achievement of institutional targets. The Committee undertakes detailed scrutiny of the University's Key Performance Targets, aligned with the Strategic Framework, to monitor the University's progress against its most important indicators of success and sustainability;
- d. keeping under review the policies of the University as an employer of staff and making recommendations to Council for change in matters of substance or principle.

Audit Committee

The Audit Committee met five times during 2023/24 and consists of five lay members of Council who are not members of SPRC. It also

has two external co-opted members (Steve Connors and Phil Harrold during 2023/24).

The Committee reviews the effectiveness of the University's financial and other internal control systems, satisfies itself that satisfactory arrangements are in place to promote economy, efficiency and effectiveness and advises the Council on risk management. It reviews the reports of the External Auditor and the scope and effectiveness of the work of the Internal Auditor and advises the Council on their appointment. It reviews regulatory requirements and the University's annual financial statements and accounting policies. The lay members of the Audit Committee meet with the Internal and External Auditors for independent discussions.

Membership Committee

The Membership Committee considers nominations for vacancies in the membership of Council and its Committees.

Remuneration Committee

The Remuneration Committee is responsible for setting the remuneration of all senior staff, namely the Vice-Chancellor, members of the University Executive Board, Professors and senior professional staff.

The Committee is chaired by a Deputy Pro-Chancellor (Dame Lin Homer during 2023/24). The Pro-Chancellor is a member of the Committee, but since he reports to the Committee on the Vice-Chancellor's performance and recommends to the Committee the Vice-Chancellor's remuneration, the University believes it is appropriate that a different senior lay officer chairs the Committee. The Committee is comprised of five lay members of University Council. The Vice-Chancellor is not a member of the Committee but attends its meetings to discuss the remuneration of other senior staff. The Registrar and Secretary is also in attendance. The Director of Human Resources advises the Committee and supports the remuneration process. No member of staff, including

the Vice-Chancellor and Registrar and Secretary, is present for discussion of their own remuneration. The Remuneration Committee meets at least twice a year and its terms of reference are:

- a. to agree and oversee the annual remuneration process for senior staff (i.e. grade 10 and above) (noting that performance is assessed for the academic year and the reward payments made in October following the second meeting of the Committee).
- b. to review and agree the University's reward policy for senior staff, designed to support a high performance culture and taking account of pay data, market factors and the financial position of the University and recommend major changes to Council.
- c. to review and determine senior staff remuneration.
- d. to review senior staff equal pay issues.
- e. to review and determine pay and reward for the Vice-Chancellor's direct reports on UEB; review reports on the Vice-Chancellor's objectives and performance, and review and determine the Vice-Chancellor's remuneration.
- f. to agree severance packages for staff earning in excess of £100k per annum:
 - where the severance payment is up to 12 months' salary (and so within the University's long-standing arrangements for Voluntary Severance), the payment will be approved by the Chair on behalf of the Committee and reported to the next meeting of the Committee;
 - where the severance payment is above 12 months' salary, the payment will be considered by the Committee, which can be by circulation if the case needs agreement between Committee meetings.



- g. to monitor strategic risks relevant to the work of the Committee as determined by the Strategic Risk Register.
- h. to monitor the extent to which value for money is achieved within the areas under the Committee's oversight.
- i. to monitor relevant Key Performance Targets and to ensure that any concerns with performance against these KPTs are addressed.

The Committee ensures that it complies with the OfS Accounts Direction and other guidance on senior staff remuneration, including the CUC Higher Education Senior Staff Remuneration Code. The annual process for setting senior staff remuneration is as follows:

1. At its first meeting each May, the Remuneration Committee considers and agrees the parameters and principles that will apply to that year's process and the information and market, comparative and other benchmarking data it wishes to consider at its second meeting in September, when it sets senior staff remuneration. The Vice-Chancellor is responsible for overseeing the annual process for senior staff (other than himself, which falls to the Pro-Chancellor) working within the approach agreed by the Committee.
2. In the case of senior academic staff, professors are invited to submit a statement describing their achievements over the previous 12 months, which is reviewed by their Head of School and forms the basis for any recommended change. These are then considered alongside market, comparative, and equality data by their Head of College, who is responsible for ensuring consistency and equality of treatment, and for making recommendations regarding proposed remuneration increases reflecting individuals' performances in their College. The Vice-Chancellor considers these recommendations for consistency across the University, and then confirms the proposals at a formal meeting with the Provost and Vice-Principal and Director of Human Resources; the Provost and Vice-Principal having reviewed recommendations with the thematic Pro-Vice-Chancellors and Heads of College. The Vice-Chancellor then presents the recommendations to the second meeting of Remuneration Committee (September) for consideration and approval.
3. There is a parallel process for senior professional staff, under which the Registrar and Secretary recommends remuneration increases reflecting individuals' performance, informed by the appraisal process, and taking account of comparative, market and equality data. The Vice-Chancellor meets with the Registrar and Secretary to scrutinise these recommendations, determine any changes, and then presents his plan for the remuneration of professional staff to the second meeting of Remuneration Committee for consideration and approval.



4. Those members of University Executive Board who report directly to the Vice-Chancellor agree a series of collective and individual performance objectives at the start of the year, which are reviewed at least twice during the year. This provides the Vice-Chancellor with an assessment of performance, which, along with market, comparative and other relevant inputs, are used by him to prepare proposals for the remuneration of those staff, which he presents to the second meeting of the Remuneration Committee for consideration and for approval.
5. In considering recommendations, review meetings are informed by data relating to equality and to the institutional gender and ethnicity pay gaps.
6. Remuneration Committee takes into account a range of indicators in considering whether reward proposals for senior staff are justified. These include, but are not limited to:
 - a. performance in support of the University's strategic objectives in areas such as:
 - (i) education (e.g. NSS, student feedback, recruitment and admission, student outcomes and employability, teaching awards, programme leadership etc.);
 - (ii) research (e.g. publications, citations, grants, impact, research leadership, major initiatives including with industry and external partners, contribution to REF etc.);
 - (iii) management and administration (e.g. professional and academic leadership, service enhancement and delivery, policy development and delivery, income generation, improving performance of School or Service etc.);
 - (iv) leadership of staff (e.g. development, performance and retention of staff, quality of hires, diversity and inclusion etc.);
 - (v) student recruitment (in relation to target, international/domestic balance, undergraduate and postgraduate mix);
 - (vi) partnerships and external relations – internationally, nationally and locally (e.g. leadership in external networks and communities, external policy work, business engagement etc.); and,
 - (vii) major initiatives and projects (e.g. international campus, capital projects etc.);
 - b. the University's objectives in relation to the diversity of the workforce;
 - c. contributions to the University's management of and recovery from the Covid-19 pandemic.
7. The Vice-Chancellor's performance objectives are agreed each year with the Pro-Chancellor. These are considered and endorsed by the Remuneration Committee. The Pro-Chancellor undertakes six and twelve-month appraisal discussions with the Vice-Chancellor and obtains feedback from selected individuals both within the University, from other members of Council and the University's external stakeholders and reports these to Remuneration Committee.
8. The Pro-Chancellor makes a recommendation to the Remuneration Committee's Autumn meeting on the Vice-Chancellor's remuneration, informed by his assessment of the Vice-Chancellor's performance and a range of data and comparative information on the Vice-Chancellor's remuneration. In considering the Pro-Chancellor's recommendation to the Committee and whether it is justified, the Committee reviews a range of data and information on the Vice-Chancellor's remuneration, including:
 - the Vice-Chancellor's salary history;
 - how the Vice-Chancellor's remuneration compares to that of other Vice-Chancellors across the Russell Group and the sector more broadly, taking account of the comparative size and complexity of the University and including data collected by Korn Ferry, the Universities and Colleges Employers' Association, and the Committee of University Chairs;
 - how the Vice-Chancellor's current salary compares to that of other staff at the University. This includes data on the Vice-Chancellor's remuneration (including pension) as a percentage of turnover (0.04 per cent for 2023/24, compared with 0.13 per cent for the higher education sector*). It also includes information on the pay multiples of the Vice-Chancellor's basic salary compared with median earnings of the University's whole staff, of academic staff and of professorial staff. The pay ratios are disclosed in Note 7 to the Accounts.
 - the Vice-Chancellor's and the University's performance over the review period.
9. Having considered performance for the previous academic year, the decisions of the Remuneration Committee on reward proposals for senior staff, including the Vice-Chancellor, are taken in the second meeting of the Committee and implemented the following month. This means that the remuneration information provided in these Accounts reflects the decisions taken by the Committee in September 2023 (and therefore implemented during the 2023/24 financial year), having considered performance for the 2022/23 academic year.

10. Having considered the range of factors above and the Pro-Chancellor's appraisal of the Vice-Chancellor's performance, the Committee concluded in September 2023 that the Vice-Chancellor had performed very well in his first full performance year in role, continuing the strong start that had been made in his first eight months and developing further the very positive impact of the change in leadership style and approach that he had brought to the University. The Pro-Chancellor highlighted the following in relation to the University as a whole:
 - (i) the achievement of the University's 2022/23 targets in relation to research applications and awards and the progress which had been made with the identification of priority research areas and University Research Themes;
 - (ii) the progress made on development and delivery of education strategy, including changes to the academic teaching year and assessment calendar, noting though that the NSS results had been disappointing in some areas and a key priority for 2023/24 would be achievement of an improvement in the University's performance in the National Student Survey;
 - (iii) the University's robust financial management and performance during 2022/23 in what was a very challenging sector and external environment;
 - (iv) the development and approval of the University's International Strategy 2030 during 2022/23;
 - (v) good progress in work on EDI, sustainability and the creation of a stronger culture of excellence;
 - (vi) continued development of the University's leadership team during its period of transition.
11. The Vice-Chancellor's total remuneration paid in 2023/24 is disclosed in Note 7 to these Accounts. It comprises of a basic salary and a salary supplement in lieu of pension of 13.7 per cent of salary (this is also paid to other members of senior staff across the University under the current policy of the Remuneration Committee). There was no entitlement to a performance related award in 2023/24.
12. The Remuneration Committee agreed in September 2022 that the annual increase in pay negotiated nationally in higher education would apply to members of UEB, including the Vice-Chancellor, noting that the Vice-Chancellor's base pay had increased by the national pay uplift of 5 per cent applied to all academic staff (paid through two separate uplifts on 1st February and 1st August 2023). As a result of the national pay award, the Vice-Chancellor's base pay increased to £351,488 with effect from 1st August 2023.
13. An annual report is presented from Remuneration Committee to Council on completion of this process on the Committee's work during the year, together with the outcomes.

Outside activities

Academic staff are encouraged to undertake relevant activities outside the University and may apply for permission to undertake up to 30 days of such activities in any one financial year. The arrangements for this are set out in the University's Guidelines on Outside Activities.

The Vice-Chancellor declares his outside activities in his Annual Declarations Return. In addition, his outside activities are discussed with and reviewed by the Pro-Chancellor. The Vice-Chancellor makes an annual declaration to Remuneration Committee on his outside activities, including any income earned from these activities and donation of that income to charitable causes associated with the University and education. It has been reported to Remuneration Committee that the Vice-Chancellor joined the board of the Universities Superannuation Scheme (USS) as a Universities UK (UUK) appointed non-executive director with effect from 1st April 2024. The annual remuneration paid by USS for this role is £43,500 and the Vice-Chancellor has signed a deed of gift to the University of £20,000 per annum, plus gift aid, in relation to this income.

Annual declarations

Members of Council and its Committees and the University's wider leadership make an annual declarations return which includes declarations of interest and disclosure of related party transactions, noting that conflicts of interest are also declared and managed effectively at meetings as they arise.



Statement of internal control

The Council has responsibility for maintaining a sound system of internal control that supports the achievement of policies, aims and objectives, while safeguarding the public and other funds and assets for which it is responsible, in accordance with the responsibilities assigned to the Governing Body in Article 7 of the Charter of Incorporation, Section 9 of the Statutes of the University and the Office for Students Terms and conditions of funding for higher education institutions.

The system of internal control is designed to manage rather than eliminate risk. It can therefore only provide reasonable and not absolute assurance of effectiveness. The internal control system has been in place for the year ended 31 July 2024 and up to the date of approval of the financial statements, and accords with Office for Students guidance.

The following processes have been established to monitor effectiveness of the internal control system:

- Council meets a minimum of five times a year to consider the plans and strategic direction of the institution.
- Council reviews an annual report on teaching quality and standards (from

the Senate which has responsibility for this under the University's legislation).

- Council receives, as a standing item, a report from each meeting of the Audit Committee concerning internal control, and requires regular reports from managers, either directly or through the SPRC, on the steps they are taking to manage strategic risks in their area of responsibility, including progress reports on key projects.
- Council has requested the Audit Committee to provide oversight of the risk management process. This provides a formal reporting and appraisal mechanism, in addition to the reports noted above.
- The Audit Committee receives regular reports from the Head of Internal Audit, which include an independent opinion on the adequacy and effectiveness of the University's systems of governance, risk management and internal control, together with recommendations for improvement.
- A risk management process has been established which includes a Risk Register that is fully aligned to the University's strategic goals. The approach was developed with the input of the Vice-Chancellor,

members of Council who specialise in risk management, and external advice from sector specialists, and includes new ways to visualise the assessment of risks against target. Heads of Budget Centres seek to manage the risks in their own areas and embed this within their normal management processes. Audit Committee receives presentations, on a cyclical basis, from the Strategic Framework Pillar Leads, who are typically members of UEB, on risk management for their area to supplement the work of Internal Audit in relation to the effectiveness of risk management.

- A system of key performance indicators has been developed for the risks contained in the Risk Register, and residual risks are monitored against these regularly by UEB, SPRC and Council.
- Regular formal reviews take place to identify, and where necessary, revise and update the record of risks facing the institution.
- Reports are received from budget holders, department heads and project managers on internal control activities via committees of Council i.e. SPRC, Senate and Audit Committee.

- A framework is in place to raise the profile of significant risks throughout the institution in a timely manner outside of the normal risk management cycle.
- Systematic and comprehensive independent peer reviews of Schools and Professional Services report to UEB and are aimed at enhancing performance in line with Birmingham 2030.
- All major investment projects undertaken by the University are subject to rigorous governance procedures, including objective post-investment learning reviews. Specific sub-groups of Council are set-up as appropriate to provide high level governance and oversight of projects of significant strategic or reputational importance.
- The University has an Internal Audit function comprising an in-house team supported by an external co-source arrangement which provides additional expertise and resourcing. Internal Audit delivers a range of audits covering financial, operational, compliance, IT and data risks which constructively challenge management to operate an efficient and effective control

environment. Recommendations are made to management where the control environment can be developed, and progress on the completion of agreed actions within agreed timescales is reported to Audit Committee. An external quality assessment of the Internal Audit function found that it generally conforms with the Institute of Internal Auditor's International Standards. The function is establishing a data analytics capability and the 2023/24 annual plan was the first to include audits based on this approach. This methodology will continue to be developed and be the basis of future financial audits.

- Internal Audit works with Procurement and Strategic Change to compile an annual Value for Money report that is approved by Audit Committee.
- The role of External Audit is to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and report their opinion to Council. The external auditor does this by assessing the risk of material misstatement in the University's financial statements, understanding the relevant internal

controls which mitigate these risks, and devising procedures and tests to enable them to provide their opinion. External Audit also reviews accounting policies, the presentation of financial statements and disclosures to ensure the financial statements are "true and fair". They report their opinion and recommendations on improving the control environment to Audit Committee and this is shared with the Office for Students. The agreed actions in response to their recommendations are tracked by management and reported back to Audit Committee.

- During 2023/24 control weaknesses were identified relating to the procurement of services in one area of the University's operations. These concerns were reported to Audit Committee with regular updates provided as the issues were understood and remedial actions taken.

The above review processes are further informed by external good practice and guidance and the work of the leadership of the institution, who have responsibility for the development and maintenance of the internal control framework.



Responsibilities of the Council

The University Council is responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the University and enable it to ensure that the financial statements are prepared in accordance with the University Statutes, the Statement of Recommended Practice: Accounting for Further and Higher Education Institutions and other relevant accounting standards.

In addition, within the terms and conditions of funding for higher education institutions set by the Office for Students (OfS), the University Council, through its designated office holder, is required to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the Institution and of the Group's and parent Institution's income and expenditure, gains and losses and changes in reserves and of the Group's cashflows for the year then ended.

In preparation of the financial statements, the University Council has to ensure that:

- Suitable accounting policies are selected and applied consistently;
- Judgements and estimates are made that are reasonable and prudent;
- Applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- It is satisfied that the University has adequate resources to continue in operation throughout the going concern period to 31 July 2026; and
- The going concern basis is appropriate for the preparation of the financial statements.

The University Council has taken reasonable steps to:

- Ensure there is no relevant audit information of which the University's auditor is unaware;

- Make themselves aware of any relevant audit information and to establish that the University's auditor is aware of that information;
- Ensure that funds from the OfS are used only for the purposes for which they have been given and in accordance with the terms and conditions set;
- Ensure that there are appropriate financial and management controls in place to safeguard public funds and funds from other sources;
- Safeguard the assets of the University and to prevent and detect fraud; and
- Secure the economical, efficient and effective management of the University's resources and expenditure.

Mervyn Walker

Pro-Chancellor and Chair of Council
27 November 2024

Independent auditor's report to the Members of Council of the University of Birmingham

Opinion

We have audited the financial statements of the University of Birmingham ('the parent institution') and its subsidiaries (the 'group') for the year ended 31 July 2024 which comprise the Consolidated and Institution Statement of Comprehensive Income and Expenditure, Consolidated and Institution Statement of Reserves, Consolidated and Institution Statement of Financial Position, Consolidated Statement of Cash Flows, the Statement of Accounting policies and the related notes 1 to 29. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the University of Birmingham's group financial statements and parent institution financial statements (the "financial statements"):

- give a true and fair view of the state of the group's and of the parent institution's affairs as at 31 July 2024 and of the group's and of the parent institution's income and expenditure, gains and losses and changes in reserves, and of the group's cash flows for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice

(United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and applicable law); and

- have been properly prepared in accordance with the requirements of the Office for Students' Accounts Direction (OfS 2019.41).

Basis for opinion

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

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the group and parent institution's ability to continue as a going concern for a period to 31 July 2026.

Our responsibilities and the responsibilities of the Council with respect to going concern are described in the relevant sections of this report. However, because not all future events or conditions can be predicted, this statement is not a guarantee as to the group's ability to continue as a going concern.

Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The Council are responsible for the other information contained within the annual report.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in this report, we do not express any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit or otherwise appears to be



materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of the other information, we are required to report that fact.

We have nothing to report in this regard.

Opinion on other matters prescribed by the Office for Students

In our opinion, based on the work undertaken in the course of the audit, in all material respects:

- the requirements of the Office for Students accounts direction for the relevant year's financial statements have been met;
- funds from whatever source administered by the University of Birmingham have been properly applied to those purposes and managed in accordance with relevant legislation; and
- funds provided by the Office for Students, UK Research and Innovation (including Research England), the Education Skills and Funding Agency and the Department for Education have been applied in accordance with the applicable Terms and conditions attached to them.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters in relation to which the Office for Students require us to report to you where:

- the parent institution's grant and fee income, as disclosed in note 2a to the financial statements, has been materially misstated
- the parent institution's expenditure on access and participation activities for the financial year has been materially misstated.

Responsibilities of the Council

As explained more fully in the Responsibilities of the Council set out on page 40, the Council are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Council determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Council are responsible for assessing the group's and the parent institution's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Council either intend to liquidate the group or the parent institution or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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

Explanation as to what extent the audit was considered capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect irregularities, including fraud. The risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed



below. However, the primary responsibility for the prevention and detection of fraud rests with both those charged with governance of the entity and management.

Our approach was as follows:

- We obtained an understanding of the legal and regulatory frameworks that are applicable to the group and determined that the most significant are the Office for Students Terms and conditions of funding for higher education institutions, FRS 102 and the Statement of Recommended Practice for Further and Higher Education.
- We understood how the University of Birmingham is complying with those frameworks by understanding the oversight of those charged with governance, the culture of honesty and ethical behaviour, the incentives, opportunities and motives for fraud to occur, and processes for fraud deterrence.
- We assessed the susceptibility of the group's financial statements to material misstatement, including how fraud might occur by inquiring of management, audit committee and internal audit concerning actual and potential litigation claims and processes for identifying these.
- Based on this understanding we designed our audit procedures to identify noncompliance with such laws and regulations. Our procedures involved inquiring of management, internal audit and those charged with governance, including obtaining and reviewing supporting documentation relating to the group and institution's policies and procedures relating to:
 - Identifying, evaluating and complying with laws and regulations and whether they were aware of any instances of non-compliance;
 - Carrying out specific review procedures, including involvement of internal forensic specialists for one particular case of suspected non-compliance with laws and regulations;
 - Detecting and responding to the risks of fraud and whether they have knowledge of any actual, suspected

- or alleged fraud; and
 - The internal controls established to mitigate risks related to fraud or non-compliance with laws and regulations.
- Our procedures also included discussions amongst the engagement team regarding how and where fraud might occur in the Financial Statements and any potential indicators of fraud. As part of this discussion, we identified the potential for fraud in the following areas: revenue recognition and management override of controls.

In addition to the above, our procedures to respond to the identified risks included the following:

- Reviewing the financial statement disclosures and testing to supporting documentation to assess compliance with relevant laws and regulations discussed above;
- Reading minutes of meetings of those charged with governance and the Council;
- In addressing the risk of management override of controls we tested specific journal entries identified by applying risk criteria to the entire population of journals. For each journal selected, we tested specific transactions back to source documentation to confirm that the journals were authorised and accounted for appropriately. We reviewed significant accounting estimates for management bias and noted that we did not identify any significant unusual transactions in the financial statements;
- In addressing the risk of improper recognition of revenue we performed procedures to ensure transactions were recorded in the correct financial year. We tested a sample of research income (including any associated deferred income, expenditure, debtor and creditor balances) to confirm balances were appropriately recorded in the financial statements. For a sample of deferred income items (also covering additions and releases), we confirmed that income had been recognised in the correct financial year. We also tested a sample of income transactions around the year end to confirm that they had been recorded

in the correct financial year and tested journals specifically raised to move any income between financial years.

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

Use of our report

This report is made solely to the Council, as a body, in accordance with Office for Students accounts direction. Our audit work has been undertaken so that we might state to the 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 of Birmingham and the Council as a body, for our audit work, for this report, or for the opinions we have formed.

Hayley Clark (Senior statutory auditor)

for and on behalf of Ernst & Young LLP,
Statutory Auditor
Birmingham
Date:

Statement of accounting policies

1. Accounting convention and basis of preparation

These financial statements have been prepared in accordance with the Statement of Recommended Practice (SORP) 2019: Accounting for Further and Higher Education, Financial Reporting Standard (FRS) 102 and the Office for Students (OfS) Accounts Direction published in October 2019.

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

2. Going concern

The University's consolidated financial statements have been prepared on a going concern basis for the period to 31 July 2024. The Council consider this to be appropriate for the following reasons.

At 31 July 2024 the University had net current assets of £40 million, mainly due to high levels of research deferred income, with cash equivalents of £184 million, plus subsidiary cash balances of £12 million and further disposable investments of £11 million, the latter being held to fund capital expenditure. The Institution also had long term loans of £241 million and all covenants were complied with at the Statement of Financial Position date.

The going concern assessment period for the Annual Accounts is to the end of July 2026 (being the end of the financial year which is at least one year from the approval of the Financial Statements). A recent update to the 5-year financial forecast, reflecting the University Strategic Framework, Birmingham 2030, has been used as the baseline for cash flow forecasts.

The University's base case scenario shows compliance with all loan covenants to 31 July 2026 and liquidity headroom (excluding liquid investments) no lower than £115 million through the going concern assessment period.

Potential down-side scenarios have been run on the base case forecast to stress test the cash position, as well as the ability to remain compliant with covenant restrictions. This included reductions in student fee income, increases in staff and non-pay costs, and reductions in research contribution levels.

Under the plausible downside scenario, cash remains well above the minimum limit of £40 million agreed by the Council at all points in the going concern assessment period. The scenarios did not assume any mitigating actions were taken to offset the impact on cash, other than the planned

drawdowns from disposable investments. If necessary, the University has actions it could take, including the introduction of more stringent cost controls and adjustments to capital spending. The University has clearly demonstrated its ability to successfully take rapid mitigating actions in response to financial challenges for example during the pandemic.

The University has considered scenarios to reverse stress test the model under which it either utilises all cash and liquid investments or breaches loan covenants. These scenarios would require a significant reduction in forecast income with no mitigating actions. Tuition fee income would need to fall by more than c.£21 million in 2024/25 to breach the Lloyds loan covenants or reduce by more than 10 per cent over the period of the going concern assessment to fully exhaust all cash and cash equivalents.

After reviewing these forecasts, the Council is of the opinion that, based on the current considerable financial resources and the latest cash flow forecasts, the University will have sufficient funds to meet their liabilities as they fall due over the period to 31 July 2026.

3. Basis of consolidation

The consolidated financial statements combine the financial statements of the University and its subsidiary undertakings, all of which have 31 July year-ends, except the University of Birmingham School which has a financial year end of 31 August, Guangzhou ABC Education Information Consultancy Limited which has a financial year end of 31 December and Birmingham Global India Private Limited which has a financial year end of 31 March. Intra-group transactions are eliminated on consolidation.

The consolidated financial statements do not include the Guild of Students as the University does not exert control or have a dominant influence over policy decisions.

Where necessary, adjustments are made to the subsidiary financial information to align accounting policies.

As permitted under FRS 102, the University has taken advantage of the disclosure exemptions in respect of an institution-only cashflow statement.





4. Income recognition

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

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

Bursaries, scholarships and stipends that are common practice in specific markets or geographies in which the University operates are effectively a discount to gross tuition fee income and are debited to income over the period in which the students are studying.

Investment income is credited to the Statement of Comprehensive Income and Expenditure on a receivable basis.

Grant funding

Grant funding including the OfS block grant, research grants from government sources and grants (including research grants) from non-governmental sources are recognised as income when the University is entitled to the income and performance-related conditions have been met. Income received in advance of performance related conditions being met is recognised as deferred income within creditors and released to income as conditions are met.

Donations and endowments

Non-exchange transactions without performance-related conditions are donations and endowments. The University holds the following types of donations:

- i) Restricted donations – the donor has specified that the donation must be used for a particular objective.
- ii) Unrestricted permanent endowments – the donor has specified that the fund

is to be permanently invested and generate an income stream for the general benefit of the University.

- iii) Restricted expendable endowments – the donor has specified a particular objective other than fixed assets and the University has the power to use capital over the medium term.
- iv) Restricted permanent endowments – the donor has specified that the fund is to be permanently invested to generate an income stream to be applied to a particular objective.

Donations and endowments with donor-imposed restrictions are recognised as income on a receivable basis and retained within the restricted reserve until such time they are utilised in line with such restrictions at which point the income is released to general reserves through a reserve transfer.

Investment income and appreciation of endowments is recorded as income in the year in which it arises and is either restricted or unrestricted according to



the terms of instruction applied to the individual endowment.

Capital grants

Capital grants are recognised as income when the University is entitled to the funds subject to any performance-related conditions being met. Where grant-funded assets are in the course of construction the University considers on a case-by-case basis whether their construction constitutes a performance-related condition.

5. Accounting for retirement benefits

The principal pension schemes for the University's staff are the Universities Superannuation Scheme (USS) and, for support staff, the Group Personal Pension Scheme (GPPS). The University also operates the University of Birmingham Pension and Assurance Scheme (BPAS) for some support staff, which was closed to new members in 2002. The USS is a hybrid plan and BPAS is a defined benefit scheme. The GPPS is a defined contribution pension scheme. The University additionally

participates in the NHS pension schemes (NHSPS) and one of its subsidiaries is in a local government pension scheme (LGPS) and the Teachers Pension Scheme (TPS). The USS, NHSPS and LGPS are multi-employer schemes.

Defined contribution plans

A defined contribution plan is a post-employment benefit plan under which the University pays fixed contributions into a separate entity and has no legal or constructive obligation to pay further amounts. Obligations for contributions to defined contribution pension plans are recognised as an expense in the Statement of Comprehensive Income and Expenditure in the periods during which services are rendered by employees.

Defined benefit plans

Defined benefit plans are post-employment benefit plans other than defined contribution plans. Under defined benefit plans, the University's obligation is to provide the agreed benefits to current and former employees, and actuarial risk (that benefits will cost more or less than

expected) and investment risk (that returns on assets set aside to fund the benefits will differ from expectations) are borne in substance by the University.

The University recognises a liability for its obligations under defined benefit plans net of plan assets. This net defined benefit liability is measured as the estimated amount of benefit that employees have earned in return for their service in the current and prior periods, discounted to determine its present value, less the fair value (at bid price) of plan assets. Should a net defined benefit asset arise, this is not recognised. The calculation is performed by a qualified actuary using the projected unit credit method.

Multi-employer schemes

In accordance with section 28 'Employee Benefits' of FRS 102, where the University is unable to identify its share of the underlying assets and liabilities in a multi-employer scheme on a reasonable and consistent basis it accounts for the scheme as if it were a defined contribution scheme.

Hybrid plans

The USS is a hybrid plan, meaning that it is partly a defined benefit plan and partly a defined contribution plan. Members earn a defined benefit pension on salary up to a certain level and earn defined contribution benefits on salaries above this threshold.

Where a USS valuation determines that the scheme is in deficit on a technical provisions basis, the trustee of the scheme must agree a recovery plan that determines how each employer within the scheme will fund the overall deficit. The University recognises a liability for the contributions payable that rise from such an agreement (to the extent that they relate to a deficit) with related expenses being recognised through the Statement of Comprehensive Income and Expenditure. Further disclosures relating to the deficit recovery liability can be found in Notes 18 and 26.

6. 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 unused entitlement.

7. Leases

Where assets are financed by leasing arrangements that give rights approximating to ownership (finance leases), the assets are treated as if they had been purchased outright and the corresponding liability to the leasing company is included as an obligation under finance leases. Depreciation on leased assets is charged to the Statement of Comprehensive Income and Expenditure on the same basis as owned fixed assets. Leasing payments are treated as consisting of capital and interest elements and the interest is charged to the Statement of Comprehensive Income and Expenditure over the period of the lease.

Operating lease costs are charged on a straight-line basis over the lease term to the Statement of Comprehensive Income and Expenditure. Lease premiums or incentives are spread over the lease term.

8. Foreign currency

Transactions in foreign currencies are translated to sterling at the foreign exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the year-end are translated to sterling at the foreign exchange rate ruling at that date. Foreign exchange differences arising on translation are recognised in the Statement of Comprehensive Income and Expenditure.

9. Tangible fixed assets

Fixed assets are stated at cost or deemed cost less accumulated depreciation and accumulated impairment losses. Prior to the date of transition to FRS 102, a revaluation process was carried out by an independent valuer, Gerald Eve LLP, and the University revalued the land and buildings at fair value at the date of transition, 1 August 2014, with revised economic useful lives allocated to the individual assets. These values have been adopted as the deemed cost of these assets.

Land is not depreciated. Buildings are depreciated over their economic useful lives on a straight-line basis over a range of one to 76 years.

Major refurbishments are capitalised at cost and depreciated on a straight-line basis over ten years where they substantially add to the total area of the building or prolong its useful life or enhance the economic benefits of the building.

Equipment (including IT) is capitalised at cost and is depreciated over three years on a straight-line basis.

Assets under construction are not depreciated until they are ready for use and are represented as costs incurred to date.

Where factors exist that indicate the residual value, useful life and depreciation method of an asset may have changed since the last reporting date these are reviewed and revised as necessary.

10. Heritage assets

Heritage assets are works of art and other valuable artefacts, held principally for their contribution to knowledge and culture rather than for the University's operational use. Heritage assets acquired or donated since 1 August 1999 and valued over £25,000 have been capitalised and recognised at the cost or value of the acquisition, where such a cost or valuation is reasonably obtainable. Heritage assets acquired before 1 August 1999 have not been capitalised since reliable estimates of cost or value are not available on a cost-benefit basis.

Heritage assets are not depreciated as their long economic life and high residual value mean that any depreciation would not be material. The University's practice, in accordance with the national accreditation standards, is: to preserve, conserve and manage the objects in its care; to augment the collections where appropriate and within the resources available; to enable and encourage access to and use of the collections for teaching and research, and to enable wide access to and engagement with the collections by members of the public.

11. Intangible assets

Intangible assets represent significant software development costs for long-term use. Costs relating to the development and implementation of software projects have been capitalised either in full at the time of completion or as specific modules are completed and released. Research phases and associated training costs are expensed as incurred.



Costs are amortised over their useful economic life, being between three and ten years, and are subject to periodic impairment reviews as appropriate. For major IT systems the useful economic life is determined by the terms and duration of system licence contracts.

12. Investments

Where fair value cannot be measured reliably, investments are measured at cost less impairment.

Current asset investments are held at fair value with movements recognised in the Statement of Comprehensive Income and Expenditure.

13. Investment properties

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

14. Stock

Stock is held at the lower of cost and net realisable value. Consumable items are charged directly to the Statement of Comprehensive Income and Expenditure.

15. Cash and cash equivalents

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

Cash equivalents are short-term, highly liquid investments that are readily convertible (within 90 days) to known amounts of cash with insignificant risk of change in value.

16. Provisions

Provisions are recognised in the financial statements when the University has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

17. Taxation

The University is an exempt charity within the meaning of Part 3 of the Charities Act 2011. It is, therefore, a charity within the meaning of Paragraph 1 of Schedule 6 to the Finance Act 2010 and accordingly, the University is potentially exempt from taxation in respect of income or capital gains received within categories covered by sections 478–488 of the Corporation Tax Act 2010 (CTA 2010) or section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied to exclusively charitable purposes. The University receives no exemption in respect of Value Added Tax (VAT). Irrecoverable VAT on inputs is included in the costs of such inputs. Any irrecoverable VAT related to fixed assets is included in their cost.

The University's subsidiaries are liable to corporation tax in the same way as any other commercial organisation. Within these subsidiaries deferred tax is provided in full on timing differences which result in an obligation at the year-end to pay more tax, or a right to pay less tax, at a future date, at rates expected to apply when they crystallise based on current rates and law. Timing differences arise from the inclusion of items of income and expenditure in taxation computations in periods different from those in which they are included in financial statements. Deferred tax assets are recognised only if they are more likely than not to be recovered. Deferred tax assets and liabilities are not discounted.

18. 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.

a) Financial assets and 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. 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 Statement of Financial Position 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.

Debt instruments which meet the conditions of being 'basic' financial instruments as defined in FRS 102 are subsequently measured at amortised cost using the effective interest method. Debt instruments that have no stated interest rate (and do not constitute a financing transaction) and are classified as payable or receivable within one year are initially measured at an undiscounted amount of the cash or other consideration expected to be paid or received, net of impairment. With the exception of some hedging instruments, other debt instruments, held for trading, are measured at fair value through profit or loss.



Commitments to make and receive loans which meet the conditions mentioned above are measured at cost (which may be nil) less impairment. Financial assets are derecognised when:

- (i) the contractual rights to the cash flows from the financial asset expire or are settled;
- (ii) the University transfers to another party substantially all of the risks and rewards of ownership of the financial asset; or
- (iii) the University, despite having retained some, but not all, significant risks and rewards of ownership, has transferred control of the asset to another party. Financial liabilities are derecognised only when the obligation specified in the contract is discharged, cancelled or expires.

(b) Investments

Any investments in non-convertible preference shares and non-puttable ordinary or preference shares (where shares are publicly traded or their fair value is reliably measurable) are measured at fair value through profit or loss. Where fair value cannot be measured reliably, investments are measured at cost less impairment.

In the University's Statement of Financial Position, investments in subsidiaries are measured at cost less impairment.

(c) Derivative financial instruments

The University uses derivative financial instruments to reduce exposure to interest rate and exchange rate movements. The University does not hold or issue derivative financial instruments for speculative purposes. Derivatives are initially recognised at fair value at the date a derivative contract is entered into and are subsequently re-measured to their fair value at each reporting date. The resulting gain or loss is recognised in profit or loss immediately unless the derivative is designated and effective as a hedging instrument.

(d) Fair value measurement

The best evidence of fair value is a quoted price for an identical asset in an active market. When quoted prices are unavailable, the price of a recent transaction for an identical asset provides evidence of fair value as long as there has not been a significant change in economic

circumstances or a significant lapse of time since the transaction took place. If the market is not active and recent transactions of an identical asset on their own are not a good estimate of fair value, the fair value is estimated by using a valuation technique.

19. Impairment of assets

Assets, other than those measured at fair value, are assessed for indicators of impairment at each reporting date.

Non-financial assets

If events or changes in circumstances indicate that the carrying amount may not be recoverable, a calculation of the impact is completed and arising impairment values charged against the asset and to the Statement of Comprehensive Income and Expenditure. The recoverable amount of an asset is the higher of its fair value less costs to sell and its value in use.

Financial assets

For financial assets carried at amortised cost, the impairment loss is the difference between the carrying amount of the asset

and the present value of the estimated future cash flows, discounted at the asset's original effective interest rate.

For financial assets carried at cost less impairment, the impairment loss is the difference between the asset's carrying amount and the best estimate of the amount that would be received for the asset if it were to be sold at the reporting date. Where indicators exist for a decrease in impairment loss, and the decrease can be related objectively to an event occurring after the impairment was recognised, the prior impairment loss is tested to determine reversal. An impairment loss is reversed on an impaired financial asset to the extent that the revised recoverable value does not exceed the carrying value had no impairment been recognised.

20. Reserves

Reserves are classified as restricted or unrestricted. Restricted endowment reserves include balances which, through

endowment to the University, are held as a restricted fund which the University must hold in perpetuity. Other restricted reserves include balances where the donor has designated a specific purpose and therefore the University is restricted in the use of these funds. Unrestricted reserves are funds that are freely available to spend on any of the University's activities.

21. Agency arrangements

In accordance with section 23 'Revenue' of FRS 102, funds that the University receives and disburses as paying agent on behalf of a funding body (where the University is exposed to minimal risks or enjoys minimal economic benefit related to the transaction) are excluded from income in the Statement of Comprehensive Income and Expenditure.

22. Service concession arrangements

Fixed assets held under service concession arrangements are recognised in the

Statement of Financial Position at the present value of the minimum lease payments when the assets are bought into use with a corresponding financial liability.

Payments under the service concession arrangement are allocated between service costs, finance charges and financial liability repayments as appropriate to reduce the financial liability to nil over the life of the arrangement.

23. Critical accounting judgements and key sources of estimation uncertainty

In the application of the accounting policies, the University is required to make estimations and judgements that have a significant impact on the amounts recognised. The estimates and associated judgements are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis.

Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Three significant judgements have been identified:

- i) Judgements on the recoverability of aged trade receivables based on the knowledge of the individuals or market. Where conditions suggest the full recoverability is doubtful, a provision will be recognised. At 31 July 2024 a provision is held within trade and other receivables of £10.7 million (2022/23: £11 million).
- ii) Judgements in the amounts recognised in deferred income with regards to the Pritchatts Park design, build and operate project. In 2021/22 a total consideration of £47.8 million was received on granting a 53-year lease of the Pritchatts Park site. This capital consideration was treated as

deferred income to be released over the life of the lease.

At 31 July 2024, £31.8 million (2022/23: £32.4 million) of the capital consideration is held as deferred income, reflecting the University's land interest three years into the lease term. A total of £0.6 million (2022/23: £0.6 million) has been recognised in gain/ (loss) on disposal of fixed assets in the year reflecting 1/53rd of the deferred capital consideration.

- iii) Judgements as to whether any indicators of impairment are present for any of the University's assets. The University impaired one building in the year resulting in a charge of £2.6 million. This building is scheduled for demolition. No further impairments were identified.

There are two key sources of estimation uncertainty:

- i) Assumptions underlying the calculation of the BPAS pension deficit liability have

been informed by independent actuarial assessment. The brought forward provision was £20.7 million. At 31 July 2024 this reduced to a liability of £17.4 million, reflecting changes in assumptions during the year. Further details are provided in Notes 18 and 26.

- ii) At 31 July 2023, the University recognised a liability of £269 million for future contributions payable under the USS deficit recovery agreement, following the 2020 valuation when the scheme was in deficit. No deficit recovery plan was required from the 2023 valuation, because the scheme was in surplus. Changes to contribution rates were implemented from 1 January 2024 and from that date the University was no longer required to make deficit recovery contributions. The remaining liability of £268 million was released to the Statement of Comprehensive Income and Expenditure. Further disclosures relating to the deficit recovery liability can be found in Notes 18 and 26.

Consolidated and Institution Statement of Comprehensive Income and Expenditure

Year ended 31 July 2024

		Year ended 31 July 2024		Year ended 31 July 2023	
	Notes	Consolidated	Institution	Consolidated	Institution
		£'000	£'000	£'000	£'000
Income					
Tuition fees and education contracts	1	456,277	456,277	445,050	445,050
Funding body grants	2	109,522	109,522	112,852	112,852
Research grants and contracts	3	205,187	205,187	196,726	196,726
Other income	4	150,809	132,221	154,697	135,083
Investment income	5	13,668	13,438	9,802	9,798
Total income before endowments and donations		935,463	916,645	919,127	899,509
Donations and endowments	6	9,338	9,338	9,589	9,589
Total income		944,801	925,983	928,716	909,098
Expenditure					
Staff costs excluding movement in the USS provision*	7	511,741	499,095	484,387	470,275
USS provision movement	7	(267,837)	(267,837)	(54,769)	(54,769)
Total staff costs	7	243,904	231,258	429,618	415,506
Other operating expenses		381,545	378,833	361,891	372,700
Depreciation and amortisation	11,12	98,998	97,380	86,716	84,216
Impairment	12	2,641	2,641	-	-
Interest and other finance costs	8	16,397	16,397	12,299	12,299
Total expenditure	9	743,485	726,509	890,524	884,721
Surplus before other gains and losses		201,316	199,474	38,192	24,377
Gain/(loss) on disposal of fixed assets		324	324	(15,694)	636
Gain/(loss) on investments	13	10,240	10,240	(2,610)	(2,610)
Surplus before tax		211,880	210,038	19,888	22,403
Corporation tax	10	-	-	-	-
Surplus for the year		211,880	210,038	19,888	22,403

	<i>Notes</i>	Year ended 31 July 2024		Year ended 31 July 2023	
		Consolidated	Institution	Consolidated	Institution
				£'000	£'000
Actuarial loss in respect of pension schemes	26	(5,597)	(6,000)	(27,475)	(27,400)
Total comprehensive income/(expenditure) for the year		206,283	204,038	(7,587)	(4,997)
Represented by:					
Endowment comprehensive income for the year		13,290	13,290	4,286	4,286
Restricted comprehensive (expenditure)/income for the year		(643)	108	11,284	321
Unrestricted comprehensive income/(expenditure) for the year		193,636	190,640	(23,157)	(9,604)
Total comprehensive income/(expenditure) for the year		206,283	204,038	(7,587)	(4,997)

* The Universities Superannuation Scheme (USS) provides defined benefits for members and the University contributes through a scheme-wide contribution rate. When the scheme is in deficit the University recognises a liability. The deficit provision movement has decreased staff costs by £268 million (2022/23: £55 million decrease) as outlined in Notes 18 and 26.

All items of income and expenditure relate to continuing activities. The notes on pages 64-104 form part of these financial statements.

Consolidated and Institution Statement of Changes in Reserves

Year ended 31 July 2024

Consolidated

	Notes	Income and Expenditure account			Total
		Endowment	Restricted	Unrestricted	
		£'000	£'000	£'000	£'000
Balance at 1 August 2022 (restated in prior year)		138,015	17,677	980,303	1,135,995
Surplus/(deficit) for the year		6,504	17,182	(16,706)	6,980
Other comprehensive expenditure		-	-	(27,475)	(27,475)
Release of restricted funds spent in year	21,22	(2,218)	(18,806)	21,024	-
Negative goodwill recognised on wind down of subsidiary		-	12,908	-	12,908
Total comprehensive income/(expenditure) for the year		4,286	11,284	(23,157)	(7,587)
Other movements	21,22	186	(11)	(174)	1
Balance at 31 July 2023		142,487	28,950	956,972	1,128,409
Surplus for the year		16,084	17,840	177,956	211,880
Other comprehensive expenditure		-	-	(5,597)	(5,597)
Release of restricted funds spent in year	21,22	(2,794)	(18,483)	21,277	-
Total comprehensive income/(expenditure) for the year		13,290	(643)	193,636	206,283
Other movements	21,22	-	16	(16)	-
Balance at 31 July 2024		155,777	28,323	1,150,592	1,334,692

Institution

	<i>Notes</i>	Income and Expenditure account			Total
		Endowment	Restricted	Unrestricted	
		£'000	£'000	£'000	£'000
Balance at 1 August 2022 (restated in prior year)		138,015	11,357	961,246	1,110,618
Surplus for the year		6,504	8,848	7,051	22,403
Other comprehensive expenditure		-	-	(27,400)	(27,400)
Release of restricted funds spent in year	21,22	(2,218)	(8,527)	10,745	-
Total comprehensive income/ (expenditure) for the year		4,286	321	(9,604)	(4,997)
Other movements	21,22	186	(11)	(175)	-
Balance at 31 July 2023		142,487	11,667	951,467	1,105,621
Surplus for the year		16,084	8,896	185,058	210,038
Other comprehensive expenditure		-	-	(6,000)	(6,000)
Release of restricted funds spent in year	21,22	(2,794)	(8,788)	11,582	-
Total comprehensive income for the year		13,290	108	190,640	204,038
Other movements	21,22	-	16	(16)	-
Balance at 31 July 2024		155,777	11,791	1,142,091	1,309,659

Consolidated and Institution Statement of Financial Position

Year ended 31 July 2024

		As at 31 July 2024		As at 31 July 2023	
	Notes	Consolidated £'000	Institution £'000	Consolidated £'000	Institution £'000
Non-current assets					
Intangible assets	11	23,531	23,526	24,700	24,700
Fixed assets	12	1,415,922	1,388,612	1,461,914	1,434,924
Heritage assets	12a	549	549	549	549
Investments	13	144,204	148,307	224,807	230,351
		1,584,206	1,560,994	1,711,970	1,690,524
Current assets					
Stocks for resale		247	197	363	316
Trade and other receivables	14	187,866	190,974	197,888	197,078
Cash and cash equivalents		196,303	183,734	126,109	113,335
		384,416	374,905	324,360	310,729
Creditors					
Amounts falling due within one year	15	(344,778)	(337,088)	(343,900)	(331,761)
Net current assets/(liabilities)		39,638	37,817	(19,540)	(21,032)
Total assets less current liabilities		1,623,844	1,598,811	1,692,430	1,669,492
Creditors: amounts falling due after more than one year	16	(271,752)	(271,752)	(274,424)	(274,424)
Provisions					
Pension provisions	18	(17,400)	(17,400)	(289,597)	(289,447)
Total net assets		1,334,692	1,309,659	1,128,409	1,105,621

		As at 31 July 2024		As at 31 July 2023	
	Notes	Consolidated	Institution	Consolidated	Institution
				£'000	£'000
Restricted reserves					
Income and expenditure reserve – endowment reserves	21	155,777	155,777	142,487	142,487
Income and expenditure reserve – restricted	22	28,323	11,791	28,950	11,667
Unrestricted reserves					
Income and expenditure reserve		1,150,592	1,142,091	956,972	951,467
Total reserves		1,334,692	1,309,659	1,128,409	1,105,621

The financial statements were approved by Council on 27 November 2024 and were signed on its behalf on that date by:

Professor Adam Tickell, Vice-Chancellor and Principal

Mr Mervyn Walker, Chair

The notes on pages 64-104 form part of these financial statements.

Consolidated Statement of Cash Flows

Year ended 31 July 2024

	Notes	Year Ended 31 July 2024 £'000	Year Ended 31 July 2023 £'000
Cash flow from operating activities			
Surplus for the year		211,880	19,888
Adjustment for non-cash items			
Depreciation and amortisation	11, 12	98,998	86,716
Impairment	12	2,641	-
(Gain)/loss on investments	13	(10,240)	2,610
Decrease in stock		116	34
Decrease in debtors		10,022	691
Increase in creditors		1,509	2,299
Increase/(decrease) in long term creditors		287	(8,458)
Decrease in pension provisions		(284,844)	(61,599)
Adjustment for capital payments		(593)	(2,450)
Adjustment for wind-down of subsidiary		-	(14,005)
Investment income	5	(13,668)	(9,802)
Interest payable	8	16,397	12,299
Endowment income	21	(735)	(564)
(Gain)/loss on the sale of fixed assets		(324)	15,694
Capital grant income		(8,103)	(19,132)
Net cash inflow from operating activities		23,343	24,221
Cash flows from investing activities			
Capital grants receipts		8,103	12,505
Disposal of non-current asset investments	13	192,763	2,928
Investment income		13,668	9,802
Payments made to acquire fixed assets		(36,367)	(81,166)
Payments made to acquire intangible assets	11	(9,396)	(4,661)
Payments made to acquire non-current asset investments	13	(103,986)	(14,130)
Net cash outflow from investing activities		64,785	(74,722)

	Notes	Year Ended 31 July 2024 £'000	Year Ended 31 July 2023 £'000
Cash flows from financing activities			
Interest paid		(7,801)	(8,334)
Endowment cash received		735	564
New unsecured loans		-	-
Repayments of amounts borrowed		(4,242)	(4,263)
Capital element service concession payments		(6,626)	(3,395)
Net cash outflow from financing activities		(17,934)	(15,428)
Increase/(decrease) in cash and cash equivalents in the year		70,194	(65,929)
Cash and cash equivalents at beginning of the year		126,109	192,038
Cash and cash equivalents at end of the year		196,303	126,109

Consolidated reconciliation of net debt	£'000
Net debt 1 August 2023	(121,052)
Movement in cash and cash equivalents	70,194
Other non-cash changes	5,570
Changes in market value	213
Net debt 31 July 2024	(45,075)
Change in net debt	75,977

Analysis of net debt		
Cash and cash equivalents	196,303	126,109
Borrowings: amounts falling due within one year		
Unsecured loans	(4,083)	(7,330)
Derivatives	(346)	(559)
Borrowings: amounts falling due after more than one year		
Unsecured loans	(236,949)	(239,272)
Net debt	(45,075)	(121,052)



Notes to the financial statements

for the year ended 31 July 2024

	Year ended 31 July 2024		Year ended 31 July 2023	
	Consolidated	Institution	Consolidated	Institution
	£'000	£'000	£'000	£'000
1. Tuition fees and education contracts				
Undergraduate tuition – home students	172,957	172,957	173,043	173,043
Undergraduate tuition – other students	118,312	118,312	108,094	108,094
Postgraduate tuition – home students	37,393	37,393	38,578	38,578
Postgraduate tuition – other students	125,695	125,695	124,132	124,132
Other courses	1,920	1,920	1,203	1,203
	456,277	456,277	445,050	445,050
2. Funding body grants				
Recurrent grants:				
Office for Students (OfS)	34,084	34,084	32,723	32,723
Research England	55,323	55,323	53,083	53,083
OfS Capital grant	50	50	100	100
Research England Capital grant	7,394	7,394	9,800	9,800
Specific grants:				
Higher Education Innovation Fund	6,358	6,358	6,161	6,161
Department for Education	17	17	27	27
OfS other	685	685	2,172	2,172
Research England other	5,611	5,611	8,786	8,786
	109,522	109,522	112,852	112,852
2a. Grant and Fee Income				
The source of grant and fee income, included in Notes 1 and 2 is as follows:				
Grant income from the OfS	34,819	34,819	34,995	34,995
Grant income from other bodies	74,703	74,703	77,857	77,857
Fee income for taught awards (exclusive of VAT)	454,357	454,357	443,847	443,847
Fee income from non-qualifying courses (exclusive of VAT)	1,920	1,920	1,203	1,203
	565,799	565,799	557,902	557,902

	Year ended 31 July 2024		Year ended 31 July 2023	
	Consolidated	Institution	Consolidated	Institution
	£'000	£'000	£'000	£'000
3. Research grants and contracts				
Research Councils	74,277	74,277	67,235	67,235
UK-based charities	32,442	32,442	32,420	32,420
UK Central/local government, health and hospital authorities	48,279	48,279	47,673	47,673
UK industry, commerce and public corporations	15,623	15,623	13,582	13,582
EU government bodies	7,232	7,232	13,910	13,910
EU other	5,578	5,578	4,316	4,316
Other overseas	20,060	20,060	16,453	16,453
Other sources	1,696	1,696	1,137	1,137
	205,187	205,187	196,726	196,726
4. Other income				
Residences, catering and conferences	62,693	51,478	51,433	43,579
Other services rendered	12,120	8,161	8,762	6,354
Health Authority-funded external posts	16,650	16,650	15,388	15,388
Other capital grants	659	659	9,232	9,232
Student support	12,558	12,558	12,254	12,254
Sport	6,617	6,617	6,128	6,128
External funding	15,359	6,448	15,928	7,594
Day Nurseries	3,403	3,403	3,450	3,450
Other income	20,750	26,247	26,899	25,881
Commonwealth Games	-	-	5,223	5,223
	150,809	132,221	154,697	135,083
Other income includes miscellaneous sales and grant income, rental income and VAT refunds.				
5. Investment income				
Investment income on endowments	5,165	5,165	4,177	4,177
Other investment income	8,503	8,273	5,625	5,621
	13,668	13,438	9,802	9,798
6. Donations and endowments				
New endowments	735	735	564	564
Donations with restrictions	4,497	4,497	5,160	5,160
Unrestricted donations	4,106	4,106	3,865	3,865
	9,338	9,338	9,589	9,589



	Year ended 31 July 2024		Year ended 31 July 2023	
	Consolidated	Institution	Consolidated	Institution
	£'000	£'000	£'000	£'000
7. Staff costs				
Salaries	409,530	399,171	380,426	368,997
Social security costs	41,192	40,208	39,155	38,061
Movement on USS pension provision	(267,837)	(267,837)	(54,769)	(54,769)
Other pension costs	61,019	59,716	64,806	63,217
	243,904	231,258	429,618	415,506

Compensation for loss of office (including voluntary severance) of £1.8 million was paid in 2023/24 (2022/23: £0.6 million) and this relates to 58 employees (2022/23: 23). The increase is the result of a small number of severance operations across the University to help us match our resources to key programmes.

	2024 Professor Adam Tickell	2023 Professor Adam Tickell
Emoluments of the Vice-Chancellor:	£'000	£'000
Salary	351	342
Payments in lieu of pension	48	46
Taxable benefit (utilities and other costs associated with use of a property)	17	19
	416	407

The University paid deficit contributions of £9,000 (2022/23: £21,000) to the USS pension scheme in respect of the Vice Chancellor's enhanced opt-out status, which provides for ill health and death in service cover. In line with the revised Schedule of Contributions for USS, this decreased from 6.3% (August 2023 to December 2023) to nil in January 2024 following the end of the deficit recovery plan.

The process of Remuneration Committee to determine the remuneration of the Vice-Chancellor is set out in the Corporate Governance Statement.

The Vice-Chancellor's basic salary is 7.9 times the median pay of staff (2022/23: 7.9 times), where the median pay is calculated on a full-time equivalent basis for the salaries paid by the University to its staff.

The Vice-Chancellor's total remuneration is 8 times (2022/23: 8.9 times) the median total remuneration of staff, where the median total remuneration is calculated on a full-time equivalent basis for the total remuneration by the University of its staff.

In calculating the pay multiples, only staff included in real-time reporting to HMRC are considered, all funding received as part of external funding agreements are excluded from the calculation, as are those not in receipt of a basic salary payment. Agency paid staff are excluded.

	Year ended 31 July 2024		Year ended 31 July 2023	
	Consolidated	Institution	Consolidated	Institution
Staff full-time equivalents (FTE) numbers by major category:	FTEs	FTEs	FTEs	FTEs
Academic, Clinical Academic and Administrative	6,199	6,124	5,793	5,710
Other, including Technical, Clerical and Manual	2,340	2,118	2,225	2,046
	8,539	8,242	8,018	7,756

Trustees

The total expenses paid to or on behalf of 13 (2022/23: 10) Council members was £5,621 (2022/23: £4,981). This represents travel and subsistence expenses incurred in attending Council committee meetings and events in their official capacity as Council members. No payments or other benefits have been received by Council members in respect of their services.

Key management personnel

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the University and are represented as the University Executive Board (UEB).

In the year, UEB consisted of the Vice-Chancellor and Principal, Provost and Vice-Principal, Pro-Vice-Chancellor (Education), Pro-Vice-Chancellor (Research), Pro-Vice-Chancellor (International), Pro-Vice-Chancellor and Head of College (Life and Environmental Sciences), Pro-Vice-Chancellor and Head of College (Arts and Law), Pro-Vice-Chancellor and Head of College (Engineering and Physical Sciences), Pro-Vice-Chancellor and Head of College (Medicine and Health), Pro-Vice-Chancellor and Head of College (Social Sciences), Registrar and Secretary and Chief Operating Officer and the Chief Financial Officer.

Institution

	Year ended 31 July 2024	Year ended 31 July 2023
	£'000	£'000
Key management personnel compensation	2,610	2,515

Other higher-paid staff

Remuneration of higher-paid staff other than the Vice-Chancellor (including members of UEB) accounted for in the Comprehensive Statement of Income and Expenditure is set out on the following page.

Some staff, who are not in the USS pension scheme and do not therefore receive the employer's contribution, receive instead as part of their salary a 13.7 per cent cash payment in lieu of pension. The remuneration figures below are presented in line with the requirements of accounting standards and therefore do not include any employer pension contributions, but do include cash payments in lieu of pension. To make a meaningful comparison, approximately 20 per cent (2022/23: approximately 20 per cent) would need to be added to those staff for whom the University is making pension contributions and comparison figures adjusted for those staff who have opted out of pension schemes.

Staff on clinical pay scales received NHS pay awards in both years.

The number of higher-paid staff members has increased by 61 (2022/23: 41). A total of 44 (2022/23: 33) members of staff were included in the disclosure for this first time as a result of the annual pay award, promotion and progression within the salary scale as a result of time served in their current role. There is also an element relating to the recruitment of new roles part way through 2022/23 that have entered the disclosure for the first time this year.

	Year ended 31 July 2024	Year ended 31 July 2023
	No.	No.
£100,000.00 to £104,999.99	55	40
£105,000.00 to £109,999.99	29	30
£110,000.00 to £114,999.99	44	25
£115,000.00 to £119,999.99	20	36
£120,000.00 to £124,999.99	21	11
£125,000.00 to £129,999.99	28	10
£130,000.00 to £134,999.99	13	7
£135,000.00 to £139,999.99	8	5
£140,000.00 to £144,999.99	6	5
£145,000.00 to £149,999.99	2	6
£150,000.00 to £154,999.99	9	6
£155,000.00 to £159,999.99	8	4
£160,000.00 to £164,999.99	4	1
£165,000.00 to £169,999.99	1	1
£170,000.00 to £174,999.99	1	2
£175,000.00 to £179,999.99	2	1
£180,000.00 to £184,999.99	1	-
£185,000.00 to £189,999.99	-	1
£190,000.00 to £194,999.99	1	2
£200,000.00 to £204,999.99	1	-
£205,000.00 to £209,999.99	1	-
£230,000.00 to £234,999.99	-	2
£235,000.00 to £239,999.99	2	-
£245,000.00 to £249,999.99	-	1
£250,000.00 to £254,999.99	1	-
	258	196

	Year ended 31 July 2024		Year ended 31 July 2023	
	Consolidated	Institution	Consolidated	Institution
	£'000	£'000	£'000	£'000
8. Interest and other finance costs				
Loan interest	7,680	7,680	7,917	7,917
Increase/(decrease) in fair value of derivatives	1,546	1,546	(6,464)	(6,464)
Swap interest	-	-	111	111
BPAS interest charge	900	900	-	-
USS interest charge	6,150	6,150	10,429	10,429
Investment fees	121	121	306	306
	16,397	16,397	12,299	12,299
9a. Analysis of total expenditure by activity				
Academic and related expenditure	344,576	344,576	316,508	316,508
Administration and central services	216,523	204,448	230,552	222,149
Premises	106,009	104,391	78,532	77,799
Residences, catering and conferences	37,645	32,905	37,232	32,484
Research grants and contracts	222,294	222,294	211,546	211,546
Other operating expenses	84,275	85,732	70,923	79,004
USS pension movement	(267,837)	(267,837)	(54,769)	(54,769)
	743,485	726,509	890,524	884,721
Other operating expenses include:				
External auditor's remuneration in respect of audit services	1,045	717	841	594
External auditor's remuneration in respect of non-audit services	37	34	223	223
Operating lease payments	15,306	15,306	15,745	15,745

The consolidated external auditor's remuneration in respect of audit services includes £777,000 fees payable to Ernst & Young LLP and £268,000 payable to other auditing firms for subsidiary engagements.

9b. Access and Participation

	Year ended 31 July 2024		Year ended 31 July 2023	
	Consolidated	Institution	Consolidated	Institution
	£'000	£'000	£'000	£'000
Access Investment	2,264	2,264	3,973	3,973
Financial Support	10,398	10,398	9,055	9,055
Disability Support	1,144	1,144	1,174	1,174
Research and Evaluation	612	612	315	315
	14,418	14,418	14,517	14,517

The costs for access and participation relate to the agreed OfS Access and Participation plan (available at birmingham.ac.uk/university/equality/widening-participation) and is part of enabling the University to charge higher fees for UK undergraduate courses. The plan commenced in 2020/21 and continues through to 2024/25.

Included in the above are staff costs of £2.7 million (2022/23: £2.3 million) which are included with the staff costs in Note 7. These were spent on access investment £1.6 million (2022/23: £1.4 million), disability support £0.5 million (2022/23: £0.6 million) and research and evaluation £0.6 million (2022/23: £0.3 million).

Access investment includes activity funded by higher fee income and other sources and relates to outreach, summer schools and scholarships. Financial support includes financial packages (funded by higher fee income) and hardship funds (funded by OfS student premium). Disability support includes activity funded by higher fee income and OfS student premium. In accordance with the plan, 20 per cent overhead has been allocated to staff costs for plan activity and 20 per cent of student recruitment and admission costs have been included. The overall expenditure in 2023/24 has decreased by £0.1 million (2022/23: no change).

10. Taxation

There are no tax charges for the University of Birmingham in 2023/24 (2022/23: £nil).

11. Intangible assets	Assets in the course of construction	Intangible assets	Total
Consolidated	£'000	£'000	£'000
Cost or valuation			
At 1 August 2023	18,690	32,741	51,431
Additions	9,396	12	9,408
Transfers	(11,499)	11,499	-
At 31 July 2024	16,587	44,252	60,839
Amortisation			
At 1 August 2023	-	26,731	26,731
Charge for the year	-	10,577	10,577
At 31 July 2024	-	37,308	37,308
Carrying amount			
At 31 July 2024	16,587	6,944	23,531
At 31 July 2023	18,690	6,010	24,700

Institution

Cost or valuation			
At 1 August 2023	18,690	32,741	51,431
Additions	9,396	-	9,396
Transfers	(11,499)	11,499	-
At 31 July 2024	16,587	44,240	60,827
Amortisation			
At 1 August 2023	-	26,731	26,731
Charge for the year	-	10,570	10,577
At 31 July 2024	-	37,301	37,308
Carrying amount			
At 31 July 2024	16,587	6,939	23,526
At 31 July 2023	18,690	6,010	24,700

Intangible assets represent costs incurred in relation to Core, which redesigned finance, HR, payroll, and research grant management processes through a cloud-based system. Assets in the course of construction relate to an upgrade to the student record system (StARS) and a new student acquisition system (TSAP). The first phase of the StARS and TSAP projects went live during the year and this is reflected in the transfer from assets under construction to intangible assets.

12. Fixed Assets	Freehold land and buildings	Leasehold land and buildings	Major refurbishment	Equipment	Assets in the course of construction	Total
Consolidated	£'000	£'000	£'000	£'000	£'000	£'000
Cost						
At 1 August 2023	1,459,299	45,911	160,903	89,584	126,003	1,881,700
Additions	-	10,645	329	18,522	17,875	47,371
Transfers	91,988	-	4,662	6,872	(103,522)	-
Other movements	1,399	-	-	(866)	-	533
Disposals	(245)	(1,735)	(97)	(16)	-	(2,093)
At 31 July 2024	1,552,441	54,821	165,797	114,096	40,356	1,927,511
Depreciation						
At 1 August 2023	274,545	13,978	90,578	40,685	-	419,786
Charge for the year	38,584	6,694	16,397	26,746	-	88,421
Impairment	2,641	-	-	-	-	2,641
Other movements	(3,859)	3,383	1,836	(514)	-	846
Disposals	(52)	-	(53)	-	-	(105)
At 31 July 2024	311,859	24,055	108,758	66,917	-	511,589
Net book value						
At 31 July 2024	1,240,582	30,766	57,039	47,179	40,356	1,415,922
At 31 July 2023	1,184,754	31,933	70,325	48,899	126,003	1,461,914

At 31 July 2024, freehold land and buildings included £216.7 million (2022/23: £216.5 million) in respect of freehold land and is not depreciated.

In December 2021 the University entered into a design, build, finance and operate arrangement (DBFO) with an experienced developer to provide student housing (both a new build and refurbishment of existing accommodation) and a car park at the current site on Pritchatts Road. The developer will lease, maintain and operate the student village, Pritchatts Park, for a period of 53 years. A special purpose vehicle has been set up to procure the development and maintenance of the project, in which the University has a 10 per cent equity stake. Leasehold additions of £9.1 million were recognised in the year reflecting rooms the University has nominated for the period to 31 July 2025. The net book value at 31 July 2024 is £9.1 million (2022/23: £4.6 million).

An impairment charge of £2.6 million (2022/23: £nil) has been recognised in respect of the Hills building. As at 31 July 2024, the building was unoccupied and is scheduled for demolition as part of the Estates and Campus Strategy.

	Freehold land and buildings	Leasehold land and buildings	Major refurbishment	Equipment	Assets in the course of construction	Total
Institution	£'000	£'000	£'000	£'000	£'000	£'000
Cost						
At 1 August 2023	1,421,476	45,911	160,903	89,117	126,003	1,843,410
Additions	-	9,130	-	16,701	17,875	43,706
Transfers	91,988	-	4,662	6,872	(103,522)	-
Other movements	1,399	-	-	(866)	-	533
Disposals	(245)	-	(97)	-	-	(342)
At 31 July 2024	1,514,618	55,041	165,468	111,824	40,356	1,887,307
Depreciation						
At 1 August 2023	264,040	13,231	90,578	40,637	-	408,486
Charge for the year	38,363	5,365	16,391	26,691	-	86,810
Impairment	2,641	-	-	-	-	2,641
Other movements	(3,461)	4,821	1	(514)	-	847
Disposals	(52)	-	(37)	-	-	(89)
At 31 July 2024	301,531	23,417	106,933	66,814	-	498,695
Net book value						
At 31 July 2024	1,213,087	31,624	58,535	45,010	40,356	1,388,612
At 31 July 2023	1,157,436	32,680	70,325	48,480	126,003	1,434,924

12a. Heritage assets

	31 July 2024	31 July 2023
Consolidated and Institution	£'000	£'000
At 1 August	549	549
Acquisition	-	-
Disposals	-	-
At 31 July	549	549

As stated in the Statement of Accounting Policies, heritage assets acquired or donated since 1 August 1999 have been capitalised. Heritage assets acquired prior to this have not been capitalised as reliable estimates of cost or valuation are not available on a cost-benefit basis.

13. Investments

	Subsidiary companies	Investment in spinouts	Other non- current asset investments	Endowment asset investments	Investment Properties	Total
	£'000	£'000	£'000	£'000	£'000	£'000
Consolidated						
At 1 August 2023	-	3,273	101,053	120,481	-	224,807
Additions	-	375	1,479	102,132	-	103,986
Disposals	-	-	(101,830)	(90,933)	-	(192,763)
Transfers	-	-	12,182	(12,182)	-	-
Revaluation	-	(651)	2,187	6,638	-	8,174
At 31 July 2024	-	2,997	15,071	126,136	-	144,204
Institution						
At 1 August 2023	5,530	3,273	101,067	120,481	-	230,351
Additions	-	375	38	102,132	-	102,545
Disposals	-	-	(101,830)	(90,933)	-	(192,763)
Transfers	-	-	12,182	(12,182)	-	-
Revaluation	-	(651)	2,187	6,638	-	8,174
At 31 July 2024	5,530	2,997	13,644	126,136	-	148,307

Other non-current asset investments class includes University holdings in a number of investment funds and companies which are held at fair value. In the endowment asset investment class, the University holds a number of investments which are held at fair value.

During the year the University implemented an OCIO (Outsourced Chief Investment Officer) model to manage elements of its investment portfolio. This transition resulted in the drawdown, transfer and reinvestment of a number of holdings.

14. Trade and other receivables

	31 July 2024		31 July 2023	
	Consolidated	Institution	Consolidated	Institution
	£'000	£'000	£'000	£'000
Amounts falling due within one year:				
Research grants receivables	102,762	102,762	100,018	100,018
Other trade receivables	46,598	45,246	53,457	51,775
Other receivables	1,996	1,764	5,098	4,564
Prepayments and accrued income	36,035	36,957	37,740	36,565
Amounts due from subsidiary companies	-	1,870	-	2,281
	187,391	188,599	196,313	195,203
Amounts falling due after one year:				
Other debtors and prepayments	475	475	1,575	1,575
Amounts receivable from subsidiary companies	-	1,900	-	300
	187,866	190,974	197,888	197,078

15. Creditors: amounts falling due within one year

	31 July 2024		31 July 2023	
	Consolidated	Institution	Consolidated	Institution
	£'000	£'000	£'000	£'000
Research grants received on account	150,709	150,709	152,732	152,732
Unsecured loans	4,083	4,083	7,330	4,242
Service concession liabilities	9,130	9,130	6,301	6,301
Trade payables	75,955	74,492	57,374	55,679
Social security and other taxation payable	11,894	11,099	14,256	13,457
Accruals	31,601	28,780	36,964	34,293
Deferred income	48,972	48,769	53,928	52,620
Derivatives	346	346	559	559
Other creditors	12,088	9,308	14,456	11,878
Amounts due to subsidiary companies	-	372	-	-
	344,778	337,088	343,900	331,761

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

	Notes	31 July 2024		31 July 2023	
		Consolidated	Institution	Consolidated	Institution
		£'000	£'000	£'000	£'000
Research grants and contracts in advance		3,652	3,652	3,365	3,365
Unsecured loans		236,949	236,949	239,272	239,272
Deferred income		31,151	31,151	31,787	31,787
		271,752	271,752	274,424	274,424

Analysis of unsecured loans:

Due within one year or on demand	15	4,083	4,083	7,330	4,242
Due between one and two years		4,083	4,083	4,083	4,083
Due between two and five years		11,583	11,583	11,916	11,916
Due in five years or more		221,283	221,283	223,273	223,273
Due after more than one year		236,949	236,949	239,272	239,272
Total secured and unsecured loans		241,032	241,032	246,602	243,514

Included in loans are the following:

Lender	2024	2023	Maturity	Interest rate %	Borrower
	Amount £'000	Amount £'000			
Private Placement - Barings	25,700	25,700	2042/43	2.64	University
Private Placement - BAE	40,000	40,000	2050/51	2.58	University
Private Placement - Aviva	20,000	20,000	2057/58	2.51	University
Private Placement - PIC	20,000	20,000	2044/45	2.67	University
Private Placement - PIC	90,000	90,000	2057/58	2.51	University
Private Placement - Great-West Life	4,300	4,300	2042/43	2.64	University
Lloyds	39,267	41,258	2034/35	3.95	University
HEFCE Revolving Green Fund	1,765	2,256	2026/27	NIL	University
HS2	-	3,088	2023/24	NIL	NCATI
	241,032	246,602			

The Lloyds loan balance contains a contractually connected interest rate swap valued at £1 million debit at year-end (2022/23: £2.8 million debit). The swap fixes the interest rate paid on the term loan at 3.95% as the term loan SONIA payment and the swap SONIA receipt offset each other.

17. Financial instruments

The carrying values of the consolidated and University financial assets and liabilities are summarised by category below:

		31 July 2024		31 July 2023	
		Consolidated	Institution	Consolidated	Institution
	Notes	£'000	£'000	£'000	£'000
Financial assets					
Measured fair value through income and expenditure					
Investments in common investment funds	13	137,380	137,380	218,553	218,567
Debt instruments measured at amortised cost					
Cash and cash equivalents		196,303	183,734	126,109	113,335
Long-term loans receivable	14	475	2,375	1,575	1,875
Measured at undiscounted amount receivable					
Trade and other receivables		170,673	171,881	182,249	181,139
Equity instruments measured at cost less impairment					
Non-current asset investments in utilised equity instruments	13	6,824	10,927	6,254	11,784
		511,655	506,297	534,740	526,700
Financial liabilities					
Measured at fair value through income and expenditure					
Derivative financial liabilities	15	346	346	559	559
Measured at amortised cost					
Loans payable	16	241,032	241,032	246,602	243,514
Measured at undiscounted amount receivable					
Trade and other creditors		119,644	112,580	108,794	101,850
		361,022	353,958	355,955	345,923

The derivative financial liability relates to an interest rate swap, with notional value of £5 million, carried at fair value. The swap gives a fixed rate of 4.89 per cent compared to the variable three months LIBOR rate payable on the loan. The swap is held with Yorkshire Bank and expires in 2026. It is settled quarterly, with the difference between the fixed and floating interest rate settled on a net basis.

The loans payable liability includes a Lloyds Bank term loan facility with an associated interest rate swap as detailed in Note 16. The swap had an initial valuation in December 2020 of £9.8 million and at 31 July 2024 is carried at fair value within the loan balance at £1.0 million debit (2022/23: £2.8 million debit).

The consolidated and University income, expense, gains and losses in respect of financial instruments are summarised below:

	Notes	31 July 2024		31 July 2023	
		Consolidated	Institution	Consolidated	Institution
		£'000	£'000	£'000	£'000
Interest income and (expense)					
Total interest income for financial assets at amortised cost	5	13,668	13,438	9,802	9,798
Total interest expense for financial liabilities at amortised cost	8	(7,680)	(7,680)	(8,028)	(8,028)
		5,988	5,758	1,774	1,770
Fair value gains and (losses)					
On financial assets measured at fair value through income and expenditure	SOCI	10,240	10,240	(2,610)	(2,610)
On derivative financial liabilities		213	213	(27)	(27)
		10,453	10,453	(2,637)	(2,637)

18. Pension provisions

	Obligation to fund deficit on USS pension	Defined benefit obligation on BPAS pension	NCATI LGPS pension	Total pension provisions
Consolidated	£'000	£'000	£'000	£'000
At 1 August 2023	268,847	20,600	150	289,597
Utilised during the year	(7,160)	(12,900)	(150)	(20,210)
(Credited)/charged to the Statement of Comprehensive Income and Expenditure	(261,687)	9,700	-	(251,987)
At 31 July 2024	-	17,400	-	17,400
Institution	£'000	£'000	£'000	£'000
At 1 August 2023	268,847	20,600	-	289,447
Utilised during the year	(7,160)	(12,900)	-	(20,060)
(Credited)/charged to the Statement of Comprehensive Income and Expenditure	(261,687)	9,700	-	(251,987)
At 31 July 2024	-	17,400	-	17,400

USS pension

A deficit recovery plan was put in place as part of the 2020 valuation, which required payment of 6.2 per cent of salaries over the period 1 April 2022 until 31 March 2024, at which point the rate would increase to 6.3 per cent. As set out in Note 26, no deficit recovery plan was required under the 2023 valuation because the scheme was in surplus on a technical provisions basis. The University was no longer required to make deficit recovery contributions from 1 January 2024 and accordingly released the outstanding provision of £261.7 million to the Statement of Comprehensive Income and Expenditure.

BPAS pension

The University operates the University of Birmingham Pension and Assurance Scheme (BPAS) for the University's qualifying support staff. The scheme is a funded scheme. The latest actuarial valuation of the scheme was at 31 March 2022 and revealed a funding shortfall. The Trustees have put a Recovery Plan in place to address the deficit as detailed in Note 26.

Sensitivity analysis

As set out in the accounting policies, there are some critical judgements made in estimating the obligation to fund the BPAS deficit. The sensitivity of the principal assumptions used to measure the BPAS deficit provision are set out below:

Changes in assumptions at 31 July 2024	Approximate impact
	£ million
0.1% increase in discount rate	(4.1)
0.1% increase in RPI	2.9
Decrease mortality base table multipliers by 5%	4.1
Increase mortality future improvements by 0.25%	1.7

19. Events after the reporting period

No significant events occurred between the end of the reporting period and the date when the financial statements were approved.

20. Lease commitments

The total of future minimum lease payments (excluding VAT) under non-cancellable operating leases is as follows:

	2024 £'000	2023 £'000
Not later than 1 year	14,880	14,822
Later than 1 year and not later than 5 years	62,789	60,471
Later than 5 years	5,513	22,486
Total lease payments due	83,182	97,779

In 2019/20 the University entered into an agreement with Unite Students to rent 348 students rooms in the property known as Battery Park, Bristol Road, Birmingham at a total annual cost, excluding VAT, of £2.2 million. This agreement covers the academic years 2019/20 to 2031/32.

Void rent is payable by the University to Unite Students to the extent that nominees are not referred to Unite Students for reserved rooms. The void rent is calculated as total rent if 98 per cent of the rooms are let less rent due from referred nominees. The University has committed to nominate an agreed number of rooms each academic year for the lease term which enables students to commit for a one-year term whilst also enabling the University to review the scale of any void liability on annual basis, rather than over the full lease term. The University manages its total available number of room in such a way as to ensure any void liability is minimised.

Due to the high levels of demand for student accommodation, the University is able to nominate all rooms covered by the lease agreement and therefore does not consider it necessary to carry a liability for void rent at 31 July 2024, having considered both the nominations for the forthcoming academic year and based on subsequent events.

21. Endowment reserves

Consolidated and Institution	Restricted permanent endowments	Unrestricted permanent endowments	Expendable endowments	2024 Total	2023 Total
	£'000	£'000	£'000	£'000	£'000
Balances at 1 August					
Capital	80,330	36,881	9,720	126,931	128,858
Accumulated income	13,526	1,432	598	15,556	9,157
	93,856	38,313	10,318	142,487	138,015
New endowments	108	-	627	735	564
Investment income	7,307	1,100	303	8,710	8,428
Expenditure	(2,112)	(275)	(407)	(2,794)	(2,218)
Increase in market value of investments	4,216	1,914	509	6,639	(2,488)
Total movement for the year	9,519	2,739	1,032	13,290	4,286
Transfer from unrestricted reserves	-	-	-	-	186
At 31 July	103,375	41,052	11,350	155,777	142,487
Represented by:					
Capital	84,654	38,795	10,856	134,305	126,931
Accumulated income	18,721	2,257	494	21,472	15,556
	103,375	41,052	11,350	155,777	142,487
Analysis by type of purpose:					
Funded posts	26,552	496	1,440	28,488	26,900
General	23,493	25,912	5,830	55,235	46,917
Lectureships	11,727	410	3,110	15,247	14,487
Prize funds	4,523	1,676	-	6,199	5,874
Research support	7,983	3,333	608	11,924	11,459
Scholarships and bursaries	29,097	9,225	362	38,684	36,850
	103,375	41,052	11,350	155,777	142,487
Analysis by asset:					
Non-current asset investments				126,136	120,481
Cash and cash equivalents				29,641	22,006
				155,777	142,487

Consolidated and Institution	2024 Total	2023 Total
Represented by:	£'000	£'000
Equity	51,183	69,083
Fixed income and bonds	32,629	23,012
Infrastructure	18,432	12,468
Private credit	16,411	-
Private equity	5,360	-
Property	35	15,918
Other	2,086	-
Cash and cash equivalents	29,641	22,006
	155,777	142,487

22. Restricted reserves

Consolidated

	2024 Total £'000	2023 Total £'000
Balances at 1 August	28,950	17,677
Income	17,840	17,182
Expenditure	(18,483)	(18,806)
Negative goodwill released on wind-up of subsidiary	-	12,908
Total restricted comprehensive income/ (expenditure) for the year	(643)	11,284
Transfer from/ (to) unrestricted reserves	16	(11)
At 31 July	28,323	28,950

Institution

	2024 Total £'000	2023 Total £'000
Balances at 1 August	11,667	11,357
Income	8,896	8,848
Expenditure	(8,788)	(8,527)
Total restricted comprehensive expenditure for the year	108	321
Transfer from/ (to) unrestricted reserves	16	(11)
At 31 July	11,791	11,667

	2024 Consolidated £'000	2024 Institution £'000	2023 Consolidated £'000	2023 Institution £'000
Analysis of other restricted funds/donations by type of purpose:	£'000	£'000	£'000	£'000
Funded posts	496	496	358	358
General	23,457	6,925	23,793	6,510
Outreach	281	281	495	495
Prize funds	117	117	199	199
Research support	2,882	2,882	3,228	3,228
Scholarships and bursaries	1,090	1,090	877	877
	28,323	11,791	28,950	11,667

23. Capital and other commitments

The group had the following capital commitments at year end:

	31 July 2024		31 July 2023	
	Consolidated	Institution	Consolidated	Institution
	£'000	£'000	£'000	£'000
Commitments contracted for	9,984	9,984	16,800	16,800

Within commitments £4.7 million relates to intangible assets (2022/23: £4.6 million).





24. Subsidiary undertakings

The subsidiaries are all wholly owned or effectively controlled by the University and incorporated in and operate in Great Britain except Alta Birmingham China Limited and Birmingham Global Limited which are incorporated in the UK but operate in the UK and China/India respectively. Guangzhou ABC Education Information Consultancy Limited, incorporated and operating within China, is a 100 per cent subsidiary of Alta Birmingham China Limited. Birmingham Global India Private Limited, incorporated in India on 30 July 2024, is a 100 per cent subsidiary of Birmingham Global Limited.

University of Birmingham School and the National College for Advanced Transport and Infrastructure (NCATI) are connected to the University of Birmingham by virtue of the University's role as the founding member of the charitable company. The University has control over the school through its majority representation on the board. NCATI and its subsidiary the National College for High Speed Rail (NHSR) are in the process of liquidation as approved by the Members on 7 November 2023.

Name of company	Percentage holding		Nature of business
	Consolidated	University	
Alta Birmingham China Limited	100%	100%	Management of activities in China
Alta Cyclotron Services Limited	100%	100%	Preparation and sale of chemicals for clinical use
University of Birmingham Enterprise Limited	100%	100%	Technology transfer and provision of both accommodation and services to high technology companies
University of Birmingham Selly Oak Educational Trust (UoBSOET)	100%	100%	Management of land and buildings on the Selly Oak campus
Guangzhou ABC Education Information Consultancy Limited	100%	0%	Consulting services on education, trade, investment, enterprise management, convention and exhibition services
Edgbaston Park Hotel and Conference Centre Limited	100%	100%	Hotel and conference centre
Birmingham Global Limited	100%	100%	Management of activities in India
Birmingham Global India Private Limited	100%	0%	Management of education and research opportunities in India
University of Birmingham School (Company Limited by Guarantee)	Member	Member	Running the University School and Sixth Form
National College for Advanced Transport and Infrastructure (NCATI) (Company Limited by Guarantee)	100%	Member	In liquidation
The National College for High Speed Rail Limited (NHSR)	100%	0%	In liquidation
Precision Health Technologies Accelerator Ltd (PHTA Ltd)	100%	100%	Provision of life sciences incubation. Diagnostic and translational medicine services
Pritchatts Park Investment Company Limited	100%	0%	Holds an investment in a special purpose vehicle undertaking a design, build, finance and operate contract in respect of Pritchatts Park halls of residence
Pritchatts Park Holding Company Limited	100%	100%	Holding company of Pritchatts Park Investment Company Limited

25. Connected charitable institutions

A number of charitable institutions are administered by or on behalf of the University and have been established for its general or special purposes. As a result, under paragraph 28 of Schedule 3 to the Charities Act 2011, these connected organisations are exempt from registration with the Charity Commission. One of the connected charities, University of Birmingham Selly Oak Educational Trust, is included as a subsidiary undertaking in these consolidated financial statements. The others are not included in the consolidation as the University does not have control over their activities.

The movements in the year on the total funds of University of Birmingham Selly Oak Educational Trust are:

	Opening balance	Income	Expenditure	Closing balance
	£'000	£'000	£'000	£'000
University of Birmingham Selly Oak Educational Trust	5,282	15	(236)	5,061

Not consolidated

Included within the Statement of Financial Position, held in other non-current investments, is £2.2 million (2022/23: £2.8 million) which represents the University's shareholding, via the Samuel Hanson Rowbotham Trust, which holds a minority shareholding of Waterloo House, a private limited company.

The University owns the Barber Institute of Fine Arts, which hosts one of the finest small collections of European Art in the United Kingdom. The collection belongs to the trustees of the Henry Barber Trust. During the year the University completed the first phase of a £10 million improvement programme within the Grade-I listed building.

There are a number of charities which have been established to undertake activity closely affiliated to the University's charitable objectives. These are registered at University premises and conduct their activities on campus. The University does not control or manage any of these and they are not consolidated in the financial statements:

- The Holdsworth Club of the Students of the Faculty of Law in the University of Birmingham
- The Britain-Nepal Academic Council
- The Micropaleontological Society
- The Anglican Chaplaincy Trust
- The Platelet Society
- HaemSTAR: Haematology Speciality Training, Audit and Research
- The Anglo-Catalan Society
- The Society of Caribbean Studies
- UK Association for Public Administration

No transactions or balances are included in the financial statements in relation to any of these entities.

26. Pension schemes

The four principal pension schemes for the University's staff are the Universities Superannuation Scheme (USS); the University of Birmingham Pension and Assurance Scheme (BPAS); the Group Personal Pension Scheme (GPPS) and the NHS Pension Scheme (NHSPS).

University of Birmingham School is a member of the Teacher's Pension Scheme (TPS) and a Local Government Pension Scheme (LGPS). In the prior year NCATI (in liquidation) was a member of a Local Government Pension Scheme (LGPS).

(i) Universities Superannuation Scheme

The University participates in the Universities Superannuation Scheme (USS) which is the main scheme covering most academic and academic-related staff. The Scheme is a hybrid pension scheme, providing defined benefits (for all members) as well as defined contribution benefits. The assets of the scheme are held in a separate trustee-administered fund. Because of the mutual nature of the scheme, the assets are not attributed to individual institutions and a scheme-wide contribution rate is set. The University is therefore exposed to actuarial risks associated with other institutions' employees and is unable to identify its share of the underlying assets and liabilities of the scheme on a consistent and reasonable basis. Further details are provided in the Statement of Accounting Policies.

Deficit recovery liability

The total credited to the Consolidated Statement of Comprehensive Income and Expenditure is £267.8 million (2022/23: £54.8 million).

Deficit recovery contributions due within one year for the Institution are £nil (2022/23: £18.0 million)

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

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

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

The key financial assumptions used in the 2023 valuation are described below. More detail is set out in the Statement of Funding Principles (uss.co.uk/about-us/valuation-and-funding/statement-of-funding-principles).

CPI assumption	Term dependent rates in line with the difference between the fixed interest and index linked yield curves less: 1.0% pa to 2030, reducing linearly by 0.1% pa from 2030
Pension increases (subject to a floor of 0%)	Benefits with no cap: CPI assumptions plus 3bps Benefits subject to a "soft cap" of 5% (providing inflationary increases up to 5%, and half of any excess inflation over 5% up to a maximum of 10%): CPI assumptions minus 3bps
Discount rate (forward rates)	Fixed interest gilt yield curve plus: Pre-retirement: 2.5% pa Post-retirement: 0.9% pa

The main demographic assumption used relates to the mortality assumptions. These assumptions are based on analysis of the scheme's experience carried out as part of the 2023 actuarial valuation. The mortality assumptions used in these figures are as follows:

	2023 valuation
Mortality base table	101% of S2PMA "light" for males and 95% of S2PFA for females
Future improvements to mortality	CMI 2021 with a smoothing parameter of 7.5, an initial addition of 0.4% pa, 10% w2020 and w2021 parameters, and a long term improvement rate of 1.8% pa for males and 1.6% pa for females

The current life expectancies at age 65 are:

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

(ii) University of Birmingham Pension and Assurance Scheme (BPAS)

The University operates the BPAS defined benefit pension scheme which was closed to new members in July 2002. BPAS is contracted out of the State Second Pension (S2P) and management of the scheme's investments is undertaken by a team of investment managers.

Actuarial valuation

The latest actuarial valuation of the scheme was at 31 March 2022 and it revealed a funding shortfall (technical provisions minus value of assets) of £64.8 million. The valuation was carried out using the projected unit method.

The Trustees of the scheme have put a recovery plan in place to address the shortfall. The recovery plan requires the University to make contributions to the scheme for both future accrual and deficit of £7.3 million in the scheme year commencing April 2023 and increasing each year indexed by CPI, up to a maximum of 5 per cent in any given year, to 2034.

An accounting valuation has been completed by the scheme actuary at 31 July 2024 for the purpose of this disclosure. In 2023/24 the Institution made employer contribution payments to the Scheme of £12.9 million (2022/23: £8.7 million) comprising of contributions in respect of future accrual of £1.1 million (2022/23: £1 million) and a deficit recovery contribution of £11.8 million (2022/23: £7.7 million).

Matters with the potential to impact the actuarial valuation

On June 2023 the Virgin Media v NTL Pension Trustees II Limited judgment confirmed that rules related to contracted-out benefits cannot be altered without the statutory actuarial confirmation having been obtained. This is required by section 37 of the Pension Schemes Act 1993 and therefore non-compliant alterations were void. The judgment impacts changes to benefits earned by members of salary-related contracted-out occupational pension schemes in respect of pensionable service made between 6 April 1997 and 5 April 2013. Members' benefits earned in this period must be at least as good as those provided by the reference scheme test and the rules of a salary-related contracted-out scheme and could not be altered unless the actuary had confirmed to the trustees in writing that the scheme would continue to satisfy the contracting-out reference scheme test. This judgement could potentially apply to other changes.

On 25 July 2024, the Court of Appeal upheld the High Court's decision that the statutory actuarial confirmation was required, and without this, alterations are void. The question appealed was whether a confirmation was required for changes to future service benefits or just past service benefits. The Court of Appeal upheld the High Court's decision that confirmation was required for amendments to future accruals, before legislation changes in 2013. Legislation does allow the government to make retrospective regulations to validate amendments that are void due to the absence of such written confirmation.

There may be a further hearing to decide other issues discussed before the court, such as whether a subsequent triennial certification could render a previously void amendment valid from the date of the triennial certification. In the meantime, the BPAS Trustees are investigating the possible implications with their advisers and are undertaking a review of scheme amendments that took place between 6 April 1997 and 5 April 2016 to investigate whether the relevant actuarial confirmations could be found. It is not possible at present to estimate the potential impact, if any, on the scheme and any potential liability for the University.

Assumptions

The financial assumptions used to calculate scheme liabilities under FRS 102 are:

	At 31 July 2024	At 31 July 2023
	% pa	% pa
Discount rate	4.95%	5.15%
Price Inflation (RPI)	3.35%	3.45%
Price Inflation (CPI)	3.00%	3.00%
Rate of salary increase	5.00%	12% in the year commencing 31 July 2023 and 5% thereafter
Pension increases for in-payment benefits	2.10% to 3.35%	2.15% to 3.45%
Pension increases for deferred benefits	3.00%	3.00%

The expected return on assets has been derived as the weighted average of the expected returns from each of the main asset classes (i.e. equities and bonds). The expected return for each asset class reflects a combination of historical performance analysis, the forward looking views of the financial markets (as suggested by the yields available) and the views of investment organisations.

The assets in the scheme were:

	Fair value as at 31 July 2024	Fair value as at 31 July 2023
	£ million	£ million
Equities	37.7	29.2
Credit	112.6	108.4
Multi-Asset Growth	40.1	46.6
Liability-Driven Investments	81.8	82.4
Other	31.8	25.7
Total	304	292.3

Analysis of the provision included in the Statement of Financial Position	Assets £ million	Liabilities £ million	Total £ million
At 1 August 2023	292.3	(312.9)	(20.6)
Employer contributions	12.9	-	12.9
Current service cost	-	(1.2)	(1.2)
Administration cost	-	(1.6)	(1.6)
Interest income/(expense)	14.8	(15.7)	(0.9)
Benefits paid from scheme	(17.2)	17.2	0.0
Actuarial gains and losses	-	(7.2)	(7.2)
Return on plan assets	1.2	-	1.2
Total at 31 July 2024	304	(321.4)	(17.4)

Analysis of the amounts included in the Statement of Comprehensive Income and Expenditure:

	2024	2023
	£ million	£ million
Current service cost	(1.2)	(1.9)
Administration cost	(1.6)	-
Interest expense	(0.9)	-
Amounts recognised in surplus for the year	(3.7)	(1.9)
Actuarial loss on pension scheme	(6.0)	(27.4)
Amounts recognised in other comprehensive income and expenditure	(9.7)	(29.3)

(iii) Group Personal Pension Scheme (GPPS)

The University introduced from 1 April 2008 a defined contribution pension scheme for its support staff who are not members of BPAS. The scheme enables staff to build a fund that can be used to provide a pension on retirement in addition to the normal state pension. The University contributes 10 per cent in addition to an agreed percentage paid by the individual. The scheme operates as a Group Personal Pension Scheme and is run on the University's behalf by Legal and General. The value of employer contributions for the year ending 31 July 2024 was £5.2 million (2022/23: £4.4 million).

(iv) NHS Pension Scheme (NHSPS)

The University participates in the NHSPS. The notional assets of NHSPS are assessed by the Government Actuary and the benefits are underwritten by the government.

The NHS Pension Scheme is a defined benefit public service pension scheme, which operates on a pay-as-you-go basis. A new reformed scheme was introduced on 1 April 2015 that calculates pension benefits based on career average earnings. Transitional arrangements permit individuals who on 1 April 2012 were within ten years of normal pension age to continue participating in the old 'final salary' NHS Pension Scheme arrangements (the 1995 and 2008 sections).

The scheme is not designed to be run in a way that would enable members to identify their share of the underlying scheme assets and liabilities. Therefore, the scheme is accounted for as if it were a defined contribution scheme: the cost to the NHS Body of participating in the scheme is taken as equal to the contributions payable to the scheme for the accounting period.

In the event of the withdrawal of a participating employer the remaining participating employers will assume responsibility for any increased contributions arising.

The value of employer contributions for the year ended 31 July 2024 was £2.8 million (2022/23: £2.6 million).

(v) University of Birmingham School

The University of Birmingham School operates two pension schemes for its employees: the Teachers' Pension Scheme England and Wales for teaching staff and the Local Government Pension Scheme for non-teaching staff, which is managed by the West Midlands Pension Fund. Both are multi-employer defined benefit schemes. The Consolidated Statement of Comprehensive Income and Expenditure includes an actuarial gain of £0.4 million (2022/23: £0.1 million loss) in relation to the schemes.





27. Guild of Students

The University has not consolidated the financial statements of the Guild of Students because the University has no control or dominant influence. The summarised statement of financial position and results for the year are as follows:

	Year to 31 July 2024 £'000	Year to 31 July 2023 £'000
Tangible fixed assets	180	244
Current assets	4,525	4,308
Creditors	(917)	(931)
Pension provision	(3,711)	(3,790)
Reserves	77	(169)
Surplus for the year	246	845

The prior year comparative has been restated to reflect the final audited results for the Guild of Students for 2022/23. The 2023/24 figures are unaudited.

The University's Statement of Comprehensive Income and Expenditure reflects payment to the Guild of Students of a block grant of £4.0 million (2022/23: £3.7 million).

28. Related party transactions

Due to the nature of the University's operations and the composition of the Council (with members drawn from local, public and private sector organisations) it is inevitable that transactions will take place with organisations in which a member of Council may have an interest.

All members of Council are required to declare any such relationships in the Register of Interests return on an annual basis. To capture information on related party transactions members of Council, Audit Committee, Strategy, Planning and Resources Committee and University Executive Board have submitted returns.

The organisations in which members of Council have an interest in and with which the University has had transactions during the financial year ended 31 July 2024 are set out in the table below.

Related Party	Relationship
Academy of Social Sciences	A UEB Member is a trustee
Alta Birmingham China Limited	100% subsidiary with shared directors
Arts and Humanities Research Council	A Council Member is an advisory member A Council Member is a council member
Astra Zeneca	A Council Member is an academic consultant
Bayer AG	A Council Member is an academic consultant
Birmingham City Council	A Council Member is chief executive
Birmingham Global Limited	100% subsidiary with shared directors
Birmingham Women's and Children's Hospital	A UEB Member is a non-executive director
BNP Paribas Group	A Council Member is a managing director
Bone Cancer Research Trust	A Council Member is Chair of the Scientific Advisory Board
Cancer Research UK	A Council Member is a trustee and council member A Council Member is an academic consultant
CERN Switzerland	A UEB Member is on the Advisory Board
Children with Cancer	A Council Member is an independent advisor to the board
City University of London	The Vice-Chancellor holds an Honorary Fellowship
Commonwealth Scholarship Commission	A UEB Member is a director
Department of Health and Social Care	Vice-Chancellor has a family member employed
Diabetes UK	UEB Member is chair of research committee
Edgbaston Park Hotel and Conference Centre Limited	100% subsidiary with shared directors
Electric House Group Limited	A Council Member is a director
ExtraCare Charitable Trust	A Council Member is chief executive
Great Ormond Street Hospital	A Council Member is Chair of two Research Boards
Guts UK Charity	A UEB Member is chair
Halesowen College	A UEB Member is a governor
Institute of Chartered Accountants in England and Wales	A Member of Audit Committee is a Council Member
King Edward VI Academy Trust	A UEB Member is a Trustee
Kings Norton Girls School	A UEB Member is a governor
Manufacturing Technology Centre Group	A UEB Member is an audit committee member A Council Member is a director

2023/24		2023/24 Outstanding Balances		2022/23		2022/23 Outstanding Balances	
Income	Expenditure	Balance due to the Institution	Balance due from the Institution	Income	Expenditure	Balance due to the Institution	Balance due from the Institution
£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
-	7	-	-	-	6	-	-
257	925	-	102	390	794	-	-
2,326	-	-	12	1,569	-	107	-
2,681	-	1,029	-	1,534	-	253	-
1,020	-	104	-	983	-	-	-
1,384	3,023	130	1,423	1,111	2,039	1,149	699
102	550	-	14	143	-	143	-
-	-	-	-	2,991	-	1,761	-
-	330	1	51	-	74	1	-
25	-	-	-	-	-	-	-
6,648	-	147	-	8,297	199	1,055	199
-	62	-	-	-	-	-	-
-	-	9	-	9	-	9	-
1	987	-	-	-	-	-	-
424	-	6	-	218	-	20	-
1,832	-	513	-	-	-	52	376
-	-	-	-	493	-	261	-
2,907	2,757	911	238	1,104	2,089	71	-
-	-	-	-	-	2	-	-
-	46	-	-	-	-	-	-
57	4	56	-	-	-	-	-
-	-	-	-	-	-	3	-
-	33	-	-	-	24	-	-
4	-	-	-	-	-	-	-
18	8	-	9	29	-	-	7
-	4	-	-	-	3	-	-
352	3,288	526	275	377	2,665	741	231

Related Party	Relationship
Ministry of Defence	A UEB Member is on the Advisory Register
National College for Advanced Transport and Infrastructure (NCATI)	100% subsidiary (in liquidation) with shared members
Natural Environment Research Council (NERC)	A Council Member is chair of the science committee
Nesta	A Council Member is a trustee
Nuffield Foundation	A Council Member is chief executive
Nuffield Health	A Council Member is a Trustee and Governor
Office for Students	A Council Member has a family member employed
PHTA Limited	100% subsidiary with shared directors
Russell Group	Vice-Chancellor is on the board
Sandwell & West Birmingham NHS Trust	A Council Member is a non-executive director
Santander UK Plc	A Council Member is on the audit and risk committee
Society of Local Authority Chief Executives and Senior Managers (Solace Group) Limited	A Council Member is a Member
Standard Life	A Council Member is a Board Member
Teach First	A Council Member is a trustee and vice-chair
The Wellcome Trust Group	A Council Member is a governor
Ulster University	A Council Member is a professor
UK Research Institute - Science and Technology Facilities Council	A Council Member is an Advisory Board Member
Universities and Colleges Employers' Association (UCEA)	Vice-Chancellor is on the board
University Hospitals Birmingham NHS Trust	A UEB Member has an honorary contract
University of Birmingham Enterprise Limited	100% subsidiary with shared directors
University of Birmingham Guild of Students	A Council Member is a trustee A UEB Member is a trustee
University of Birmingham Pension and Assurance Scheme	A Council Member is a trustee
University of Birmingham School	100% subsidiary with shared members
University of Manchester	A UEB Member has an honorary contract
University of Southampton	A UEB Member is an Honorary Professor and has a family member employed
University of Warwick	A UEB Member has a family member employed
Universities UK	Vice-Chancellor is on the Board
Welsh Government	A UEB Member is an Advisory Board Member
Wessex Water Services Limited	A Council Member is a non-executive director
West Midlands Growth Company	Vice-Chancellor is a director

The Vice-Chancellor is a Non-Executive Director of the USS pension scheme and receives an annual remuneration as detailed in the Corporate Governance Statement. As the economic benefits arising from the scheme are reserved for the members, contributions to the scheme are not disclosed as a related party transaction. Details of the USS pension scheme are found in Note 18 and Note 26.

2023/24		2023/24 Outstanding Balances		2022/23		2022/23 Outstanding Balances	
Income	Expenditure	Balance due to the University	Balance due from the University	Income	Expenditure	Balance due to the University	Balance due from the University
£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
797	-	3	-	-	-	-	-
-	200	-	-	4	2,900	-	-
3,838	38	386	3	4,587	-	269	-
-	11	-	11	1	-	-	-
423	-	63	-	167	1	56	-
8	-	2	-	-	-	-	-
-	214	-	-	-	-	-	-
27	298	1,900	1	2	989	-	-
-	93	-	-	2	87	-	-
1,502	156	439	4	1,410	178	469	11
40	-	-	-	-	-	1	-
106	-	16	-	-	-	-	-
-	27	-	-	-	-	-	-
1	-	-	-	1	-	-	-
4,947	5	1,038	-	6,009	10	1,195	-
-	179	-	53	-	186	-	13
517	86	50	-	-	-	-	-
-	24	-	1	-	21	-	-
16,372	5,430	10,552	881	-	-	-	-
2,930	1,853	388	17	2,767	2,275	262	-
902	4,976	136	72	815	4,630	25	63
122	-	122	-	187	-	354	-
29	176	1	-	43	356	8	-
1,566	1,314	153	107	-	-	-	-
351	476	120	6	-	-	-	-
2,722	599	874	58	344	-	1,378	-
1	179	-	74	21	187	-	-
-	-	7	-	-	-	-	-
4	-	-	-	4	-	-	-
-	42	-	-	-	7	-	-

Two Council Members have declared an interest in the Office for Students (OfS) and UK Research Institute (UKRI) respectively. The funding body grants detailed in Note 2 are not disclosed as related party transactions.

29. US Department of Education Financial Responsibility Supplemental Schedule

In satisfaction of its obligations to facilitate students' access to US federal financial aid, the University of Birmingham 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.

Primary Reserve Ratio

Note

CSoFP, line 19 less row below	Statement of Financial Position - Net assets without donor restrictions
CY: 21, line 10 (restricted) plus 22, line 8 PY: 21, line 3 (restricted) plus 22, line 8	Statement of Financial Position - Net assets with donor restrictions
28, total balance due to the Institution	Statement of Financial Position - Related party receivable and Related party note disclosure
28, total balance due to the Institution	Statement of Financial Position - Related party receivable and Related party note disclosure
CY: 12, line 11 (exc. leasehold) PY: 12, line 12 (exc. leasehold)	Statement of Financial Position - Property, Plant and Equipment, net
	Note of the Financial Statements - Statement of Financial Position - Property, Plant and Equipment - pre-implementation
	Note of the Financial Statements - Statement of Financial Position - Property, Plant and Equipment - post implementation with outstanding debt for original purchase
CY: 12, line 11 (exc. leasehold and AUC) PY: 12, line 12 (exc. leasehold and AUC)	Note of the Financial Statements - Statement of Financial Position - Property, Plant and Equipment - post implementation without outstanding debt for original purchase
CY: 12, line 11 (AUC) PY: 12, line 12 (AUC)	Note of the Financial Statements - Statement of Financial Position - Construction in process
CY: 12, line 11 (leasehold) PY: 12, line 12 (leasehold)	Statement of Financial Position - Lease right-of-use assets, net
CY: 12, line 11 (leasehold) PY: 12, line 12 (leasehold)	Note of the Financial Statements - Statement of Financial Position - Lease right-of-use asset pre-implementation
	Note of the Financial Statements - Statement of Financial Position - Lease right-of-use asset post-implementation
	Statement of Financial Position - Goodwill
18, total	Statement of Financial Position - Post-employment and pension liabilities
16, total	Statement of Financial Position - Note Payable and Line of Credit for long-term purposes (both current and long term) and Line of Credit for Construction in process
16, line 10 less row below	Statement of Financial Position - Note Payable and Line of Credit for long-term purposes (both current and long term) and Line of Credit for Construction in process
16, lines 17 & 19	Statement of Financial Position - Note Payable and Line of Credit for long-term purposes (both current and long term) and Line of Credit for Construction in process
	Statement of Financial Position - Note Payable and Line of Credit for long-term purposes (both current and long term) and Line of Credit for Construction in process

Expendable Net Assets:	Year ended 31 July 2024		Year ended 31 July 2023	
	£'000	£'000	£'000	£'000
Net assets without donor restrictions	-	1,202,994	-	1,005,603
Net assets with donor restrictions	-	131,698	-	122,806
Secured and Unsecured related party receivable	19,684	-	9,643	-
Unsecured related party receivable	-	19,684	-	9,643
Property, Plant and Equipment, net (includes Construction in progress)	1,385,157	-	1,429,981	-
Property, Plant and Equipment – pre-implementation	-	-	-	-
Property, Plant and Equipment – post-implementation with outstanding debt for original purchase	-	-	-	-
Property, Plant and Equipment – post-implementation without outstanding debt for original purchase	-	1,344,801	-	1,303,978
Construction in process	-	40,356	-	126,003
Lease right-of-use asset, net	30,766	-	31,933	-
Lease right-of-use asset pre-implementation	-	30,766	-	31,933
Lease right-of-use asset post-implementation	-	-	-	-
Intangible assets	-	-	-	-
Post-employment and pension liabilities	-	17,400	-	289,597
Long-term debt – for long term purposes	241,032	-	246,602	-
Long-term debt – for long term purposes pre-implementation	-	201,765	-	202,256
Long-term debt – for long term purposes post-implementation	-	39,267	-	44,346
Line of Credit for Construction in process	-	-	-	-

	Statement of Financial Position - Lease right-of-use asset liability
	Statement of Financial Position - Lease right-of-use asset liability pre-implementation
	Statement of Financial Position - Lease right-of-use asset liability post-implementation
	Statement of Financial Position - Annuities
	Statement of Financial Position - Term Endowments
	Statement of Financial Position - Life Income Funds
CY: 21, line 10 (restricted) plus 22, line 8	Statement of Financial Position - Perpetual Funds
CSOCI, line 15 less 21, line 6 less 22, line 3	Statement of Activities - Total Operating Expenses (Total from Statement of Activities prior to adjustments)
CSOCI lines 5, 18 & 22	Statement of Activities - Non-Operating (Investment return appropriated for spending), Investments, net of annual spending gain (loss), Other components of net periodic pension costs, Pension-related changes other than net periodic pension, Change in value of split-interest agreements and Other gains (loss) - (Total from Statement of Activities prior to adjustments)
CSOCI, lines 5 & 18	Statement of Activities - (Investment return appropriated for spending) and Investments, net of annual spending, gain (loss)
	Statement of Activities - Pension-related changes other than periodic pension
Equity Ratio	
Note	
CSOFP, line 19 less 21, line 10 less 22, line 8	Statement of Financial Position - Net Assets without Donor Restrictions
CY: 21, line 10 (restricted) plus 22, line 8 PY: 21, line 3 (restricted) plus 22, line 8	Statement of Financial Position - Total Net Assets with Donor Restrictions
	Statement of Financial Position - Goodwill
28, total balance due to the Institution	Statement of Financial Position - Related Party receivable and Related party note disclosure
28, total balance due to the Institution	Statement of Financial Position - Related Party receivable and Related party note disclosure
CSOFP, lines 5 & 9	Statement of Financial Position - Total assets
CY: 12, line 11 (leasehold) PY: 12, line 12 (leasehold)	Note of Financial Statement - Statement of Financial Position - Lease right-of-use asset pre-implementation
	Statement of Financial Position - Lease right-of-use asset liability pre-implementation
	Statement of Financial Position - Goodwill
28, total balance due to the Institution	Statement of Financial Position - Related Party receivable and Related party note disclosure
28, total balance due to the Institution	Statement of Financial Position - Related Party receivable and Related party note disclosure
Net Income Ratio	
Note	
CY: CSCR, line 14 less line 8 (unrestricted) PY: CSCR, line 8 less line 1 (unrestricted)	Statement of Activities - Change in Net Assets Without Donor Restrictions
CSOCI, line 8 less line 5 plus 22, line 7	Statement of Activities - (Net assets released from restriction), Total Operating Revenue and Other Additions and Sale of Fixed Assets, gains (losses)

Lease right-of-use asset liability	-	-	-	-
Pre-implementation right-of-use leases	-	-	-	-
Post-implementation right-of-use leases	-	-	-	-
Annuities with donor restrictions	-	-	-	-
Term endowments with donor restrictions	-	-	-	-
Life income funds with donor restrictions	-	-	-	-
Net assets with donor restrictions: restricted in perpetuity	-	131,698	-	122,806
Total Expenses and Losses:				
Total expenses without donor restrictions – taken directly from Statement of Activities	-	722,208	-	869,500
Non-Operating and Net Investment (loss)	-	(18,311)	-	20,283
Net investment losses	-	(23,908)	-	(7,192)
Pension-related changes other than net periodic costs	-	-	-	-
Modified Net Assets:				
Net assets without donor restrictions	-	1,202,994	-	1,005,603
Net assets with donor restrictions	-	131,698	-	122,806
Intangible assets	-	-	-	-
Secured and Unsecured related party receivable	19,684	-	9,643	-
Unsecured related party receivables	-	19,684	-	9,643
Modified Assets:				
Total assets	-	1,968,622	-	2,036,330
Lease right-of-use asset pre-implementation	-	30,766	-	31,933
Pre-implementation right-of-use-leases	-	-	-	-
Intangible assets	-	-	-	-
Secured and Unsecured related party receivable	19,684	-	9,643	-
Unsecured related party receivables	-	19,684	-	9,643
Net Income Ratio:				
Change in Net Assets Without Donor Restrictions	-	193,620	-	(23,331)
Total Revenues and Gains	-	931,149	-	918,903





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