THE UNIVERSITY OF SHEFFIELD FINANCIAL RESULTS 2015/16

THE UNIVERSITY OF SHEFFIELD’S UNDERLYING INCOME FOR 2015/16

TOTAL UNDERLYING INCOME: £568.5m

WHERE DOES THIS MONEY COME FROM?

- Tuition Fees & Education Contracts: £273.9m
- Research Grants & Contracts: £132.3m
- Funding Body Grants: £75.2m
- Other Income (includes services rendered, consultancies, conferences and other external activities): £87.1m

THE UNIVERSITY OF SHEFFIELD’S REVENUE EXPENDITURE FOR 2015/16

TOTAL UNDERLYING EXPENDITURE: £575.5m

WHAT IS THIS MONEY SPENT ON?

- Professional Services: £59.6m
- Accommodation & Commercial Services: £41.5m
- Core Faculty Expenditure: £171.5m
- Research Expenditure: £105.6m
- Shared Costs: £125.5m
- Other Expenditure: £71.8m (includes external activities such as services rendered, consultancies and conferences)

£568.5m - £575.5m = £7.0m

Underlying Income - Underlying Expenditure = Underlying Operating Deficit
The University’s total results, rather than the underlying results, include items which are not operational but reflect accounting treatment. An example is the increase in the valuation of our buildings which is reported as a gain of £78.3m and thus increases our surplus. In our management reporting we draw out these ‘other activities’, leaving our underlying results which show our day to day operations. Including both underlying and other activities, our total results are income of £632.4m, expenditure of £593.3m and an operating surplus of £38.8m.

**WHY DOES THE UNIVERSITY NEED TO MAKE AN OPERATING SURPLUS ON UNDERLYING ACTIVITIES?**

To generate the necessary level of cash to:

- **Ensure that the University’s activities remain financially sustainable in the long term.**
- **Ensure that the University has sufficient resources available to replace, improve and invest in its physical assets in order to achieve its academic strategy.**
- **Allow investment such as for additional staff, facilities and services.**
- **Mitigate against unforeseen events that might jeopardise the financial health of the University in the short term.**

**-1.2% Surplus generation from underlying activities**
**51 Liquidity days**
**£76.5m Total borrowings**

**Target:**
+0.3% to +1.8%

**Minimum target:**
15 days

**Maximum:**
£260m