THE UNIVERSITY OF SHEFFIELD'S UNDERLYING INCOME FOR 2017/18
TOTAL UNDERLYING INCOME: £639.1m

WHERE DOES THIS MONEY COME FROM?

- Tuition Fees & Education Contracts: £303.2m
- Research Grants & Contracts: £154.0m
- Funding Body Grants: £75.3m
- Other Income: £106.6m

£639.1m - £614.6m = £24.5m
UNDERLYING INCOME UNDERLYING EXPENDITURE OPERATING SURPLUS

THE UNIVERSITY OF SHEFFIELD'S REVENUE EXPENDITURE FOR 2017/18
TOTAL UNDERLYING EXPENDITURE: £614.6m

WHAT IS THIS MONEY SPENT ON?

- Academic Departments: £181.2m
- Shared Costs: £139.7m
- Other Expenditure: £119.5m
- Professional Services: £62.1m

Research
(Direct costs. Indirect costs within other categories)

Other Expenditure
(includes infrastructure costs such as depreciation, maintenance, utilities and student related costs such as scholarships and bursaries).
The University’s total results, rather than the underlying results, include items which are not day to day operations but reflect accounting treatment. An example is the recognition of capital grants, which have to be recognised in full ‘up front’ and which vary year to year, creating volatility to our bottom line surplus. For instance in 2017/18 capital grants totalled £52.0m whereas in 2016/17 they totalled £21.1m. 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 £691.8m, expenditure of £636.8m and an operating surplus of £55.0m.

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

#### Key Metrics

- **Surplus generation from underlying activities:** 3.8%
- **Liquidity days:** 74
- **Total borrowings:** £71.7m

**Target:** 1.8%

**Minimum acceptable:** 15 days

**Maximum:** £260m