



University of  
Sheffield

# Annual Report & Financial Statements

2023–24







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## President and Vice-Chancellor's introduction



Professor Koen Lamberts,  
President and Vice-Chancellor of the University of Sheffield

**This annual report reflects a year of achievements, successes and significant progress in the delivery of our University vision and strategy.**

I would like to take this opportunity to thank colleagues for their exceptional work and commitment. Whether they are supporting or providing our students with an outstanding education, delivering research and innovation that finds solutions to the world's most pressing challenges, or helping us build an inclusive and welcoming community, they are making a real difference. I am also very grateful for the contributions and support of our students, partners and alumni, who all play an important role in making our university the special place it is.

There is much to celebrate from the last twelve months and this report showcases just some of the highlights.

There are examples of our world-leading and world-changing research, from identifying how pneumonia cells start to become resistant to penicillin antibiotics and discovering a new piece of the puzzle in understanding why some people are more susceptible to Alzheimer's disease, to supporting industry partners and the government in successfully delivering the world's first transatlantic flight by a commercial airline using 100 per cent Sustainable Aviation Fuel (SAF). We have also made significant progress in supporting our research community, embedding a definition of research excellence across the organisation that values the traditional measures of excellence as well as how we undertake research.

Through our innovation, we are continuing to grow our impact globally, nationally and in the South Yorkshire region. Our new Energy Innovation Centre is giving partners access to our world-class research facilities and expertise to test and develop new low-carbon energy technologies and our Composites at Speed and Scale (COMPASS) facility will work with the aviation industry to help it meet demand for lighter

**"There is much to celebrate from the last twelve months and this report showcases just some of the highlights."**

commercial aircraft to meet net zero. Over the last twelve months, it has also been wonderful to see six new spinouts launching from the University, with our portfolio raising £31.6 million, including £3.6 million from Northern Gritstone.

We continue to focus on providing our students with an outstanding education that provides them with the skills they need to be successful in their future careers. There has been an increase in the number of students undertaking work placements and all undergraduate students who started courses in 2024 now have the option to undertake a placement year as part of their degrees. We have also started to implement a new school structure across our five faculties to strengthen our teaching, research and innovation and to provide a more consistent and high-quality experience for our students and staff.

We have also made progress in our goal to build a diverse community of staff and students and create an inclusive, supportive and collaborative environment. This year, we became one of only a small number of universities to develop a new technical career routes to support career progression for technicians, launched an initiative to increase representation of women in portraits and photography around campus, and published new LGBT+ student web pages to outline the support, events and activities available for LGBT+ students. We have continued to progress, review and refresh our equality strategies, including on race, disability, LGBT+, gender and religion, belief and no belief.

The progress we have made in delivering our vision and strategy, and the resilience we have built through careful financial management over a number of years, will be critical in helping the University navigate the inevitable challenges ahead. It is well-documented that the static cap on home student fees and rising inflation mean that higher education income has been under pressure in real terms for many years, and universities across the country, including Sheffield, are having to put in place measures to mitigate the financial impact caused by a decline in international student numbers. We will, of course, continue to work with the sector partners to call on the new government for a sustainable funding model for higher education and investment in research and innovation, but we will need to make some difficult decisions to address the challenges ahead. The resilience we have established will allow us to be considered in our approach, and it is imperative we do what we can to protect the excellent work that takes place across the University. This annual report demonstrates precisely why our research, innovation and education is so important to society and shaping the world in which we live.

I am very proud of the difference our University makes, and we will continue to build on our progress in the year ahead.

## Foreword by the Chair of Council



Mr Martin J. Temple CBE,  
Chair and Pro-Chancellor

**I am delighted to introduce the Annual Report and Financial Statements on behalf of the University Council. The University of Sheffield has continued its strong performance this year, delivering outstanding results across all our strategic pillars: Research, Innovation, Education and One University. We have achieved this whilst navigating the growing financial pressures facing the higher education sector. Our success is a testament to the hard work, dedication and resilience of our entire University community - our students, staff, alumni, and partners. I want to express my gratitude for their contributions and ongoing commitment.**

There are many achievements of which to be proud. For the second year running we were ranked top in the Russell Group for student experience, according to the National Student Survey (NSS). Sheffield was also named University of the Year, along with Best Students' Union and Best for Student Life at the WhatUni Student Choice Awards (WUSCAs) 2024. The Daily Mail University Guide also named the University of Sheffield as the top university in the Russell Group for student experience and student support. Particular highlights of the year included the launch of the new UK Motor Neuron Disease Research Institute with partners, which aims to discover new treatments for Motor Neuron Disease, and the successful operation of a historic transatlantic flight using 100 per cent Sustainable Aviation Fuel (SAF), achieved with the help of the University's engineers. We are proud too of the election of three University academics to the prestigious Fellowship of the British Academy.

**"The University of Sheffield has continued its strong performance this year, delivering outstanding results across all our strategic pillars: Research, Innovation, Education and One University."**

We continued this year to augment Council meetings with information sessions to increase the understanding of members and these have included: the Student Voice with student representatives and the Students' Union President; Academic Assurance; Academic Success and Challenges in the Advanced Manufacturing Group and the Faculty of Engineering; Research Quality, Excellence and Impact; and Freedom of Speech and Regulation. An independent review of the University Council's effectiveness was conducted during the 2023-2024 reporting year, using sector specialists AdvanceHE. This review concluded that the University's governance is "highly effective and has been on an upward trajectory in recent years". The report highlighted "the close and collaborative relationship which Council enjoys with Senate". A small number of recommendations were accepted by Council in the spirit of continuous improvement and will be addressed in 2024-25. I would like to take this opportunity to record my thanks for my colleagues who chair and serve on Council's various committees and provide vital support for Council across the full range of its responsibilities as governing body.

The University recognises the significant funding crisis and challenges facing the higher education sector during the last few years, including a decline in international student numbers, a fixed home fee, inflation, industrial action, increasing pension costs, and the cost of living crisis. The University has, and will continue to, proactively respond to these challenges through measures that focus on long-term financial sustainability and seek to protect the student experience, academic quality, research quality, and innovation.

The University of Sheffield has a proud history of discovery, innovation, and positive social change. I am confident that, by continuing to work together, the University will overcome the challenges ahead and deliver on its vision to be a leading global university committed to making a positive impact on the world.

**"Our success is a testament to the hard work, dedication and resilience of our entire University community - our students, staff, alumni, and partners."**



# Highlights of the year



Public pocket park

## August 2023

We officially opened a new public pocket park, built from recycled and leftover materials, designed to bring nature to the doorstep of the University campus.

Our University was placed top in the Russell Group in the National Student Survey, in which we received the highest positive responses from students about their higher education experience.

## September 2023



Along with Sheffield Hallam University, we joined forces with the South Yorkshire Mayor, Sheffield MPs, council leaders and business leaders to pledge support for our international students.

We were once again recognised as one of the best universities in the country for working with businesses, developing IP, commercialising research, and public and community engagement.

## October 2023



Following the success of the BetterPoints scheme at our University, the BetterPoints app was launched city-wide in Sheffield, rewarding sustainable travel for more users across the city.

Our scientists identified an evolutionary gateway which helps pneumonia bacteria become resistant to antibiotics.

We announced a pioneering £4 million South Yorkshire Digital Health Hub that will drive development of innovative digital technologies to improve the way diseases are treated and diagnosed.

## November 2023

A historic transatlantic flight using 100 per cent Sustainable Aviation Fuel (SAF) took off on 28 November 2023 with the help of our engineers.

We were named a University of Sanctuary in recognition of our support for displaced people.



We launched the new UK Motor Neuron Disease Research Institute, which aims to discover new treatments that could ultimately mean MND becomes a curable condition.

Our most sustainable building, The Wave, was officially opened by Will Hutton, President of the Academy of Social Sciences.

## December 2023



Jointly with Sheffield Hallam University, we were awarded outstanding Marketing and Communications Team of the Year at the Times Higher Education Awards 2023 for the Sheffield: Your University City campaign.

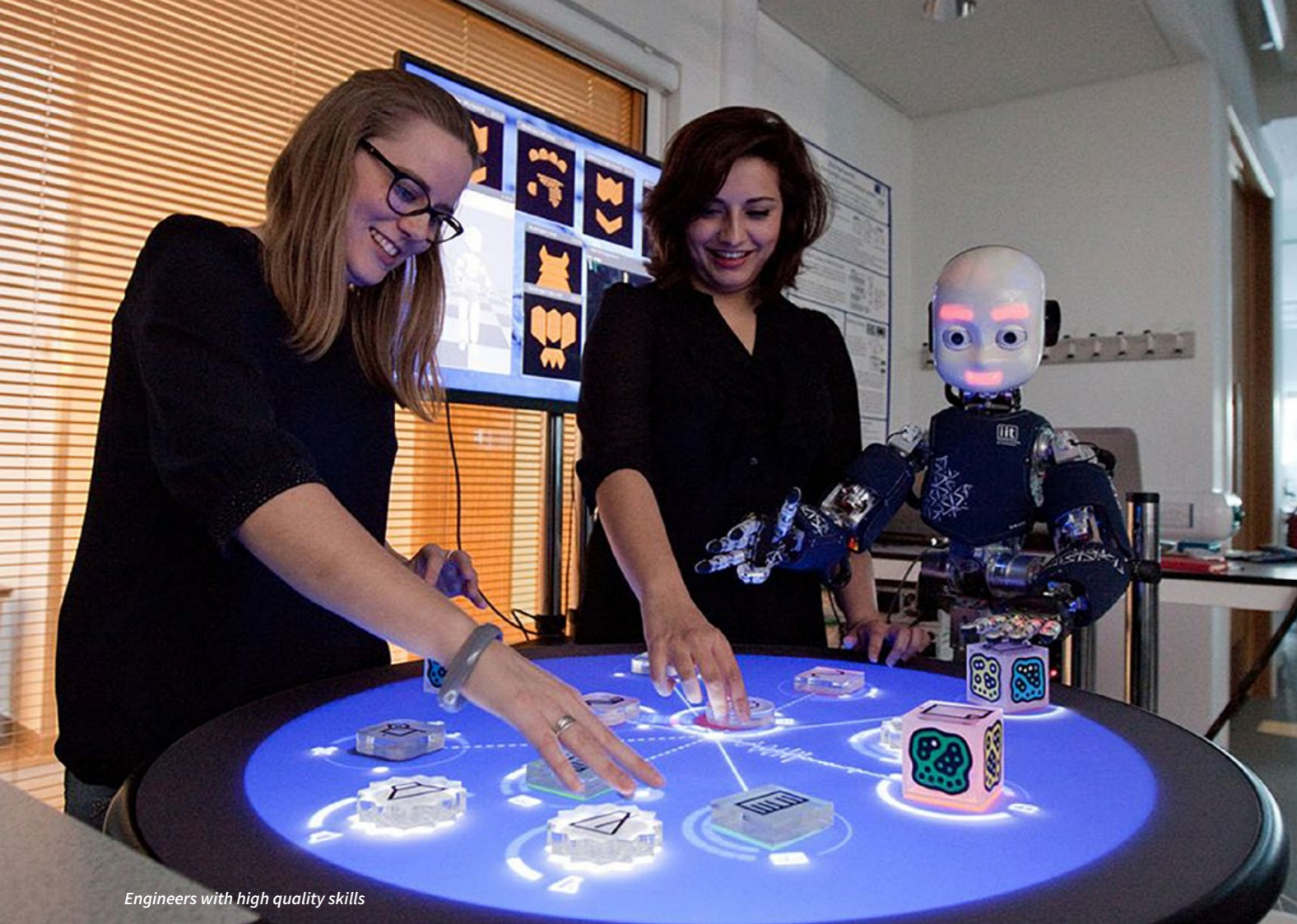
We were ranked 24th in the world for sustainability, out of more than 1,400 institutions in the 2024 QS World University Rankings, as well as 7th in the UK and 12th in Europe..

We reflected on the 100th anniversary of the UK's first trial of insulin, which was led by our University in 1923. One hundred years on, Sheffield remains at the forefront of innovative diabetes research today.



The Wave  
Photo credit: Tomasz Kozak





Engineers with high quality skills

### January 2024

Our biologists discovered that significant evolutionary changes happen gradually as opposed to in dramatic 'monster' steps, answering the long-debated question as to how innovations like flight, vision, and the bearing of live offspring came to be.

### February 2024



The South Yorkshire Digital Health Hub announced investment by Google in health tech research and training to tackle inequalities and upskilling for the region.

### March 2024

We were awarded a share of the UK's biggest-ever investment in engineering doctoral skills to train the next generation of engineers, highly skilled in digital manufacturing.

A new report, commissioned by our University, revealed that Sheffield has retained its position as the real ale capital of the world, with the thriving brewing industry driving tourism and regeneration in the steel city.

### April 2024



We were voted University of the Year, Best Students' Union, and Best Student Life at the Whatuni Student Choice Awards (WUSCAs) 2024.

We were delighted to appoint one of the world's foremost innovators in bio-inspired AI to lead our new Centre for Machine Intelligence (CMI).

### May 2024



Our students developed a new range of video games raising vital funds for UK charities.

A new technical career route, aimed at supporting career progression for technicians and celebrating their vital contributions, was launched at the University.

### June 2024

Four new research hubs aiming to address the challenge of commercialising early stage research within key areas of manufacturing, such as aerospace, medicines and semiconductors, were launched in collaboration with our academics.

We celebrated 21 inspirational women who have blazed a trail for colleagues and students in a portrait exhibition held at the University.

Our scientists discovered a new piece of the puzzle in understanding why some people are more susceptible to Alzheimer's disease.

Our students became the first in the UK to launch a liquid-fuelled rocket, breaking a series of UK and European altitude records.

### July 2024

We retained our top spot in the Russell Group in the National Student Survey.

Three of our academics were elected Fellows of the British Academy - the highest honour bestowed by the UK's national academy for the humanities and social sciences.

England footballer Millie Bright was awarded an honorary degree in recognition of her amazing success in the world of women's football and her place as a key figure in the promotion of women's sport.

Millie Bright receiving an honorary degree





# Our vision and strategy

## Our vision

We will deliver life-enhancing research, innovation and education that not only transforms the lives of our graduates, but shapes the world in which we live. We believe the best way to achieve this is by fostering an ambitious, inclusive, collaborative community.

## Our values

We are, and will always be, guided by our values:

- We are ambitious and strive for excellence in all that we do.
- We believe in collaborative working.
- We champion an inclusive and diverse community.
- We are responsible – for our people and the wider world.
- We are open and transparent about the decisions we make.

## Our pillars

Our University's core purpose is to deliver world-class research, innovation and education. We will do this by working as One University. These equally important four pillars underpin our vision.

### Research

Our distinctive and innovative research will be world-leading and world-changing. We will produce the highest quality research to drive intellectual advances and address global challenges.

### Innovation

Our transformative research and enterprise will find solutions to problems facing society. We will enable and promote a culture of excellence in innovation and entrepreneurship across the University.

### Education

Our teachers will deliver research-led programmes that inspire, enthuse and challenge a diverse community of outstanding students. Our graduates will be equipped to stand out as confident global citizens guided by strong values, ethics and standards – able to make meaningful contributions to society.

### One University

We will build a diverse community of staff and students from a broad range of backgrounds, demographics and cultures, to create an inclusive, supportive and collaborative environment in which they can succeed and flourish.

## Delivering our vision

A cohesive strategy framework underpins the delivery of our vision and strategy.

We have Strategy Delivery Plans for each of our pillars. These plans lay out the actions that we will take to achieve our vision and the timeframes for their completion. An overview of our performance, achievements and challenges this year is provided in each pillar section of this annual report.

Our Strategy Delivery Plans inform our school framework and faculty and school medium-term planning. The framework helps schools think about their contribution to the vision and targets as part of our annual planning through to 2027.

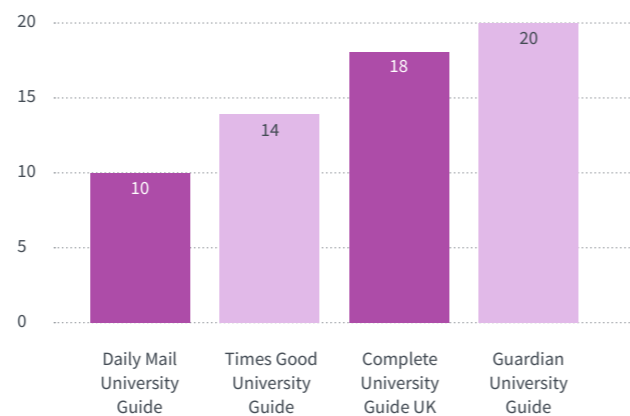
## Measuring our progress

To assess our progress towards the ambitions outlined in the Vision 2020-2027, we have a suite of performance indicators and targets. The indicators inform target setting across the University and are regularly reviewed in the context of the changing internal and external environment. The performance indicators use a mixture of comparative and absolute measures to assess the University's performance.

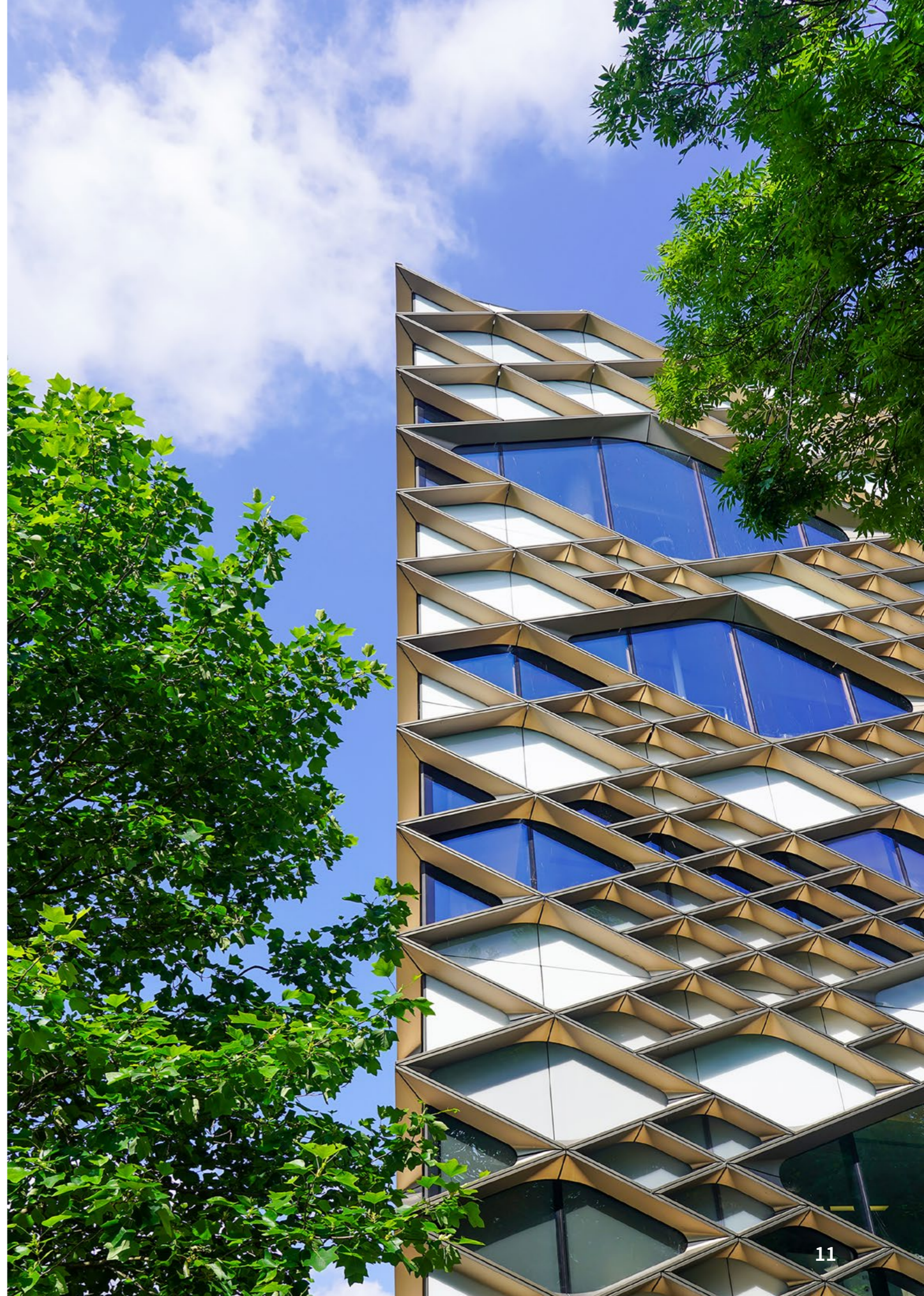
Our performance against these key performance indicators is provided alongside the narrative overviews of each pillar in our Annual Report to provide a rounded picture of the University's performance, achievements and challenges.

We aim to be recognised as one of the top universities in the UK and a world top 100 university. We look at our performance holistically across the pillars, alongside our performance in recognised league tables to monitor our progress.

## Ranking in UK league tables



We ranked 105th in the QS World University Rankings





# Research

Our distinctive and innovative research will be world-leading and world-changing. We will produce the highest quality research to drive intellectual advances and address global challenges.

## Priority one: Excellence

We will support our research community by defining research excellence, providing clear assessment frameworks in line with our commitments to responsible research assessment, identifying and supporting our research strengths and ensuring development is available at all career stages.

At our University, we put people at the heart of our research – not only in conducting research that changes lives but in how we support our research community.

Over the past 12 months, we have embedded a definition of research excellence throughout our organisation. Our definition values the traditional measures of excellence such as the quality of the outputs and outcomes of research – as well as placing explicit value on how we undertake research, the rigour and integrity underpinning our research, and the generosity of leadership and collegiality that creates a supportive and collaborative environment in which to work.

We feel strongly that the culture of the organisation makes an extremely significant contribution to the outputs we are able to deliver. We are prioritising research culture initiatives, and this year have taken this to the next level with the development of a University community action plan focussed on enabling professional fulfilment; rigorous, open and responsible research; and collaboration, creativity and innovation.

A good example of our focus on research culture is our research into building an anti-ableist research environment – with thanks to a Wellcome Trust Institutional Funding for Research Culture Award.

As part of our ambitions for research excellence, we have also undertaken a review of our research entities. Our purpose was to identify and celebrate ambitious, productive cross-faculty and faculty-based research centres, and translational research and innovation centres. Along with external investments in our research, our research entities are making a crucial contribution to challenges facing society both nationally and internationally, and we are here to support them.

## People are at the heart of our research

Our people and the positive impact of their research is recognised across the world. For example, in 2023 five of our engineers were elected to the Royal Academy of Engineering, more than any other UK university that year.

## Research that changes lives

Professor Helen Kennedy, Professor of Digital Society, led a successful bid to direct the [ESRC Digital Good Network](#). The network is building a research community focused on what a good digital society should look like and how we get there.

Our shared ambition and collaborative work environment enables us to conduct research that changes lives.

Our grant income is growing, with our average grant size increasing; and we are encouraging our research community to focus on producing a smaller number of very high quality outputs and impact beyond academic research.

For example, this year we designed a breakthrough technological aid for dementia patients to combat malnutrition. With funding from the Alzheimer's Society we're working to make [The Tasty Spoon™](#) accessible and affordable to people living with dementia – that's around 50 million people worldwide.

We don't work in isolation. Our partners and funders help us to make an impact in communities across the world. With government funding we are working to define [responsible use of Artificial Intelligence \(AI\)](#) in education, policing and the creative industries. With Yorkshire Cancer Research we've begun seven [world-leading cancer research studies](#) to help more people survive the disease.

This year, landmark funding secured our [world-leading MND research](#) for the next decade through the expansion of our Sheffield Institute for Translational Neuroscience (SITraN). More recently, with partners and funders, we announced a new [£38 million centre to develop planet-friendly alternatives to animal proteins](#) with the aim of securing a continuous supply of safe, tasty, affordable, and healthy proteins that also support Net Zero goals and futureproof the UK's food and animal feed security. We will work with over 120 partners around the world, including companies such as Quorn and organisations such as the Food Standards Agency and the Good Food Institute.

Learn more about how we're addressing a wide range of global challenges by exploring our [world-leading research centres and facilities](#).

## Priority two: Postgraduate research students

Our research excellence, innovative training, and commitment to researcher development and wellbeing makes us the institution of choice for postgraduate research students (PGRs).


Our holistic approach to research excellence and research culture extends to our commitment to postgraduate students. We're continuously working to better understand their unique experiences of our research culture and to create a better future together.

Last year, we sought the opinions of PGRs at all stages of their research in our PGR Voice survey, designed in collaboration with the University of Manchester. Overall, our results are positive, particularly for academic supervision, which is critical to PGR success.

We also identified a number of areas for improvement, including improved support for PGR students with disabilities, a renewed focus on training and development, and new mechanisms for community building such as a mentoring programme to enable connections and support between students at different stages of their studies. We have also established a PGR Wellbeing Strategy Group and will be implementing its initial recommendations in the coming academic year.


In line with our commitment to increasing opportunities in doctoral research for minority students currently under-represented in our PGR population, we advertised fully-funded University of Sheffield Research Scholarships for UK Nationals, who identify as Black or Black British, Asian or Asian British or who are of multiple ethnic backgrounds. We have recruited students to these scholarships in the Faculties of Arts and Humanities, Engineering, Health, and Science.

With a view to supporting our supervisors to navigate diversity and to enable them to support racial equity, we have launched bespoke learning and development sessions with the appointment of a new racial equity trainer.

 **94% increase over the past four years** in the proportion of postgraduate research students submitting their thesis within their tuition fee-paying period.

 **11 centres of research excellence.** Our cross-faculty research centres are helping to solve the world's most pressing challenges.

 **25 planned actions** on our research culture action plan to support our institutional commitment to building a research culture in which everyone can thrive.



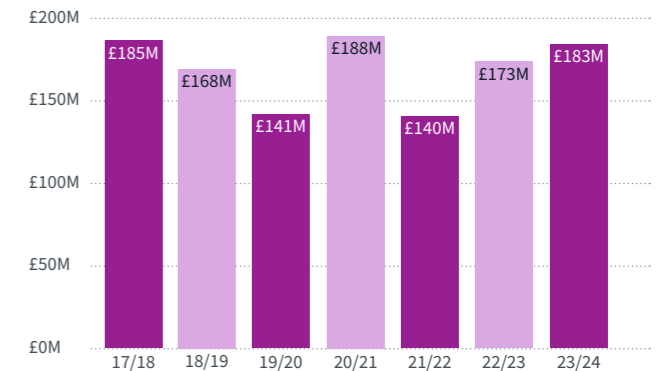
## How do you treat the 'cruellest disease'?

1 in 300 people are at risk of developing motor neurone disease (MND). There is currently no cure, but there is hope. Sheffield researchers are working to make MND history.

[Working to make MND history](#)

## Measuring our progress


### Research income



 We ranked **17th** in the UK for Research Excellence Framework Outputs.

 **92%** of our research is rated in the highest two categories in the Research Excellence Framework 2021, meaning it is classed as world-leading or internationally excellent.

 **1,657** postgraduate research students (PGRs) helped us further improve our student experience through a PGR Voice survey.

 Read more about our [Research pillar](#) and explore related case studies

# Innovation

**Our transformative research and enterprise will address the world's most pressing challenges. We will enable and promote a culture of excellence in innovation and entrepreneurship across the University.**

## Priority one: Enabling impact

**Our research and education will have the maximum possible positive impact on society and economy, from the local to the global, through a vibrant ecosystem for partnerships and knowledge exchange.**

At the University of Sheffield, we define excellent impact as the lasting, significant and positive change we make in the world through our research, education and innovation.

Much like research excellence, it is our holistic approach to creating a healthy ecosystem for impact which sets us apart – through governance, leadership, training, and dedicated support, we are building a vibrant ecosystem across the University.

This year, we hosted our [inaugural Knowledge Exchange and Impact Awards](#) to celebrate the outstanding achievements of our staff whose innovative collaborations with external partners have delivered tangible, far-reaching, and lasting benefits to the wider world. One such collaboration is the Social Accountability in Medicine: Community project led by Dr Joanne Thompson from our School of Medicine and Population Health. This is a collaboration with 120 partner organisations to provide placement opportunities for all third-year medical students to introduce students to the social determinants of health, health inequalities, social injustice, and lived experience, while also serving the local community in South Yorkshire.

We have also transformed how we support our academics, research students, and technical staff to explore the commercial potential of their work through our [Commercialisation Journey](#) programme, which we formally launched in 2023. Over the past 12 months, six new spinouts have launched from the University and our spinout portfolio has raised £31.6 million, including £3.6 million from our investment partner Northern Gritstone Ltd. These spinouts companies are making an impact, taking research from our labs to the world stage for the benefit of society.

**Phlux Technology** spun-out of our world-class photonics research back in 2022 with backing from our investment partner Northern Gritstone and funding from the University's Intellectual Property Development and Commercialisation (IPDaC) fund. Earlier this year, the company launched its first product – a revolutionary infrared sensor that delivers 12 times higher sensitivity compared to competitors. Infrared sensors power systems that are critical to our everyday lives, from face ID on mobile phones to medical breakthroughs.

## Priority two: Translational innovation

**Our translational innovation centres will increase collaborative activity with the University's academic community, as well as broadening their external partnerships, with a clear focus on maximum benefit for those partners.**

We are one of the few universities that has both state-of-the-art fundamental research labs and industrial-scale translational innovation centres, providing us with major mechanisms for creating impact in collaboration with our industry partners and other stakeholders.

We continue to make a significant contribution to addressing the global climate crisis and supporting the UK's transition to Net Zero as one of the UK's leading universities for [clean energy research and development](#).

This year, we started construction on the largest-ever collaborative research and development programme – and one of the biggest research projects in the North of England – [Composites at Speed and Scale \(COMPASS\)](#). The £80 million facility at the University of Sheffield Advanced Manufacturing Research Centre (AMRC) will play a critical role in helping the aviation industry meet future demand for lighter commercial aircraft and reaching net zero.

We also opened our new [Energy Innovation Centre \(EIC\)](#) to give industries access to some of the University's world-class research facilities to test and develop new low-carbon energy technologies.

In May, we announced a [partnership with Rolls-Royce SMR](#) to manufacture and test prototypes for its small modular reactors (SMRs). SMRs are seen as a clean energy source that are easier to scale and more affordable than building larger nuclear power plants, and their production is crucial to support the UK's ambitions for net zero by 2050.



**Company founders** at the University of Sheffield have **outpaced even Oxford** when benchmarked for the size of university in producing spinouts, with **26 companies launching since 2020**.



**A top UK university** for developing IP and commercialising research, **working with businesses**, and for **public and community engagement**. (Knowledge Exchange Framework 2024).

## Priority three: Sheffield and the South Yorkshire region

**Working collaboratively with partners for mutual benefit and consistent with organisational and faculty strategic priorities, we will increase and enhance the University's leadership role in the region. With a clear focus on economic regeneration and sustainable development, we will contribute to improved health outcomes, productivity and cultural vibrancy.**

Our focus on clean energy research and development is not only helping to address the global climate crisis – it is creating jobs and driving economic growth in Sheffield and beyond.

For example, our partnership with Rolls-Royce SMR enhances our region's reputation as the best place for clean technology in the UK and puts us at the forefront of creating a greener future for the UK and beyond. The COMPASS facility will play a significant role in stimulating growth and job creation in South Yorkshire by acting as an anchor project for the South Yorkshire Investment Zone – the first investment zone to be announced in the UK. It is one of the most significant regeneration projects in the UK for decades.

Likewise, not only are our spinout founders building world-class businesses – we are also working hard to connect our research to local economic growth. We have teamed up with Sheffield Technology Parks (STP) to build [new lab spaces in the city centre](#) designed to tackle the shortage of suitable space for innovative startups in our city.

These new lab spaces are part of the broader concept known as the [Sheffield Innovation Spine](#), designed to link the infrastructure required to grow knowledge-led businesses in the city centre. This work will also help us to retain talent in the region and secure high quality jobs for our graduates.

Economic growth is just one area of our commitment to Sheffield and the South Yorkshire region. We continue to work with organisations and individuals to make our region healthier, greener, more vibrant and innovative for all through our [Made Together programme](#).

A year after the launch of the [South Yorkshire Digital Health Hub](#), led in collaboration with Sheffield Hallam University, we have agreed a first cohort of innovative projects to tackle healthcare inequalities and transform how patients are treated in South Yorkshire. The Hub is leveraging our strengths in research, innovation, and community engagement to drive the development of new digital health solutions.

We've also recently hosted our flagship event, [Festival of the Mind](#), for the seventh time, sharing our world-class research with the public through creative collaborations with regional partners in venues across the city.

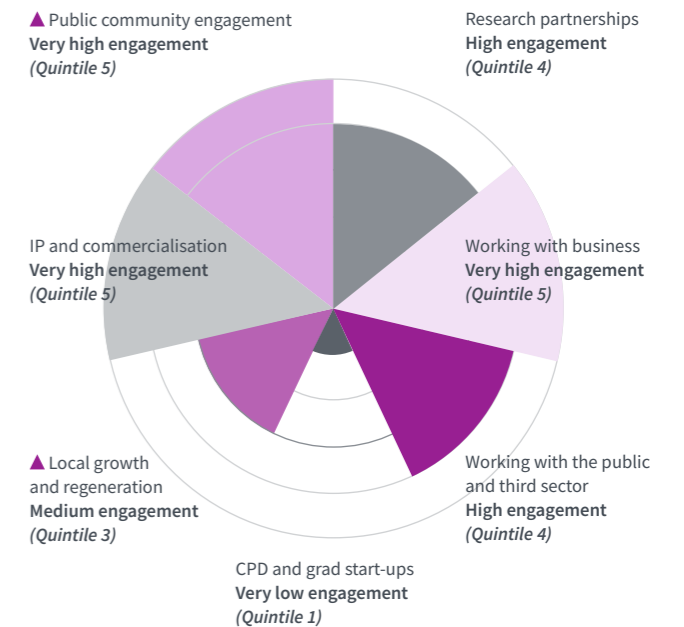


The estimated impact of the University of Sheffield's **research and knowledge exchange activities** in 2022–23 stood at **£1.8 billion**.

Source: London Economics - The economic and social impact of the University of Sheffield, 2025

## Measuring our progress

**Knowledge Exchange Framework – Our strengths when compared with other similar universities**



## World-first transatlantic flight using Sustainable Aviation Fuel (SAF)

With the help of our engineers, an historic transatlantic flight using 100 per cent Sustainable Aviation Fuel (SAF) took off on 28 November 2023. Flight100, by Virgin Atlantic, marked a major milestone in the development of Sustainable Aviation Fuel (SAF), as it was the first time 100 per cent SAF has been flown in both engines, by a commercial airline across the Atlantic. The historic flight, from London Heathrow to New York JFK, demonstrated the potential to use SAF on long haul flights and was an important step in tackling aviation's biggest challenge – decarbonisation.

**Flight 100 marked a major milestone in the development of Sustainable Aviation Fuel (SAF)**

Read more about our [Innovation pillar](#) and explore related case studies



# Education

Our research-led programmes will inspire, enthuse and challenge a diverse community of outstanding students. Our graduates will be equipped to stand out as confident global citizens guided by strong values, ethics and standards, able to make meaningful contributions to society.

## Priority one: Portfolio

We are shaping a balanced, research-informed portfolio of programmes, which serves the needs of students and develops graduates with the knowledge and skills for successful careers.

To help strengthen our teaching, research and innovation, and improve experiences for staff and students, last October we announced plans to create a new school structure across our five faculties. By bringing together some existing departments to create more evenly sized schools, we will be able to provide a more consistent and high-quality student experience.

We've revised our policy and approach to academic tutoring to ensure a consistent experience for all taught students across the University. Academic tutoring is a key element of the package of support we provide to taught students, and is personalised to respond to students' individual circumstances.

Student voice continues to be at the heart of everything we do, and we were delighted to welcome a panel of students to our Education Conference 2024, where students played a fundamental role in working with us to explore how we make assessment and feedback work for everyone. This was extremely valuable and provided us with an opportunity to reflect on assessment from the students' point of view. It worked so well, we're going to involve students in our conference again next year.

We have a dedicated and enthusiastic community of staff and students who care deeply about our students' learning and educational experience. Our Education Awards recognise and celebrate their excellent practice in learning and teaching.

The Specific Learning Difficulty (SpLD) Service and the English Language Teaching Centre (ELTC) Technology Enhanced Learning (TEL) team were recognised for demonstrating excellence in their adoption of cutting-edge technology, including Generative AI, virtual reality and gamification to provide innovative learning opportunities for students with specific learning difficulties.

Our students are using their skills to make meaningful contributions to society, from [creating real-world impact for patients with rare cancers](#), to [developing video games that are raising vital funds for UK charities](#), as well as [building record-breaking rockets](#).



## Priority two: Employability

We are delivering a sector-leading vision for employability which captures the value of learning and development experiences in and beyond the curriculum. Our Graduate Outcomes will reflect the experiential opportunities allowed to students, and the high quality support for skills development.

We continue to enhance our placement year offer and our aim is that high quality work experience will become part of all our undergraduate programmes.

For the first time, all undergraduate students beginning courses in 2024 had the option to undertake a placement year as part of their degree, and, on-entry, eighty-five per cent of them indicated an interest in doing so. Five-hundred-and-sixty-four students completed year-long placements this year, an eight per cent increase on 2022-23, and the level of interest from new first-years suggests numbers could rise significantly in the future, contributing to positive graduate outcomes.

Under the [Sheffield Graduate Attributes](#) initiative, students have the opportunity to build attributes and skills from their academic modules, work experience and other extra-curricular experiences.

The Faculty of Arts and Humanities is focused on embedding employability and work-based learning throughout the curriculum, from placement years and work-based learning modules, to helping increase our students' confidence in articulating their skills. The [value of an Arts and Humanities degree](#) campaign is setting the tone for this work and showcasing some of the amazing careers that our students go on to do. We hope to replicate this throughout the university and incorporate it into every programme.

The Sheffield Connect mentoring and networking platform was launched in 2023-24, enabling students to identify and connect with alumni mentors more easily. Since the platform launched, 278 mentoring partnerships have been hosted and it is expected to enable many more career-enhancing connections in the coming years.

Use of MySkills, a unique portfolio tool which helps our students reflect on the attributes they are gaining, increased in all faculties, with seventy-eight per cent of first year undergraduate students engaging (fifty-two per cent in 2022-23), and work to identify good practice in embedded work-related learning also progressed well.

In 2024, we launched 'Emerge: Be enterprising,' a new enterprise service which provides a community for budding entrepreneurs – staff, students, and recent graduates alike. The service has supported numerous students in turning their innovative ideas into business solutions and 14 successful startup projects have received financial incentives to launch their business.

*KPIs for High achieving applicants (% ABB+) and Widening participation (target LPN%) have been omitted this year due to national data not being available.*

## Top in the Russell Group for student experience

The latest National Student Survey (NSS) placed us top in the Russell Group for student experience for the second year running. Students gave the University of Sheffield the highest score in the Russell Group for learning opportunities, assessment and feedback, and student voice, whilst the University was ranked in the top four for teaching, academic support, organisation and management, and learning resources.

## Priority three: Digital experience

We are designing a rich and inclusive digital environment that will support excellent and inspiring teaching, enabling all students to engage effectively in their learning.

A number of University departments have volunteered to be early adopters for the new Virtual Learning Environment (VLE) platform, Blackboard Ultra, before it's rolled out University-wide next year. Our VLE is key to how we deliver education. It provides the infrastructure behind our programmes and enables us to give our students a consistent and coherent learning experience. The new platform will provide a better student user experience, allow students to connect information and knowledge in an inclusive, personalised digital space, and support a programme-level approach.

The Bring Your Own Device pilot continues, which seeks to ensure all students have equal access to a device and the digital technologies they need for their studies, and adapting spaces to meet the evolving needs of our students. Building on a successful pilot in Computer Science, we are now extending the initiative to the Schools of English, and Architecture and Landscape. Alongside this, we are exploring the infrastructure implications of the initiative and we've also built a digitally-enabled teaching space where, with a comprehensive and flexible provision at their disposal, staff can develop the most appropriate ways to advance digital skills within their subject.

My Digital Induction is the University's new induction guide for students, covering the key digital technologies they will use whilst studying with us. The guide offers students a user-centred orientation to the University's core digital technologies, develops basic digital skills, and articulates how these skills relate to their employability.

The development of Generative Artificial Intelligence (GenAI) continues to move at pace. Our response to GenAI in learning and teaching is guided by a [set of principles](#) that supports a positive approach to AI, supports staff and students in understanding the limitations and challenges of using such tools, and enables staff and students to use GenAI tools appropriately, responsibly and ethically. We're now seeing the inclusion of GenAI within University programmes in an appropriate and subject-relevant way.



## University of the Year



Our students voted us University of the Year at the Whatuni Student Choice Awards. In their reviews of our university, we were recognised as an institution that cares deeply about what we offer our student community.

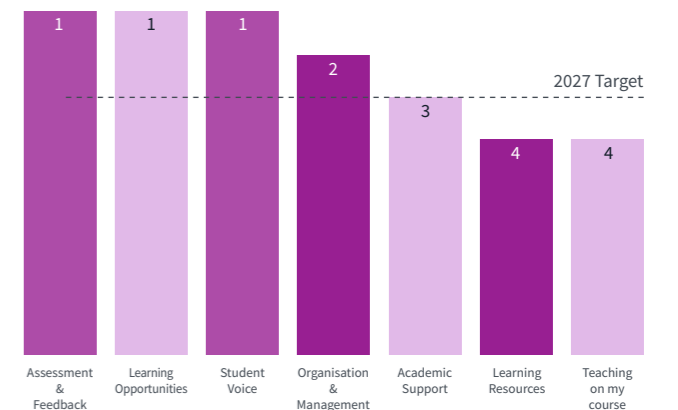
We have been celebrated as one of the most well-balanced universities for quality of education, student experience, value, opportunity, and the quality of our academic programs and research.

The University of Sheffield has also been named the top university in the Russell Group for student experience and student support in the latest Daily Mail University Guide, and also ranked among the top in the UK within The Guardian University Guide.

## Measuring our progress

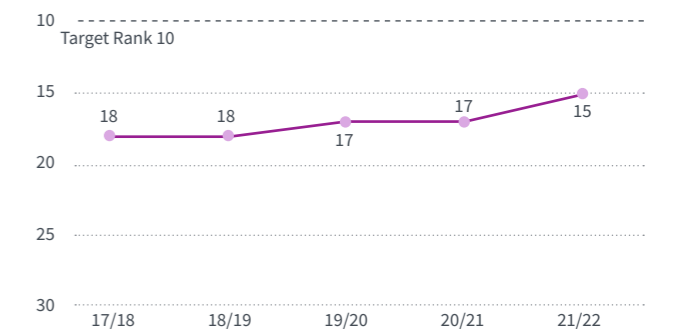
### Student Experience

2023-24 rank within Russell Group on National Student Survey measures



### Employability

Rank in Russell Group for TEF-reported Graduate Prospects



Read more about our [Education pillar](#) and explore related case studies



# One University

We will build a diverse community of staff and students from a broad range of backgrounds, demographics and cultures, and create an inclusive, supportive and collaborative environment in which they can succeed and flourish.

## Priority one: Collaborative & supportive culture

We will foster a collaborative culture where staff and students are all active participants in the success of the University.

Freedom of speech and academic freedom are fundamental to our research activities and we encourage and celebrate the open exchange of views and beliefs. We launched our [Code of Practice on Freedom of Speech and Academic Freedom](#), which outlines how we will protect and promote free speech across our research and education activities.

We continue with our work to ensure technical roles, skills and careers are better recognised, understood and aspired to. Our new [technical career route](#) has been developed based on insights from our technical workforce and illustrate what technical roles and skills look like across our grades and disciplines. These routes complement our existing [Shared Skills Framework](#) and professional services career routes to support colleagues with development and progression.

We continue to listen to our staff and will ask colleagues what they think about working at the University in our next Staff Survey in autumn 2024. We will use what they tell us to make a difference in the areas that matter most.

Our Staff Networks, groups and communities play an important role in creating a supportive and collaborative culture. There are over 20 Networks and communities and each of these provide support, create spaces for people to come together and inspire and encourage other colleagues across the institution - all of which are vital contributions to our University community and positively impact other colleagues.

Building on our work to improve progression and development opportunities for colleagues and postgraduate research (PGR) students, we are introducing a level 5 coaching apprenticeship. Qualified staff will form a cohort of internal coaches who can support colleagues across the University.

## Priority two: Diversity & inclusion

We will build a diverse community of staff and students that recognises and values the abilities, backgrounds, beliefs and ways of living for everyone. Our culture should ensure all members of the University community feel they belong and are treated with respect.

We retained our Silver Athena Swan Award for gender equality, a framework used to support and transform gender equality within higher education and research, and launched our updated [Gender Equality Action Plan](#). Our updated plan consolidates and progresses the work we have done so far and responds to what our communities are telling us matters to them and what they need.

Following on from our work to refresh our LGBT+ strategy, particular focus has been on supporting our current and prospective LGBT+ students. We launched our new [LGBT+ student web pages](#) that outline the support, events and activities for LGBT+ students within and outside the University.

As part of our commitment to improving race equality, we applied for the Race Equality Charter Bronze Award. The Race Equality Charter self-assessment process was a crucial starting point for reassessing our race equality work. It includes our progress to date and an Action Plan outlining the steps we need to take. The outcome of our submission is expected in late 2024.

Looking forward and following a review and refresh of the [Disability Equality Strategy](#) earlier this year, actions focussing on improving the experiences of neurodiverse colleagues, colleagues who are D/deaf and those who have hearing loss have been added. These new actions have been developed following consultation with colleagues with lived experiences and focus on the activities that will improve inclusivity and accessibility.

Equality, diversity and inclusion are important themes relevant to all stages of the recruitment process. We've developed an inclusive recruitment hub that provides considerations for managers to better incorporate inclusive practices into their recruitment cycles.



## Our inspirational women

As part of our gender equality work, we launched the [Our People: Inspirational Women](#) initiative which aimed to increase representation of women in portraits and photography around campus. Following a nomination process, 21 women were selected to feature in a special photography exhibition and these portraits have now been given permanent homes across our campus.

## Priority three: Wellbeing

We will create a positive environment that supports and encourages the wellbeing of our staff and students, whilst empowering individuals to be responsible for their own wellbeing.

Supporting positive wellbeing and mental health and ensuring that staff and students can access the help and support they need is a key priority at the University of Sheffield. Building on recommendations from Student Minds, our [Mental Health Action Plan](#) outlines the steps we will take to ensure staff and students can receive the support they need.

We have continued our focus on providing specialist and tailored advice and support to colleagues. We have appointed an additional Staff Mental Health Adviser who joins our in-house Staff Mental Health Adviser Service and works closely with our Staff Disability Adviser.

As part of our work to ensure accessible mental health services and proactive interventions, we launched our [How to Help resources](#). These resources empower and guide staff to identify the right services if they are interacting with someone in our University community who is in need of mental health support. A student-facing version of these resources are being developed and will shortly be shared with our student community.

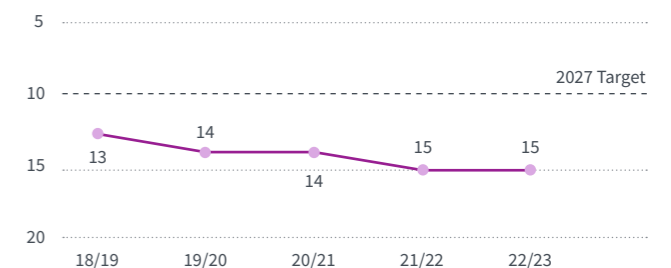
We recognise that dual pressures of work and home life can be difficult for those with additional caring responsibilities. Our new [carers passport](#), created in collaboration with the Carers Staff Network and in response to feedback from staff, makes it more straightforward for colleagues with caring responsibilities to request and review adjustments and support with their manager.

We are committed to supporting colleagues through major life transitions and our new fertility hub provides information and resources for those experiencing fertility challenges. It also provides guidance and tools to help managers support staff in the workplace and our new parenthood web page supplements our existing family leave support.

## Measuring our progress

### Staff Diversity

Rank in Russell Group for % Black, Asian & Minority Ethnic staff by year



Over **320** nominations received for [Our People: Inspirational Women](#) initiative.



Retained our **Silver Award** from the Athena Swan Charter in recognition of our work to achieve **gender equality** among staff and students.



Published **10** professional services career routes to support colleagues with development and progression.



# One University (continued)

## Priority four: Sustainability

We are continuing our work to make the University of Sheffield one of the most sustainable research-intensive universities in the country.

Our Scope 1 and 2 emissions for 2023–24 were 15,918 tCO<sub>2</sub>e\*, a reduction of around 42% from our 2018–19 baseline.

Sustainability is a collective effort. Our Big Christmas Switch Off asked staff to ensure they are switching off equipment over the Christmas period. In 2023, this saw a reduction in electricity consumption of 3.5% compared to a similar period in 2022 and 34% lower than a 'typical' nine-day period. We also worked to ensure heating was being used efficiently, achieving a 54% reduction in heating consumption compared to a similar period in 2022–23.

Our active travel app, *Betterpoints*, has seen a 52% increase in users in the last year, with 6,388 staff and students now regularly logging journeys. Over 1.4 million active and sustainable journeys have been recorded, with around 950,000 of them replacing car trips, equating to 344 tonnes of CO<sub>2</sub> avoided.

Following the appointment of a Sustainable Labs Manager, we are working towards the Laboratory Efficiency Assessment Framework (LEAF) scheme accreditation as a way of incentivising and measuring the sustainability achievements of our laboratories. In 2024, we became one of the first signatories of a new *Concordat for the Environmental Sustainability of Research and Innovation Practice*. This commits us to a number of areas for action and ensures we are at the forefront of efforts to reduce negative environmental impacts and transition to sustainable practices.

We are working closely with departments in relation to our Scope 3 carbon footprint, which is much higher than our direct (Scopes 1 and 2) emissions. Departments are now provided with a comprehensive report of their supply chain emissions to help see where the biggest impact is coming from and inform more sustainable procurement decision-making.

We have continued to invest in our buildings and campus to make them more energy efficient. For example, replacing the steam system in the Alfred Denny building will save 600 tCO<sub>2</sub>e a year, equivalent to around 4.3 million miles of driving. We've also invested in installing new LED lighting and motion sensors in several buildings, ensuring electricity is not being wasted.

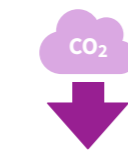
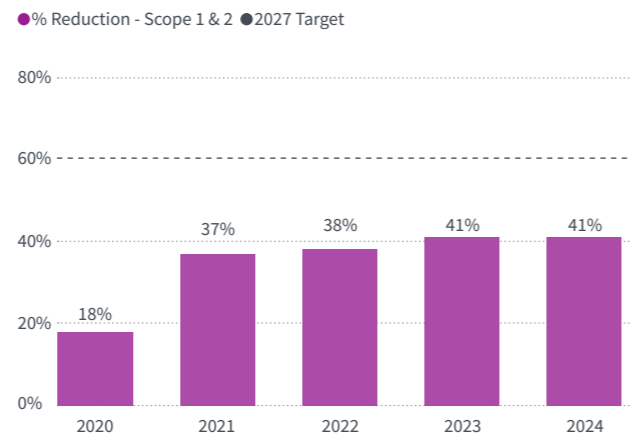
2024 has seen us begin the process of researching and developing the next stage of our sustainability strategy, due to be published in 2025.

\* net emissions

## Measuring our progress

### Sustainability

#### % Reduction in Scope 1 & 2 emissions since 2019



**42% reduction** in our Scope 1 and 2 emissions for 2023–24.



Over **1.4 million active and sustainable journeys** have been recorded on our travel app, *Betterpoints*. Around 950,000 of them replacing car trips, equating to **344 tonnes of CO<sub>2</sub> avoided**.



**415 new students** are being supported via donor funded scholarships starting September 2024.



**Raised £11.5 million** in philanthropic income, against a target of £6 million.



## Building our students' career confidence

We are creating opportunities for our successful alumni to act as role models and a source of inspiration for our students. Our flagship *London City Connections*, which has been running for a decade, helps open doors for students who are less likely to have access to those all important networks. This year, 60 students from the Faculties of Arts and Humanities and Social Sciences took part in the series of alumni-hosted business visits, tours and workshops in London, before practising their networking skills at a global insurance company based out of the Lloyds building. For alumni, it's a fantastic way to give back to the University and a chance to inspire, guide and advise the next generation of graduates.

## Priority five: Philanthropy

We will launch the University's first multi-million-pound fundraising and engagement campaign, to increase and diversify philanthropic income and help create a sense of belonging and participation amongst our staff, students and alumni.

We will launch our first multi-million-pound philanthropic campaign, *Forged in Sheffield*, in autumn 2024. With many high profile alumni joining us for a flagship Question Time-style launch event in London and in promotional materials for our global supporter community, we are looking forward to showcasing our Sheffield students and our areas of research strength.

2023–24 has been an extremely successful year for philanthropic support. We've raised £11.5 million against a £6 million target. This included a £1 million gift from a local alumnus and £1.5 million from the Wolfson Foundation, the largest award the Foundation made in that round. Both gifts will go towards a core capital project in the Faculty of Health, expanding translational neuroscience facilities and creating more capacity for medical teaching. We have now raised more than £8 million towards this new facility.

In June 2024, we delivered another successful *Big Walk* community fundraising event. The event brought our community together and helped raise the profile and reputation of the University of Sheffield as a centre of excellence for motor neuron disease research. We were grateful for involvement from Hollywood actor and Honorary Doctorate recipient Dominic West, and from ITV who were present at the finish-line.

Our fundraising in support of students continues to grow. We raised £1.6 million for scholarships, bursaries and hardship in 2023–24. At least 415 students joining the University of Sheffield in 2024–25 will receive donor-funded scholarships. Many others will receive donor-funded grants to help pay for overseas study opportunities or work placements.

Our alumni engagement plans remain focused on supporting the core areas of: international recruitment, where we supported conversion events, ran alumni panels for international prospective students, and secured alumni to attend recruitment fairs; reputation and rankings, where we mobilised our alumni community in support; and delivering employability outcomes for students, where we ran sessions that improved career confidence, supported mentoring at scale, offered live company projects on courses and secured company visits.

We have expanded our offering to international Sheffield graduates through new in-country groups and the ongoing roll-out of the alumni-student platform *Sheffield Connect*. Alumni engagement with our suite of volunteering opportunities that build students' career confidence remains as strong as ever.

▶ Read more about our **One University pillar and explore related case studies**



# Financial review

## Overview of the year

We are navigating a combination of growing sectoral financial challenges, yet despite this we have delivered an underlying operating surplus for the year of £6m (2023: £44m). We have remained focused on delivering a surplus through proactive cost control, preserving our cash balances and ensuring long-term financial sustainability. We have a strong financial track record, a robust balance sheet and a solid market position. This financial base is allowing us to be able to strategically respond to these sector challenges without compromising our position as a leading world-class University.

## Financial performance

### Income

**Total income** for the year grew by 1% to £895m. Whilst there is growth, it is slowing from rates seen in recent years; the comparable growth percentage in the prior year was 8%. This is not unique to the University of Sheffield, but is a trend seen across the sector.

**Tuition fee income** of £402m accounted for 45% of our total income. Most of the growth in the year was from the international student market. The UK undergraduate market remained stable, where the home undergraduate fee has been fixed at £9,250 since 2017.

**Funding body grants** have slightly decreased by 2% to £109m. Whilst the teaching grant has increased by £2m, it has been more than offset by decreases of £2m from Research England grants and decreases in capital grants of £4m.

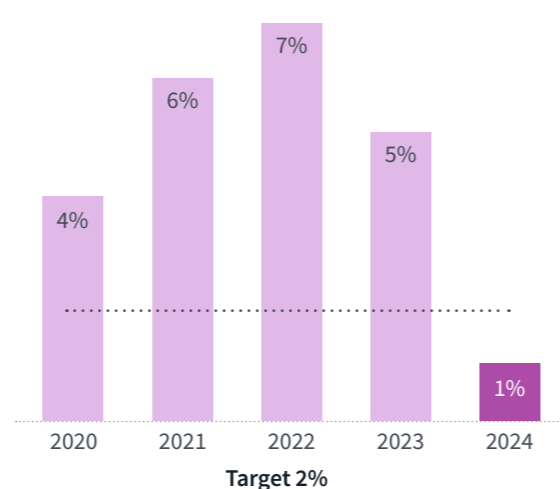
**Research grants** have decreased by 6% to £186m, due mainly to a reduction in the volume of new awards. However, this decrease has been offset by the equivalent increase in other income.

**Other income** is £166m, an increase of 7%, due mainly to increases in services rendered income. There has been a reclassification of some funding from research to non-research activities. When considering research grants and other income as a whole, these have remained stable year-on-year.

**Investment income** of £20m continues to benefit from buoyant interest rates and strong cash balances, being a £7m increase from the prior year.

**Donation and endowment income** recognised as income and not held within endowments on the Balance Sheet has remained comparable at £13m.

## Underlying surplus



### Expenditure

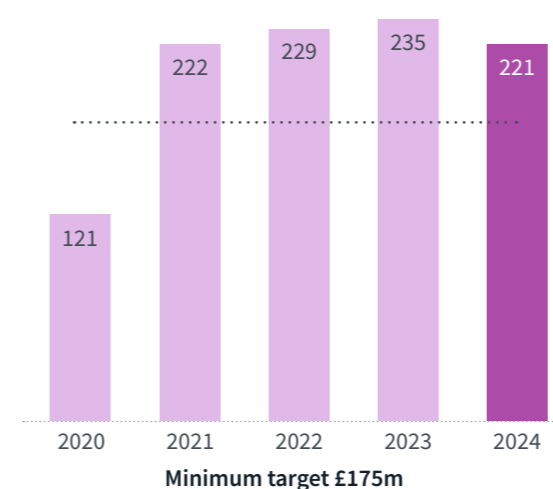
**Total expenditure** excluding the Universities Superannuation Scheme (USS) staff cost movement, grew by 6% to £879m, which is largely a reflection of continued inflationary pressures combined with higher depreciation expense. We have continued to carefully manage expenditure to mitigate wherever possible the impact of inflation.

**Staff costs** remain our single largest area of expenditure, representing 54% of total expenditure (excluding the USS staff cost movement). During the year, staff costs have increased by £19m, or 4%, to £473m. We continue to invest in our staff. Alongside the national pay award, which is negotiated annually by the Universities and Colleges Employers Association (UCEA), we provide incremental pay progression, opportunities for accelerated pay progression and promotion, recognition awards, and a wide range of other benefits and offers. Staff also have access to one of three pension schemes. In early 2024, changes to the Universities Superannuation Scheme (USS) reduced contributions and improved benefits, including a one-off uplift for eligible colleagues.

**Other operating expenses** have grown by 4% to £286m, largely as a result of inflationary pressures, with £4m of the increase seen specifically across energy costs for electricity (unit cost increases) and £2m for overseas agents fees, due to increased commission rates and increased student numbers coming through agents.

**Depreciation and impairments** have grown by 28% to £103m. This reflects the continued investment in our world-class teaching and research facilities, such as the Wave. We revalue our fixed assets and at the year-end impaired £9m of our £1.8bn fixed assets (<1% impairment). Two thirds of these impairments are due to the timing of the valuation, resulting in the investment not yet crystallising, but expected to do so in subsequent years. The remainder is where we have invested in modern research capabilities to provide a specialised research facility which outstrips the local market ceiling.

## Cash balances



## Cash and liquidity

We continue to have healthy cash balances, with year-end cash balances of £221m. Set against this, we have unsecured loans of £61m, and a service concession arrangement on our student residences of £90m.

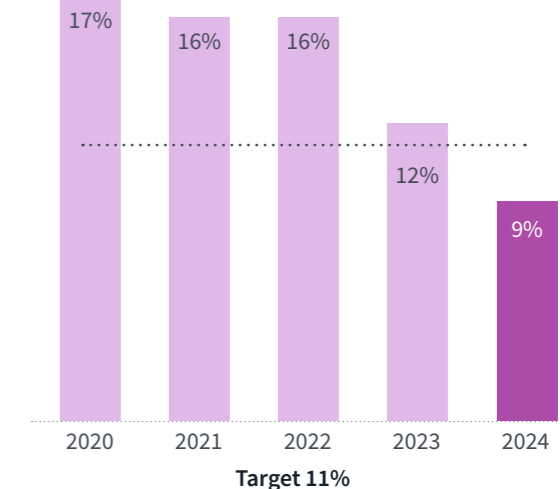
Given the challenges the sector faces, our healthy cash balances, combined with our modest debt, provide us with net cash of £70m, and provides us with a buffer for the future. We are comfortably within Office for Student (OfS) liquidity targets and have generous headroom with lender covenants and USS debt monitoring metrics.

**Our treasury management policy** develops funding strategies to meet our short and long-term requirements, including all aspects of cash flow management. This includes objectives of treasury risk management, efficient cash management, securing the most flexible and efficient approach toward capital financing, and managing liquidity requirements. These objectives are to be achieved in a manner that facilitates maximum flexibility for the University within acceptable risk parameters and the University's financial framework.

## Donations and endowments

We continue to increase and diversify philanthropic income and during the year, we have received donations and endowments of £13m. The nature of the gift and the associated conditions determines the accounting treatment, and as a result they can be recognised as income or held as endowments on the Balance Sheet. Our total Balance Sheet endowments are £55m.

## EBITDA %



## Pensions

Universities Superannuation Scheme (USS) is a multi-employer scheme and the results of the most recent valuation at 31 March 2023 showed that the scheme was in surplus. A new schedule of contributions was agreed and with effect from 1 January 2024 no further deficit contributions are payable. This has resulted in a credit of £235m compared to a credit of £37m in the prior year.

Our in-house scheme, University of Sheffield Pension Scheme (USPS) has moved from a scheme surplus of £18m as at 31 July 2023 to a scheme surplus of £2m, measured on an FRS 102 basis.

The primary reasons for the change are movements in the discount rate and the impact of new census data. Recognition of the surplus is driven by accounting standards and has no impact on the benefits payable by the Scheme. The actuarial gain/(loss) in respect of USPS is treated below operating profit.

## Digital and infrastructure investment

We have developed a technology enabled strategic framework that aligns transformational change of our digital capabilities to the University vision and has been backed by recurrent annual investment of approximately £15m.

We are improving the digital student experience and have invested in a new customer relationship management system (implementing Salesforce Marketing Cloud and Education Cloud) that enables better engagement with prospective students and provides an easier transition before joining the University. We have streamlined digital processes to support the increase in opportunities for students to develop employability skills through placements and to experience studying abroad, via accessible, institutional-wide portal to support student and programme needs.



# Financial review (continued)

We support research excellence, enhancing the effectiveness of researchers and research outputs through significant investment in our high-performance computer cluster to enable the use of artificial intelligence in more areas of study.

This year, the University's most sustainable building with zero emissions opened. The Wave is now the flagship building for the Faculty of Social Sciences, providing a purpose-built hub of state-of-the-art teaching facilities for our students. The project as a whole cost £92m, with £29m of this being grant-funded.

We have also commenced work on our Composites at Speed and Scale (COMPASS) research facility, which will house the Isothermic High-Rate Sustainable Structures (IHSS) project dedicated to developing and testing new technologies needed to meet future demand for lighter commercial aircraft and help the aviation industry's commitment to reach net zero by 2050. In the financial year, we have spent £18m on COMPASS (total project cost of £20m, of which £17m is grant funded).

## Future outlook

The UK HE funding model remains a challenge for the sector, we are still operating with a fixed home fee of £9,250, with a cost base rising with inflation. Our research performance remains healthy; however, this activity continues to require a cross subsidy from our other activities.

Whilst we have seen applications from UK students to the University of Sheffield increase, the number of international students choosing to study in the UK has been adversely impacted by UK government rhetoric and policy (e.g. the Migration Advisory Committee (MAC) Review, cost of VISAs, access charges for use of the NHS) and changes to the geopolitical landscape (e.g. currency instability in Nigeria, stagnation of the Chinese economy and Chinese graduate unemployment greater than 20%). In addition to this, although we have improved our rankings in UK University league tables, we are no longer in the Top 100 QS World rankings, a ranking that is particularly important to prospective students from China.

Our latest recruitment data shows that whilst we will exceed our home student recruitment targets, our international student recruitment targets will not be achieved, resulting in a reduction in our income in the coming year. Although we will continue to seek new markets, refresh our teaching portfolio and take action to improve our QS World Ranking position, we anticipate that a reduced level of intake, similar to the current year, is likely over the next few years. We have therefore adjusted our financial forecasts, reducing planned income and expenditure accordingly. Whether the international student decline is a one-off rebasing, or the start of a continued decline remains to be seen. We have scenario-planned for both possibilities.

Expenditure reductions will be made to both the revenue cost base and capital programme, however we intend to undertake these reductions whilst protecting the quality of our teaching,

**Our plans are built around a long-term strategic approach that will enable us to remain a world-class University.**

student experience, research and innovation activities and ensuring that strategic investment can continue. We may utilise an element of our cash reserves to support this focused approach.

As a result of this, we anticipate a temporary weakening of our financial position whilst we take these actions. We have low debt with an annual debt service burden of just slightly above 1%, and do not intend to raise any additional debt. Our liquidity position will remain strong, underpinned by solid liquidity management policies, operational cost savings, success in attracting capital grants, and flexibility in the capital investment programme.

This year, we have maintained our current S&P Global credit rating of A+ with a positive outlook. This recognises that even with a drop in international student recruitment, we are well placed to reduce the revenue cost base and have sufficient headroom to enable us to navigate ongoing sectoral pressures.

Our plans are built around a long-term strategic approach that will enable us to remain a world-class University.

## Going concern

The University has prepared cash flow forecasts, including potential downside scenarios, for the next five years, which includes the going concern period, being 12 months from the date of approval of these financial statements. We are confident that we will meet all obligations and commitments over the going concern period. Therefore, these financial statements have been prepared on a going concern basis.

## Reconciliation of underlying surplus

	2024 £m	2023 £m
<b>Surplus*</b>	<b>251.2</b>	92.0
Less: capital grant income	(28.2)	(34.4)
Less: endowment income (excl donations)	(4.9)	(1.2)
Add back: pension provision movements and related interest costs	(233.1)	(30.3)
Add back: employee leave accrual movement	(0.3)	1.1
Add back: research depreciation	21.6	17.1
<b>Underlying surplus</b>	<b>6.2</b>	44.3

\*before other gains/(losses) and share of operating (deficit)/surplus of joint ventures and associates

# Principal risks and uncertainties

**Council is responsible for ensuring that a robust system exists for identifying, evaluating and managing risk within the University, and that this process is subject to regular review.**

## University appetite for risk

At the University of Sheffield, we embrace a balanced approach to risk, recognising that it is an inherent part of our operations. While we are willing to take calculated risks to advance our strategic goals, such as investing time and resources into research-funding applications, strategic partnerships or innovative teaching methods where results are not guaranteed; we maintain a low tolerance for risks that could jeopardise our financial stability, reputation, or compliance with regulatory requirements.

Our risk appetite statements provide a clear framework for leaders and managers to make informed decisions and prioritise actions. By understanding our risk tolerance, we can effectively allocate resources, mitigate potential threats, and seize opportunities that align with our strategy and vision.

## How we manage risk

The University manages risks through a Corporate Risk Register, which is reviewed regularly throughout the year and is considered by Council and Audit and Risk Assurance Committee. The register is maintained by a subgroup of the University Executive Board (UEB) - Risk Review Group; to assess and manage corporate risks, agree the risk owners and mitigating processes, actions and controls.

Each school or department has a risk register which feeds into the Faculty, Advanced Manufacturing Group or Professional Services Risk register. In turn, these feed into the Corporate Risk Register. This helps Risk Review Group to ensure there is an effective and proactive system of risk management in place by which risks are rigorously assessed, understood and effectively managed across the organisation.





Risk summary	Risk statement	Examples of processes, actions and controls	University vision pillar
<b>Responding to a changing environment</b>	If the University implements hastily chosen or ineffective mitigating actions because of a need to quickly address the economic or geopolitical environment, then there may be a decline in service levels, reduction in student and staff satisfaction, increased workload pressures, industrial action and inability to meet sustainability goals.	The University Executive Board (UEB) maintains oversight of all plans and mitigating actions, taking a holistic view of any changes, agreeing proposals and ensuring that sufficient analysis of options has been completed.  Risk assessments (as part of options appraisals, if required) and equality impact assessments are completed and assessed for any new proposals that will have a cross-cutting impact on multiple areas of the University.	All
<b>Failure to deliver budgets in line with Council approved plans</b>	If we do not deliver budgets in line with Council-approved plans because of a failure to take actions or worsening financial pressures, then there may be an adverse impact on our financial sustainability resulting in more severe action being required.	Monthly review of actual expenditure and commitments (revenue and capital) for current year and future years to determine whether mitigating actions that have been agreed are being delivered, within the time frames planned, and are delivering the necessary outcomes.  UEB subgroups (eg Estates & Capital and Student Recruitment and Population) guide and inform financial planning and scenario planning.	One University
<b>Student recruitment strategies, tactics and investment</b>	If we do not adapt our recruitment strategies, tactics, partnerships and investment to respond to turbulent geopolitics, international markets and competitive home markets because of the volume of institutional change, pressures to reduce cost base or workload pressure, then we may be unable to stabilise international recruitment and may destabilise home recruitment.	Evidence-based market plans are written each year for all major international student recruitment markets to maximise student numbers, quality and diversity.  The UEB Sub Group on Student Recruitment and Population oversees, directs and receives regular reporting against a breadth of student recruitment activities to ensure progress is maintained and secured across the University.	Education
<b>Schools implementation</b>	If we do not effectively implement the school structure because of poor change management, leadership capability, high volume of restructures or workload pressures, then we will not achieve the benefits we are targeting (improving the student and staff experience, reducing staff workloads and improving opportunities for multidisciplinary research) and we could negatively impact the student and staff experience and our improving KPI performance.	A project plan is in place, with change resources allocated as appropriate to support continued work in Phase 1 schools and the implementation of Phase 2 schools.  New school committees for Education, Research and Innovation and One University operating from 2024–25.	All
<b>Failure to simplify and streamline education offering</b>	If we do not simplify and streamline our education offering, reducing the amount of variation (eg. range of credit sizes) and level of optionality (eg. high number of modules), because of a poor understanding of the associated issues or a lack of prioritisation, then the student experience is likely to decline, staff workload pressures increase and this will have the potential to negatively impact student recruitment.	New governance arrangements for Education operating from 2024–25 at School, Faculty and University level with aligned business plans.  Roll out of the new VLE (Blackboard Ultra) across all programmes, using a standard University template to create a more coherent, inclusive and personalised digital interface for all taught students.	Education

Risk summary	Risk statement	Examples of processes, actions and controls	University vision pillar
<b>Failure to achieve higher quality research outputs</b>	If we fail to effectively focus researchers' time on very high quality outputs which will be assessed as 4* by the REF2029, due to poor understanding of what is required, poor communication of our expectations and insufficient management of performance, this will result in a decline in our REF2029 performance, leading to a loss of research funding, diminished academic reputation, and reduced ability to attract top talent.	Clear guidance in our Academic Career Pathways, Staff Review and Development Scheme, and promotions which provide clear direction about the expectation of a small number of high quality outputs.  Annual output stocktake and Interim Code of Practice are in place with feedback agreed to units and also to individual academic authors.	Research & Innovation
<b>Research and innovation integrity</b>	If we do not adhere to legislation and regulations (such as export controls, MHRA etc), ensure high standards of research integrity (including ethical, open and reproducible research practices) and undertake effective and risk-based due diligence; because of inadequate frameworks or resources, insufficient communications and training, or a lack of proactive risk assessment; then we will face significant legal, financial, and reputational risk, including potential penalties, loss of research funding, loss of partnerships and future research and innovation opportunities.	The Research Integrity Steering Board oversees Good Research & Innovation Practice and reports regularly to the Senate Research and Innovation Committee. Research misconduct is reported annually to Council and published in line with the Concordat to support Research Integrity.  Institutional Good Research & Innovation Practice guidance has been rewritten with clearer indications of actions required by researchers and will relaunch this year.	Research & Innovation
<b>Impact Case Studies</b>	If we do not have a sufficient number of high-quality Impact Case Studies (ICS) for the REF2029 because we do not have a clearly prioritised pipeline for each Unit Of Assessment (UOA), insufficient resource to support identified ICS leads, or do not collect evidence to support our ICS at the appropriate time, then the University risks a decline in REF ranking, leading to reduced research funding, damage to reputation, and a diminished ability to attract top talent and research collaborations.	Faculty pipelines for Impact Case Studies have been developed for a number slightly larger than is required for submission. This will be kept up-to-date and available to senior leaders to enable allocation of time and focus.	Research & Innovation
<b>Fit-for-purpose digital infrastructure</b>	If our digital infrastructure is not maintained or improved in line with the University's requirements then we will not be able to support the student academic experience and excellence in research will be adversely affected.	UEB IT Sub Group provides oversight across the IT Portfolio, holding the Strategic Product Boards to account on the prioritisation against University Vision and supporting cases to UEB where additional resources are required to deliver critical business value.	All
<b>Cyber and information security</b>	If sufficient cyber and information security assurance, governance and practice is not maintained, then the University will face significant legal, financial, and reputational risk, including potential penalties, loss of research funding, damage to academic reputation, and disruption to research activities.	Establish University-wide Information Security Management System (ISMS) to enable systematic risk management and reduction across the entire University. By July 2025 all faculties will have ISMS established.	All





# Governance





# Public benefit and responsibility

The University is an independent corporation whose legal status derives from a Royal Charter, granted in 1905. It holds charitable status as an exempt charity regulated by the Office for Students. Under the terms of the Royal Charter, the University's objects are to advance education through teaching and research. Public benefit is integral to the University's culture.

Members of Council are the University's charitable trustees, who are listed on page 31 and include the President and Vice-Chancellor and other staff and student members. The Council and senior management have due regard to the Charity Commission's public benefit guidance in setting institutional objectives and monitoring performance towards achieving them. Members of Council do not receive any remuneration in respect of their role on Council but are eligible to claim reasonable expenses incurred in carrying out their role. Expenses payments to Members of Council are stated in the notes to the financial statements and accounts.

The Charity Commission requires there to be an identifiable benefit and that this benefit must be to the public or to a sufficient section of the public. The University's beneficiaries include its undergraduate and postgraduate students and research funders but we believe that education and research are not just a private good. By producing world-class graduates, undertaking research to drive innovation and address global and societal issues, and working in partnership, including with other regional anchor institutions, the University believes that sections of the public and society at large benefit from its range of activities. For our University, social and public responsibility is integral to our education,

research, innovation, partnerships and place-making. The University has a proud history of discovery, innovation and positive social change. All our activity is geared towards improving the world's thought, creativity, invention, and store of knowledge.

Our values arise from our conviction that the purpose of a university is to contribute to the enlargement of the parameters of global understanding and change lives for the better.

We foster a socially engaged approach that seeks to help the society we serve, as well as supporting and growing the appetite for volunteering that exists in our staff and students. We continue to work with our Students' Union to identify and inform globally essential conversations and reforms, especially those that support a socially inclusive and open society.

We create a coordinated articulation of our research and its impact, so that all staff and students can act as proud advocates for the University. Our curricular and extracurricular activities provide staff and students with the knowledge and skills to be active global citizens.

We value open, inclusive and honest dialogue about the many conflicted choices we and the rest of the world face, and welcome our duty of public service to the society of which we are a part. We support students and staff in creating an inclusive, open society that encourages the free exchange of ideas in a mutually respectful atmosphere. Our diverse and inclusive community brings together different views, approaches and insights, leading to richer, more creative and innovative teaching and research.

Pages 12–21 provide examples of how our work delivers public benefit in accordance with our strategic objectives and institutional values.



# How the University is managed

## Officers of the University Session 2023–24

**The Chancellor**  
The Rt Hon Lady Justice Rafferty, DBE, PC, QC, LBB, Hon LLD

**The Pro-Chancellors**  
M J Temple CBE (Chair of Council)  
C Brownlie  
A J Stone

**The Treasurer**  
R W Memmott

**The President and Vice-Chancellor**  
Professor K Lamberts

**The Provost and Deputy Vice-Chancellor**  
Professor G Valentine (to 31 December 2023)  
Professor R Mokaya OBE (from 17 June 2024)

**The Cross Cutting Vice-Presidents**  
Education: Professor M T Vincent  
Research & Innovation: Professor S E Hartley OBE

**The Faculty Vice-Presidents**  
Arts and Humanities: Professor S Fitzmaurice  
Engineering: Professor C Ó Brádaigh  
Health: Professor A W Blom  
Science: Professor J Derrick  
Social Sciences: Professor C A Watkins (to 31 May 2024),  
Professor R J Blakeley (from 1 June 2024)

**The Advanced Manufacturing Group (AMG)**  
Professor G W Jewell

**University Secretary**  
J Strachan

## The Council of the University Session 2023–24

**Ex-officio members**  
The Pro-Chancellors  
The Treasurer  
The President and Vice-Chancellor

**Persons appointed by the Council**  
Dr B Gilvary, Dr J Hogan, V Kabra, A C Kay, F Morris-Jones  
(from 1 January 2024), P Rodrigo, Dr P Tenney

**Not fewer than two and not more than three Senior Academic Officers appointed annually by the Chair of Council in consultation with the President and Vice-Chancellor**  
Professor G Valentine (to 31 December 2023)  
Professor M T Vincent  
Professor S E Hartley OBE  
Professor R Mokaya OBE (from 17 June 2024)

**Three members of the Senate elected by the Senate**  
Professor G D S Gee  
Professor J Kirby  
Dr C Nic Dháibhéid

**The President of the Students' Union**  
L Byrne (to 30 June 2024)  
D Watson (from 1 July 2024)

**One person who is not a member of the academic or academic-related staff**  
G Greenup

**Secretary to the Council**  
J Strachan

## The University Executive Board 2023–24

**Ex-officio members**

**The President and Vice-Chancellor**  
Professor K Lamberts

**The Provost and Deputy Vice-Chancellor**  
Professor G Valentine (to 31 December 2023)  
Professor R Mokaya OBE (from 17 June 2024)

**The Vice-Presidents**  
Professor M T Vincent  
Professor S E Hartley OBE  
Professor S Fitzmaurice  
Professor C Ó Brádaigh  
Professor A W Blom  
Professor J Derrick  
Professor C A Watkins (to 31 May 2024)  
Professor R J Blakeley (from 1 June 2024)  
Professor G W Jewell

**The Chief Financial Officer**  
J M Jones

**The Chief Operating Officer**  
R I Sykes

**The Director of Human Resources**  
I D Wright

**Secretary to the University Executive Board**  
D T Swinn

## Faculties and schools/departments

**Arts and Humanities**  
East Asian Studies, English, History, Languages and Cultures, Music, Philosophy

**Engineering**  
Automatic Control and Systems Engineering, Civil and Structural Engineering, Chemical and Biological Engineering, Computer Science, Electronic and Electrical Engineering, Materials Science and Engineering, Mechanical Engineering

**Health**  
Allied Health, Nursing and Midwifery; Clinical Dentistry, Medicine and Population Health

**Science**  
Chemistry, Mathematics and Statistics, School of Biosciences, Physics and Astronomy, Psychology

**Social Sciences**  
Architecture, Economics, Education, Geography, Information School, Journalism Studies, Landscape Architecture, Law, Management, Politics and International Relations, Sheffield Methods Institute, Sociological Studies, Urban Studies and Planning

**Extra-Faculty**  
Advanced Manufacturing Group  
Lifelong Learning



# Corporate governance and internal control

## The following statement is intended to provide an understanding of the governance and legal structure of the University of Sheffield.

The University is an independent corporation whose legal status derives from a Royal Charter granted in 1905. It is an educational charity, with exempt status, regulated by the Office for Students (OfS) in its capacity as Principal Regulator. The University has charitable purposes and applies them for the public benefit (see page 30). It must comply with the general law of charity. The University's charity number is X1089. The University's objectives, powers and governance framework are set out in its Charter and supporting Statutes and Regulations.

This statement relates to the year ended 31 July 2024.

The University of Sheffield has a public interest duty to conduct its affairs in a transparent and responsible way, in accordance with the Nolan principles, to meet the regulatory requirements of relevant statutory bodies, in particular the ongoing conditions of registration with the OfS, and complies with the OfS' Public Interest Governance Principles and the Higher Education Code of Governance published by the Committee of University Chairs (CUC). The University's governing body, the Council, regularly reviews its operation against the OfS Regulatory Framework and the revised CUC Higher Education Governance Code. The findings of the previous Council effectiveness review, which reported in 2020-21, confirmed compliance and identified a number of areas of good practice and this compliance was reviewed during 2023-24 in preparation for the latest Council effectiveness review, which reported this year. Council has not identified any areas in which it needs to explain any non-compliance with the CUC Code and the findings of the latest Council Effectiveness Review support this conclusion. The 2023-24 Council effectiveness review concluded that the University's governance was "highly effective and has been on an upward trajectory in recent years" and its use of sector benchmarking demonstrated the strength of the University's relative performance in this regard. A relatively small number of recommendations were accepted by Council in the spirit of continuous improvement and will be addressed in 2024-25. The Council will continue to undertake a review of effectiveness, in accordance with the Code, every three years. The next such review will take place in 2027. In the years between formal Council Effectiveness reviews, members of Council complete a self-assessment questionnaire in relation to their individual role and performance and the collective performance and effectiveness of Council itself. Council uses the findings of this exercise to enhance its operation, and that of its committees, in the spirit of continuous improvement. In 2023-24, following the self-assessment exercise at the end of 2022-23, Council agreed a detailed action plan of additional measures to enhance its operation and these actions have been implemented, or will be introduced, during 2024-5 on the timetable previously agreed by Council.

The University makes the confirmed minutes of each Council meeting publicly available via its website, together with any supporting papers, that are not confidential or otherwise contain sensitive material. Council approves the list of papers to be published as a standing agenda item at each meeting. A report on the proceedings of Council is provided to each meeting of the Senate. The confirmed minutes of the University Executive Board (UEB) and the Senate are also published online, with confidential or sensitive items redacted.

## Leadership

The President and Vice-Chancellor is the University's Chief Executive Officer, and principal academic officer. The President and Vice-Chancellor is also the designated Accountable Officer with the OfS, for the purposes of the Higher Education and Research Act 2017.

Under powers delegated by the Council, the President and Vice-Chancellor exercises a key role in terms of the development of institutional strategy, the identification and planning of new developments and the shaping of institutional ethos. The President and Vice-Chancellor is a member of the Council and Chair of the Senate. A University Executive Board, comprising senior academic and professional services members, is appointed by and acts in an advisory capacity to the President and Vice-Chancellor. Ultimate responsibility for the management of the University and the conduct of its business rests with the Council.

## Governance

### The Council

The University's Council is the governing body of the University and its board of charitable trustees, responsible for the strategic development and overall achievement of the University's mission and purposes. Subject to the delegation of powers under University Regulations, including those delegated to the Senate, it has ultimate responsibility for all areas of operation.

The Council's membership, listed on page 31, comprises lay and professional and academic persons, including the President of the Students' Union, appointed under the Statutes of the University, the majority of whom are non-executive and have time-limited terms of office. Members of the governing body provide a register of interests and a declaration that they are fit and proper persons, as defined by the OfS, which is reviewed and updated on at least an annual basis.

The role of the Chair of the Council is held by a non-executive and is separate from that of the University's Chief Executive, the President and Vice-Chancellor. The performance of the President and Vice-Chancellor is monitored through the provisions of Section 6 of the Statutes and Regulation II:5.11 and through the existence and application of the Staff Review and Development Scheme, carried out by the Chair of the Council.

The appointment of the University Secretary with appropriate separation in the lines of accountability is through the provisions of Regulation VI: 8. The University Secretary is appointed by and responsible to the Council for the operation and conduct of the University's overall governance structures, ensuring the University acts in accordance with its governance documents, that effective processes are in place to provide assurance and to ensure legal and regulatory compliance. The University Secretary is the Secretary to the Council and the Senate and reports to the Chair of the Council and to the President and Vice-Chancellor, who is Chair of the Senate.

The powers and functions of Council are set out in Regulation II:4-5. The matters specially reserved to the Council for decision are set out in Regulation II:6. Among the powers the Council holds to itself are those relating to appointing the President and Vice-Chancellor, the approval of the University's strategic plan and the approval of financial forecasts, annual budgets, approving the annual audited accounts and appointing the University's auditors, and approving major changes in the University's academic and organisational structures. The public interest governance principles are reflected in the provisions of the Regulations of Council. Council delegates its powers to other bodies and individuals as appropriate and in accordance with the Scheme of Delegation set out in Regulation III, which is reviewed annually.

In addition to the Nominations Committee, which is a formally constituted committee of the Council, much of the work of the Council is carried out through the following principal committees, all of which have terms of reference approved by Council and which report formally to Council:

The Audit and Risk Assurance Committee has formally adopted the Higher Education Audit Committee Code of Practice, published by the Committee of University Chairs, and comprises both lay members of the University Council and external co-optees with special expertise. Whilst senior executives attend meetings, they are not members of it. Both the external and internal auditors have independent access to the Committee, and vice versa. The Audit and Risk Assurance Committee is responsible for making recommendations to the governing body on the appointment of both the internal and external auditors to the University. The Committee meets with the external auditors to discuss their audit findings, and to review and approve the audit aspects of the annual financial statements; and it provides the governing body with its own opinions. It also guides and approves the annual audit plan prepared by the University's internal auditors, and considers completed audit reports dealing with recommendations for the improvement of the University's systems of internal control. The Committee also reviews management responses to audit reports and monitors implementation of recommendations. The Committee receives and considers reports from external funding and regulatory bodies as they affect the University's business and monitors adherence to the regulatory requirements. The Committee's role in relation to risk oversight and assurance is outlined below.

The Finance Committee is the body responsible for advising the Council on all matters relating to the finances of the University, including ensuring there are adequate and effective arrangements in place to ensure regularity and propriety in the use of public and other funding and to provide transparency about value for money. The committee recommends to the Council the University's Financial Statements for approval, annual revenue and capital budgets, monitors performance in relation to the approved budgets and monitors the execution of financial policies adopted by the Council, including overseeing the University's Financial Regulations.

The Senior Remuneration Committee is responsible for overseeing the appointments of executive and other senior members of staff, balancing the needs of the University in a competitive environment with the appropriate use of funds. The Committee operates in accordance with the CUC Higher Education Code of Governance and its operation has been reviewed to ensure compliance with the CUC's Remuneration Code and related OfS requirements in relation to senior pay.

The Equality, Diversity and Inclusion (EDI) Committee provides assurance to Council that the University is meeting its Public Sector Equality Duties under the Equality Act 2010 and the Office of Students' statement of expectations on harassment and sexual misconduct. The Committee develops strategies, monitors equality and diversity matters in the University, evaluates actions and progress and provides support and guidance in relation to the University's equality and diversity policies and action plans, providing assurance, advice and guidance to Council to support the delivery of these duties and relevant EDI priorities under the "One University" pillar of the University's vision and strategy.

### The Senate

The Senate is the academic authority of the University, whose role is to oversee the teaching and research of the University, responsible for academic quality and standards and for the admission and regulation of students on behalf of the Council. Chaired by the President and Vice-Chancellor, its membership is drawn mainly from the academic staff of the University and also includes student representatives. The Senate reports to Council and is required to provide assurance to Council that academic governance is effective. Senate has an Academic Assurance Committee, which tests the arrangements Senate has in place to ensure quality and standards, and Senate makes an annual report and presentation to Council, to permit testing of the assurances it receives.



## Full statement of internal control

As the governing body of the University of Sheffield, 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 we are responsible, in accordance with the responsibilities assigned to the governing body in the Charter, Statutes and Regulations and the public interest governance principles set out in the regulatory framework for Higher Education (HE) in England.

The system of internal control is designed to manage rather than eliminate the risk of failure to achieve policies, aims and objectives or to comply with legal, statutory or regulatory obligations; it can therefore only provide reasonable and not absolute assurance of effectiveness.

The system of internal control is based on an ongoing process designed to identify the principal risks to the achievement of policies, aims and objectives, to evaluate the nature and extent of those risks and to manage them efficiently, effectively and economically. This process has been in place for the year ended 31 July 2024 and up to the date of the approval of the annual report and financial statements. The process is regularly reviewed by the Council and accords with the relevant Financial Reporting Council guidance.

The University has formally applied the CUC (Committee of University Chairs) Higher Education Code of Governance, which is principally committed to identifying the key values and practices on which the effective governance of UK HE providers is based. The University manages risks through a Corporate Risk Register, which is reviewed regularly throughout the year by a UEB Risk Review Group and is considered by Council and its Audit and Risk Assurance Committee. There are also Faculty and Professional Services Risk Registers, and Departmental Risk Registers for both academic and professional service departments. The University also maintains a register which sets out its ongoing registration conditions with the OfS and this is used to ensure and monitor compliance. A separate register exists to monitor compliance with the full range of other legal and regulatory requirements to which the University is subject. The Risk Review Group (a subgroup of the UEB) oversees these different levels of risk. The University's risk management policy is reviewed annually by the Risk Review Group and by Council.

The following processes have been established:

- The performance, plans and strategic direction of the University are specifically considered at one of the regular meetings of the Council each year. Interim reports and additional information is provided to other meetings and/or briefings to coincide with appropriate points in the University's strategic planning cycle.
- The University Council agrees and annually reviews performance, linked to strategic objectives in the University vision, and has oversight of the outcomes achieved, direction of travel and distance from ambition, as set out in the vision and related Strategic Delivery Plans.
- The Council undertakes an annual assessment for the purpose of making its public statement on internal controls. This assessment considers issues dealt with in the periodic reports received.
- The Council receives periodic reports and a comprehensive annual report from the Chair of the Audit and Risk Assurance Committee concerning internal control and risk management, including in relation to University subsidiary companies.
- The Council oversees the management of strategic risks and receives regular reports from its Audit and Risk Assurance Committee and the UEB Risk Review Group.
- The Audit and Risk Assurance Committee receives regular reports from Internal Audit, which include Internal Audit's independent opinion on the adequacy and effectiveness of the University's system of internal control, together with recommendations for improvement. The Audit and Risk Assurance Committee may also request additional reports to gain assurance from other parties on areas of concern. A Data Assurance Group supports the Committee in its evaluation of the management and quality assurance of the external reporting of data to statutory and regulatory bodies.
- A risk prioritisation methodology based on risk ranking has been established and applied.
- An organisation-wide risk register is maintained for corporate level risks, including the ability of the University to continue to comply with all of its conditions of registration with the OfS.
- A reporting structure has been implemented whereby high-level strategic opportunities and risks are overseen by the Risk Review Group and reported to the Audit and Risk Assurance Committee and Council. The University Executive Board receives reports on the action taken on all corporate level risks, along with suggestions for additions to, and deletions from, the risk register.
- Council has approved a Code of Ethics and receives periodic reports on its operation following a review conducted on its behalf by the University Secretary. The Research Ethics Committee of Senate provides specific assurance to Senate over ethical matters associated with research activities.



- The University commissioned a review of Council effectiveness, which reported in 2023–24, using sector specialists, AdvanceHE, to facilitate the review and produce an independent report and recommendations. These reviews will be carried out at three-year intervals as required by the CUC Higher Education Code of Governance. Annual reviews based on feedback from Council members are also undertaken.
- The responsibility of Council to maintain and protect the principle of academic freedom is enshrined in the University Charter and appropriate references made during the induction of new members of Council, including freedom of speech.
- Sub-committees of the Senate Education Committee oversee the totality of the University's collaborative provision, reporting major developments or significant institutional risks through to Council as appropriate.
- The University keeps under regular review the policies, procedures and powers delegated by the Council to other bodies and individuals, including the President and Vice-Chancellor.
- The Secretary to Council is responsible for ensuring that the University's constitution is followed at all times, taking advice where appropriate.

The University has contracted its internal audit function to an external provider. The provider's supervising partner for the assignment functions as the University's Head of Internal Audit. The internal auditors submit regular reports, which include the Head of Internal Audit's independent opinion on the adequacy and effectiveness of the University's system of internal control, with recommendations for improvement.

Our review of the effectiveness of the system of internal control is informed by the work of Internal Audit and by senior officers within the University, who have responsibility for the development and maintenance of the internal control framework, and by the comments made by the external

auditors in their management letter and other reports. In considering reports from the Internal Auditor, the Audit and Risk Assurance Committee receives assurance that satisfactory management actions plans have been agreed and are being implemented. The Committee regularly monitors progress against these plans. Audit and Risk Assurance Committee has welcomed the University's approach to internal audit in terms of directing activity at areas where there are known or suspected performance issues in order to improve the internal control environment, including delivering value for money and looking beyond process compliance to institutional culture. The Internal Auditors take account of value for money (VfM) issues as part of their routine system-based auditing, with any relevant issues being examined and reported. Internal audit reports explicitly address, and report on, VfM, with increasing emphasis on the delivery of value to the University's students. In addition, the Committee monitors, and receives regular updates in relation to, the University's management of fraud and whistleblowing cases. No internal control issues have been identified that would require inclusion in the Statement of Corporate Governance and a number of areas of good practice have been identified in the Internal Auditor's annual report. The University encourages managers to treat internal audit as a management tool that should be used positively.

The Audit and Risk Assurance Committee considers the findings of the External Auditor and endorses the annual External Audit Strategy, which identifies key financial and control risks in order to provide assurance and inform improvements in the control environment and delivery of value for money. The Committee regularly monitors progress made against recommendations arising from the External Auditors' audit highlights memoranda and is assured about the high evidential standard to which actions owners are held in order to formally close a recommendation. The External Auditors findings are prioritised to enable the University to focus on issues that represent more significant risks or will deliver the most significant improvements.



# Responsibilities of the Council of the University of Sheffield

The Council is responsible for preparing the Annual Report and the financial statements in accordance with the requirements of the Office for Students' Terms and Conditions of Funding for higher education institutions and Research England's Terms and Conditions of Research England grant and applicable law and regulations.

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

The Council is required to prepare financial statements which give a true and fair view of the state of affairs of the group and parent University and of their income and expenditure, gains and losses and changes in reserves for that period. In preparing each of the group and parent University financial statements, the Council are required to

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

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

The Council are also responsible for ensuring that

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

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

## Financial statements

2023–24







# Independent auditor's report to the Council of the University of Sheffield

## Report on the audit of the financial statements

### Opinion

We have audited the financial statements of The University of Sheffield ("the University") for the year ended 31 July 2024, which comprise the Consolidated and University statement of comprehensive income; Consolidated and University statement of changes in reserves; Consolidated and University statement of financial position; Consolidated statement of cash flow; and related notes, including the accounting policies.

In our opinion the financial statements

- give a true and fair view of the state of the Group's and of the University's affairs as at 31 July 2024, and of the Group's and of the University's income and expenditure, gains and losses and changes in reserves, and of the Group's cash flows, for the year then ended
- have been properly prepared in accordance with UK accounting standards, including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland*

### Basis for opinion

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

### Going concern

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

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

Our conclusions based on this work:

- we consider that the Council's use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

- we have not identified, and concur with the Council's assessment that there is not, a material uncertainty related to events or conditions that, individually or collectively, may cast significant doubt on the Group or the University's ability to continue as a going concern for the going concern period.

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

### Fraud and breaches of laws and regulations – ability to detect

*Identifying and responding to risks of material misstatement due to fraud*

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

- enquiring of directors, the Audit Committee, internal audit and inspection of policy documentation as to the Group's high-level policies and procedures to prevent and detect fraud, including the internal audit function, and the Group's channel for "whistleblowing", as well as whether they have knowledge of any actual, suspected or alleged fraud
- reading University Executive Board, Audit Committee, and Council minutes
- using analytical procedures to identify any unusual or unexpected relationships

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

As required by auditing standards, and taking into account our overall knowledge of the control environment, we perform procedures to address the risk of management override of controls and the risk of fraudulent revenue recognition, in particular

- the risk that Group management may be in a position to make inappropriate accounting entries
- the risk that research income and tuition fee income generated from flexible provision (for example online or distance learning courses) are overstated through recording revenues in the wrong period

We did not identify any additional fraud risks.



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

We also performed procedures including

- identifying journal entries to test based on risk criteria and comparing the identified entries to supporting documentation. These included those posted by the Chief Finance Officer of the Director of Finance
- assessing whether the judgements made in making accounting estimates are indicative of a potential bias

*Identifying and responding to risks of material misstatement related to compliance with laws and regulations*

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

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

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

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

Secondly, the Group is subject to many other laws and regulations where the consequences of non-compliance could have a material effect on amounts or disclosures in the financial statements, for instance through the imposition of fines or litigation. We identified the following area as most likely to have such an effect: compliance with regulatory requirements of the Office for Students. Auditing standards limit the required audit procedures to enquiry of the directors and other management and inspection of regulatory and legal correspondence, if any. Therefore if a breach of operational regulations is not disclosed to us or evident from relevant correspondence, an audit will not detect that breach.

We have reported separately on the University's use of funds in the section of our audit report dealing with other legal and regulatory requirements.

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

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

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

### Other information

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

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

### Council responsibilities

As explained more fully in its statement set out on page 36, the Council is responsible for: the preparation of the financial statements and for being satisfied that they give a true and fair view; such internal control as it determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error; assessing the Group and parent University's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and using the going concern basis of accounting unless it either intends to liquidate the Group or the parent University or to cease operations, or has no realistic alternative but to do so.

### Auditor's responsibilities

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

A fuller description of our responsibilities is provided on the FRC's website at [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities).

### Report on other legal and regulatory requirements

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

In our opinion, in all material respects

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

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

We are required by the Accounts Direction to report to you where the University has an access and participation plan that has been approved by the Office for Students' director of fair access and participation and the results of our audit work indicate that the Group's and the University's expenditure on access and participation activities for the financial year disclosed in Note 11 has been materially misstated.

We are also required by the Accounts Direction to report to you where the results of our audit work indicate that the Group's and the University's grant and fee income, as disclosed in note 4 to the financial statements has been materially misstated.

We have nothing to report in these respects.

### The purpose of our audit work and to whom we owe our responsibilities

This report is made solely to the Council in accordance with the Charters and Statutes of the University. 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 and the Council for our audit work, for this report, or for the opinions we have formed.

**Timothy Cutler**  
for and on behalf of KPMG LLP, Statutory Auditor

*Chartered Accountants*  
1 St. Peter's Square  
Manchester  
M2 3AE

Date



# Principal accounting policies

## 1. Basis of preparation

The financial statements have been prepared in accordance with United Kingdom accounting standards, including Financial Reporting Standard 102 (FRS 102) and the Statement of Recommended Practice (SORP): Accounting for Further and Higher Education (2019 edition), the Higher Education and Research Act 2017, the Royal Charter, the Accounts Direction issued by the Office for Students (OfS), the terms and conditions of funding for higher education institutions issued by the OfS and the terms and conditions of the Research England Grant.

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

The financial statements have been prepared under the historical cost convention, modified by the revaluation of some fixed assets and investments.

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

The financial statements are prepared in sterling, which is the functional currency of the group and rounded to the nearest £0.1 million.

## 2. Going concern

The University has prepared cash flow forecasts, including potential downside scenarios, for the next five years, which includes the going concern period, being 12 months from the date of approval of these financial statements. After reviewing these forecasts, the Council is of the opinion that the Group and parent University will have sufficient funds to meet all obligations and commitments over the going concern period. Therefore, these financial statements have been prepared on a going concern basis.

## 3. Exemptions under FRS 102

The University has taken the exemption Under 1.12 (b) of FRS 102 to not produce a cash flow statement for the University as it is the ultimate parent entity.

## 4. Basis of consolidation

The consolidated financial statements include the financial statements of the University and its subsidiaries together with the share of the results of joint ventures and associates for the financial year to 31 July 2024. The results of subsidiaries acquired or disposed of during the year are included in the consolidated Statement of Income and Expenditure from the date of acquisition or up to the date of disposal. Intra-group transactions are eliminated on consolidation.

Gains or losses on any intra-group transactions are eliminated in full. Amounts in relation to debts and claims between undertakings included in the consolidation are also eliminated. Balances between the University and its associates and joint ventures are not eliminated. Normal trading transactions that are not settled by the reporting date are included as current assets or liabilities. Any gains or losses are included in the carrying amount of assets of either entity, the part relating to the University's share is eliminated.

The consolidated financial statements do not include the income and expenditure of the Students' Union as the University does not exert control or dominant influence over policy decisions.

Associated companies and joint ventures are accounted for using the equity method.

## 5. Income recognition

Income from the sale of goods or services is credited to the statement of comprehensive income 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 over the period in which students are studying. Where the amount of the tuition fee is reduced by a discount for prompt payment, income receivable is shown net of the discount. Bursaries and scholarships are accounted for gross as expenditure and not deducted from income. Education contracts are recognised when the University is entitled to the income, which is the period in which students are studying or, where relevant, when performance conditions have been met.

Investment income is credited to the Consolidated statement of comprehensive income and Expenditure on a receivable basis. Funds the University receives and disburses as the paying agent on behalf of a funding body are excluded from the income and expenditure of the University where the University is exposed to minimal risk or enjoys minimal economic benefit related to the transaction.

### Grant funding

Grant funding including OfS block grant, research grants from government sources, and grants (including research grants) from non-government 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 on the Statement of Financial Position and released to income as the conditions are met.

### Donations and endowments

Non-exchange transactions without performance-related conditions are donations and endowments. Donations and endowments with donor-imposed restrictions are recognised

in income when the University is entitled to the funds. Income is retained within the restricted reserve until such time that it is utilised in line with such restrictions, at which point the income is released to general reserves through a reserve transfer.

Donations with no restrictions are recognised in income when the University is entitled to the funds.

Investment income and appreciation of endowments is recorded in income in the year in which it arises and as either restricted or unrestricted income according to the terms or other restriction applied to the individual endowment fund.

There are four main types of donations and endowments identified within reserves:

1. Restricted donations - the donor has specified that the donation must be used for a particular objective.
2. Unrestricted permanent endowments - the donor has specified that the fund is to be permanently invested to generate an income stream for the general benefit of the University.
3. Restricted expendable endowments - the donor has specified a particular objective other than the purchase or construction of tangible fixed assets, and the University has the power to use the capital.
4. 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.

### Capital grants

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

## 6. Accounting for retirement benefits

The two principal schemes for the University's staff are the Universities Superannuation Scheme (USS) and the University of Sheffield Pension Scheme (USPS). In addition, for some clinical staff, contributions are paid to the National Health Service Pension Scheme (NHSPS).

### Universities Superannuation Scheme (USS)

The University participates in the Universities Superannuation Scheme (USS). The assets of the scheme are held in a separate trustee-administered fund. Because of the mutual nature of the scheme, the assets are not attributed to individual institutions and a scheme-wide contribution rate is set. The University is therefore exposed to actuarial risks associated with other institutions' employees and is unable to identify its share of the underlying assets and liabilities of the scheme on a consistent and reasonable basis. As required by Section 28 of FRS 102 "Employee benefits", the University therefore accounts for the scheme as if it were a defined contribution scheme. Since the University has entered into an agreement (the Recovery Plan) that determines how each employer

within the scheme will fund the overall deficit, the University recognises a liability for the contributions payable that arise from the agreement (to the extent that they relate to the deficit) with related expenses being recognised through the profit and loss account.

### University of Sheffield Pension Scheme (USPS)

The scheme is a cash balance defined benefit scheme. The scheme is valued at least every three years by professionally qualified independent actuaries. USPS is accounted for as a defined benefit scheme under FRS 102.

### National Health Service Pension Scheme (NHSPS)

A small number of staff have joined the NHS Pension Scheme (NHSPS) - a multi-employer defined benefit scheme, which the University has accounted for as a defined contribution scheme. The amount charged to the Consolidated statement of comprehensive income represents the contributions payable to the scheme in respect of the accounting period. Defined contribution schemes

A defined contribution scheme is a post-employment benefit scheme under which the company pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts. Obligations for contributions to defined contribution pension schemes are recognised as an expense in the Consolidated statement of comprehensive income in the periods during which services are rendered by employees.

### Defined benefit schemes

Defined benefit schemes are post-employment benefit schemes other than defined contribution schemes. Under defined benefit schemes, 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 an asset or liability for its obligations under defined benefit schemes net of plan assets. This net defined benefit asset or liability is measured as the estimated amount of benefit that employees have earned in return for their service in the current and prior periods, discounted to determine its present value, less the fair value (at bid price) of plan assets. The calculation is performed by a qualified actuary using the projected unit credit method.

Where the calculation results in a net asset, recognition of the asset is limited to the extent to which the University is able to recover the surplus either through reduced contributions in the future or through refunds from the plan.

Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are charged or credited to other comprehensive income. These amounts together with the return on plan assets, less amounts included in net interest, are disclosed as actuarial gains and losses. The cost of the defined benefit plan, recognised in expenditure as staff costs, except where



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

#### **Asset-backed funding of University of Sheffield Pension Scheme**

The University has created a Scottish Limited Partnership in order to operate an asset-backed funding scheme for the University of Sheffield Pension Scheme. The wholly owned companies within this partnership are consolidated in the group accounts. The partnership is exempt from audit (as allowed by Section 7 of the Partnership Regulations 2008).

### **7. Employment benefits**

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

### **8. Finance leases**

Leases in which the University assumes substantially all the risks and rewards of ownership of the leased asset are classified as finance leases. Leased assets acquired by way of finance lease and the corresponding lease liabilities are initially recognised at an amount equal to the lower of their fair value and the present value of the minimum lease payments at inception of the lease.

Minimum lease payments are apportioned between the finance charge and the reduction of the outstanding liability. The finance charge is allocated to each period during the lease term so as to produce a constant periodic rate of interest on the remaining balance of the liability.

### **9. Service concession arrangements**

Fixed assets held under service concession arrangements are initially recognised on the Statement of Financial position at the present value of the minimum lease payments when the assets are brought into use, with a corresponding financial liability. Subsequently fixed assets are shown at valuation less accumulated depreciation.

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

### **10. Operating leases**

Costs in respect of operating leases are charged on a straightline basis over the lease term. Any lease premiums or incentives are spread over the minimum lease term.

### **11. Foreign currency**

Transactions in foreign currencies are translated to the respective functional currencies of Group entities at the foreign exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the reporting date are translated to the functional currency at the foreign exchange rate ruling at that date. Foreign exchange differences arising on translation are recognised in the Consolidated statement of comprehensive income. Non-monetary assets and liabilities that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the transaction. Non-monetary assets and liabilities denominated in foreign currencies that are stated at fair value are retranslated to the functional currency at foreign exchange rates ruling at the dates the fair value was determined.

The assets and liabilities of foreign operations, including goodwill and fair value adjustments arising on consolidation, are translated to Sterling, at foreign exchange rates ruling at the reporting date. The revenues and expenses of foreign operations are translated at an average rate for the year where this rate approximates to the foreign exchange rates ruling at the dates of the transactions. Exchange differences arising from this translation of foreign operations are reported as an item of Other Comprehensive Income.

### **12. Intangible fixed assets**

Software development and acquisition costs are capitalised where certain criteria are met and amortised on a straight-line basis over the estimated useful life of between three and ten years.

### **13. Tangible fixed assets**

Tangible fixed assets are stated at cost or valuation less accumulated depreciation and accumulated impairment losses. Where parts of a fixed asset have different useful lives, they are accounted for as separate items of fixed assets.

#### **Land and buildings**

Land and buildings are measured using the revaluation model. Under the revaluation model, assets are revalued to fair value. The University has a policy of ensuring an external revaluation takes place at regular intervals as required. Depreciation and impairment losses are subsequently charged on the revalued amount.

A valuation of academic, office, ancillary and support buildings was carried out as at 31 July 2024 by Gerald Eve LLP, Chartered Surveyors.

A valuation of investment properties was carried out as at 31 July 2024 by Gerald Eve LLP, Chartered Surveyors.

A valuation of the Student Village properties held as a service concession was carried out as at 31 July 2024 by Gerald Eve LLP, Chartered Surveyors.

A valuation of the University's owned halls of residence and other residential properties was carried out as at 31 July 2024 by valuers Saxton Mee Commercial.

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

Freehold land is not depreciated as it is considered to have an indefinite useful life.

For new build projects greater than £10 million and refurbishment projects greater than £5 million the project is split into the following components:

- Structure - 50 years
- Windows and doors - 30 years
- Mechanical and engineering – 25 years
- Industrial kitchen and specialist lab furnishings - 25 years
- Finishes - 15 years

Assets that have not been componentised are depreciated over its expected useful life as follows:

- Freehold buildings - up to 50 years
- Leasehold land and buildings - over the life of the lease up to 50 years
- Refurbishments - up to 20 years
- Specialised short-life assets, for example synthetic sports pitches - up to 7 years

No depreciation is charged on assets in the course of construction.

#### **Impairment**

A review for potential indicators of impairment is carried out at each reporting date. If events or changes in circumstances indicate that the carrying amount of the fixed assets 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.

#### **Equipment**

Individual items of equipment and groups of functionally dependent items costing more than £20,000 are capitalised at cost. All other items of equipment are recognised as expenditure and are written off to the statement of comprehensive income in the year of acquisition.

Capitalised equipment is stated at cost and depreciated over its expected useful life as follows:

- General equipment – up to 10 years
- Equipment acquired for specific research project - over the life of the project, up to 10 years

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

#### **Borrowing costs**

Borrowing costs are recognised as expenditure in the period in which they are incurred.

#### **Assets held for resale**

Tangible fixed assets surplus to requirements are held at the lower of cost and net realisable value.

### **14. Heritage assets**

The University is in possession of a small number of heritage assets. The value of these items is not material, and accordingly no heritage assets have been capitalised.

### **15. 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 Consolidated statement of comprehensive income. Properties are not depreciated but are revalued on a regular basis.

Investment properties are disclosed within fixed assets in Note 14.

### **16. Investments**

Investments in jointly controlled entities, associates and subsidiaries are carried at cost less impairment in the University's accounts.

Other non-current asset investments and current asset investments are held at fair value with movements recognised in the Consolidated Statement of Income.

### **17. Stock**

Stock is valued at the lower of cost and estimated selling price less costs to complete and sell.

### **18. Cash and cash equivalents**

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

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

### **19. Provisions, contingent liabilities, and contingent assets**

Provisions are recognised in the financial statements when

- a) the University has a present obligation (legal or constructive) as a result of a past event
- b) it is probable that an outflow of economic benefits will be required to settle the obligation



c) a reliable estimate can be made of the amount of the obligation

The amount recognised as a provision is determined by discounting the expected future cash flows at a pre-tax rate that reflects risks specific to the liability.

A contingent liability arises from a past event that gives the University a possible obligation whose existence will only be confirmed by the occurrence or otherwise of uncertain future events not wholly within the control of the University. Contingent liabilities also arise in circumstances where a provision would otherwise be made but either it is not probable that an outflow of resources will be required or the amount of the obligation cannot be measured reliably.

Contingent liabilities are not recognised in the Statement of Financial Position but are disclosed in the notes.

## 20. Accounting for joint operations, jointly controlled assets, and jointly controlled operations

The University accounts for its share of joint ventures using the equity method. The University accounts for its share of transactions from joint operations and jointly controlled assets in the Consolidated statement of comprehensive income.

## 21. Taxation

Current tax, including UK corporation tax and foreign tax, is the amount of income tax payable in respect of the taxable profit for the year or prior years. It is provided at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted or substantively enacted by the reporting date.

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 Para 1 of schedule 6 to the Finance Act 2010 and accordingly, the University is potentially exempt from UK Corporation Tax in respect of income or capital gains received within categories covered by section 478-488 of the Corporation Tax Act 2010 (CTA 2010) or section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied to exclusively charitable purposes.

Deferred tax arises from timing differences that are differences between taxable profits and total comprehensive income. These differences arise from the inclusion of income and expenditures in tax assessments in different periods from those in which they are recognised in the financial statements, resulting in an obligation to pay more tax, or a right to pay less tax in future.

Deferred tax is provided in full on timing differences that exist at the reporting date subject to certain exceptions. Unrelieved tax losses and other deferred tax assets are recognised only to the extent that it is probable that they will be recovered

against the reversal of deferred tax liabilities or other future taxable profits. The deferred tax is measured at the rate expected to apply in periods in which the timing differences are expected to reverse, based on the tax rates and laws that are enacted or substantively enacted at the reporting date. Deferred tax assets and liabilities are not discounted.

The University receives no exemption as a charity in respect of Value Added Tax (VAT). Most education and research is VAT-exempt activity, so the University is unable to recover input tax incurred on the majority of its expenditure. Irrecoverable VAT on expenditure (both revenue and capital) is included in the costs of such expenditure. Any irrecoverable VAT allocated to fixed assets is included in their cost.

The University's subsidiaries are liable to Corporation Tax and VAT in the same way as any other commercial organisation. The charge for corporation tax in subsidiary companies is based on the profit or loss for the year and recognises the tax effects of any proposed Gift Aid payment payable to the University.

## 22. Financial instruments

The University has chosen to apply the provisions of sections 11 and 12 of FRS 102 in respect of the recognition and measurement of financial instruments. Financial assets and financial liabilities are recognised when the University becomes party to the contractual provisions of the instrument, and they are classified according to the substance of the contractual arrangements entered into.

A financial asset and a financial liability are offset only when there is a legally enforceable right to set off the recognised amounts and an intention either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Most of the University's financial assets and liabilities all meet the criteria for basic financial instruments prescribed within FRS 102. Basic financial assets and liabilities are measured as follows:

### Investments

Investments within the scope of Section 11 of FRS 102 (therefore excluding investments in subsidiaries, associates and joint ventures) are recognised initially at fair value, which is normally the transaction price (but excludes any transaction costs, where the investment is subsequently measured at fair value through the statement of comprehensive income). Subsequently, they are measured at fair value if the investment is publicly traded, or their fair value can otherwise be measured reliably with the changes in fair value recognised in the statement of comprehensive income. All other investments are measured at cost less impairment.

### Debtors and creditors

Debtors and creditors are recorded at transaction price. Any losses arising from impairment are recognised in the statement of comprehensive income in other operating expenses.

### Loans

Loans which are basic financial instruments are initially recorded at the transaction price, net of transaction costs. Subsequently, they are measured at the transaction price net of transaction costs.

## 23. Reserves

Reserves are classified as restricted or unrestricted. Restricted endowment reserves include balances which, through endowment to the University, are held as a permanently 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.

## 24. Accounting estimates and judgements

In the process of applying these accounting policies, the University is required to make certain estimates, judgements, and assumptions that management believe are reasonable based on the information available. These are reviewed on a regular basis by the University's senior management team.

Significant estimates and judgements used in the preparation of the financial statements are as follows:

Key areas of estimation uncertainty are:

### Pension schemes

1) The University participates in the Universities Superannuation Scheme (USS). FRS 102 makes the distinction between a group plan and a multi-employer scheme. A group plan consists of a collection of entities under common control typically with a sponsoring employer. A multi-employer scheme is a scheme for entities not under common control and represents (typically) an industry-wide scheme such as Universities Superannuation Scheme. The accounting for a multi-employer scheme where the employer has entered into an agreement with the scheme that determines how the employer will fund a deficit results in the recognition of a liability for the contributions payable that arise from the agreement (to the extent that they relate to the deficit) and the resulting expense in profit or loss in accordance with section 28 of FRS 102. The University is satisfied that Universities Superannuation Scheme meets the definition of a multi-employer scheme and has therefore recognised the discounted fair value of the contractual contributions under the funding plan in existence at the date of approving the financial statements.

2) The University of Sheffield Pension Scheme (USPS) is accounted for as a defined benefit scheme. Estimation uncertainty over defined benefit obligations is explained within the accounting policies on pages 42-47. There is also a level of estimation uncertainty over the assets; the total assets include assets amounting to £80 million (2023: £82.0 million) classified as level 3 financial assets, which are not quoted on an active market, are considered to be the

least liquid and hardest to value and are therefore subject to a higher degree of estimation. Pension costs under FRS 102, and the amount of the provision in the Statement of Financial Position, are based upon the latest actuarial valuation, and assumptions, including the appropriate discount rate, agreed by management following actuarial advice. These assumptions are detailed in Note 35.

3) The University's land and buildings are held at fair value. Valuations are carried out at regular intervals by professionally qualified external valuers. Management make judgements as to whether any indicators of impairment are present for these assets, and whether there are indications that an adjustment is required to the useful economic lives of the buildings.

### Service concession

4) In 2005-06, the University entered into a 41-year contract with a third-party provider for the provision and maintenance of student accommodation. Under FRS 102 this arrangement has been accounted for as a service concession. The University's liability has been brought onto the Statement of Financial Position at a value based on the present value of the minimum lease payments. Payments made by the University to the third-party provider are apportioned between the finance charge and repayment of the liability.

### Annual leave accrual

5) The University's liability for staff annual leave not taken as at the reporting date has been based on information available for staff who record their annual leave usage on the University's online system. This information has been extrapolated to obtain an estimate for all staff.

Key areas subject to judgement are:

### Impairments

The University's land and buildings are held at fair value. Valuations are carried out at regular intervals by professionally qualified external valuers. Management makes judgements as to whether any indicators of impairment are present for these assets, and whether there are indications that an adjustment is required to the useful economic lives of the buildings.



# Consolidated and institution statement of comprehensive income

Year ended 31 July 2024

	Notes	Consolidated		University	
		2024 £m	2023 £m	2024 £m	2023 £m
<b>Income</b>					
Tuition fees and education contracts	1	401.8	397.5	401.8	397.5
Funding body grants	2	109.1	111.5	109.1	111.5
Research grants and contracts	3	185.8	198.6	185.8	198.6
Other income	5	165.5	155.1	158.6	148.4
Investment income	6	20.3	12.6	20.1	12.5
Donations and endowments	7	12.5	11.7	12.5	11.7
<b>Total income</b>		<b>895.0</b>	<b>887.0</b>	<b>887.9</b>	<b>880.2</b>
<b>Expenditure</b>					
Staff costs - excluding movement in USS provision	8	472.8	453.8	481.5	449.5
Staff costs - movement in USS provision	8	(234.8)	(37.2)	(234.8)	(37.2)
Other operating expenses		285.6	275.6	285.1	275.1
Depreciation, amortisation and impairment of fixed assets	13, 14	103.1	80.7	103.0	80.6
Interest and other finance costs	9	17.1	22.1	16.6	22.5
<b>Total expenditure</b>	10	<b>643.8</b>	<b>795.0</b>	<b>651.4</b>	<b>790.5</b>
<b>Surplus before other gains and share of operating surplus/(deficit) of joint ventures and associates</b>		<b>251.2</b>	<b>92.0</b>	<b>236.5</b>	<b>89.7</b>
Gain on disposal of fixed assets		0.3	1.2	0.3	1.2
Gain/(loss) on investments	16, 28	3.1	(0.9)	3.1	(0.9)
Share of operating surplus/(deficit) in joint venture	17	0.8	(0.9)	-	-
Share of operating deficit in associate	18	(1.7)	(0.3)	-	-
Gift Aid		-	-	2.8	1.5
<b>Surplus before tax</b>		<b>253.7</b>	<b>91.1</b>	<b>242.7</b>	<b>91.5</b>
Taxation	12	-	-	-	-
<b>Surplus after tax</b>		<b>253.7</b>	<b>91.1</b>	<b>242.7</b>	<b>91.5</b>
<b>Other comprehensive income</b>					
Unrealised surplus on revaluation of land and buildings	14	32.8	100.4	32.8	100.4
Actuarial (loss)/gain in respect of pension schemes	35	(20.3)	43.7	(20.3)	43.7
<b>Total comprehensive income for the year</b>		<b>266.2</b>	<b>235.2</b>	<b>255.2</b>	<b>235.6</b>
Represented by:					
Endowment comprehensive income for the year		8.1	0.7	8.1	0.7
Restricted comprehensive expenditure for the year		(0.2)	(0.6)	(0.2)	(0.6)
Unrestricted comprehensive income for the year		244.9	167.4	233.9	167.8
Revaluation reserve comprehensive income for the year		13.4	67.7	13.4	67.7
		<b>266.2</b>	<b>235.2</b>	<b>255.2</b>	<b>235.6</b>

All items of income and expenditure relate to continuing activities.  
The accompanying notes and policies on pages 42 to 47 form part of these financial statements.

# Consolidated and institution statement of changes in reserves

Year ended 31 July 2024

	Income and expenditure account			Revaluation reserve	Total
	Endowment £m	Restricted £m	Unrestricted £m	£m	£m
<b>Consolidated</b>					
<b>Balance at 1 August 2022</b>	<b>46.5</b>	<b>6.2</b>	<b>561.8</b>	<b>778.5</b>	<b>1,393.0</b>
Surplus for the year	0.6	1.2	89.2	-	91.1
Other comprehensive income	-	-	43.7	100.4	144.1
Transfers between revaluation and income and expenditure reserve	-	-	32.7	(32.7)	-
Release of restricted funds spent in year	-	(1.8)	1.8	-	-
<b>Balance at 1 August 2023</b>	<b>47.1</b>	<b>5.6</b>	<b>729.2</b>	<b>846.2</b>	<b>1,628.1</b>
Surplus for the year	8.1	1.7	244.0	-	253.8
Other comprehensive (expenditure)/income	-	-	(20.3)	32.8	12.5
Transfers between revaluation and income and expenditure reserve	-	-	19.4	(19.4)	-
Release of restricted funds spent in year	-	(1.8)	1.8	-	-
<b>Balance at 31 July 2024</b>	<b>55.2</b>	<b>5.5</b>	<b>974.1</b>	<b>859.6</b>	<b>1,894.4</b>
<b>University</b>					
<b>Balance at 1 August 2022</b>	<b>46.5</b>	<b>6.2</b>	<b>563.6</b>	<b>778.5</b>	<b>1,394.8</b>
Surplus for the year	0.6	1.2	89.7	-	91.5
Other comprehensive income	-	-	43.7	100.4	144.1
Transfers between revaluation and income and expenditure reserve	-	-	32.7	(32.7)	-
Release of restricted funds spent in year	-	(1.8)	1.8	-	-
<b>Balance at 1 August 2023</b>	<b>47.1</b>	<b>5.6</b>	<b>731.5</b>	<b>846.2</b>	<b>1,630.4</b>
Surplus for the year	8.1	1.7	233.0	-	242.8
Other comprehensive (expenditure)/income	-	-	(20.3)	32.8	12.5
Transfers between revaluation and income and expenditure reserve	-	-	19.4	(19.4)	-
Release of restricted funds spent in year	-	(1.8)	1.8	-	-
<b>Balance at 31 July 2024</b>	<b>55.2</b>	<b>5.5</b>	<b>965.4</b>	<b>859.6</b>	<b>1,885.7</b>



# Consolidated and institution statement of financial position

Year ended 31 July 2024

	Notes	Consolidated		University	
		2024 £m	2023 £m	2024 £m	2023 £m
<b>Non-current assets</b>					
Intangible assets	13	6.1	8.6	6.1	8.6
Tangible assets	14	1,762.2	1,753.6	1,762.0	1,753.3
Investments	16	7.3	6.9	44.4	44.0
Investment in joint venture	17	(0.7)	(1.6)	-	-
Investments in associate	18	(3.9)	(2.3)	-	-
Debtors and prepayments due in more than one year	20	7.2	20.9	7.2	35.1
		<b>1,778.2</b>	<b>1,786.1</b>	<b>1,819.7</b>	<b>1,841.0</b>
<b>Current assets</b>					
Stock		0.5	0.5	0.3	0.3
Trade and other receivables	21	125.2	115.7	126.4	116.3
Investments	22	155.3	122.8	153.1	120.8
Cash and cash equivalents	23	220.6	235.1	213.5	229.0
		<b>501.6</b>	<b>474.1</b>	<b>493.3</b>	<b>466.4</b>
Less: Creditors: amounts falling due within one year	24	(222.5)	(242.9)	(222.8)	(243.3)
<b>Net current assets</b>		<b>279.1</b>	<b>231.2</b>	<b>270.5</b>	<b>223.1</b>
<b>Total assets less current liabilities</b>		<b>2,057.3</b>	<b>2,017.3</b>	<b>2,090.2</b>	<b>2,064.1</b>
Creditors: amounts falling due after more than one year	25	(159.2)	(159.4)	(200.8)	(203.9)
<b>Provisions</b>					
Pension provisions	26	-	(229.6)	-	(229.6)
Other provisions	26	(3.7)	(0.2)	(3.7)	(0.2)
<b>Total net assets</b>		<b>1,894.4</b>	<b>1,628.1</b>	<b>1,885.7</b>	<b>1,630.4</b>
<b>Restricted reserves</b>					
Income and expenditure reserve - endowment reserve	28	55.2	47.1	55.2	47.1
Income and expenditure reserve - restricted reserve	29	5.5	5.6	5.5	5.6
<b>Unrestricted reserves</b>					
Income and expenditure reserve - unrestricted		974.1	729.2	965.4	731.5
Revaluation reserve		859.6	846.2	859.6	846.2
<b>Total reserves</b>		<b>1,894.4</b>	<b>1,628.1</b>	<b>1,885.7</b>	<b>1,630.4</b>

The financial statements on pages 42 to 77 were approved by the Council on 28 November 2024 and were signed on its behalf by:

Mr M. J. Temple CBE, Chair and Pro-Chancellor

Professor K. Lamberts, President and Vice-Chancellor

The University of Sheffield

# Consolidated statement of cash flow

Year ended 31 July 2024

	Notes	2024	2023
		£m	£m
<b>Cash flows from operating activities</b>			
Surplus for the year before tax		253.7	91.1
<b>Adjustment for non-cash items</b>			
Depreciation	14	100.0	78.4
Amortisation of intangibles	13	3.1	2.4
(Gain)/loss on investments	16, 28	(3.1)	0.9
Decrease in stock		-	-
Decrease/(increase) in debtors	20, 21	4.1	(39.7)
(Decrease)/increase in creditors	24, 25	(28.4)	20.4
Decrease in pension provision	26	(249.9)	(12.0)
Increase in other provisions	26	3.5	-
Share of operating (surplus)/deficit in joint venture	17	(0.8)	0.9
Share of operating surplus in associate		1.7	0.2
<b>Adjustment for investing or financing activities</b>			
Investment income	6	(20.3)	(12.6)
Interest payable	9	11.8	13.9
Endowment income	7	(4.9)	(1.2)
Gain on disposal of fixed assets		(0.3)	(1.2)
Capital grant income		(28.2)	(34.4)
<b>Cash flows from operating activities</b>		<b>42.0</b>	<b>107.1</b>
Taxation		-	-
<b>Net cash inflows from operating activities</b>		<b>42.0</b>	<b>107.1</b>
<b>Cash flows from investing activities</b>			
Proceeds from sales of fixed assets		0.4	4.6
Capital grants receipts		39.8	28.3
Investment income	6	20.3	12.6
Payments made to acquire fixed assets	14	(75.8)	(83.8)
Payments made to acquire intangible assets	13	(0.6)	(3.5)
New non-current asset investments		-	-
New deposits		(29.9)	(42.4)
		<b>(45.8)</b>	<b>(84.3)</b>
<b>Cash flows from financing activities</b>			
Interest paid	9	(2.3)	(4.3)
Interest element of finance lease and service concession payments	9	(9.5)	(9.6)
Endowment cash received	28	4.9	1.3
Repayments of amounts borrowed		(0.5)	(1.2)
Capital element of finance lease and service concession payments		(3.3)	(2.9)
		<b>(10.7)</b>	<b>(16.7)</b>
<b>Increase in cash and cash equivalents in the year</b>		<b>(14.5)</b>	<b>5.9</b>
Cash and cash equivalents at beginning of the year	23	235.1	229.2
Cash and cash equivalents at end of the year	23	220.6	235.1



# Notes to the financial statements

## Note 1 Tuition fees and education contracts

	Consolidated		University	
	2024 £m	2023 £m	2024 £m	2023 £m
Full-time home and EU undergraduate students	138.7	138.7	138.7	138.7
Full-time home and EU postgraduate students	10.6	13.8	10.6	13.8
International students	215.4	206.3	215.4	206.3
Part-time home students	2.7	3.3	2.7	3.3
NHS education contracts	3.3	3.4	3.3	3.4
Research Training Support Grant and other contracts	31.1	32.0	31.1	32.0
	<b>401.8</b>	<b>397.5</b>	<b>401.8</b>	<b>397.5</b>

Note: Home / International split is determined by fee status i.e. whether the student pays a home fee or an overseas fee. EU students who pay an overseas fee are classed as International students.

## Note 2 Funding body grants

	Consolidated		University	
	2024 £m	2023 £m	2024 £m	2023 £m
<b>Recurrent grant</b>				
Office for Students	29.4	27.3	29.4	27.3
UK Research and Innovation (Research England)	53.8	55.2	53.8	55.2
Capital grant	7.5	11.2	7.5	11.2
<b>Specific grants</b>				
Higher Education Innovation Fund	6.7	6.7	6.7	6.7
Skills Funding Agency	6.1	7.0	6.1	7.0
Other specific grants	5.6	4.1	5.6	4.1
	<b>109.1</b>	<b>111.5</b>	<b>109.1</b>	<b>111.5</b>

## Note 3 Research grants and contracts

	Consolidated		University	
	2024 £m	2023 £m	2024 £m	2023 £m
Government UK and overseas	68.5	74.0	68.5	74.0
Research councils	69.8	70.7	69.8	70.7
Research charities	17.4	21.1	17.4	21.1
Industry and commerce	23.7	27.8	23.7	27.8
Other grants and contracts	6.4	5.0	6.4	5.0
	<b>185.8</b>	<b>198.6</b>	<b>185.8</b>	<b>198.6</b>

# Notes to the financial statements

## Note 4 Grant and fee income

	Consolidated		University	
	2024 £m	2023 £m	2024 £m	2023 £m
Grant income from the OfS	29.5	27.5	29.5	27.5
Grant income from other bodies	79.5	84.0	79.5	84.0
Fee income for taught awards (exclusive of VAT)	354.6	347.6	354.6	347.6
Fee income for research awards (exclusive of VAT)	16.0	17.7	16.0	17.7
Fee income from non-qualifying courses (exclusive of VAT)	31.3	32.2	31.3	32.2
	<b>510.9</b>	<b>509.0</b>	<b>510.9</b>	<b>509.0</b>

## Note 5 Other income

	Consolidated		University	
	2024 £m	2023 £m	2024 £m	2023 £m
Residences, catering and conferences	41.2	40.5	35.1	34.4
Patents and licences income	48.6	55.5	48.6	55.5
Other services rendered	29.9	22.7	29.9	22.7
Health authorities	17.0	12.0	17.0	12.0
Other income	28.8	24.4	28.0	23.9
	<b>165.5</b>	<b>155.1</b>	<b>158.6</b>	<b>148.4</b>

## Note 6 Investment income

	Notes	Consolidated		University	
		2024 £m	2023 £m	2024 £m	2023 £m
Investment income on endowments	28	1.3	1.1	1.3	1.1
Other investment income		19.0	11.5	18.8	11.4
		<b>20.3</b>	<b>12.6</b>	<b>20.1</b>	<b>12.5</b>

## Note 7 Donations and endowments

	Notes	Consolidated		University	
		2024 £m	2023 £m	2024 £m	2023 £m
New endowments	28	4.9	1.2	4.9	1.2
Donations with restrictions		1.4	1.0	1.4	1.0
Unrestricted donations		6.2	9.5	6.2	9.5
		<b>12.5</b>	<b>11.7</b>	<b>12.5</b>	<b>11.7</b>



# Notes to the financial statements

## Note 8 Staff costs

	Consolidated		University	
	2024 £m	2023 £m	2024 £m	2023 £m
<b>Staff costs:</b>				
Salaries	357.0	331.1	354.3	326.8
Social security costs	36.8	34.5	36.5	34.5
Movement on USS past service cost on pensions (Note 35)	(234.8)	(37.2)	(234.8)	(37.2)
Other pension costs	79.0	88.2	90.7	88.2
<b>Total</b>	<b>238.0</b>	<b>416.6</b>	<b>246.7</b>	<b>412.3</b>

	Consolidated		University	
	2024 full-time equivalents	2023 full-time equivalents	2024 full-time equivalents	2023 full-time equivalents
<b>Staff numbers:</b>				
Academic departments	3,127	3,113	3,127	3,113
Academic services	1,250	1,074	1,250	1,074
Central administration and services	645	678	645	678
Premises	577	562	577	562
Research grants and contracts	1,378	1,365	1,378	1,365
Other external	533	474	512	454
Residences, catering and conferences	242	246	121	121
Staff and student facilities	283	274	283	274
<b>Total</b>	<b>8,035</b>	<b>7,786</b>	<b>7,893</b>	<b>7,641</b>

### Higher Education Senior Staff Remuneration Code:

The University of Sheffield is committed to transparency in its approach to the remuneration of its senior leadership team, including its President and Vice-Chancellor, and is fully committed to the Higher Education Senior Staff Remuneration Code, which sets out principles to ensure fair and appropriate senior remuneration. The University's annual Remuneration Report and Statement as required by the Higher Education Senior Staff Remuneration Code is available at [www.sheffield.ac.uk/govern/committees/senior-remuneration](http://www.sheffield.ac.uk/govern/committees/senior-remuneration).

### Number of staff with a University-funded FTE basic salary of £100,000 or more:

	Consolidated		University	
	2024 number	2023 number	2024 number	2023 number
£100,000 to £104,999	31	30	31	30
£105,000 to £109,999	17	11	17	11
£110,000 to £114,999	23	22	23	22
£115,000 to £119,999	12	15	12	15
£120,000 to £124,999	9	5	9	5
£125,000 to £129,999	4	4	4	4
£130,000 to £134,999	16	4	16	4
£135,000 to £139,999	5	4	5	4
£140,000 to £144,999	4	3	4	3
£145,000 to £149,999	6	2	6	2
£150,000 to £154,999	2	-	2	-
£155,000 to £159,999	2	7	2	7
£160,000 to £164,999	4	2	4	2
£165,000 to £169,999	1	1	1	1
£170,000 to £174,999	1	1	1	1
£175,000 to £179,999	-	1	-	1
£180,000 to £184,999	1	1	1	1
£185,000 to £189,999	2	-	2	-
£190,000 to £194,999	-	1	-	1
£195,000 to £199,999	-	-	-	-
£200,000 to £204,999	1	-	1	-
£305,000 to £309,999	-	1	-	1
£330,000 to £334,999	1	-	1	-
<b>Total</b>	<b>142</b>	<b>115</b>	<b>142</b>	<b>115</b>

# Notes to the financial statements

## Note 8 Staff costs (continued)

	2024	2023
	£	£
<b>Remuneration of the President and Vice-Chancellor</b>		
Salary	330,000	306,350
Employer USS pension contributions	8,663	19,300
Salary sacrifice	-	-
Pension salary supplement	39,600	36,762
Other taxable benefits	650	-
<b>Total</b>	<b>378,913</b>	<b>362,412</b>

The Senior Remuneration Committee is responsible for reviewing the performance and determining the remuneration of the University's Executive Board, including the President and Vice-Chancellor. The Committee is independent, consisting of lay members of Council and chaired by the Chair of Council. In line with the principles of the HE Senior Staff Remuneration Code, the Chair is assumed by another lay member when any decision on the remuneration of the President and Vice-Chancellor is made. The members of the Senior Remuneration Committee bring a wealth and breadth of remuneration expertise from different sectors. They take into account the University's progress, independent job evaluation using Hay methodology, external benchmarking data, individual performance and other information to help determine senior levels of pay.

The performance of the President and Vice-Chancellor is formally reviewed annually in line with institutional and individual objectives set and agreed at the beginning of the academic year by both the Senior Remuneration Committee and the University's Council.

In 2023, the Senior Remuneration Committee reviewed the basic salary position of the President and Vice-Chancellor. This review showed that his salary remained below average in relation to the latest sector pay benchmarking data for Vice-Chancellors at similar sized institutions. The Committee noted that other than the application of the nationally negotiated pay award, the President and Vice-Chancellor had not had a pay increase since his appointment in 2018, and he continued to opt out of the Executive Performance (Bonus) Scheme.

The Committee agreed it was of absolute importance that the role of the President and Vice-Chancellor was appropriately remunerated both in line with the market data, the size of and complexity of the institution and the responsibilities of the role. The Committee therefore agreed to increase the President and Vice-Chancellor's basic salary to £330,000 on 1 August 2023. This represented an overall in-year increase of 8.8%, inclusive of the nationally negotiated pay award applied to all staff.

The President and Vice-Chancellor is an enhanced opt-out member of the USS and receives a 12% pension salary supplement in line with the University's Pension Salary Supplement Policy (see note below). The President and Vice-Chancellor joined the University's Executive Private Medical Insurance Scheme in January 2024.

### 2023-24 Note: Pension

Enhanced Opt Out (E00) is an option within the USS, available to members who are impacted by pension taxation limits, so that members can stop building up retirement benefits but retain life and ill-health cover. The enhanced opt-out contribution rate of 6.3% for employers was removed on 31 December 2023. The University's Pension Salary Supplement Policy was introduced in 2017 so that the University was able to offer an alternative reward package to individuals who are adversely affected by pension taxation limits, subject to them meeting certain eligibility criteria. Offering an alternative to pension contributions enables the University to remain competitive in the external market and to attract and retain high-calibre individuals. The 12% salary supplement rate is cost-neutral, taking into account National Insurance costs and employer deficit costs. It is also in line with supplements paid by other Universities. The policy and the salary supplement rate are reviewed regularly by the Senior Remuneration Committee.

### Pay multiples

Pay ratios show the relationship between the President and Vice Chancellor's remuneration and all other employees (University and subsidiary), expressed as a multiple.

The total salary multiple includes basic full-time equivalent pay at 31 July 2024 plus the total value of the following paid in the financial year: allowances, bonus, employer pension contributions, overtime, benefits in kind and recognition awards.

The salaries of atypical employees/workers paid through the University's payroll are included in the pay multiple. The pay rates for the University's atypical workforce are in line with the University's grading structure. Atypical workers typically work in a variety of roles, attracting different pay rates and are normally for one-off or irregular assignments. External agency staff are excluded.

### Basic salary

In 2023-24 the basic salary of the President and Vice-Chancellor was 8.9 times greater than the median basic salary of all other employees (2022-23 8.5).

### Total salary

In 2023-24 the total salary of the President and Vice-Chancellor was 9.2 times greater than the median total salary of all other employees (2022-23 8.6).



# Notes to the financial statements

## Note 8 Staff costs (continued)

### Compensation for loss of office

	Consolidated		University	
	2024 £m	2023 £m	2024 £m	2023 £m
Total amount of compensation payable	3.9	0.9	3.9	0.9
	Number	Number	Number	Number
Number of staff to whom this was payable	298	129	298	128

### Key management personnel

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the University.

Key management personnel are defined as the University Executive Board, which is the President and Vice-Chancellor's executive group and is comprised of the President and Vice-Chancellor, the Provost and Deputy Vice-Chancellor, six Faculty Vice-Presidents, Vice-President for Education, Vice-President for Research and Innovation, Chief Financial Officer, Chief Operating Officer and Director of Human Resources.

Note that compensation consists of salary and benefits, including any employer's pension contributions.

	2024 £m	2023 £m
<b>Key management personnel compensation</b>	<b>3.3</b>	<b>3.0</b>

2023 figures have been restated to include Employers National Insurance contributions.

## Note 9 Interest and other finance costs

Notes	Consolidated		University	
	2024 £m	2023 £m	2024 £m	2023 £m
Loan interest	3.5	3.5	3.5	3.5
Finance lease interest (including service concession finance charge)	9.5	9.2	9.0	9.6
Unwind of discount on USS pension provision	5.3	8.5	5.3	8.5
Net interest cost on University of Sheffield Pension Scheme	(1.2)	0.8	(1.2)	0.8
	<b>17.1</b>	<b>22.0</b>	<b>16.6</b>	<b>22.4</b>

# Notes to the financial statements

## Note 10 Analysis of total expenditure by activity

	Consolidated		University	
	2024 £m	2023 £m	2024 £m	2023 £m
Academic departments	291.4	276.7	291.4	276.7
Academic services	82.7	74.5	82.7	74.5
Central administration and services	51.0	45.7	51.0	45.7
General educational expenditure	42.8	38.3	42.8	38.3
Staff and student facilities	23.7	23.1	23.7	23.1
Research grants and contracts	131.3	136.7	131.3	136.7
Residences, catering and conferences (including service concession cost)	50.2	47.3	44.0	41.3
Premises	115.6	97.3	115.6	97.3
USS pension movement	(234.8)	(37.2)	(234.8)	(37.2)
Other expenses	90.0	92.6	103.7	94.1
	<b>643.8</b>	<b>795.0</b>	<b>651.4</b>	<b>790.5</b>

Other operating expenses include payments under operating leases, which are detailed in Note 33.

	Consolidated		University	
	2024 £m	2023 £m	2024 £m	2023 £m
<b>Included within other operating expenses are the following costs:</b>				
Auditors' remuneration	0.4	0.4	0.3	0.3
Auditors' remuneration in respect of non-audit services	0.1	0.1	0.1	0.1
	<b>0.5</b>	<b>0.5</b>	<b>0.4</b>	<b>0.4</b>

## Note 11 Access and participation expenditure

	Consolidated		University	
	2024 £m	2023 £m	2024 £m	2023 £m
Access investment	3.4	3.5	3.4	3.5
Financial support	6.8	6.6	6.8	6.6
Disability support	2.5	2.3	2.5	2.3
Research and evaluation	0.2	0.2	0.2	0.2
	<b>12.9</b>	<b>12.5</b>	<b>12.9</b>	<b>12.5</b>

£4.5m of the costs shown above are staff costs, and are included in Note 8 of the financial statements.

The University's current access and participation plan is shown at this link: [www.sheffield.ac.uk/finance/access-and-participation](http://www.sheffield.ac.uk/finance/access-and-participation).



# Notes to the financial statements

## Note 12 Taxation

	Consolidated		University	
	2024 £m	2023 £m	2024 £m	2023 £m
<b>Recognised in the statement of comprehensive income</b>				
Current tax expense	-	-	-	-
Deferred tax expense	-	-	-	-
Total tax expense	-	-	-	-

## Note 13 Intangible assets

	Consolidated		University	
	2024 £m	2023 £m	2024 £m	2023 £m
<b>Software</b>				
Opening balance	8.6	7.4	8.6	7.4
Additions in the year	0.6	3.5	0.6	3.5
Amortisation charge for the year	(3.1)	(2.4)	(3.1)	(2.4)
Closing balance	6.1	8.6	6.1	8.6

# Notes to the financial statements

## Note 14 Tangible assets

	Land and buildings	Service concession arrangement (Note 15)	Fixtures, fittings and equipment	Assets in the course of construction	Total
	£m	£m	£m	£m	£m
<b>Consolidated</b>					
<b>Cost or valuation</b>					
At 1 August 2023	1,455.7	225.5	394.2	53.0	2,128.4
Additions	16.1	-	21.6	38.1	75.8
Transfers	18.2	-	10.0	(28.2)	-
Surplus on revaluation	17.9	31.1	-	-	49.0
Loss on revaluation	(69.9)	-	-	-	(69.9)
Disposals	(0.1)	-	(1.8)	-	(1.9)
<b>At 31 July 2024</b>	<b>1,437.9</b>	<b>256.6</b>	<b>424.0</b>	<b>62.9</b>	<b>2,181.4</b>
<b>Consisting of:</b>					
Valuation	273.4	92.9	-	-	366.3
Cost	1,164.5	163.7	424.0	62.9	1,815.1
	<b>1,437.9</b>	<b>256.6</b>	<b>424.0</b>	<b>62.9</b>	<b>2,181.4</b>
<b>Depreciation</b>					
At 1 August 2023	34.7	-	340.1	-	374.8
Charge for the year	53.0	4.5	33.8	-	91.3
Impairment write down	8.7	-	-	-	8.7
Written back on revaluation	(49.2)	(4.5)	-	-	(53.7)
Disposals	(0.1)	-	(1.8)	-	(1.9)
<b>At 31 July 2024</b>	<b>47.1</b>	<b>-</b>	<b>372.1</b>	<b>-</b>	<b>419.2</b>
<b>Net book value</b>					
<b>At 31 July 2024</b>	<b>1,390.8</b>	<b>256.6</b>	<b>51.9</b>	<b>62.9</b>	<b>1,762.2</b>
At 31 July 2023	1,421.0	225.5	54.1	53.0	1,753.6
<b>University</b>					
<b>Cost or valuation</b>					
At 1 August 2023	1,455.7	225.5	393.0	53.0	2,127.2
Additions	16.1	-	21.6	38.1	75.8
Transfers	18.2	-	10.0	(28.2)	-
Surplus on revaluation	17.9	31.1	-	-	49.0
Loss on revaluation	(69.9)	-	-	-	(69.9)
Disposals	(0.1)	-	(1.8)	-	(1.9)
<b>At 31 July 2024</b>	<b>1,437.9</b>	<b>256.6</b>	<b>422.8</b>	<b>63.0</b>	<b>2,180.3</b>
<b>Consisting of:</b>					
Valuation	273.4	92.8	-	-	366.2
Cost	1,164.5	163.8	422.8	63.0	1,814.1
	<b>1,437.9</b>	<b>256.6</b>	<b>422.8</b>	<b>63.0</b>	<b>2,180.3</b>
<b>Depreciation</b>					
At 1 August 2023	34.7	-	339.2	-	373.9
Charge for the year	53.0	4.5	33.8	-	91.3
Impairment write down	8.7	-	-	-	8.7
Written back on revaluation	(49.2)	(4.5)	-	-	(53.7)
Disposals	(0.1)	-	(1.8)	-	(1.9)
<b>At 31 July 2024</b>	<b>47.1</b>	<b>-</b>	<b>371.2</b>	<b>-</b>	<b>418.3</b>
<b>Net book value</b>					
<b>At 31 July 2024</b>	<b>1,390.8</b>	<b>256.6</b>	<b>51.6</b>	<b>63.0</b>	<b>1,762.0</b>
At 31 July 2023	1,421.0	225.5	53.8	53.0	1,753.3

At 31 July 2024, freehold land and buildings included £32.0m (2023 - £33.1m) in respect of freehold land which is not depreciated.

In addition, one investment property valued in total at £6.3m (2023 - one property - £6.4m) were included above.

A valuation of the University's Academic and Administration buildings was carried out as at 31 July 2024 by an independent external valuer Gerald Eve LLP.

A valuation of the University's residential property held under a service concession arrangement was carried out as at 31 July 2024 by an independent external valuer Gerald Eve LLP.

A valuation of the University's residential property (excluding property in the Service concession arrangement) was carried out as at 31 July 2024 by an independent external valuer Saxton Mee Commercial.



# Notes to the financial statements

## Note 15 Service concession arrangements

The University has one arrangement where service delivery has commenced.

### Movement in service concession arrangement assets

The asset value of the service concession as at 31 July 2024 is £256.5m (31 July 2023: £225.5m).

The increase of £31.1m in the year is calculated as follows:

	£m
Opening balance	225.4
Depreciation in the year	4.5
Writeback of depreciation on valuation	(4.5)
Gain on revaluation	31.1
Closing balance	<b>256.5</b>

### Movement in service concession arrangement liabilities

The total liabilities relating to the service concession as at 31 July 2024 were £89.8m (31 July 2023: £93.2m).

The sum of £3.4m was repaid during the year.

### Future commitments

The following table analyses the University's future commitments in relation to service concession arrangements.

	Payable in 1 year	Payable in 2-5 years	Payable in more than 5 years	Total
	£m	£m	£m	£m
Liability repayments	2.9	9.8	77.1	89.8
Finance charge	4.6	17.2	38.8	60.6
Service charge	7.0	34.1	157.3	198.4
	<b>14.5</b>	<b>61.1</b>	<b>273.2</b>	<b>348.8</b>

The notes below give more information on the University's current service concession arrangements:

During 2005-06, the University entered into a 41-year contract with a third party provider for the provision and maintenance of student accommodation. Service commenced in 2006 and the contract will end in 2047.

The assets and liabilities relating to this scheme are recognised on the University's statement of financial position.

Annual rental payments made to the provider are recorded in other operating expenses.

# Notes to the financial statements

## Note 16 Non-current investments

	Subsidiary companies	Other fixed assets investments	Total
	£m	£m	£m
<b>Consolidated</b>			
At 1 August 2023	-	6.9	6.9
Gain	-	0.4	0.4
<b>At 31 July 2024</b>	<b>-</b>	<b>7.3</b>	<b>7.3</b>
<b>University</b>			
At 1 August 2023	4.2	39.8	44.0
Gain	-	0.4	0.4
<b>At 31 July 2024</b>	<b>4.2</b>	<b>40.2</b>	<b>44.4</b>

Investments that are listed are held at fair value.

## Note 17 Investment in joint venture

The University holds an equal share in N8 Ltd (12.5%) and in Stem Learning Ltd (25%). The arrangements are treated as joint ventures and accounted for using the equity method, such that 12.5% and 25% of the companies gross assets and liabilities respectively are incorporated into the consolidated balance sheet of the University and 12.5% and 25% of net income is reported in the University's consolidated income and expenditure account.

	2024		2023	
	£m	£m	£m	£m
<b>Income and expenditure account</b>				
Income		9.1		9.1
Surplus/(deficit) before tax		0.8		(0.9)
<b>Statement of financial position</b>				
Fixed assets	-		-	
Current assets	2.4		2.9	
		2.4		2.9
Creditors: amounts due within one year	(2.2)		(2.8)	
Creditors: amounts due after more than one year	(0.9)		(1.7)	
		(3.1)		(4.5)
<b>Share of net liabilities</b>		<b>(0.7)</b>		<b>(1.6)</b>



# Notes to the financial statements

## Note 18 Investment in associates

The University has holdings in the following companies:

Company	Principal activity	%
Aeqora Limited	Semantic based solutions for knowledge sharing	37.6%
Blastech Limited	Blast, impact and ballistic testing services	24.9%
High Value Manufacturing Catapult	Grants management	*
IFRF Limited	Non-profit research	*
Keapstone Therapeutics Limited	Virtual biotechnology	36.0%
Knowledge Flo Limited	Holding company	45.0%
Leonardo Testing Services Limited	Testing services for research and development	33.3%
Limitstate Limited	Computational limit analysis and software design	25.0%
Plume Biotechnology Limited	Research and experimental development on biotechnology	28.4%
Pyroptik Instruments Limited	Manufacture of electronic industrial process control equipment	25.6%
Redbrick Molecular Limited	Chemistry research and development	*
Rinri Therapeutics Limited	Research and experimental development on biotechnology	28.6%
South Yorkshire Institute of Technology	Post-secondary non-tertiary education	*

\* Limited by guarantee

All companies are incorporated in Great Britain.

## Note 19 Subsidiary undertakings

The subsidiary companies wholly owned or effectively controlled by the University are as follows:

Company	Principal activity	%
Epi Genesys Limited	Custom software solutions and web applications	100.00%
Escafeld Estates Limited	Property disposal for student residences strategy	100.00%
FaraPack Polymers Limited	Innovative packaging solutions	100.00%
Sheffield Advisory Services Sdn Bhd	University Malaysian office	100.00%
Suel Limited	Business and management consultancy	100.00%
The National Metals Technology Centre	Licensing of NAMTEC name to the University	*
TUOS Parking Limited	Car park services	100.00%
Unicus Sheffield Limited	Hotel services	100.00%
UOS LP Limited	Partner in asset backed funding of the University pension scheme	100.00%
UOS GP Limited	Partner in asset backed funding of the University pension scheme	100.00%

\* Limited by guarantee

Apart from Sheffield Advisory Services Sdn Bhd, which is incorporated in Malaysia, all companies are incorporated in Great Britain.

# Notes to the financial statements

## Note 20 Debtors and prepayments due in more than one year

	Consolidated		University	
	2024 £m	2023 £m	2024 £m	2023 £m
Amounts falling due in more than one year:				
Prepayment: ABF lease	-	-	-	14.2
Prepayment: IT services	4.3	1.4	4.3	1.4
University of Sheffield Pension Scheme asset (Note 35)	1.4	18.3	1.4	18.3
Loans to Group companies	-	-	-	-
Loans to other companies	1.5	1.2	1.5	1.2
	<b>7.2</b>	<b>20.9</b>	<b>7.2</b>	<b>35.1</b>

## Note 21 Trade and other receivables

	Consolidated		University	
	2024 £m	2023 £m	2024 £m	2023 £m
Amounts falling due within one year:				
Research grants accrued income	24.7	26.4	24.7	26.4
Prepayments and other accrued income	52.1	38.0	51.1	39.0
Other receivables	48.1	51.3	47.6	49.2
Amounts due from subsidiary companies	0.3	-	3.0	1.7
	<b>125.2</b>	<b>115.7</b>	<b>126.4</b>	<b>116.3</b>

## Note 22 Current investments

	Consolidated		University	
	2024 £m	2023 £m	2024 £m	2023 £m
Short-term investment in shares (Note 28)	45.0	39.8	45.0	39.8
Short-term deposits	110.3	83.0	108.1	81.0
	<b>155.3</b>	<b>122.8</b>	<b>153.1</b>	<b>120.8</b>



# Notes to the financial statements

## Note 23 Cash and cash equivalents

	2023 £m	Cash flows £m	2024 £m
<b>Consolidated</b>			
Cash and cash equivalents	235.1	(14.5)	<b>220.6</b>
	235.1	(14.5)	<b>220.6</b>
<b>University</b>			
Cash and cash equivalents	229.0	(15.5)	<b>213.5</b>
	229.0	(15.5)	<b>213.5</b>
<b>Consolidated movement in net debt</b>			
Net debt 1 August 2023			(80.7)
Movement in cash and cash equivalents			14.5
Other non-cash changes			(3.6)
<b>Net debt 31 July 2024</b>			<b>(69.8)</b>
<b>Change in net debt</b>			<b>10.9</b>
<b>Analysis of net debt:</b>		<b>2024</b>	<b>2023</b>
		<b>£m</b>	<b>£m</b>
<b>Cash and cash equivalents</b>		<b>220.6</b>	<b>235.1</b>
<b>Borrowings: amounts falling due within one year</b>			
Service concession arrangements		<b>2.9</b>	3.3
Unsecured loans		<b>0.9</b>	0.5
		<b>3.8</b>	3.8
<b>Borrowings: amounts falling due after more than one year</b>			
Service concession liabilities due after one year		<b>86.9</b>	89.9
Unsecured loans		<b>60.0</b>	60.6
		<b>147.0</b>	150.6
<b>Net cash and cash equivalents</b>		<b>69.8</b>	80.7

# Notes to the financial statements

## Note 24 Creditors: amounts falling due within one year

	Consolidated		University	
	2024 £m	2023 £m	2024 £m	2023 £m
Bank loans	-	-	-	-
Unsecured loans	<b>0.9</b>	0.5	<b>0.9</b>	0.5
Obligations under finance leases	-	-	<b>3.0</b>	2.9
Service concession arrangements (Note 15)	<b>2.9</b>	3.3	<b>2.9</b>	3.3
Trade payables	<b>13.2</b>	20.7	<b>10.9</b>	20.3
Social security and other taxation payable	<b>10.8</b>	9.6	<b>10.7</b>	9.1
Accruals and deferred income	<b>155.6</b>	162.6	<b>154.9</b>	161.9
Other creditors	<b>39.1</b>	46.2	<b>39.5</b>	45.3
	<b>222.5</b>	242.9	<b>222.8</b>	243.3

### Deferred income

Included within accruals and deferred income above are the following items of income which have been deferred until specific performance-related conditions have been met.

	Consolidated		University	
	2024 £m	2023 £m	2024 £m	2023 £m
Research grants received on account	<b>51.9</b>	60.5	<b>51.9</b>	60.5
Other income	<b>48.3</b>	34.5	<b>48.3</b>	34.5
	<b>100.2</b>	95.0	<b>100.2</b>	95.0

## Note 25 Creditors: amounts falling due after more than one year

	Consolidated		University	
	2024 £m	2023 £m	2024 £m	2023 £m
Service concession liabilities due after one year	<b>86.9</b>	89.9	<b>86.9</b>	89.9
Obligations under finance lease	-	-	<b>41.6</b>	44.5
Long-term creditor	-	0.4	-	0.4
Deferred income	<b>12.3</b>	8.5	<b>12.3</b>	8.5
Bank and other loans	<b>0.2</b>	0.8	<b>0.2</b>	0.8
Private placement	<b>59.8</b>	59.8	<b>59.8</b>	59.8
	<b>159.2</b>	159.5	<b>200.8</b>	203.9
Analysis of loans, private placement and finance lease				
<b>Due within one year or on demand (Note 23)</b>	<b>0.9</b>	0.5	<b>3.9</b>	3.4
Due between one and two years	<b>0.1</b>	0.5	<b>3.4</b>	3.6
Due between two and five years	<b>0.1</b>	0.3	<b>11.6</b>	11.2
Due in five years or more	<b>59.8</b>	59.9	<b>86.6</b>	90.4
<b>Due after more than one year</b>	<b>60.0</b>	60.7	<b>101.6</b>	105.2
<b>Total unsecured loans and finance leases</b>	<b>60.9</b>	61.2	<b>105.5</b>	108.6
Unsecured loans repayable by 2047	<b>60.9</b>	61.2	<b>60.9</b>	61.2
	<b>60.9</b>	61.2	<b>60.9</b>	61.2

Included in loans and private placement are the following:

Lender	Amount £m	Term	Interest rate %	Borrower	Date
Unifund Plc	<b>59.8</b>	40 years - bullet repayment	5.33 - fixed	University	31 May 2007
Salix Finance Ltd	<b>1.1</b>	4 years - biannual repayment	interest free	University	
Total	<b>60.9</b>				



# Notes to the financial statements

## Note 26 Provisions for liabilities

	Obligation to fund deficit on USS pension	USPS defined benefit obligation (Note 35)	Total pensions provisions	Other	Total provisions
	£m	£m	£m	£m	£m
<b>Consolidated</b>					
At 1 August 2023	229.6	-	229.6	0.2	229.8
Utilised in year	(234.9)	-	(234.9)	-	(234.9)
Additions in year	5.3	-	5.3	3.5	8.8
Unused amounts reversed in year	-	-	-	-	-
<b>At 31 July 2024</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>3.7</b>	<b>3.7</b>
<b>University</b>					
At 1 August 2023	229.6	-	229.6	0.2	229.8
Utilised in year	(234.9)	-	(234.9)	-	(234.9)
Additions in year	5.3	-	5.3	3.5	8.8
Unused amounts reversed in year	-	-	-	-	-
<b>At 31 July 2024</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>3.7</b>	<b>3.7</b>

### USS pension deficit provision

The obligation to fund the past deficit on the Universities Superannuation Scheme (USS) arises from the contractual obligation with the USS to fund deficit payments in accordance with the deficit recovery plan. In calculating this provision, management have estimated future staff levels within the USS scheme for the duration of the contractual obligation and salary inflation.

Following the completion of the 2023 actuarial valuation, the Scheme was in surplus and therefore no provision is required at 31 July 2024, more detail is given in Note 35 (i).

# Notes to the financial statements

## Note 27 Financial instruments

	Consolidated		University	
	2024 £m	2023 £m	2024 £m	2023 £m
<b>Measured at fair value</b>				
Non-current investments held at fair value (Note 16)	7.3	6.9	40.2	39.8
Endowment investments held at fair value (Notes 22/28)	45.0	39.9	45.0	39.9
<b>Measured at cost</b>				
Trade and other receivables (Note 21)	125.2	115.7	126.4	116.3
Trade payables (Note 24)	(13.2)	(20.7)	(10.9)	(20.3)
Social security and other taxation payable (Note 24)	(10.8)	(9.6)	(10.7)	(9.1)
Accruals and deferred income due in one year (Note 24)	(155.6)	(162.6)	(154.9)	(161.9)
Accruals and deferred income due in more than one year (Note 25)	(12.3)	(8.5)	(12.3)	(8.5)
Other creditors due in one year (Note 24)	(39.1)	(46.2)	(39.5)	(45.3)
Other creditors due in more than one year (Note 25)	-	(0.4)	-	(0.4)
Bank and other non-secured loans (Note 24)	(0.9)	(0.5)	(0.9)	(0.5)
Bank and other non-secured loans (Note 25)	(0.2)	(0.8)	(0.2)	(0.8)
Private placement (Note 25)	(59.8)	(59.8)	(59.8)	(59.8)
	<b>(114.3)</b>	<b>(146.6)</b>	<b>(77.5)</b>	<b>(110.6)</b>



# Notes to the financial statements

## Note 28 Endowment reserves

Restricted net assets relating to endowments are as follows:

	Restricted permanent endowments	Unrestricted permanent endowments	Expendable endowments	2024 Total	2023 Total
	£m	£m	£m	£m	£m
<b>Balances at 1 August 2023</b>					
Capital	23.7	9.3	7.9	40.9	40.5
Accumulated income	5.0	-	1.2	6.2	6.0
	28.7	9.3	9.1	47.1	46.5
New endowments (Note 7)	3.4	-	1.5	4.9	1.2
Investment income (Note 6)	0.7	0.3	0.3	1.3	1.1
Expenditure	(0.4)	(0.3)	(0.2)	(0.9)	(0.9)
Realisations	-	-	-	-	0.1
Reclassification	-	-	-	-	-
Increase/(decrease) in market value of investments	1.5	0.6	0.7	2.8	(0.9)
<b>Total endowment comprehensive income for the year</b>	5.2	0.6	2.3	8.1	0.6
	33.9	9.9	11.4	55.2	47.1
<b>At 31 July 2024</b>					
<b>Represented by:</b>					
Capital	28.6	9.9	10.1	48.6	40.9
Accumulated income	5.3	-	1.3	6.6	6.2
	33.9	9.9	11.4	55.2	47.1
<b>Analysis by type of purpose:</b>					
Lectureships	5.1	-	0.1	5.2	4.9
Scholarships and bursaries	18.7	-	7.3	26.0	23.5
Research support	1.8	-	1.5	3.3	2.4
Prize funds	2.2	-	1.9	4.1	3.8
General	6.1	9.9	0.6	16.6	12.5
	33.9	9.9	11.4	55.2	47.1
<b>Analysis by asset</b>					
Current and non-current asset investments (Note 22)				45.0	39.8
Cash & cash equivalents				10.2	7.3
				55.2	47.0

# Notes to the financial statements

## Note 29 Restricted reserves

Reserves with restrictions are as follows:

	2024 Total	2023 Total
	£m	£m
<b>Balances at 1 August 2023</b>	5.6	6.2
Research grant income	0.6	0.3
Other restricted income	1.1	0.9
Expenditure	(1.8)	(1.8)
<b>Total restricted comprehensive expenditure for the year</b>	(0.1)	(0.6)
<b>At 31 July 2024</b>	5.5	5.6
<b>Analysis of other restricted funds/donations by type of purpose:</b>		
Lectureships	-	-
Scholarships and bursaries	2.0	1.8
Research support	3.0	3.0
Prize funds	-	-
General	0.5	0.8
	5.5	5.6

## Note 30 Capital and other commitments

Provision has not been made for the following capital commitments at 31 July 2024:

	July 2024	July 2023
	Total £m	Total £m
<b>Consolidated and University</b>		
Commitments contracted for	17.7	30.3
Commitments not contracted for	148.6	35.3
	166.3	65.6

## Note 31 Contingent liabilities

The University has given written undertakings to support these subsidiary companies at twelve months from the date of approval of these financial statements:

Unicus Sheffield Limited

The management of the University believe it is not practicable, at the time of signing of these accounts, to calculate the financial effect and/or timing of any requirement for funding that could arise from the letters of support, but believe that any support required would not be considered a material liability to the University.



# Notes to the financial statements

## Note 32 Linked charities

Included in the endowments in Note 28 are a small number of linked (paragraph (w)) charities:

	Opening balance	Realisations	Income	Expenditure	Change in market value	Closing balance
	£m	£m	£m	£m	£m	£m
<b>Consolidated</b>						
4 funds and charities each with income below £100,000:	0.4	-	-	-	-	0.4
	<b>0.4</b>	-	-	-	-	<b>0.4</b>

The funds and charities with income below £100,000 comprise two lecture funds, a prize fund, a fund to support scholarships and small projects.

## Note 33 Lease obligations

Total rentals payable under operating leases:

Consolidated and University	2024			2023
	Land and buildings	Vehicles	Total	Total
	£m	£m	£m	£m
<b>Payable during the year</b>	11.2	-	<b>11.2</b>	10.6
<b>Future minimum lease payments due:</b>				
Not later than 1 year	11.6	-	<b>11.6</b>	11.5
Later than 1 year and not later than 5 years	48.4	-	<b>48.4</b>	47.4
Later than 5 years	13.0	-	<b>13.0</b>	12.5
<b>Total lease payments due</b>	<b>73.0</b>	-	<b>73.0</b>	71.4

## Note 34 Events after the reporting period

There have been no events after the end of the reporting period.

# Notes to the financial statements

## Note 35 Pension schemes

The two principal schemes for the University's staff are the Universities Superannuation Scheme (USS), and the University of Sheffield Pension Scheme (USPS). In addition, for some clinical staff, contributions are paid to the National Health Service Pension Scheme (NHSPS).

Consolidated and University	2024	2023
	£m	£m
<b>Statement of comprehensive income - net pension cost in year</b>		
USS contributions	<b>72.7</b>	86.1
USPS service costs	<b>5.8</b>	6.7
NHSPS contributions	<b>2.4</b>	1.8
Movement on USS provision in staff costs (Note 8)	<b>(234.8)</b>	(37.2)
USS pension finance cost (Note 9)	<b>5.3</b>	8.5
USPS and ex-gratia pensions net interest charge (Note 9)	<b>(1.2)</b>	0.8
USPS administration cost in other operating expenses	<b>2.0</b>	2.0
	<b>(147.8)</b>	68.7
<b>Other comprehensive income - actuarial gain in respect of pension schemes</b>		
USPS including FRS 102 adjustments	<b>20.3</b>	(43.7)
<b>Statement of financial position - pension scheme liability/(asset)</b>		
USS (Note 26)	-	229.6
USPS including FRS 102 adjustments (Note 20)	<b>(1.4)</b>	(18.3)
	<b>(1.4)</b>	211.3

### (i) The Universities Superannuation Scheme

The total amount released to the income and expenditure account is £229.5m (2023: release of £28.7m).

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 University 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%.

The key financial assumptions used in the 2023 valuation are described below. More detail is set out in the Statement of Funding Principles ([www.uss.co.uk/about-us/valuation-and-funding/statement-of-funding-principles](http://www.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% p.a. to 2030, reducing linearly by 0.1% p.a. from 2030.
Pension increases (subject to a floor of 0%)	Benefits with no cap: CPI assumption plus 3bps. Benefits subject to a "soft cap" of 5% (providing inflationary increases up to 5%, and half of any excess inflation over 5% up to a maximum of 10%): CPI assumption minus 3bps.
Discount rate (forward rates)	Fixed interest gilt yield curve plus: Pre-retirement: 2.5% p.a. Post-retirement: 0.9% p.a.

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

2023 valuation	
Mortality base table	101% of S2PMA "light" for males and 95% of S3PFA for females.
Future improvements to mortality	CMI_2021 with a smoothing parameter of 7.5, an initial addition of 0.4% pa, 10% w2020 and w2021 parameters, and a long-term improvement rate of 1.8% pa for males and 1.6% pa for females.

# Notes to the financial statements

## Note 35 Pension schemes (continued)

The current life expectancies on retirement at age 65 are:

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

A deficit recovery plan was put in place as part of the 2020 valuation, which required payment of 6.2% of salaries over the period 1 April 2022 to 31 March 2024, at which point the rate would increase to 6.3%. 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.

	2024	2023
Discount rate	N/a	5.52%
Pensionable salary growth	Year 1: N/a Year 2: N/a Years 3-5: N/a Years 5+: N/a	Year 1: 9% increase Year 2: 5% increase Years 3-5: 5% increase Years 5+: 3% increase

### (ii) University of Sheffield Pension Scheme

#### Disclosure for the accounting period ending 31 July 2024

The last formal triennial actuarial valuation of the scheme was performed as at 1 April 2023 by a professionally qualified actuary. The University engaged an independent actuary to provide a valuation for accounting purposes at 31 July 2024.

During the accounting period, the University paid contributions to the scheme in accordance with the tiered contribution structure that had been effective from 1 December 2011.

The University also provides ex-gratia pension benefits to certain employees and former employees who previously did not join other pension arrangements. Ex-gratia benefits have now ceased accruing for all such employees. The University currently pays ex-gratia pensions of £0.3m p.a. These liabilities are not separately funded.

#### Assumptions

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

	2024	2023
	%pa	%pa
Price inflation (RPI)	3.10	3.10
Price inflation (CPI)	2.75	2.70
Rate of increase in salaries	3.45	3.40
Cash balance revaluation	2.50	2.50
Pension increases - CPI (scheme members excess benefits)	2.75	2.70
Pension increases - CPI max 3% (post 88 GMP)	2.10	2.00
Pension increases - RPI (ex-gratia academic staff)	3.10	3.10
Pension increases - 3% fixed (ex-gratia academic staff)	3.00	3.00
Discount rate	4.90	5.20

In the current year, the post-retirement mortality table used is the CMI\_2023 with a long-term rate of improvement of 1.25% p.a., a smoothing parameter (s-kappa) of 7.0 and initial addition parameter of zero, no weight to 2020 and 2021 data and 15% weight to 2022 and 2023 data.

In the previous year, the post-retirement mortality table used is the CMI\_2022 with a long-term rate of improvement of 1.5% p.a., a smoothing parameter (s-kappa) of 7.0 and initial addition parameter of zero, no weight to 2020 and 2021 data and 25% weight to 2022 data.

# Notes to the financial statements

## Note 35 Pension schemes (continued)

The most significant non-financial assumption is the assumed level of longevity. The table below shows the life expectancy assumptions used in the accounting assessments based on the life expectancy of male and female members at age 65.

	Males		Females	
	Pensioner	Non-pensioner (currently aged 45)	Pensioner	Non-pensioner (currently aged 45)
At 31 July 2024	21.0	21.5	23.6	25.0
At 31 July 2023	21.3	22.1	23.8	25.5

#### Scheme assets and expected rate of return for USPS

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	31 July 2023	31 July 2022
	£m	£m	£m
Equities	17.7	15.4	89.3
Government bonds	110.1	78.3	10.2
Corporate bonds	45.5	71.1	76.2
Property	15.2	15.9	20.2
Cash	5.1	6.5	3.3
Other	42.9	42.6	42.6
Total	236.5	229.8	241.8

Other assets include insure annuities of £7.9m (2023: £9.2m).

The tables below include, where applicable, disclosures for the USPS and ex-gratia pensions combined to enable clear presentation. The ex-gratia pensions account for £2.6m of the total liabilities of £227.2m (2023: £2.8m of £202.3m) and £0m of the total assets of £228.6m (2023: £0m of £220.6m).

	2024	2023
	£m	£m
<b>Analysis of the amount shown in the balance sheet for USPS and ex-gratia pensions:</b>		
Scheme assets	236.5	229.8
Scheme liabilities	(235.1)	(211.5)
<b>Surplus/(deficit) in the scheme – net pension asset/(liability) recorded within pension provisions</b>	<b>1.4</b>	<b>18.3</b>
<b>Amount charged to income and expenditure for USPS</b>		
Current service cost	5.8	6.7
Administration expenses	2.0	2.0
<b>Total operating charge</b>	<b>7.8</b>	<b>8.7</b>
<b>Analysis of the amount charged to interest payable for USPS and ex-gratia pensions</b>		
Interest cost	10.2	8.8
Expected return on assets	(11.4)	(8.1)
<b>Net charge to interest payable</b>	<b>(1.2)</b>	<b>0.7</b>
<b>Analysis of other comprehensive income for USPS and ex-gratia pensions</b>		
(Loss)/gain on assets	1.0	(15.1)
Experience (loss)/gain on liabilities	(11.0)	(11.4)
Gain on liabilities	(10.3)	70.2
<b>Total other comprehensive income before deduction for tax</b>	<b>(20.3)</b>	<b>43.7</b>



# Notes to the financial statements

## Note 35 Pension schemes (continued)

	2024	2023
	£m	£m
<b>Cumulative actuarial loss recognised as other comprehensive income for USPS and ex-gratia pensions</b>		
Cumulative actuarial losses recognised at the start of the year	(43.3)	0.4
Cumulative actuarial losses recognised at the end of the year	(23.0)	(43.3)
<b>Analysis of movement in deficit for USPS and ex-gratia pensions</b>		
<b>Deficit at beginning of year</b>	(18.5)	27.0
Contributions or benefits paid by the University	(9.9)	(11.0)
Current service cost	5.8	6.7
Administration charge	2.0	2.0
Net interest cost	(1.2)	0.8
Loss recognised in other comprehensive income	20.3	(43.7)
<b>(Surplus)/deficit at end of year</b>	(1.5)	(18.2)
<b>Analysis of movement in the present value of USPS and ex-gratia liabilities</b>		
<b>Present value of USPS and ex-gratia liabilities at the start of the year</b>	211.4	268.8
Current service cost (net of member contributions)	5.8	6.7
Interest expense	10.2	8.8
Actual member contributions (including notional contributions)	0.4	0.4
Actuarial gain	18.6	(63.2)
Actual benefit payments	(11.5)	(10.1)
<b>Present value of USPS and ex-gratia liabilities at the end of the year</b>	234.9	211.4
<b>Analysis of movement in the fair value of scheme assets</b>		
<b>Fair value of assets at the start of the year</b>	229.8	241.8
Expected return on assets	11.4	8.1
Actuarial gain on assets	(1.7)	(19.5)
Actual contributions paid by University	10.0	11.1
Expenses paid from scheme assets	(2.0)	(2.0)
Actual member contributions (including notional contributions)	0.4	0.4
Actual benefit payments	(11.5)	(10.1)
<b>Fair value of scheme assets at the end of the year</b>	236.4	229.8
	2024	2023
	£m	£m
<b>Actual return on scheme assets</b>		
Expected return on scheme assets	11.4	8.1
Actuarial gain on assets	(1.7)	(19.5)
Actual return on scheme assets	9.7	(11.4)

Estimated contributions for USPS in the Financial Year 2024–2025 is £6.6m.

# Notes to the financial statements

## Note 36 Related party disclosure

Due to the nature of the University's operations and the composition of its Council (being drawn from local public and private sector organisations) and Senior Leadership Team, it is inevitable that transactions will take place with organisations in which a member of Council or the Senior Leadership Team may have an interest. All such transactions are conducted at arm's length and in accordance with the University's financial regulations and normal procurement procedures. The University has taken advantage of the exemption within FRS 102 Section 33 'Related Party Disclosures' and has not disclosed transactions with other wholly owned group entities.

The University of Sheffield Pension Scheme (USPS) is a post-employment benefit plan for the benefit of employees of the University of Sheffield, and as such is defined as a related party under FRS 102.

Transactions between the University and USPS are disclosed in Note 35.

### Entities over which the University has control, joint control or significant influence:

	Income from related party	Expenditure to related party	Balances due from the related party	Income from related party	Expenditure to related party	Balances due from the related party
	2024	2024	2024	2023	2023	2023
	£m	£m	£m	£m	£m	£m
Blastech Limited	0.1	-	-	-	-	-
Evolutor Limited*	-	0.1	-	-	0.2	-
MetalloBio Limited*	-	-	-	0.1	0.1	-
N8 Limited	0.4	0.1	-	0.4	0.1	-
Pyroptik Instruments Limited	-	0.2	-	-	-	-
Rinri Therapeutics Limited	0.8	-	-	0.7	-	-
Sheffield Advisory Services Sdn Bhd	-	0.2	-	-	0.2	-
Sheffield University Student's Union	1.5	0.6	0.1	1.2	0.4	0.1
The Russell Group of Universities	-	0.1	-	-	0.1	-

\* Associate status changed during 2023–24 year.

Members of Council and senior management hold a variety of senior positions at organisations which undertake transactions with the University on a regular basis. Such transactions are undertaken on an 'arm's length' basis. Annual declarations are made confirming the positions they hold in these organisations. These organisations do not meet the definition of related parties, but the existence of the relationship is included here in the interest of transparency. Therefore, full details of the value of such transactions, or balances outstanding between The University of Sheffield and these organisations, are not provided.

### Council Members

Expenses were paid to six Council members totalling £3,612 in respect of their duties as Council members in the year to 31 July 2024 (2023: £771). No remuneration was paid to, or waived by, Council members in connection with their duties as Council members (2023: £0).

# Notes to the financial statements

## Note 37 US Department of Education financial responsibility supplemental schedule

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

The amounts presented within the schedules have been:

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

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

Description - supplemental schedule	Description - UK GAAP accounts	Notes	31 July 2024	31 July 2023
			£m	£m
<b>Primary reserve ratio</b>				
<b>Expendable net assets</b>				
Net assets without donor restrictions	Income and expenditure reserve - unrestricted reserves	Balance sheet	1,833.7	1,575.4
Net assets with donor restrictions	Income and expenditure reserve - endowment reserve	Note 28	55.2	47.1
Net assets with donor restrictions	Income and expenditure reserve - restricted reserve	Balance sheet	5.5	5.6
Related party receivable and related party note disclosure	Amounts owed by related parties	Note 20, 36	(0.3)	(0.1)
Property, plant and equipment, net	Fixed assets consolidated net book value	Note 14	(1,505.7)	(1,528.1)
Property, plant and equipment - pre-implementation	Fixed assets consolidated net book value at 1 August 2019 less depreciation and disposals, excluding service concessions	Note 14	(846.1)	(933.0)
Property, plant and equipment - post-implementation without outstanding debt for original purchase	Freehold land and buildings and equipment additions and transfers since 1 August 2019, excluding service concessions	Note 14	(436.8)	(410.4)
Construction in progress	Assets in the course of construction	Note 14	(222.8)	(184.7)
Lease right-of-use assets, net	Service concession arrangements	Note 14	(256.5)	(225.4)
Lease right-of-use asset pre-implementation	Service concession arrangements at 1 August 2019 less subsequent depreciation and disposals	Note 14	(222.9)	(222.9)
Lease right-of-use asset post-implementation	Service concession arrangements - additions since 1 August 2019	Note 14	(33.6)	(2.6)
Intangible assets	Software	Note 13	(6.1)	(8.6)
Post-employment and pension liabilities	Pension provisions	Note 26	-	229.6
Note payable and line of credit for long-term purposes (both current and long term) and line of credit for Construction in process	Borrowings	Note 25	60.9	61.1
Lease right-of-use asset liability	Service concession liabilities	Note 25	86.9	89.8
Lease right-of-use asset liability - pre-implementation	Service concession liabilities at 1 August 2019	Note 25	101.8	101.8
Lease right-of-use asset liability - post-implementation	Service concession liabilities movement since 1 August 2019	Note 25	(14.8)	(11.9)
Perpetual funds	Endowment reserve - restricted permanent endowments	Note 28	(34.0)	(28.7)

# Notes to the financial statements

## Note 37 US Department of Education financial responsibility supplemental schedule (continued)

Description - supplemental schedule	Description - UK GAAP accounts	Notes	31 July 2024	31 July 2023
			£m	£m
<b>Total expenses and losses</b>				
Total operating expenses	Total expenditure	CSCI	643.8	795.0
Investment return appropriated for spending	Investment income	CSCI	(20.3)	(12.6)
Investments, net of annual spending gain (loss)	Loss on investments	CSCI	(3.1)	0.9
Pension-related changes other than net periodic pension costs	Actuarial gain on pension scheme	CSCI	20.3	(43.7)
Other gains (loss)	Share of operating surplus/(deficit) of joint ventures and associates	CSCI	31.9	99.2
Investments, net of annual spending, gain (loss)	Net investment losses	CSCI	(23.4)	(11.7)
Pension related changes other than periodic pension	Pension-related changes other than net periodic costs	CSCI	-	-

## Equity ratio

### Modified net assets

Net assets without donor restrictions	Net assets without donor restrictions	Balance sheet	1,833.7	1,575.4
Total net assets with donor restrictions	Net assets with donor restrictions	Balance sheet	60.7	52.8
Intangible assets	Software	Note 13	6.1	8.6
Related party receivable and related party note disclosure	Amounts owed by related parties	Note 20	0.3	0.1

### Modified assets

Total assets	Non-current assets	Balance sheet	1,772.9	1,767.3
Total assets	Current assets	Balance sheet	506.8	493.0
Lease right-of-use asset pre-implementation	Service concession arrangements at 1 August 2019	Note 14	222.9	222.9
Lease right-of-use asset liability pre-implementation	Service concession liabilities at 1 August 2019	Note 14	101.8	101.8
Intangible assets	Software	Note 13	6.1	8.6
Related party receivable and related party note disclosure	Amounts owed by related parties	Note 20	0.3	0.1

## Net income ratio

Change in net assets without donor restrictions	Total comprehensive income for the year	CSCI	258.3	235.1
Total operating revenue and other additions and sale of fixed assets, gains (losses)	Total income and loss on disposal of fixed assets, less investment income	CSCI	875.0	875.6



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