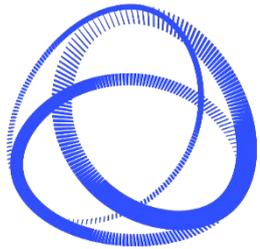


**Company no: 04793659**  
**Charity no: 1098136**



**Canterbury  
Christ Church  
University**

**Annual Report and Consolidated Financial  
Statements**

**For the year ended 31 July 2023**

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## **DIRECTORS AND ADVISERS**

**Directors in place for the year to 31 July 2023 and up to the date of signing the financial statements:**

Ms N Ahmed  
Ms S Appleby  
Ms J Armitt (Pro-Chancellor)  
Mr D Bichener (resigned 30 June 2023)  
Mr S Carey  
Professor G Dewhurst  
Dr A Eyden  
Dr K Fox  
Ms J Harding  
Mr R Higgins

Right Revd R Hudson-Wilkin  
Mrs P Jones  
Miss A Lundy (from 1 July 2023)  
Lady A Newey  
Mr C Stevens  
Revd R Stevenson  
Mr J Stockwell  
Professor R Thirunamachandran (Vice-Chancellor and Principal)  
Professor J Wood

### **Clerk to the Governing Body and University Solicitor**

Ms A Sear

### **Independent Auditor**

Mazars  
Statutory Auditor  
6 Sutton Plaza,  
Sutton Court Road,  
Sutton,  
Surrey SM1 4FS

### **Internal Auditor**

KPMG LLP  
15 Canada Square  
Canary Wharf  
London  
E14 5GL

### **Registered office – Parent and Subsidiary**

Canterbury Christ Church University  
C/O Governance and Legal Services  
Dept.  
Anselm  
North Holmes Road  
Canterbury  
Kent  
CT1 1QU

### **Principal Bankers**

Lloyds Bank PLC  
2 City Place  
Beehive Ring Road  
Gatwick  
West Sussex  
RH6 OPA

### **Registered Company and Charity number**

**Registered company number**  
04793659 registered in England and Wales

National Westminster Bank PLC  
9th Floor  
250 Bishopsgate  
London  
EC2M 4AA

**Registered charity number**  
1098136

## **VICE CHANCELLOR'S INTRODUCTION**

I am pleased to introduce the financial statements for Canterbury Christ Church University for the academic year 2022/23. These statements include the statutory reports that set out the financial performance of the University. They also provide an opportunity for us to reflect on the achievements and challenges over the same period.

### **Vision 2030**

To guide us through the challenges we have developed our new strategic framework to set out the direction and plans for our University over the next seven years. This will be the guiding force for the institution and shape who we are, what we do and how we do things.

Over the last decade, our University has grown substantially and delivered a significant amount for students, staff and the wider community. We now have over 27,000 students across three different campuses and studying with key collaborative partners in the UK and overseas. Diversifying our offer to students from across the globe has continued to be a key success.

We have also broadened our course offering and we continue to meet the emerging needs of the region, supplying the workforce with a talented pipeline of graduates in health, education, arts and humanities, social sciences and law, as well as newer areas such as engineering, medicine and digital arts. To further support this we have been investing in exciting new curriculum developments including the new IChemE accredited Chemical Engineering Degree.

We have also increased opportunities for wider participation and much needed diverse representation across a range of careers.

### **Investment in facilities**

We have invested more than £100m in cutting-edge facilities including our award-winning Verena Holmes building and our creative and cultural hub, the Daphne Oram building on the Canterbury Campus. To officially open the Verena Holmes building we were pleased to welcome the Duchess of Edinburgh to the Campus on 26 April 2023.

We continue to invest in the Lucy Fildes Building in Tunbridge Wells and have created new laboratory and simulation facilities on our Medway Campus including the new Advanced Procedural Skills Lab.

### **Graduate Outcomes**

One of the most significant achievements in the year has been the recognition by the Graduate Outcomes survey as being the number one University for Graduates in Employment from the graduate outcomes survey. This is an outstanding achievement and shows the value of gaining a degree from Canterbury Christ Church University.

The results of the survey confirmed 94% of all Canterbury Christ Church University graduates were in work 15 months after finishing their course. This ranks the University as first among large UK universities compared to the national average of 87%.

The survey also reported 96% of Canterbury Christ Church UK based, full-time, first-degree graduates were in employment or further study 15 months after completing their studies. Not only is this the University's highest ever score for this measure, but it also exceeds any previously recorded national average.

And furthermore 98% of Canterbury Christ Church postgraduate students were in work 15 months after finishing their course. Again, this ranks the University first among large UK universities.

### **Teaching Excellence Framework (TEF) and the National Student Survey (NSS)**

We were delighted to receive a TEF Silver award for Teaching Excellence and Student Outcomes. At the same time the NSS student satisfaction positivity score rose by 8% to 78% just short of the national average. These results are a reflection of our continued focus on providing a high-quality education,

## **VICE CHANCELLOR'S INTRODUCTION (CONTINUED)**

working in partnership with our students, to support them in becoming informed, active and engaged citizens.

### **Research Excellence Framework (REF) and Knowledge Exchange Framework (KEF)**

The University benefited from a significant uplift in funding from its very good performance in REF 2021. This is being invested selectively to strengthen our research base including the contribution of research to teaching. In the 2023 KEF the University was ranked in the top 20% of institutions for public and community engagement. It was also ranked in the top 40% of institutions for its contribution to economic regeneration.

### **Futures initiative**

I am particularly proud of our newly launched Futures initiative. The initiative is aimed at building a community of alumni, local businesses, supporters and students, all connected to create opportunities, raise aspirations and transform lives. The initiative creates the opportunity for alumni and supporters of the University to become mentors and coaches and to provide funds for scholarships.

### **Courses subject to Professional Statutory and Regulatory Body approval**

Following an inspection by Ofsted in July 2023 the University achieved a rating of good for “primary and secondary” and “further education and skills ages phases of teacher education”. The inspection demonstrated the University’s unwavering commitment to improving educational outcomes in the South East. The report from Ofsted recognised the University has developed an ambitious curriculum underpinned by credible research and taught by skilled and knowledgeable tutors and lecturers that inspires our students and shows unwavering commitment to improving educational outcomes for pupils in the South East of England.

In allied health subjects the University gained reapproval for its courses in physiotherapy, paramedicine, occupational therapy, speech and language therapy, operating departmental practice and radiography.

Regretfully, the outcome of a regulatory review by the Nursing, Midwifery Council in 2022/23 led to the loss of accreditation of our midwifery programme. This was a particularly sad and challenging time for staff and students. The University worked with the University of Surrey and NHS partners to support the transfer of students to facilitate the continuation of their programmes.

### **International and partnership working**

We continue to see an increase in our international student numbers studying here in the UK and our Transnational Education (TNE) partner students studying our programmes in their home countries. We have been working successfully with a range of partner organisations nationally, including the Global Banking School, the London School of Commerce and Marketing and the Elizabeth School of London, and we look forward to welcoming new partners Stratford College and UK Management College on board in 2023/24. This has provided a diversification of income that is reflected in our financial reports.

### **Widening participation and closing the gap**

Widening participation is a core part of our mission and in our DNA as an institution. Within this context we have continued our focus on enhancing the experience of Black, Asian, Mixed Heritage and other Minoritised Ethnic Students within the practice learning environment. The University has established the Bridging the Gap to Leadership project in collaboration with the University of Brighton. This project, funded by NHS England has enabled students to network across both universities and placement provider organisations to identify ways to address racial inequality within placements. The Bridging the Gap to Leadership Padlet, created by students through this project provides information for students on Health and Social Care Placements.

## **VICE CHANCELLOR'S INTRODUCTION (CONTINUED)**

In presenting the financial results for the 2022/23 year, I want to again thank all members of the Canterbury Christ Church community including our staff, students, governors, alumni, partners and stakeholders for their continued support and engagement.

Professor R Thirunamachandran

Vice-Chancellor and Principal

# THE STRATEGIC REPORT

## Directors' Report

The disclosure requirements for the Directors' report can be found in the Strategic Report on pages 5 to 19 and form part of this report by cross reference. I present this report on behalf of all named directors (see page 2) in order to meet the requirements of the Companies Act 2006.

## Scope of Financial Statements

The Financial Statements for the year ended 31 July 2023 have been prepared to comply with the Statement of Recommended Practice (SORP) Accounting for Further and Higher Education and applicable accounting standards in the UK and in line with regulatory advice in the form of the Accounts Direction from the Office for Students (OfS 2019.41). The University is based in the UK and operates as both a company registered in England and Wales and a registered charity.

## Subsidiary Company

The University holds an investment in a subsidiary company, Medco (CCCU) Limited. This is a company registered in England and Wales which operates under a franchise arrangement with Warwick University Enterprises Limited. The subsidiary company is in a VAT group with the parent company. The subsidiary company's results have been consolidated with the parent company in these financial statements.

## Activities and Objectives

The principal activities and objectives of Canterbury Christ Church University are concerned with the provision of higher education teaching, research and knowledge exchange. To support these objectives, the University undertakes other activities, including the provision of accommodation, catering and conference services.

## Mission

The University's mission is to pursue excellence in education and research; inspired by our Church of England foundation, we are passionate about transforming individuals, creating knowledge and enriching communities to build sustainable futures.

## Vision 2030

Our new Vision has been developed with people at its heart and will drive and shape our University over the next seven years. In consultation with staff, students and key stakeholders throughout the year, we have set out our mission, values and aims to help guide us towards a more innovative and sustainable future.

Our values are to be sustainable and ethical, to be innovative and courageous, to be compassionate and inclusive and to be collaborative and creative. The strategic framework has four clear strategic aims:

- student learning, life and futures;
- research, enterprise and innovation;
- people, culture and community; and,
- impact.

All aims are underpinned by our commitment to sustainable futures and the cross-cutting themes are:

- Sustainability
- Compassion
- Wellbeing
- Partnerships
- Inclusivity
- Global

## THE STRATEGIC REPORT (CONTINUED)

### Financial Strategy

During the 2022/23 year, the University's financial strategy was updated to align with Vision 2030 for the period from 2023 to 2030.

The seven key principles of the strategy which set out the University's approach to the management of its financial resources are:

- There is a symbiotic relationship between the organisational strategy and the budget. The creation of the budget will help to deliver this strategy.
- Ensuring financial sustainability in the short, medium and long term.
- Investing strategically in the future areas of growth and potential growth.
- Ensuring sustainability of areas which are strategically important.
- Working together to manage and grow the University budget as a whole, through the actions of individual and collective budget managers.
- Ensuring transparency in budget setting and reporting.
- Delivering efficiency, effectiveness and value for money across all areas.

The objectives of the financial strategy are:

1. To maintain a diverse and financially sustainable academic provision for directly delivered programmes.
2. To support the development of financially sustainable partnerships for the delivery of University accredited programmes within England.
3. To support the growth and expansion of financially sustainable Trans National Education.
4. To enable growth and diversification in other income activities.
5. To make financial provision as required for the support of staff and students.

### Key Performance Indicators

The University seeks to maintain its long-term financial sustainability and overall financial strength by not breaching the following criteria:

- A surplus calculated through EBITDA as a % of income of at least 5% in any one year.
- A ratio of staff costs to total income of less than 60% (after discounting income received for activity which is 100% delivered through partners).
- Minimum year end cash holdings do not fall below an equivalent of 60 cash days and maintenance of working capital throughout the year at a level in excess of £25m.

In determining the specific Key Performance Indicators for the University the requirement to meet bank covenants has been embedded in the measures.

### Summary Results for the Year

The consolidated results for the University for the year ended 31 July 2023 are summarised, as follows:

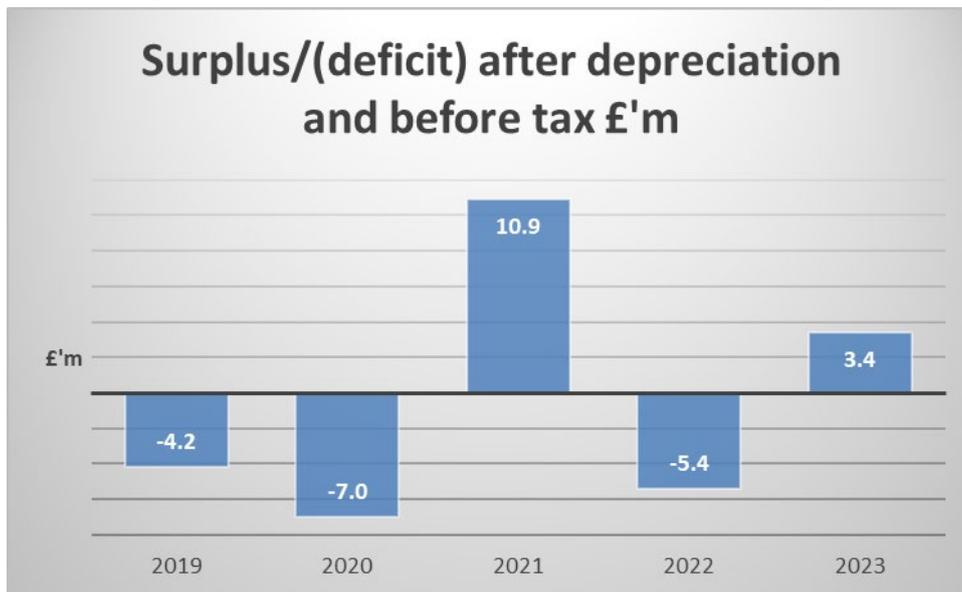
	<b>2023</b> <b>£'000</b>	2022 £'000
Income	<b>263,808</b>	185,834
Expenditure	<b>260,420</b>	191,206
Surplus/(deficit) before Profit/(Loss) on disposal of assets and impairment	<b>3,388</b>	(5,372)

## THE STRATEGIC REPORT (CONTINUED)

The particular areas to highlight from the consolidated financial results are:

- An increase in total income of 42% from £185.834m to £263.808m.
- An increase in expenditure of 36% to £260.420m.
- A charge for the year of £3.928m (2022: £10.289m) for notional interest and staff service costs within the Local Government Pension Scheme (LGPS).
- Capital additions of £8.358m (2022: £8.046m).
- An LGPS pensions surplus that is not recognised as an asset by the University of £30.118m (2022: a deficit of £5.953m) leading to movement on the SOCI of £9.880m for the year.

The University returned a reported surplus of £3.388m, representing 1.28% of total income. This is compared to the surplus or deficit reported in previous years, as follows:



The operating performance includes adjustments required by FRS 102 of which the most significant is the prudent non-cash adjustments for future potential pensions' costs.

### Consolidated results

	2023	2022
	£'000	£'000
Surplus/(deficit) reported per Financial Statements for the year	3,388	(5,372)
USS pension provision movement	(133)	793
LGPS and USS pension interest charges	156	1,187
LGPS charges in excess of employer contribution	3,817	9,107
Adjusted surplus	<u>7,228</u>	<u>5,715</u>

The adjusted surplus of £7.228m represents 2.74% of total income.

### Pension Reserve

The University contributes to the Local Government Pension Scheme (LGPS) on behalf of all eligible staff who have elected to join the scheme. This pension fund is a defined benefit scheme and as its assets and liabilities can be separately identified by the scheme's actuary, these are reported within the financial statements.

## THE STRATEGIC REPORT (CONTINUED)

An LGPS pensions surplus of £9.880m before an asset ceiling has been determined.

The scheme generated a surplus of £30.118m for the year as an actuarial gain.

In prior years the pension reserve as a liability is shown separately in the Balance Sheet (Statement of Financial Position). This reflected the level at which the scheme assets failed to cover the present value of liabilities.

### Student Numbers

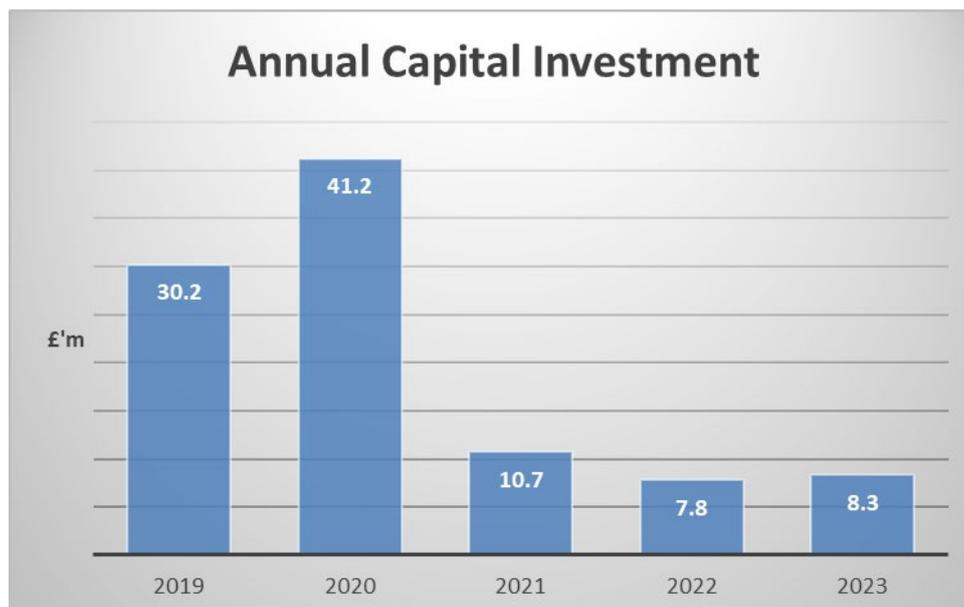
The University reported 27,000 students registered in the annual return, a marked increase when compared to the prior year (2022: 20,050).

The University works with a number of significant partners in the UK and overseas to deliver collaborative provision in addition to offering undergraduate and post graduate courses at the campus sites of Canterbury, Medway and Tunbridge Wells to home students and international students either studying in the UK or in their home country.

### Capital Projects

The University has a range of strategies which underpin the delivery of the Strategic Plan, Vision 2030. The strategies specify an investment plan for the necessary developments in buildings, technology and other capital schemes. The investment plan is set in the context of the strategic plan to enhance significantly and improve the quality of facilities for the University's students as well as supporting new technologies, enabling further growth and expansion of the institution's provision of education.

In 2022/2023 the University invested a total of £8.328m in capital assets, these were in part funded from capital grants of £1.751m. Of the total expenditure on capital projects a total of £2.805m was invested in software and systems developments. This included the implementation of the new student records database which went live for the registering of students for the 2022/2023 academic year and the development of a new Curriculum Management Tool. A further £2.597m was invested in IT equipment and infrastructure and £1.288m in classroom facilities and equipment to enhance the student experience. The balance of £1.638m was used to make improvements to the estate and to invest in plant and machinery to service the buildings.



## THE STRATEGIC REPORT (CONTINUED)

The University continues to benefit from the investment in carbon saving measures as supported by the funding received in prior years in the form of interest free loans from SALIX Finance and from capital grant funding received from the Office for Students (OfS) and the South East Local Enterprise Partnership (SELEP).

### Payment of Creditors

The payment policy of the University is that payments are made in accordance with those terms and conditions agreed between the institution and its suppliers. Where no specific conditions exist, suppliers are paid within 30 days of the receipt of invoice. The payment performance of the University is available to the public at:

<https://www.gov.uk/check-when-businesses-pay-invoices>

In the year 2022/2023 the University met the target to pay valid and undisputed invoices within 30 days for 79% of all invoices received (2022: 63%).

### Cash Flow

Canterbury Christ Church University has continued to maintain appropriate cash balances generated through operations to support revenue payment commitments and capital investment in facilities and equipment for students. The cash position increased by £21m at the end of the year (2022: £3.63m increase).



### Long Term Loans as a Percentage of Income

The University anticipates the need to manage its loan financing arrangements in a careful and measured manner, recognising that conditions can change substantially over the period of a long-term loan. The Governing Body requires that interest rate exposure is managed by means of a combination of variable and fixed rate borrowing. As part of a review of interest rate risk the decision was taken to repay the loan from Lloyds Bank that had previously financed the purchase of the former Prison site in April 2014. As this was the most expensive loan finance held by the University. The balance was repaid in full on 19 July 2023, clearing £5.937m from the balance of long-term loans held by the University.

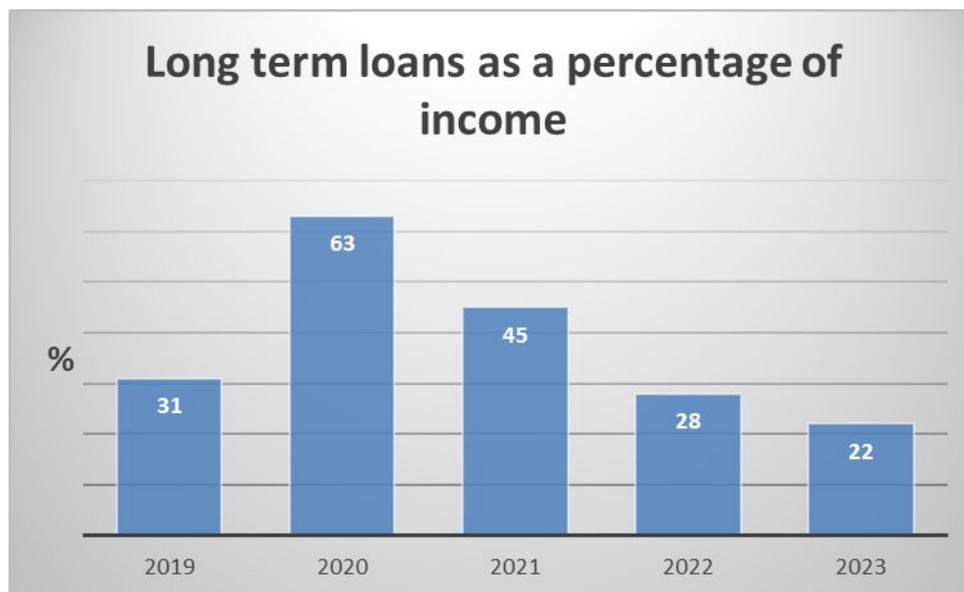
The Revolving Credit Facility (RCF) from Lloyds and NatWest banks which had been used to support liquidity during the construction of the Verena Holmes building converted to a term loan on 24 April 2023, with £35m being drawn at the conversion date. The loan amortises over 20 years and is being

## THE STRATEGIC REPORT (CONTINUED)

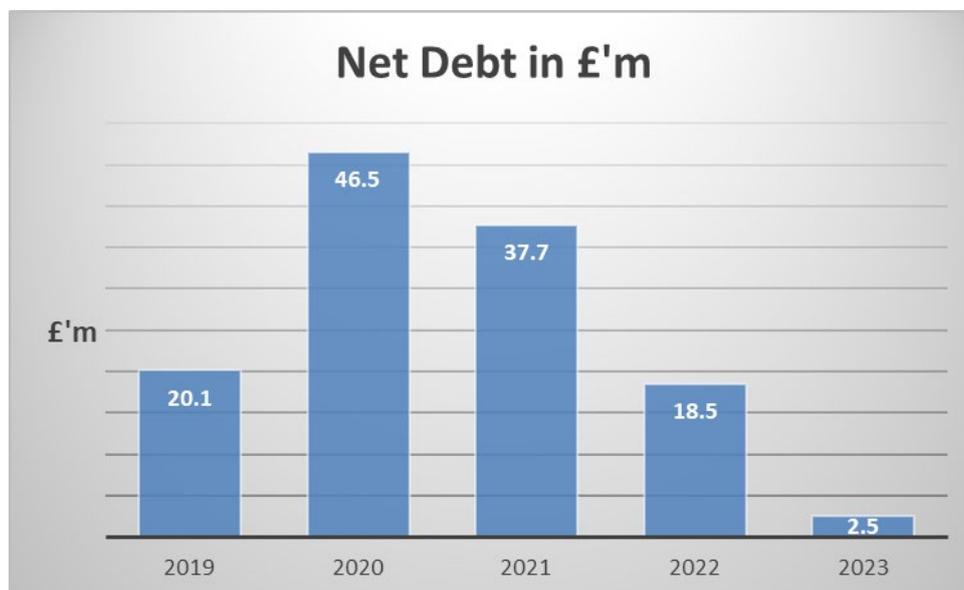
charged at a variable rate of interest based on margin plus SONIA and the Credit Adjustment Spread, as determined by the Bank of England.

In the previous year the University had drawn £21m from the RCF at the year end, and in 2023 the loan balance outstanding for the RCF converted to term loan, now referred to as the Verena Holmes loan, was £34.562m. As a result of the loan finance increasing from Lloyds and Natwest banks with the conversion of the RCF to a term loan, and despite the repayment of the Prison loan the level of long-term borrowing owed by the University increased in the year from £52.803m to £57.837m.

Total income for the year increased by 42% overall, in part as a result of the growth in tuition fee from partnership activity. The impact of growth in income is a decrease in the rate of long-term loan to income from 28% to 22%.



Net debt represents the total outstanding debt as at the year end, minus cash held at the bank. The decrease in net debt in 2023 reflects an increase in cash held at the year end.



## THE STRATEGIC REPORT (CONTINUED)

### Disabled Employees

Applications for employment by disabled persons are always fully considered, bearing in mind the abilities of the applicant concerned. In the event of members of staff becoming disabled, every effort is made to ensure that their employment with the University continues, and that appropriate training is arranged. It is the policy of the institution that the training, career development and promotion of disabled persons should, as far as possible, be identical to that of other employees.

### Post Balance Sheet Events

There are no post balance sheet events to report.

### Section 172 Statement

The Governing Body welcomes the reporting requirement as an opportunity to explain how stakeholder participation and feedback has informed and shaped decisions and how the University has reacted to feedback in the strategy and plans it has developed. The Governing Body sees the main key stakeholders as being our students, our employees, our partners and suppliers who work with us to deliver the aims of the University and the wider society, community and environment that support our sustainability. The Governing Body has set out in the Statement of Corporate Governance the structure of committees that aid decision making and how the governors work to achieve their responsibilities. This includes the maintenance of a reputation for high standards of business conduct with suppliers, partners and with students.

### Employee Engagement

The Governors and Management place considerable value on the involvement of its employees in decision making as the University considers the employees' interests as key to the success of the organisation. Therefore, the University undertakes to keep the staff informed on all matters affecting them, and the various factors affecting the performance of the institution and its subsidiary company. This is achieved through formal and informal meetings, the sharing of the staff newsletter, the 'In Touch' magazine and by publishing the annual financial statements on the University's website. Employee representatives are consulted regularly on a wide range of matters affecting their current and future interests.

Our new strategic framework, Vision 2030 was developed with the staff of the University at its heart. Over 500 members of staff attended workshops in spring 2022 and shared their views in the Staff Experience Survey. This informed the framework, which places collaboration, courage and creativity at its centre and one of the key aims is people, culture and community.

The insights revealed by the staff experience survey completed in 2022 indicated three main priority areas for actions, broadly: Wellbeing; Connection, and Leadership. Each Department of the University developed agreed actions for next steps to create immediate change, with longer term changes and future plans being incorporated into operational business plans. The insights from the staff survey informed the development of the People Strategy, the Smart Working project, the University Mental Health Charter, Athena Swan and the Race Quality Charter.

As part of the University's commitment to engaging with staff there are surveys being undertaken throughout 2023 and 2024 on a twice yearly basis. The most recent pulse survey was completed in June 2023, the results of this have been shared with all staff.

### Business Relationships - Partners and Suppliers

The University recognises the strategic importance of working with suppliers, many of whom are local businesses, to provide a range of services and goods to support the delivery of high-class education. To support this business relationship, the University engages with suppliers to consider improvements to the contracting, ordering, goods receipting and payment processes.

## THE STRATEGIC REPORT (CONTINUED)

During 2022/2023 a number of significant supplier contracts have been awarded and renewed through open and negotiated tender procedures. To streamline the process both for the University and the supplier, the use of established procurement frameworks was adopted where possible. The University has invested in additional resources for the Procurement team, who work within the Finance Directorate, appreciating the value for money that a professional procurement approach can bring to the institution.

The development and maintenance of strategic collaborative partnerships continues to be a focus for the University. During the year the University continued to work with the Global Banking School (GBS), the London School of Marketing and the Elizabeth School of London to provide industry-focused courses in regions across the nation. This helps us to collaboratively increase access to Higher Education across the UK, as well as delivering more opportunities through education to transform lives. These partnerships have significantly strengthened the University's portfolio, offering programmes in the areas of Management of Business, Tourism, Marketing, Accounting and Financial Management, with multiple intakes throughout 2022/2023.

New partnerships being developed in 2023 include the Stratford College and the UK Management College.

### **Society and Community**

Engaging with our community of students has driven our strategic plan, Vision 2030. We recognise our students are at the heart of all that we do, and when consulting on the strategic plan they worked alongside the University and the Christ Church Students' Union to help shape the aims and themes of the strategic plan. We have also worked closely with our external partners to understand their perceptions of the University, and what more we can do to serve them and the wider community.

In 2023 the University honoured outstanding local organisations at its inaugural Business and Community Impact awards. Celebrating successful collaborations and knowledge sharing, the awards recognise the significant impact these partnerships are having on the region and the international community. At the awards ceremony 28 local businesses and organisations celebrated alongside University staff and invited guests.

Winner of the Community Outreach Partner of the Year was Canterbury for Ukraine, a charitable organisation which was set up as a community response to the Russian war against Ukraine, and has since been providing extensive relief and support to displaced Ukrainians. The Innovation of the Year Award went to Ootiboo, an education outreach company based in Folkestone, who aim to foster creative curiosity from an early age and give grown ups the opportunity to embrace their own creativity. Other winners included the Medway Community Healthcare, Blackthorn Trust and the Health and Europe Centre who won the Research Initiative of the Year award for their collaboration with the University in the Diabetes and Wellbeing project. This project engaged local people in the programme to empower people with Diabetes in the region to live better and have the tools to effectively manage their health and wellbeing.

The Commercial Partner of the Year was RiverOak Strategic Partners (RSP), who have provided guest lectures from industry experts, field trips and academic mentoring for students. Key individuals from RSP have also worked with the University to develop skills training in STEM and business.

Further detail on the awards for the Unitemps Partner of the Year, Evolution Water Services Ltd and the Research Initiative of the Year, going to eXroid Ltd can be found on the website:

<https://www.canterbury.ac.uk/news/celebrating-local-partnerships-with-international-impacts>

The University also encourages local businesses to recognise the importance of having fun for wellbeing. In June 2023 local businesses united with staff from the University for a day of fundraising, fun and networking. More than 100 professionals from 10 organisations and businesses came together to compete in a variety of sports day activities, engage in networking opportunities and to raise money for the charity 'Keep Talking Services'.

## THE STRATEGIC REPORT (CONTINUED)

The University is one of eight organisations that has signed the One Medway Charter to drive social and economic change in the area. This historic agreement brings together organisations to harness opportunities and address challenges in key priority areas, such as education, sustainability, and health, in order to deliver real, tangible benefits for people in areas that have faced a lack of investment and development.

### Environment

The environment is a key factor in the future sustainability of the University. The University's mission, values and strategic commitments show a connection to ourselves, each other and the environment, on different scales from the local to the global. The University has developed a master plan for the next 20 years that takes an integrated approach to the development of a sustainable university estate, that shows the principles of Education for Sustainable Futures can be applied in practice.

The University recognises that it has an impact upon the local and global environment and is committed to minimising any negative and enhancing the positive effects that the delivery of its activities has. It is committed to environmental good practice and maintains an externally certified ISO14001 Environmental Management System (EMS) to ensure continual improvement, prevention of pollution and compliance with all appropriate environmental legislation.

Our aims to protect our environment include:

- Develop the University estate in a way that maximises educational, research and community benefit and enhances positive environmental impact.
- Develop our campus environments, recognising our sense of place within unique heritage locations.
- Integrate our built and natural environments in ways that embody our values; providing specific examples of our distinctive education and research profile.
- Maintain progress in reducing environmental impact, maintaining a focus on reducing our carbon emissions in support of sector and national targets.

Providing an environment where equality, diversity and inclusivity thrives, and in which students are supported to become global citizens, is so important to the work of the University. However, this is a journey in which the University is still learning and adapting.

Global climate change is one of the biggest challenges facing the world. Many national and local governments, and many organisations have declared Climate Emergencies, including Christ Church. As part of the University's commitment to reduce its operational carbon emissions to net zero and to assist staff and students in supporting this endeavour, the University offers certified Carbon Literacy Training. This is part of the carbon literacy project which was established by the Carbon Literacy Trust. The training provides an understanding of:

- The basic science behind climate change;
- Social equity and climate change;
- What we need to do to meet the Paris Agreement targets and achieve a zero carbon society;
- What you can do to act on climate change – in your personal life and at university / in your future job role; and,
- Strategies and skills for communicating action on climate change.

## THE STRATEGIC REPORT (CONTINUED)

### Carbon Reporting

Canterbury Christ Church University is committed to responsible energy management and sustainability, which it practices throughout the organisation. The University recognises that climate change is one of the most serious environmental challenges threatening the world today.

In 2019 the University and the Christ Church Students' Union (CCSU) joined with other organisations across the globe to declare a climate emergency committing to achieving net-zero carbon dioxide emissions by 2030 or 2050 at the very latest. Achieving this is going to involve improving activities and infrastructure across many areas of the University. The University is deeply committed to social, environmental and financial sustainability at a strategic and operational level.

The University demonstrates its commitment to the role it must play in reducing greenhouse gas emissions through the University's Strategic Framework "Vision 2030". The new strategic framework places collaboration, courage and creativity at its centre. It has four clear strategic aims, all underpinned by our commitment to sustainable futures.

The University has developed a response to the climate emergency which includes energy management and emission reduction with a low carbon 2030 vision. The organisation has achieved and maintained the standard ISO 14001, with a successful recertification in April 2023 for its Environmental Management System (EMS).

Following successful property disposal during the last reporting cycle the Gross Internal Area (GIA) of the University has been reduced to 129,073m<sup>2</sup>. This is a 9.5% reduction from the peak estate size reported in 2020/2021. Following the completion of the master plan over the last 5 years which included new builds and disposals, the overall size of the University estate today remains a comparable size to that reported in 2018/2019 (GIA of 130,856m<sup>2</sup>). Whilst there has been a return to face-to-face teaching, many staff, particularly in professional services continue to implement a hybrid working model. This provides an opportunity for the University to improve its office space utilisation factor. Currently there are no major changes planned to the University's property portfolio in the forthcoming year.

### Streamlined Energy and Carbon Reporting (SECR) Annual Statement 2023

Energy Consumption		2022/23	2021/22	2019/20	Variance
Scope 1: Combustion of fuel and operation of facilities.	Natural Gas (kWh)	12,159,328	11,466,272	11,288,589	8%
	Direct Transport Company Cars (kWh)	85,005	92,464	160,586	-47%
	Refrigerants (kg)	37	33	0	
	<b>Total Scope 1 Energy (kWh) exc Refrigerants</b>	<b>12,252,063</b>	<b>11,573,448</b>	<b>11,449,174</b>	<b>7%</b>
Scope 2: Electricity purchased.	Total Electricity (kWh)	10,355,744	10,367,476	10,697,640	-3%
Scope 3 : Indirect Transport	Employee owned Vehicles (kwh)	399,280	264,237	1,288,748	-69%
<b>Total Scope 1, 2 and 3 Energy Consumption (kWh)</b>		<b>23,007,087</b>	<b>22,205,161</b>	<b>23,435,563</b>	<b>-1.8%</b>
Emissions Assessment		2022/23	2021/22	2019/20	Variance
Scope 1: Combustion of fuel and operation of facilities.	Natural Gas (tCO <sub>2</sub> e)	2,189	2,093	2,075	5%
	Direct Transport (tCO <sub>2</sub> e)	20	22	39	-48%
	Refrigerants (tCO <sub>2</sub> e)	59	68.9	0.0	
	<b>Total Scope 1 -tCO<sub>2</sub>e</b>	<b>2,269.8</b>	<b>2,187</b>	<b>2,114</b>	<b>7%</b>
Scope 2: Electricity purchased and heat and steam generated.	Location Based (LB) (tCO <sub>2</sub> e)	2,144	2,005	2,734	-22%
	*Market Based (MB) (tCO <sub>2</sub> e)	374.94	339.4	4,071	-91%
Scope 3 : Indirect transport	Employee owned Vehicles (tCO <sub>2</sub> e)	101	68	330	-69%
Location Based	<b>Total Scope 1, 2 and 3 Emissions (tCO<sub>2</sub>e)</b>	<b>4,515</b>	<b>4,260</b>	<b>5,179</b>	<b>-12.81%</b>
Market Based	<b>Total Scope 1, 2 and 3 Emissions (tCO<sub>2</sub>e)</b>	<b>2,746</b>	<b>2,594</b>	<b>6,516</b>	<b>-58%</b>
Intensity Metric Assessment		2022/23	2021/22	2019/20	Variance
Intensity Ratio 1	tCO <sub>2</sub> e/Em Turnover	19.6	22.90	41.08	-52%
Intensity Ratio 2	tCO <sub>2</sub> e/1000 m <sup>2</sup> Floor Area	0.035	0.03	0.04	-12%
Intensity Ratio 3	tCO <sub>2</sub> e/FTE	0.155	0.23	0.47	-67%

## THE STRATEGIC REPORT (CONTINUED)

On-Site Generation of Electricity - Solar PV		2022/23	2021/22	2020/21	2019/20
Electricity Generated	<i>kwh</i>	39,232	23,174	44,629	0
Generated Electricity consumed	<i>kwh</i>	39,232	23,174	44,629	0
Generated electricity exported to Grid	<i>kwh</i>	0	0	0	0

This year's SECR report is an opportunity for the University to set a new baseline for its scope 1 & 2 emissions, with the previous baseline having been set in 2009. This will allow CCCU to have a better understanding of its emissions in its current operating model as we now enter a new post COVID-19 pandemic era and CCCU returned to a more normal operating model during 2022/23, that is considerably less influenced by COVID than the previous SECR reports, along with an estate size has remained stable over the last 12 months.

Business mileage claims have increased during the reporting year; however, business mileage travel remains considerably lower than pre-pandemic levels.

There has been a further increase in the University's total income and student numbers due to its business partnership arrangements with external training providers, which influences the intensity ratios.

From 1 October 2019 the University changed its purchasing strategy for electricity switching from a conventional fuel mix to 100% renewable from Ofgem accredited onshore wind farms. There was a significant increase in the price of Renewable Energy Guarantees of Origin (REGO) certified sources of renewable electrical energy. Despite this the University continued to purchase their electrical supply from a REGO certified source during the latest reporting year. The switch to a carbon neutral gas supply has been investigated but at this time is not deemed to be financially viable. The cost difference between biogas and natural gas will continue to be monitored.

The University continues to purchase energy through an energy consortium, ensuring that it procures its energy at competitive rates in challenging market conditions. During the reporting year energy consumption has increased slightly, as there is now a greater attendance of both students and staff on campus post pandemic. Verena Holmes continues to be a significant user of energy, which has increased again during the reporting period as the building's chillers are now operational. This is added to by the resolution of equipment noise issues, along with having to operate some plant 24/7 to conform to ventilation requirements for the anatomy and science laboratory areas. This building benefits from substantial sub metering and energy consumption continues to be monitored. The Building Management System (BMS) software has recently undergone a rewrite and it is expected this will deliver significant energy savings in the operation of the air handling units, in future reporting years. Investigations are currently underway to use the lighting proximity sensors to control local ventilation within the building.

During the reporting year the University has implemented the following energy efficiencies across the organisation to ensure that energy consumption and associated emissions are reduced:

- Appointed a consultancy to produce a Heat Decarbonisation plan for the North Holmes Road Campus to produce a report for publishing.
- Completing the roll out of Automatic Meter Readings (AMR) and manual meter readings allowing a more detailed data collection. Water Consumption is an area that has been targeted over the last 12 months, with AMRs fitted to incoming water meters where practical, or increased manual meter readings undertaken. Using this data the consumption can be monitored and where increases are recorded they will be investigated to ensure that any water loss through leaks or toilet overflows is minimised.

## THE STRATEGIC REPORT (CONTINUED)

- Ensuring that BMS operating times match building occupancy patterns.
- Further expanded and developed carbon counters, which are displayed in major buildings to share monthly emissions data and provide comparisons with the previous 12 months.
- Continued replacement of staff desktop tower PCs to more energy efficient laptops, which also allows for more flexible working locations.

The following energy efficiency measures are currently under consideration for implementation in future reporting years:

- Review and update of the University's Carbon Management plan.
- Upgrading of meters on University Houses/flats to Smart meters.
- Greater analysis of AMR data to identify energy wastage and reduce building baseloads, ensuring all buildings are metered / sub metered.
- Review of building opening times to identify opportunities to close underused buildings outside of core business hours.
- Continue to promote energy efficiency to student residents in University accommodation.
- Replacement of remaining fluorescent lighting with LEDs.
- Installation of waterless urinals.

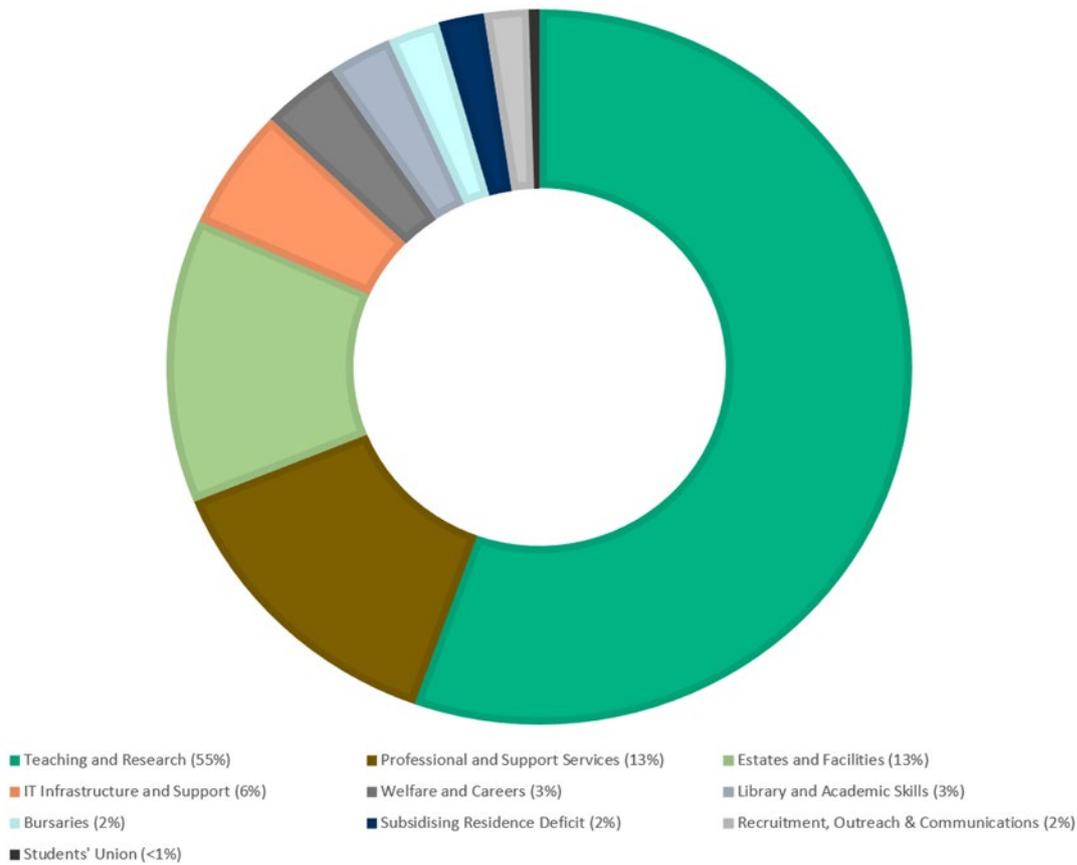
### Value for Money (VfM)

Value for money is important in the context of the tuition fees received from students and how these are utilised within the institution. The following chart of Undergraduate Fees demonstrates how these funds were applied in 2021/22 based upon the Transparent Approach to Costing (TRAC) methodology data for that particular year. The report that is produced in January 2023 is presented retrospectively for 2021/22, as this is the latest data available from the TRAC return.

Using the TRAC methodology the Total undergraduate fee of £9,250 represents the following:

£5,130	Teaching and Research
£1,240	Professional and Support Services
£1,190	Estates and Facilities
£510	IT Infrastructure and Support
£310	Welfare and Careers
£260	Library and Academic Skills
£210	Bursaries
£180	Subsidising Student Accommodation
£180	Recruitment, Outreach & Communications
£40	Students' Union

## THE STRATEGIC REPORT (CONTINUED)



The above is a representation of how the 2021/2022 Undergraduate fee was used by the University and the relative percentages are as follows:

- **55% Teaching and Research.** This includes lectures, technicians, course admin, course materials etc.
- **13% Professional and Support Services.** This will include student registration & records, Human Resources, Finance, VC's Office etc.
- **13% Estates and Facilities.** This covers building running costs, maintenance, light & heat, security etc.
- **6% IT Infrastructure and Support.** Mobile computing, software, subscriptions etc. will be included here.
- **3% Welfare and Careers.** This covers Counselling, Chaplaincy, Sports Centre and Careers.
- **3% Library and Academic Skills.** This includes books, periodicals, electronic subscriptions.
- **2% Bursaries.** This represents fee reductions for eligible students.
- **2% Student Recruitment, Outreach & Communications.** School and College engagement, widening participation, recruitment activity etc.
- **2% Subsidising Residence Deficit.** The Residences provision made a fully absorbed deficit in 2020/2021.
- **1% Students' Union.** This is the grant to support the ongoing provision of the Students' Union.

## THE STRATEGIC REPORT (CONTINUED)

### Principal risks and uncertainties

The approval of risk management processes, including the University's high level risk register, and risk management framework are delegated by the Governing Body to the Audit Committee, which reviews identified risks on a termly basis. The processes ensure that a culture of risk management is embedded across the University. The University's risk management framework seeks to limit the adverse effects on the performance of the institution and the system to manage these risks is described in the statement of internal control.

The system of internal control is based on an ongoing process designed to identify the principal risks to the achievement of strategic 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 2023 and up to the date of approval of the financial statements and accords with the requirements of the Office for Students.

The Governing Body's review of the effectiveness of the system of internal control is also informed by the work of the Senior Management Team within the University, who have responsibility for the development and maintenance of the internal control framework, by the work of the Internal Auditor, and by comments made by the External Auditor in their management letter. Whilst a prudent approach has been adopted to financial planning, the University considers that there are key risks to its financial health and sustainability which are also likely to be experienced in other institutions across the sector.

The main risk areas and actions being taken to mitigate them are:

- The impact of rises in inflation and interest rates on a range of expenses, including utilities. Actions taken include the development of financial forecasts to include modelling of rates to identify the potential risks and securing fixed contracts where possible.
- The potential loss of income from unviable courses and lower levels of student recruitment. This would place pressure on budgets and forecasts.
- The continued competitive environment for Higher Education and the risk of an unattractive offer to students.
- Uncertainty over government policy and funding levels of Higher Education, with regard to the setting of maximum tuition fees and access to student loan funding.
- Pressure on pensions costs from increasing employer's contribution rates. This is factored into pay budgets and forecasts.
- The impact of a potential cyber-attack on the University's operations. Controls are in place to monitor for potential attacks and to safeguard systems.
- Failure to maintain accurate and complete student data. Actions to address include the review of data quality issues using IntoZetta and action planning to improve quality.

All of these factors have been fully taken into consideration in the University's modelling of future years' forecasts and contingency arrangements are included within the institution's business plans in order that the impact of these risks does not compromise longer term sustainability.

### Going Concern

The strong performance in year continues to provide a stable base for future years. The University's financial forecasts demonstrate that it will fully meet the banks' covenants that were agreed as part of the credit arrangements with both Lloyds and Natwest banks. These conditions are attached to the Revolving Credit Facility that converted to a term loan in April 2023 and are also in place for existing loans held with Lloyds Bank.

The financial forecast through to July 2024 show an improving position, and this is the base for the forecasts through to 2028/29, which confirm a strong financial position. The forecasts will formally be shared with the Office for Students (OfS) in January 2024 following Governing Body approval in line with the regulatory body's requirements. These forecasts provide confidence to the Governing Body over the financial sustainability of the University and confirm the University remains a going concern throughout 2023/2024 and for the foreseeable future.

## THE STRATEGIC REPORT (CONTINUED)

### Directors' Indemnities

As permitted by the Articles of Association, the Directors have the benefit of an indemnity which is a qualifying third-party indemnity provision as defined by Section 234 of the Companies Act 2006. The indemnity was in force throughout the last financial year and is currently in force. The Company also purchased and maintained throughout the financial year Directors' and Officers' liability insurance in respect of itself and its' Directors and those of the subsidiary company.

### Disclosure of Information to the Auditor

Each of the persons who are directors at the date of approval of this report confirms that so far as the directors are aware, there is no relevant audit information (as defined by Section 418 of the Companies Act 2006) of which the company's auditor is unaware, and the directors have taken all the steps that he/she ought to have taken as a Director in order to make himself/herself aware of any relevant audit information and to establish that the company's auditor is aware of that information.

### Reserves Policy and Key Performance Indicators (KPIs)

The University seeks to retain a level of reserves to support its financial sustainability and in accordance with its strategic plan, the policy is reviewed in each academic term. The reserves position is maintained through the achievement of surpluses in line with the institution's key performance indicators.

When reporting a liability the pensions' reserve is recognised in the balance sheet. This represents a longer-term liability which does not materially impact upon the short to medium term policy for the maintenance of a general reserve. When reporting a surplus the asset in the scheme is not attributable to the University and is not recognised as an asset, and has no impact on the general reserve.

Monthly financial reports are produced for the Senior Management Team (SMT) and for each meeting of the Finance and Resources Committee of the Governing Body.

The table below shows the consolidated performance indicators for the year ended 31 July 2023, compared to actual outturn for the previous year. Targets for each of these KPIs are prepared and reported to management based on the approved annual budget. As part of the mid-year forecasting process, the financial position is reviewed, and a revised budget is produced in year. The target KPIs are amended to reflect the revised budget position to be reported through to the end of the year.

Key Performance Indicators – actual outturn	2023	2022
Reported surplus/(deficit) as a % of income	1.28	(2.89)
Adjusted surplus as a % of income	2.74	3.08
Unrestricted reserves as a % of total income	53.37	67.29
External borrowing as a % of total income	21.92	28.41
Current asset/(current liability) ratio	1.13	1.06
Net liquidity days	81	68
EBITDA as a % of total income	6.83	7.10
Net Cash inflow/(outflow as % of income based on net cash inflow from operating activities	8.23	11.16

The reported surplus for the year ended 31 July 2023 reflects adjustments for the accounting treatment under FRS 102 of pensions' provisions and liabilities.

The operational outturn/adjusted surplus for the University for the year ended 31 July 2023 was £7.228m.

Unrestricted reserves are reported net of the LGPS pensions liability. A decrease in the liability in year has increased the level of unrestricted reserves as a percentage of income, however the surplus in the

## THE STRATEGIC REPORT (CONTINUED)

LGPS pension fund is not recognised as an asset of the University, and is not included in this reserve, although the surplus has reduced the liability to a neutral position.

External borrowing increased in year with the conversion of the Revolving Credit Facility (RCF) to long term loan finance of £35m in April 2023. There has been further repayment of long-term loan capital and an early repayment of the Prison loan in July 2023. The overall position reflecting the loan conversion and repayment of loan capital is an increase in long term loan debt of £5.034m.

Net liquidity days are reported as being 81 days which is a marked improvement from the prior year. This confirms the University has a sufficient level of cash held to meet outgoing expenses. The KPIs are included in the monthly financial reports and are monitored and reviewed by the Senior Management Team. They are also considered and assessed by the Finance and Resources Committee as part of the review of financial performance. The University's operating performance has remained within the parameters of the approved KPIs.

### Financial Risk Management

The University recognises that all treasury management activities involve risk and potential reward. The University's policy on borrowing is to minimise cost while maintaining the stability of its financial position by sound debt management techniques. The objective for lending purposes is to achieve the best possible return while minimising risk. The University does not borrow or deposit funds denominated in foreign currencies, which limits the exposure to currency risk. The Chief Finance and Operating Officer has the authority to implement the University's strategy for depositing surplus funds and managing the cash flow of the University. In exercising these powers he has regard to the perceived credit risk associated with the approved organisations with which funds may be deposited or invested; also the effect of possible changes in interest rates on the cost of borrowing and the return from investing and the need to maintain adequate liquid funds to meet the University's obligations.

### Outlook

The University has continued to face the challenge of a fixed rate of tuition fee for UK students undertaking undergraduate courses restricting income in the face of rising inflation for pay and non-pay costs. Despite this significant issue impacting on the future financial sustainability of the wider Higher Education sector and our own institution we have much to look forward to in the forthcoming year. We are pleased to welcome back on campus the Students' Union to their new facilities, which opened at the start of the academic year in September 2023. The Union are offering a colourful and welcoming base for students to relax between study sessions. In the face of a continuing cost of living crisis our students will benefit from being able to take advantage of free refreshments, grab a bite to eat, and socialise. To further support the wellbeing of our students we have invested in a Multi-Use Games Area (MUGA) on the centre of the campus in North Holmes Road, to bring sports provision back on site.

With the successful achievement of a silver award for the Government's assessed Teaching Excellence Framework, TEF, we have demonstrated our strong commitment to ensuring students of all abilities, and from all backgrounds, succeed and reach their full potential. This reflects a strong base on which we will continue our ambition to support all students with high standards of teaching quality, learning environment and the achievement of student outcomes.

We have a range of projects both new and continuing into 2023 that are reviewed by the Strategic Projects Board. The board provides governance and oversight of the strategic activities supported by the newly formed Programme Management Office. This will provide a streamlined approvals process to support decision making and the implementation of important developments to bring process and system changes and improvements.

In October 2023 we launched our new brand to provide a refresh of who we are, and what we aim aiming to deliver in our Vision 2030 strategic plan. The new branding brings an exciting change to how we present the University to the wider community.

## THE STRATEGIC REPORT (CONTINUED)

We look forward with optimism to facing future challenges and continuing to deliver a first-class service to our students, our staff, our partner organisations, industry and business contacts and our local community. We will not be complacent, as we intend to move forward to build on the achievements of this year including being the number one university for graduate outcomes and of being rated 'Good' by Ofsted.

Professor R Thirunamachandran  
**Vice Chancellor, Principal and Director**

**Date:**

## **PUBLIC BENEFIT STATEMENT**

Canterbury Christ Church University is a registered charity under the Charities Act 2011. The objects of the University are the advancement of education, learning and research for the benefit of the public including, in particular, the conduct and development of the University known as Canterbury Christ Church University for the training of persons as teachers and the provision of other higher or further education.

In setting the University's objectives, and planning its activities, the governors, as charity trustees, have given careful consideration to the Charity Commission's public benefit guidance.

In March 2023 the University launched its new Strategic Framework, Vision 2030, which sets out its mission and values, supported by four strategic aims, and six cross-cutting themes:

### **Our mission**

The University's mission is to pursue excellence in education and research; inspired by our Church of England foundation, we are passionate about transforming individuals, creating knowledge and enriching communities to build sustainable futures.

### **Our values**

Sustainable and ethical  
Innovative and courageous  
Compassionate and inclusive  
Collaborative and creative

### **Strategic aims**

Student Learning, Life and Futures  
Research, Enterprise and Innovation  
People Culture & Community  
Our impact

### **Cross-cutting themes**

Sustainability  
Partnerships  
Compassion  
Inclusivity  
Wellbeing  
Global

The Vision 2030 framework informs the business plans of departments and schools across the University. To demonstrate progress towards the achievement of the University's strategic aims, a set of refreshed KPIs has been established.

Illustrations of how the University has fulfilled its charitable public benefit purposes in 2022/23 include:

- 27,000 registered undergraduate and postgraduate students.
- The University successfully recruited 107 new students into the third cohort of the KMMS Medical School.
- The University ranks first among large UK universities for graduates in employment, with 94% of all CCCU graduates in work 15 months after finishing their course. The national average is 87%.
- 98% of the University's postgraduate students were in work 15 months after finishing their course. Again, this ranks the University first among large UK universities.

## PUBLIC BENEFIT STATEMENT (CONTINUED)

- The University launched Futures in February 2023 – an exciting new initiative to build a community of alumni, local businesses, supporters, and students, all connected to create opportunities, raise aspirations, and transform lives. This initiative has already funded scholarships for three students, each worth £15,000 and including the Hawthorn Scholarship from one alumnus.
- The University celebrated its Diamond Jubilee with a series of events, including public lectures, a festival of Heritage, Creativity and Culture and a Service of Thanksgiving at Canterbury Cathedral.
- The University offered two Scholarships to celebrate its Diamond Jubilee, the ‘Diamond Jubilee Academic Excellence Scholarship 2023’ and the ‘Diamond Jubilee Academic Scholarship 2023’.
- The University hosted the 2023 Canterbury Medieval Pageant and Family Trail (led by Canterbury BID) which welcomed 11,000 visitors to Canterbury and the University campus for living history displays and craft activities.
- The University was the Education Partner for the 2023 Folkestone Book Festival. In 2022/23 the University increased its involvement with their Schools’ activities by giving book bags of the featured children’s authors to all visiting classes.
- The University participated in ‘Eureka’ at the London Design Biennale at Somerset House in June 2023 with the ‘Arcade Britannia’ project. The show welcomed 27000 visitors.
- The University’s Academy of Sustainable Futures coordinated the growing and influential Canterbury Biodiversity Network that resulted in Canterbury City Council declaring a biodiversity emergency to align with the existing Climate Emergency.
- The University opened its sports centre to the public, giving vital community access to facilities, and enriching the local area.
- The Hi3 Network provided research and development support for over 80 SMEs in the region with opportunities to experiment with innovative and cutting-edge technology and benefitting from the expertise of creative, business and technical experts at the University.
- The Vice-Chancellor’s Business Games provided an opportunity for local businesses to engage with the University and created vital links to enhance local growth, benefit the community and develop a co-creative relationship with the region.
- Our commitment to working with local businesses, charities, public services and communities, as well as supporting regional economic growth, was recognised in the 2022/23 Knowledge Exchange Framework (KEF), a national assessment for the higher education sector. The KEF highlights the rich and diverse ways universities engage with and enhance society, their communities and the economy, locally, nationally, and internationally, and the results show that we are in the top 20% for working with the public and third sectors.
- The University received multi-million-pound government funding for the development of the Engineering, Design, Growth & Enterprise (EDGE Hub), and continued its partnership with Discovery Park to supercharge regional growth of STEM skills and attract inwards investment.
- The University continued its award winning ‘Inspiring Minds’ outreach programme, which has engaged with hundreds of local students over the last five years.

## PUBLIC BENEFIT STATEMENT (CONTINUED)

- The University has supported lifelong learning and workforce development needs through the provision of over 100 courses for CPD.
- Over the last 4 years (2018-2022), the University's staff and students have given just under 26,000 hours of volunteering to over 119 registered charities across Kent & Medway.
- The University continues to be actively involved in cultural, arts and sporting industries supporting the local visitor economy and enhancing resident's lives. This includes the long-term sponsorship of Canterbury Festival, Canterbury Pride, Canterbury Medieval Pageant, Women's Kent Cricket and partnering with CanterburyBID in the Award-winning Canterbury-in-Bloom.

The University made 40 successful research bids with large scale direct benefit to the public. Highlights included:

- Working to reduce waiting lists, by increasing the proportion of diagnostic tests that can be assessed by radiographers as part of a national policy to improve the efficiency of healthcare provided by the NHS in England.
- Examining the effectiveness of surveillance technologies to prevent suicides at high-risk locations.
- Developing new ways of helping people with psychosis.
- Working to reduce the prevalence and reoccurrence of domestic abuse and stalking.
- Producing good practice to improve Rape and Serious Sexual Offences investigations.
- Researching the impact of the Ukrainian war on issues of energy, food, and population security.
- Exploring the educational, social, cultural, and psychological adaptation of Ukrainian refugees in the UK.
- Development of a theory-informed implementation framework for Allied Health Professions preceptorship within health services across England

The University's research portfolio also includes projects that focus on direct benefit to the local region. Highlights include:

- Development of an inclusion-focussed toolkit aimed at enhancing local engineering students' capability to showcase their engineering talent to employers and improve students' immediate employability skills.
- Developing an exchange network of dance practitioners, stakeholders for researching and promoting equality, diversity and inclusion in dance pedagogy and practice.
- Trialling & Testing a template to objectively measure the value of Covert Human Intelligence Sources (CHIS) in collaboration with Kent Police.
- Improving production processes of within specialist formulations of care products for a larger regional company.
- Service evaluation of the Cascade care model in two care home facilities in East Kent.
- Collaborating on improving product development through additional filtration processes of a consumer product manufactured in the region.
- Evaluating Project Rugby 2022/23 which focuses on participation, wellbeing and individual and community development of underrepresented groups through rugby.
- Evaluating the Whole Schools Programme aimed at young people to play, learn and develop through cricket and is offered by the charity 'Chance to Shine'.
- Research into identifying current local engagement with Faversham Swimming Pools and identifying further relevant, accessible and appealing swimming opportunities for existing and potential customers and wider stakeholders.
- Exploring and documenting intangible heritage of folk custom in Hoodening, in Kent.
- Contributing a hub to the Being Human festival in November 2023 under the theme of 'Women Making Sense' celebrating women writers' literature in spaces where it might not normally be prominent.
- Evaluating two 'Greener Wellbeing' projects in Kent.

## **PUBLIC BENEFIT STATEMENT (CONTINUED)**

- Developing the evaluation tools for 'People and Place project on the private rented sector' initiative by Citizens Advice 1066.
- 16 Research and Knowledge Exchange (RKE) internships were funded in 2023 and six of these included projects with partners in other HEIs, private sector organisations, professional bodies, NGOs and charities including: the Universities of Wageningen (NL) and Wellington (NZ); Algacytes Ltd, Fabc; Royal Horticultural Society; University and College Sport (BUCS) Research and Insight Group; Parents in Performing Arts (PIPA).
- The Chaplaincy Team continue to participate in the teaching and research life of the University as a visible sign of the founding connection between the centuries-long commitment of the church to education in this place (since the time of Archbishop Theodore in 669 AD).

## **STATEMENT OF PRIMARY RESPONSIBILITIES OF THE UNIVERSITY'S GOVERNING BODY**

In accordance with the Instrument and Articles of Government, the Governing Body is responsible for the determination of the educational character and mission of the University and the oversight of its activities including ensuring that an effective system of internal control is maintained. The other primary responsibilities of the Governing Body are to:

- protect the effective and efficient use of resources, and for safeguarding assets, taking advice from the Finance and Resources Committee;
- set a framework for the appointment, assignment, grading, appraisal, suspension, dismissal and determination of the pay and conditions of staff other than designated senior staff, for the guidance of the Finance and Resources Committee and/or the Vice-Chancellor as appropriate;
- ensure the effective management of the University and plan its future development;
- observe the highest standards of corporate governance. To ensure and demonstrate integrity and objectivity in the transaction of its business and, wherever possible, following a policy of openness and transparency in the dissemination of its decisions;
- ensure that funds provided by the Office for Students and other funding bodies are used in accordance with specified terms and conditions in the agreements between the University and such funding bodies;
- ensure, through the Finance and Resources Committee and the Audit Committee, the establishment and monitoring of systems of control and accountability including financial and operational controls and risk assessment;
- take such steps as are reasonably practicable to ensure that the Students' Union operates in a fair and democratic manner and is accountable for its finances (The Education Act 1994);
- protect the health and safety of employees, students and other individuals whilst on the University's premises and in other places where they may be affected by its operations;
- ensure that the University has a written statement of policy on health and safety and arrangements for the implementation of that policy, including the establishment of a Health and Safety Group with trade union and staff representation;
- eliminate unlawful discrimination and promote equality of opportunity and good relations between different groups; and
- determine the educational character and mission of the University including the approval of the University's Strategic Plan and the setting of Key Performance Indicators (KPIs).

The specific responsibilities of the Governing Body have been set out in the Statement of Corporate Governance.

### **Financial Responsibilities of the Governing Body**

The Governing Body is responsible for keeping proper accounting records which disclose with reasonable accuracy at any time, the financial position of the University and which enable it to ensure that the financial statements are prepared in accordance with the Instrument and Articles of Government, the Statement of Recommended Practice: Accounting for further and higher education and relevant legislation. In addition, within the terms and conditions of Funding for Higher Education Institutions from the Office for Students (OfS), the Governing Body, through its designated accountable officer (the Vice-Chancellor), is required to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the University and of the surplus or deficit and cash flows for that year.

## **STATEMENT OF PRIMARY RESPONSIBILITIES OF THE UNIVERSITY'S GOVERNING BODY (CONTINUED)**

In causing the financial statements to be prepared, the Governing Body has ensured that:

- suitable accounting policies are selected and applied consistently,
- judgements and estimates are made that are reasonable and prudent,
- applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- financial statements are prepared on the going concern basis unless it is inappropriate to presume that the University will continue in operation. The Governing Body is satisfied that the University has adequate resources to continue in operation for the foreseeable future. For this reason, the going concern basis continues to be adopted in the preparation of the financial statements.

The Governing Body has taken reasonable steps to:

- ensure that OfS funds are used only for the purposes for which they have been given and in accordance with the Financial Memorandum and any other conditions which the OfS may from time to time prescribe;
- ensure that there are appropriate financial and management controls in place to safeguard public funds and funds from other sources;
- safeguard the assets of the University and to prevent and detect fraud;
- safeguard the economical, efficient and effective management of the University's resources and expenditure; and
- review the means of securing its own effectiveness.

The governors confirm, so far as each governor is aware, there is no relevant audit information of which the group auditor is unaware. Each governor has taken all the steps that they ought to have taken in their duty as a governor in order to make themselves aware of any relevant audit information and to establish that the group auditor is aware of that information.

The key elements of the University's system of internal financial control, which is designed to discharge the responsibilities set out above, include the following:

- clear definitions of the responsibilities of, and the authority delegated to, heads of academic and administrative departments;
- a comprehensive medium and short-term planning process, supplemented by detailed annual income, expenditure, capital and cash flow budgets;
- regular reviews of KPIs and business risks and monthly reviews of financial results involving variance reporting and updates of forecast outturns;
- clearly defined and formalised requirements for approval and control of expenditure, with investment decisions involving capital or revenue expenditure being subject to formal detailed appraisal and review according to approval levels set by the Governing Body;

## **STATEMENT OF PRIMARY RESPONSIBILITIES OF THE UNIVERSITY'S GOVERNING BODY (CONTINUED)**

- comprehensive financial regulations, detailing financial controls and procedures, including a fraud policy, all as approved by the Finance and Resources Committee and Governing Body;
- compliance with a University policy on risk management; and
- a professional internal audit team whose annual programme is approved by the Audit Committee under powers delegated by the Governing Body and whose head provides the Audit Committee with a report on internal audit activity within the University and an opinion on the adequacy and effectiveness of its system of internal control, including internal financial control.

Any system of internal financial control can, however, only provide reasonable, but not absolute, assurance against material misstatement or loss.

The Governing Body intends to publish the financial statements on the University's website:

- the maintenance and integrity of the University's website is the responsibility of the governors; the work carried out by the auditor does not involve consideration of these matters and, accordingly, the auditor accepts no responsibility for any changes that may have occurred to the financial statements since they were initially presented on the website.
- legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

**Ms J Armitt**

**Pro-Chancellor (Chair of the Governing Body)**

**Date: 28 November 2023**

## STATEMENT OF CORPORATE GOVERNANCE

The University is a private limited company by guarantee without share capital, and a registered charity. It has a wholly owned subsidiary, Medco (CCCU) Limited, trading as Unitemps, a private limited company.

The objects of the University are set out in articles of association incorporating the instrument of government of 23 September 2021. It is a registered OfS provider, having entered onto The OfS Register on 28 August 2018.

The Church of England retains an interest in the distinctive Christian elements of the University's governance arrangements through special safeguarding provisions contained in the governing documents. These provisions, known as the golden vote, allow for the Church of England to exercise a power of veto if the Governing Body passes any resolution that seeks to remove or vary any clause in the governing documents pertaining to the University's Christian distinctiveness. The golden vote is not considered to be a material factor in the University's overall governance arrangements in circumstances where it has never been exercised and its inclusion and scope in the governing documents has been narrowed following dialogue with the Church of England.

Governors are the charity trustees and are responsible for ensuring compliance with charity law. The Governing Body adheres to the Seven Principles of Public Life, the Higher Education Code of Governance and the OfS public interest governance principles.

The Governing Body is mandated to consist of not fewer than 18 and not more than 21 persons, the majority of whom are to be independent Governors.

The maximum number of Company Members is 22. It includes four nominative governors being members of the Church of England of whom: (i) one is appointed by the Archbishop of Canterbury; (ii) one is appointed by the Diocesan Boards of Education of Canterbury and Rochester dioceses acting jointly (iii) one is appointed by the Archbishops' Council of the Church of England (iv) one is the Bishop of Dover or their nominee; one is the Vice-Chancellor and Principal; three staff governors: the three being respectively a member of the Academic Board nominated by that Academic Board together with a member of the academic staff of the University and a member of the professional services staff of the University; one student governor, being the elected President of the Students' Union, ex-officio, and not more than nine co-opted governors, at least six of whom are to be members of the Church of England.

In terms of co-opted governors, the Governing Body is mandated to seek to ensure that different University, county and regional interests are reflected in its membership.

The Governing Body is chaired by Ms J Armit, the Pro-Chancellor. There was no Deputy Chair for the period 1 August 2022 to 31 July 2023, but since 1 August 2023 Mr C Stevens has held that role. The role of Senior Independent Governor is held by the Right Reverend Bishop R Hudson-Wilkin.

A schedule of delegation sets out the responsibilities of decision making, between the Governing Body, its committees and the executive. The main responsibilities of Governing Body are:

1. to determine the educational character and mission of the University including the approval of the University's Strategic Plan and the setting of KPIs;
2. to approve annual estimates of income and expenditure;
3. to ensure the solvency of the institution and the safeguarding of its assets;
4. to appoint or dismiss the Vice-Chancellor, the Clerk to the Governing Body, the Chaplain and such other senior posts designated by the Governing Body;
5. to ensure that there are suitable arrangements for monitoring the Vice-Chancellor's performance;
6. to vary or revoke of the Instrument or Articles of Government (subject to provisions within those documents regarding the Archbishops' Council);
7. to ensure compliance with Company and Charity law;

## STATEMENT OF CORPORATE GOVERNANCE (CONTINUED)

8. to approve annual financial statements upon external audit;
9. to approve the constitution of the student body (Students' Union) and receive audited accounts of the student body;
10. to approve the University's Risk Management Framework, Risk Register and Risk Appetite Statement;
11. for regularly monitoring performance against planned strategies and operational targets; and
12. to review its own effectiveness and performance and that of its committees formally every four years, and annually on a 'light touch' basis.

The Governing Body normally meets four times per year. In 2022/23 one additional Governing Body meeting was held, as well as one additional Chairs Committee meeting. Additionally, the following governor visits took place: visit of the Marketing and Communications department, the School of Nursing, Midwifery and Social Care, and the School of Engineering, Technology and Design. Governor visits enable governors to be fully briefed on the University's activities, meeting with students and staff.

The Academic Board, a committee of the Governing Body, chaired by the Vice-Chancellor, is responsible for all aspects of the academic work of the University and can establish such committees as are necessary. Each committee is chaired by a senior member of staff and faculties are represented on all committees.

Subject to the requirements of validating and accrediting bodies, the Academic Board is responsible for: general issues relating to the research, scholarship, teaching and courses at the University; the appointment of internal and external examiners; assessment and examination policies and procedures; the curriculum; academic standards and course validation; the procedures for the award of qualifications and honorary academic titles; the procedure for the suspension or expulsion of students for academic reasons; for considering the development of the University's academic activities; and for advising on such other matters as the Governing Body or the Vice-Chancellor and Principal may refer.

An overview of the central academic committees of the University, including membership and terms of reference can be found on the University's website.

There are four other Governing Body committees: Chairs' Committee, Finance and Resources Committee, Audit Committee and Remuneration Committee, all of which include independent governors.

Decisions and recommendations of Governing Body committees are reported to the Governing Body and terms of reference are reviewed on an annual basis.

The Chairs' Committee is responsible for advising the Governing Body about governance policy and practice; monitoring the University's register of interests; considering nominations to the Governing Body and recommending appointments to it; considering Honorary Fellowship and Doctorate nominations; considering nominations for naming University buildings and rooms; monitoring compliance with the CUC Code of Governance; oversight of committee terms of reference and schedule of delegation; oversight of annual governor informal discussions and four yearly review of governance; reviewing its own effectiveness and performance annually on a 'light touch' basis and formally every four years; strategic oversight of Master Planning; and there is an annual review of Chairs' Committee terms of reference and work plan.

The Chairs' Committee membership consists of:

- Pro-Chancellor of the University (Chair of the Governing Body) Ms J Armit (Archbishop of Canterbury's appointee)
- Chair of the Audit Committee – Lady A Newey (Independent) (from 1 October 2022), Mr C Stevens (interim Chair to 30 September 2022)

## STATEMENT OF CORPORATE GOVERNANCE (CONTINUED)

- Chair of F&R Committee (And Deputy Pro-Chancellor of the University from 1 August 2023) – Mr C Stevens (from 1 October 2022) (Independent) (vacant from 1 August 2022 – 30 September 2022)
- Chair of the Remuneration Committee – Mrs N Ahmed (Independent) (from 1 August 2022)
- Vice-Chancellor and Chair of the Academic Board – Professor R Thirunamachandran (Vice-Chancellor)
- One co-option if vacancies exist because individual members fulfil multiple roles.

The Chairs' Committee normally meets three times in each academic year. In 2022/23 the Chairs Committee met on four occasions.

The Finance and Resources Committee is responsible for the financial affairs of the University including consideration of estimates of income and expenditure and the consolidated financial statements; the strategic management of the University's estate; major building developments, acquisitions or disposals; the efficient use of physical resources; the care and maintenance of the University's estate; consideration and monitoring of the ICT strategy; oversight of the Vice-Chancellor's actions related to human resources and strategic oversight of the University's People Strategy; annual accounts of the Students' Union; oversight of the University's subsidiary companies; approval of financial regulations, policies and procedures; oversight of TRAC returns; oversight of the sustainability agenda; and reviewing its terms of reference and work plan annually.

The Finance and Resources Committee membership consists of:

- Chair of the Finance and Resources Committee – Mr C Stevens (Independent) (from 1 October 2022)
- Student Governor – Mr D Bichener (to 30 June 2022), Miss A Lundy (from 1 July 2023)
- Professor G Dewhurst (Independent) (from 1 February 2023)
- Ms J Harding (Independent)
- Revd R Stevenson (Independent)
- Vice-Chancellor – Professor R Thirunamachandran (Vice-Chancellor)

The Finance and Resources Committee normally meets three times in each academic year.

The Audit Committee is responsible for the appointment of the External Auditor; discussing the nature and scope of the external audit; discussing with the external auditor any arising problems including a review of the management letter; appointing the internal auditor; reviewing the internal audit strategy and findings; monitoring the effectiveness of risk management; monitoring the implementation of audit recommendations; ensuring all significant losses are investigated; overseeing policies on fraud and irregularity; monitoring arrangements to promote economy, efficiency and effectiveness; receiving reports from the National Audit Office and other funding councils; monitoring performance of both internal and external audit; considering financial statements in the presence of the external auditor; monitoring data assurance arrangements; monitoring KPIs; considering the Audit Committee Annual Report; and reviewing its Terms of Reference and Work Plan annually.

The Audit Committee membership consists of:

- Chair of the Audit Committee – Lady A Newey (Independent) (member from 1 August 2022, Chair from 1 October 2022)
- Ms S Appleby (Independent)
- Mrs P Jones (Archbishops' Council of the Church of England appointee)
- Mr S Carey (to 31 July 2023)
- Mr J Stockwell (from 1 August 2022)

## STATEMENT OF CORPORATE GOVERNANCE (CONTINUED)

And Co-opted members:

- Mr D Crush (from 1 August 2023)
- Mr Q Roper (to 31 July 2023)
- Mr G Ward (from 1 August 2023)

The Audit Committee normally meets four times in each academic year.

The Remuneration Committee is responsible for determining the pay and conditions of employment for the Vice-Chancellor; the senior management team; and other senior staff deemed appropriate.

Remuneration Committee membership consists of:

- Chair of the Remuneration Committee – Ms N Ahmed (Independent)
- Pro-Chancellor of the University – Ms J Armitt
- Professor J Wood (Independent) (from 1 August 2022)
  
- Student Governor – Mr D Bichener (to 30 June 2023), Ms A Lundy (from 1 July 2023)

And co-opted member:

- Lord A Colgrain (Independent Assessor).

The Remuneration Committee normally meets once in each academic year.

The University ensures openness and transparency in order that stakeholders can have confidence in its decision-making and management processes.

Transparency about the corporate governance arrangements of the University is achieved by virtue of publication of the following documents on its website:

- Memorandum and Articles
- Schedule of Delegation
- Governing Body Structure
- Register of Interests
- Terms of Reference
- Annual financial statements
- Governing Body and Committee Minutes
- Whistleblowing Policy
- Fit and Proper Persons Policy.

The Governing Body ensures the adequacy and effectiveness of arrangements for corporate governance, risk management and oversight of any statutory and other regulatory responsibilities, including compliance with ongoing OfS conditions of registration, terms and conditions of funding as well as any other relevant regulatory responsibilities by:

- Meeting at least four times each academic year to determine strategy;
- Receiving and approving, on an annual basis, the 'Report on Maintenance of Academic Standards and the Management and Enhancement of the Quality of the Student Experience' (from the Academic Board) as well as the annual 'Degree Outcomes Statement';
- Receiving and approving, on an annual basis, a compliance statement on 'Research and Enterprise Integrity'.
- Receiving an annual report and assurance from the University Solicitor regarding the University's compliance with OfS initial and ongoing general conditions of registration;
- Receiving updates from the Audit Committee concerning internal control, and strategic risk management;

## STATEMENT OF CORPORATE GOVERNANCE (CONTINUED)

- Oversight by the Audit Committee of the University's risk management framework and a high-level strategic risk register fully aligned to the University's strategic goals set out in the University's Vision 2030 Framework;
- Regular reviews by the Audit Committee of Internal Audit reports, which include an independent opinion on the adequacy and effectiveness of the University's systems of governance, risk management and internal control, together with improvement recommendations;
- Monitoring of institutional KPIs (governor sub-set); and
- Reviewing post-investment lesson learning reviews in respect of major investment projects undertaken by the University.

Specifically, in terms of public funding from the OfS, UK Research and Innovation (UKRI, including Research England), the Department for Education or the Education and Skills Funding Agency the University ensures: a. regularity in the use of public funding; and b. propriety in the use of public funding by: the provision of a framework of financial controls for the University in The Financial Regulations and associated Financial Procedures.

The Financial Regulations were approved by the Finance and Resources Committee on 8 November 2023. The Financial Regulations are subordinate to the University's Articles and to any restrictions contained in terms of conditions of funding and the audit code of practice.

The purpose of the Financial Regulations is to provide control over the totality of the University's resources and provide assurance in respect of a., and b., above. Compliance with the Financial Regulations is mandatory. Breaches are notified to the Governing Body via the Audit Committee. This statement covers the reporting period from 1 August 2022 to the date of signing and approving the financial statements on 28 November 2023.

## MODERN SLAVERY AND HUMAN TRAFFICKING

The University is committed to ensuring that slavery and human trafficking is not occurring in its supply chain in line with the Modern Slavery Act 2015. As a values-based institution, the University condemns any form of labour exploitation or human trafficking and expects all its suppliers and business partners to adhere to the principles set out in the Modern Slavery Act. Oversight of the management of risks of modern slavery and human trafficking in the supply chain is provided by a nominated senior manager, the Chief Finance and Operating Officer. The University's Modern Slavery and Human Trafficking Statement has support of the full Governing Body and was presented for approval at the Governing Body meeting on 28 November 2023.

Actions taken by the University in this financial year to meet its obligations include:

### Procurement & Supply Chain

- The University has in place a KPI to monitor training of staff who are managing contracts at high risk of modern slavery. This year 100% of these staff have completed the Higher Education Procurement Academy (HEPA) 'Guide to Modern Slavery' e-Learning Module.
- The University has in place an Operational Control Procedure (OCP) detailing how risks of modern slavery in the supply chain will be managed. It also outlines what action will be taken if such an activity is identified. This document forms part of the University's ISO14001 environmental management system.
- All tender processes that are run to award contracts for goods or services considered at high risk of modern slavery, the University requests information from all bidders outlining how they manage their risks in this area.
- The University continues to use framework agreements to award many of its major contracts. The framework awarding body ensures that modern slavery issues are adequately evaluated in the award of places on their framework agreements.
- Most framework agreements used by the University are awarded by the Southern Universities Purchasing Consortium (SUPC). SUPC and other regional universities purchasing consortia with whom we work are affiliated with the Electronic Watch to ensure compliance with labour rights and safety standards in the supply chain. This is particularly relevant for the high-risk areas such as the supply of IT equipment.
- The SUPC have stated that they are "committed to acquiring goods and services for its members without causing harm to others. Affiliating to Electronics Watch is an important step forward and will allow the SUPC to have eyes and ears on the ground in producer regions to ensure rights violations are detected and properly addressed."
- The University's standard terms & conditions include requirements that our suppliers monitor their supply chains for instances of modern slavery. If we need to use an alternative set of contractual terms (e.g., a supplier's terms) our Governance and Legal Services team reviews the terms prior to commitment to ensure provision is made relating to Modern Slavery Act compliance.

The University continues to expand its knowledge of the supply chain and works proactively with all managers, budget holders and staff engaged in procurement activity to build on their understanding of the requirements of the Modern Slavery Act. This forms part of the University ongoing commitment to ensuring all vulnerable staff, students and those working in the supply chain are safeguarded against exploitation in all forms.

## MODERN SLAVERY AND HUMAN TRAFFICKING (CONTINUED)

### Non-Procurement Activities

- Training and development in the application of all the University's staff policies is in place and is monitored by the Human Resources and Organizational Development Department.

The Unitemps temporary staffing agency operates under a franchise by the University's subsidiary. The agency falls outside of the scope of the modern slavery legislation, however, on a voluntary basis the agency complies with the requirements of the Modern Slavery Act. The actions taken by the staffing agency are monitored by the Branch Manager, and include:

- Client terms of engagement require the client to comply with the requirements of the Modern Slavery Act 2015.
- All external clients must comply with all applicable anti-slavery, forced and compulsory labour, and human trafficking laws, statutes, and regulations in force.
- External clients must have and maintain their own policies and procedures to ensure compliance. These policies must give the client the power to enforce the conditions where appropriate.
- High risk areas for agency staff have been identified as any sector where a gang master's license is required, such as in agriculture. No Unitemps agency workers can be set assignments in these high-risk sectors.

## STATEMENT OF INTERNAL CONTROL

The Governing Body 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 they are responsible, in accordance with the responsibilities assigned to the Governing Body in the University's Instrument and Articles of Governance and the Terms and Conditions of Funding for Higher Education Institutions from the OfS.

The system of internal control is designed to manage rather than eliminate the risk of failure to achieve policies, aims and objectives; 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 2023 and up to the date of approval of the Strategic Report and Financial Statements and accords with the OfS and Turnbull guidance.

The Governing Body has responsibility for the institution's system of internal control, for reviewing its effectiveness and ensuring that the review has covered all controls (financial, operational, risk management and compliance).

The following processes have been established:

- The Governing Body meets at least four times each year to consider the plans and strategic direction of the institution.
- The Governing Body and the Audit Committee have approved the Risk Management Policy and Procedures which summarise the approach, roles and responsibilities, and the annual review of effectiveness process.
- The Governing Body has assumed responsibility for oversight of the risk management process within the University as a whole, and determined its risk appetite, which includes adopting a differentiated approach to risk depending on the nature of the activity. As Chief Executive, the Vice-Chancellor has ultimate responsibility for the management of the University, including the management of risk. The University's Chief Finance and Operating Officer oversees the risk management process adopted by the University.
- The University maintains a comprehensive Strategic Risk Register that identifies the high-level strategic risks facing the institution. Each risk has an identified risk owner clearly documented within the Register together with a scoring assessment based on likelihood and impact. Risks are given a gross and residual rating. Risk identification and management is closely linked to the achievement of the institution's objectives, with all schools and departments producing local risk registers alongside their annual business plans and major change strategic project owners producing the same. All of the University's identified high-level corporate risks are directly linked to the University's Key Performance Indicators which monitor achievement against the Strategic Plan.
- Each risk response has been formally considered by the Senior Management Team (SMT) and the Audit Committee. The SMT, chaired by the Vice-Chancellor considers the risks identified in the Project Risk Registers. The Vice-Chancellor and the SMT monitor the top 'net exposure' risks on a regular basis, as well as the effectiveness of controls in place to manage less serious risks. Less serious risks are reviewed and monitored by faculties, schools and departments which operate local registers as part of an overall approach, embedding risk assessment and management within the University. To support this the University has established a Risk Forum of risk and action owners who meet at least six times per year to assess risk, controls and actions that underpin the strategic plan.

## **STATEMENT OF INTERNAL CONTROL (CONTINUED)**

Regular reports are received from the Audit Committee concerning findings of the Internal Auditor and matters relating to internal control. The Vice-Chancellor provides a written report to the Audit Committee on the University's approach to Risk Management at each of its meetings and an annual report is presented in May of each year.

The University has appointed Internal Auditors, who operate to standards defined by the Chartered Institute of Internal Auditors. The Internal Auditors submit regular reports which include their independent opinion on the adequacy and effectiveness of the system of internal control, together with recommendations for improvement.

The Governing Body's review of the effectiveness of the system of internal control is also informed by the work of the executive managers within the University, who have responsibility for the development and maintenance of the internal control framework, and by comments made by the External Auditors in their management letter.

Control weaknesses identified in year have been addressed by management, and there are no significant control weaknesses to note at the end of the year.

# INDEPENDENT AUDITOR'S REPORT TO THE GOVERNING BODY OF CANTERBURY CHRIST CHURCH UNIVERSITY

## Opinion

We have audited the financial statements of Canterbury Christ Church University ('the University') and its subsidiary ('the Group') for the year ended 31 July 2023 which comprise the Consolidated and University Statement of Comprehensive Income and Expenditure, the Consolidated and University Statement of Changes in Reserves, the Consolidated and University Statement of Financial Position, the Consolidated Cash Flow Statement and notes to the financial statements, including a summary of significant accounting policies.

The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the Group's and University's affairs as at 31 July 2023 and of its income and expenditure, gains and losses, changes in reserves and cash flows for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Statement of Recommended Practice – Accounting for Further and Higher Education.

## Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the "Auditor's responsibilities for the audit of the financial statements" section of our report. We are independent of the Group and the University in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

## Conclusions relating to going concern

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

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Group's and the University's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

## **INDEPENDENT AUDITOR'S REPORT TO THE GOVERNING BODY OF CANTERBURY CHRIST CHURCH UNIVERSITY (CONTINUED)**

Our responsibilities and the responsibilities of the Board of Governors' with respect to going concern are described in the relevant sections of this report.

### **Other information**

The other information comprises the information included in the Annual Report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

### **Responsibilities of the Board of Governors**

As explained more fully in the Statement of Responsibilities of the Board of Governors set out on page 26, the Board of Governors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Board of Governors are responsible for assessing the Group and 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 the directors either intend to liquidate the Group/University or to cease operations, or have no realistic alternative but to do so.

### **Auditor's responsibilities for the audit of the financial statements**

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

## **INDEPENDENT AUDITOR'S REPORT TO THE GOVERNING BODY OF CANTERBURY CHRIST CHURCH UNIVERSITY (CONTINUED)**

The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud.

Based on our understanding of the University/Group and its industry, we considered that non-compliance with the following laws and regulations might have a material effect on the financial statements: OfS requirements, UK tax legislation, pension legislation, employment regulation and health and safety regulation, anti-bribery, corruption and fraud and money laundering.

To help us identify instances of non-compliance with these laws and regulations, and in identifying and assessing the risks of material misstatement in respect to non-compliance, our procedures included, but were not limited to:

- Inquiring of management and, where appropriate, those charged with governance, as to whether the Group and the University is in compliance with laws and regulations, and discussing their policies and procedures regarding compliance with laws and regulations;
- Inspecting correspondence, if any, with relevant licensing or regulatory authorities;
- Communicating identified laws and regulations to the engagement team and remaining alert to any indications of non-compliance throughout our audit; and
- Considering the risk of acts by the Group and the University which were contrary to applicable laws and regulations, including fraud.

We also considered those laws and regulations that have a direct effect on the preparation of the financial statements, such as pension legislation, and the OfS Accounts Direction.

In addition, we evaluated the Board of Governors' and management's incentives and opportunities for fraudulent manipulation of the financial statements, including the risk of management override of controls, and determined that the principal risks related to posting manual journal entries to manipulate financial performance, management bias through judgements and assumptions in significant accounting estimates, in particular in relation to defined benefit pension Scheme Assets, bad debt provisions, revenue recognition (which we pinpointed to the cut-off assertion) and significant one-off or unusual transactions.

Our audit procedures in relation to fraud included but were not limited to:

- Making enquiries of the Board of Governors and management on whether they had knowledge of any actual, suspected or alleged fraud;
- Gaining an understanding of the internal controls established to mitigate risks related to fraud;
- Discussing amongst the engagement team the risks of fraud; and

## INDEPENDENT AUDITOR'S REPORT TO THE GOVERNING BODY OF CANTERBURY CHRIST CHURCH UNIVERSITY (CONTINUED)

- Addressing the risks of fraud through management override of controls by performing journal entry testing.

There are inherent limitations in the audit procedures described above and the primary responsibility for the prevention and detection of irregularities including fraud rests with management. As with any audit, there

remained a risk of non-detection of irregularities, as these may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal controls.

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

### **Other required reporting**

### **Opinion on other matters prescribed in the OfS Audit Code of Practice issued under the Further and Higher Education Act 1992**

In our opinion, in all material respects:

- Funds from whatever source administered by the provider for specific purposes and managed in accordance with relevant legislation;
- Funds provided by OfS, UK Research and Innovation (including Research England), the Education and Skills Funding Agency have been applied in accordance with the relevant terms and conditions; and
- The requirements of the OfS's accounts direction have been met.

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

In light of the knowledge and understanding of the Group and University and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or the Board of Governors' Report.

We have nothing to report in respect of the following matters in relation to which the OfS Audit Code of Practice requires us to report to you if, in our opinion:

- The provider's grant and fee income, as disclosed in the notes to the accounts, is materially misstated; or
- The provider's expenditure on access and participation activities, as disclosed in the accounts, has been materially misstated.

## **INDEPENDENT AUDITOR'S REPORT TO THE GOVERNING BODY OF CANTERBURY CHRIST CHURCH UNIVERSITY (CONTINUED)**

### **Use of the audit report**

This report is made solely to the University's members as a body in accordance with paragraph 4(2) of the University's articles and section 124B of the Education Reform Act 1988. Our audit work has been undertaken so that we might state to the University's members 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 Group and University and the University's members as a body for our audit work, for this report, or for the opinions we have formed.

**DRA Bott (Senior Statutory Auditor) for and on behalf of Mazars LLP**

Chartered Accountants and Statutory Auditor  
90 Victoria Street, Bristol BS1 6DP

Date

# STATEMENT OF PRINCIPAL ACCOUNTING POLICIES

## 1. Basis of Preparation

These financial statements have been prepared in accordance with the Statement of Recommended Practice (SORP): Accounting for Further and Higher Education 2019 and in accordance with Financial Reporting Standards FRS 102. The University is a company limited by guarantee incorporated in the United Kingdom under the Companies Act. The University's registered address and that of the subsidiary company is shown on page 1 of this report. Under FRS 102 the University has taken advantage of the exemptions for financial instrument disclosure for the parent and from providing a parent company cash flow statement.

The University is a public benefit entity and therefore has applied the relevant public benefit requirements of FRS 102. The Financial Statements are prepared in accordance with the historical cost convention. The principal accounting policies, which have been applied consistently throughout the current year are set out below.

The Governing Body is satisfied that the University has sufficient facilities to continue operating at its current level and therefore the financial statements have been prepared in accordance with the historical cost convention and on a going concern basis.

## 2. Critical Judgements

The following are the critical judgements that have been made in the process of applying the University's accounting policies.

### 2.1 Capital and Research Grants Received

The University's accounting policy requires recognition of income when performance related conditions are met. Income received in advance of performance related conditions being met is recognised as deferred income within creditors on the balance sheet and released into income as the conditions are met. The research contracts that are entered into by the University are assessed and any performance conditions identified. The income from these research activities is released based on the meeting of the conditions stated in the research contracts or on commencement of the activity if no conditions are specified. Where conditions have not yet been met the income is held as deferred income within creditors on the balance sheet.

### 2.2 Universities Superannuation Scheme

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) with the resulting expense charged through the profit or loss account in accordance with section 28 of FRS 102. The directors are 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 recovery plan in existence at the date of approving these financial statements.

### 2.3 Depreciation

The annual depreciation charge for fixed assets is sensitive to changes in the estimated useful economic lives and residual values of the assets. Depreciation methods, useful economic lives and residual values are reviewed by management at the date of preparation of each Statement of Financial Position.

## STATEMENT OF PRINCIPAL ACCOUNTING POLICIES (CONTINUED)

### 3. Accounting Estimates

The key assumptions concerning the future, and other key estimation uncertainty at the balance sheet date that have a significant risk of causing material adjustment to the carrying amounts of the assets and liabilities within the next financial year are highlighted as follows.

#### 3.1 Local Government Pension Scheme

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost for pensions include the discount rate. Any changes in these assumptions as disclosed in note 23 will impact on the carrying value of the pension liability.

#### 3.2 Bad Debt Provision

The provision for bad and doubtful debts is based on our estimate of the expected recoverability of debts. The assumptions underlying our estimate for bad debt provision are driven by the nature of debtor (ie student, accommodation and commercial debt), as well as by the age profile of the component debts. The validity of the respective provision percentages applied to each category of debt is reviewed against recent historic trends for debt recoverability each year, following which the rates are prudently revised where appropriate. On that basis, we believe that our estimate of bad debt provision each year closely aligns with the risk associated with the recoverability of outstanding debt.

#### 3.3 Provision for Dilapidations

Provision is made for the cost of dilapidations of certain of the University's lease hold buildings. This provision requires management's best estimate of the costs that will be incurred to settle a present obligation and management rely on the judgement of a qualified valuer in making these assumptions.

### 4. Basis of Consolidation

The consolidated financial statements include the University and its subsidiary company for the financial year to 31 July 2023. Intra-group transactions are eliminated on consolidation. 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 of the Union.

### 5. Recognition of Income

Income is measured at the fair value of the consideration received or receivable and represents amounts receivable for services provided in the normal course of business, net of discounts and VAT recoverable from HM Revenue and Customs. Revenue from transactions that have a commercial substance, including tuition fee, accommodation, catering and conference income and consultancy fees are recognised as income in the Statement of Comprehensive Income using the Performance Related method of apportionment. Fee income is stated gross and credited to the income and expenditure account over the period in which students are studying. This may involve the deferral of income over more than one financial year. Where the amount of the tuition fee is reduced, by a discount awarded by the University for prompt payment, income receivable is shown net of the discount. Bursaries and scholarships are accounted for gross as expenditure and are not deducted from income.

### 6. Grants

Revenue-based grants from Government, the Office for Students (OfS), the Department for Education (DfE) and HEKSS trusts are passed through the Income and Expenditure Account when the conditions relating to the grant have been satisfied (see 5, Recognition of Income above). Grants or other contributions from Government and other bodies are accounted for using the performance model and are recognised in the financial statements when the conditions for their receipt have been complied with and there is reasonable assurance that the grant or contribution will be received.

## STATEMENT OF PRINCIPAL ACCOUNTING POLICIES (CONTINUED)

### 7. Agency Arrangements

Funds the institution receives and disperses as a 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.

### 8. Foreign Currencies

Transactions denominated in foreign currencies are recorded at the rate of exchange ruling at the date of the transactions. Monetary assets and liabilities denominated in foreign currencies are translated into sterling at the closing rate as at the year end. The resulting exchange differences are charged to the Statement of Comprehensive Income.

### 9. Operating Leases

Rental costs under operating leases are charged to expenditure in equal annual amounts over the period of the leases. Rent free periods or other incentives reduce the total expenditure on the lease, calculated by applying all of the incentive over the life of the lease.

### 10. Intangible Assets

The development cost to the University of software assets is capitalised as an intangible asset when the asset comes into full use. Software in development is held in the asset register until complete and fully in use. The value of the asset is stated at historic cost less accumulated amortisation charges, with amortisation being charged on a straight line basis from the month that the asset is fully developed.

Significant intangible assets with a value of £200,000 or more are amortised over 10 years and lower value assets of less than £200,000 are amortised over five years. The costs relating to the development of the medical programme are capitalised as an intangible asset. Development costs accrue from the date at which the contract was entered into, and are capitalised when the asset comes into use, and will be amortised when the benefits are realised on a straight-line basis over five years.

### 11. Tangible Assets

Tangible assets are stated at historic purchase cost less accumulated depreciation, or in the case of Land and Buildings, at deemed cost based on the one-off revaluation undertaken as at 31 July 2014.

The total cost of an asset can include incidental expenses incurred by staff or consultants, where these costs relate entirely to the project. The costs of major building programmes will also include the interest charged on any related loan finance used to fund the building during the construction phase of creating the asset.

Depreciation is charged on a straight line basis from the month that the asset is acquired or that construction is complete. During the time of construction the value of the asset is held in assets under construction. Once construction is complete the value of the asset is transferred to the asset register. Depreciation commences from when the asset is commissioned into use.

Land is not depreciated as it is considered to have an indefinite useful life. Buildings are depreciated over their expected useful lives of up to 50 years. Assets in the course of construction are accounted for at cost incurred to the end of the year. They are not depreciated until they are ready for use. For large construction projects the components of the building are identified separately and are depreciated over the useful economic life as determined by the nature of the asset.

Costs incurred in relation to a tangible fixed asset, after the initial purchase or production, are capitalised to the extent that they increase the expected future benefits to the University from the existing tangible fixed asset beyond its previously assessed standard of performance; the cost of any such enhancements are added to the gross amount of the tangible fixed asset concerned.

## **STATEMENT OF PRINCIPAL ACCOUNTING POLICIES (CONTINUED)**

Minor works in excess of £10,000 are separately identified and depreciated over ten years. These have been included in the freehold land and buildings category in note 9.

Fixtures, fittings and equipment, including computers and software, costing less than £10,000 per individual item are written off in the year of acquisition.

Equipment that is capitalised is depreciated over the useful economic life expectancy of the asset. This is estimated to be 5 years for equipment including IT assets and between 10 to 25 years for plant and machinery. Where buildings, minor works and equipment are acquired with the aid of specific grants the asset is capitalised and depreciated as above. The related grants are released as income when the performance conditions are met, or on receipt of funds if no conditions are specified.

Expenditure to ensure that a tangible fixed asset maintains its previously recognised standard of performance is recognised in the Statement of Comprehensive Income in the period it is incurred.

The University has a planned maintenance programme, which is reviewed on an annual basis. All assets are reviewed on an annual basis for indicators of impairment. Any adjustment to the value of an asset for impairment is charged to the Statement of Comprehensive Income in the period it arises.

### **12. Assets held for resale**

Tangible assets that are held for resale are carried at a value that is the lower of net book value or expected recovery amount. Assets identified as being held for resale trigger an impairment review in line with the HE SORP. From the impairment review if an asset requires an adjustment to the carrying value the resulting impairment is charged to the Statement of Comprehensive Income.

### **13. Stock**

Stocks are materials held by various University departments including catering supplies, together with books and other items purchased for resale. Stocks relate to finished products and are valued at the lower of cost or selling price less costs to sell, on a first-in, first-out basis. Where necessary, provision is made for obsolete, slow-moving and defective stocks.

### **14. Cash and Cash Equivalents**

Cash includes cash in hand, cash at bank, deposits repayable within 3 months and overdrafts.

### **15. Maintenance of Premises**

The University has a long-term rolling maintenance plan which forms the basis of the ongoing maintenance of the estate. The cost of routine corrective maintenance is charged to the income and expenditure account as incurred. A provision for dilapidation is made where the lease agreement requires the University to return the property to the landlord in a specified state. A provision is made for the estimated costs of the dilapidation spread over the period of tenancy. Any increase or decrease in this provision is charged to the Statement of Comprehensive Income.

### **16. Taxation Status**

The University is a registered charity within the meaning of Part 3 of the Charities Act 2011 and as such is a charity within the meaning of Section 506 of the income and Corporation Tax Act 1988. It is therefore a charity within meaning of Para 1 of schedule 6 to Finance Act 2010 and accordingly, the University is potentially exempt from taxation in respect of income or capital gains received within categories covered by Sections 478-488 of the Corporation Taxes Act 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.

## STATEMENT OF PRINCIPAL ACCOUNTING POLICIES (CONTINUED)

Canterbury Christ Church University receives no similar exemption in respect of Value Added Tax (VAT). Irrecoverable VAT on inputs is included in the costs of such inputs. Any irrecoverable VAT allocated to tangible fixed assets is included in their cost.

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date, where transactions or events that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the balance sheet date. A net deferred tax asset is presented in the financial statements as recoverable and therefore recognised only when, on the basis of all available evidence, it can be regarded as more likely than not that there will be suitable taxable profits against which to recover carried forward tax losses and from which the future reversal of underlying timing differences can be deducted. Deferred tax is measured at the average tax rates that are expected to apply in the periods in which the timing differences are expected to reverse based on tax rates and laws that have been enacted or substantively enacted by the balance sheet date. Deferred tax is measured on an undiscounted basis.

### 17. Pension Schemes

Retirement benefits to employees of the University are provided by the Local Government Pension Scheme (LGPS), the University Superannuation Scheme (USS) and the Teachers' Pension Scheme (TPS). These are defined benefit schemes, with the USS and TPS schemes being multi-employer schemes. It is not possible to identify the assets and liabilities of multi-employer schemes which are attributable to the University on a consistent and reliable basis. In accordance with FRS 102, the USS and TPS pension schemes are accounted for on a defined contribution basis and the contributions to these schemes are included as expenditure in the period in which they are payable in the Statement of Comprehensive Income.

The University has an agreed obligation to fund past deficits of the USS and therefore, recognises the net present value of contributions payable that arise from this agreement as a liability in the Statement of Financial Position (Balance Sheet).

The TPS is an unfunded scheme and there is no liability for past deficits reported for this scheme.

The University is able to identify its share of assets and liabilities of the LGPS. The movement in the defined benefit liability of this scheme, when adjusted for payments into and out of the plan, is charged to the Statement of Comprehensive Income. This cost is the aggregation of changes in the defined benefit obligation and changes in plan assets. To identify this liability the assets of the LGPS are valued using bid values. LGPS liabilities are measured using the projected unit method and discounted at the current rate of return on a high quality corporate bond of equivalent term and currency to the liability. The increase in the present value of the liabilities of the scheme expected to arise from employee service in the period is charged to Operating Expenses, Note 8.

The difference between the fair value of the University's share of the assets held in the LGPS defined benefit pension scheme and the scheme's liabilities measured on an actuarial basis using the projected unit method are recognised in the University's Statement of Financial Position (Balance Sheet) as a pension scheme liability. The carrying value of any resulting pension scheme asset is restricted to the extent that the University is able to recover the surplus through reduced contributions in the future or through funds from the scheme.

Actuarial gains and losses, and movements to the defined benefit pension scheme's assets or liabilities arising from a change in actuarial assumptions are charged to the Statement of Comprehensive Income in accordance with FRS 102.

## STATEMENT OF PRINCIPAL ACCOUNTING POLICIES (CONTINUED)

### 18. Investments

Endowment asset investments are held as cash.

Where charitable donations are to be retained for the benefit of the institution as specified by the donors, these are accounted for as endowments in the reserves on the Balance Sheet. The University has two main types of endowments:

- Expendable endowments - the donor has specified a particular objective other than the purchase or construction of tangible fixed assets, and the Institution can convert the donated sum into income.
- 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.

### 19. Financial Instruments

The University does not hold any non-basic financial instruments. The primary financial instruments are cash, loans, receivables from trade debtors and payables to creditors and suppliers. The recognition of trade debtors and trade creditors is at fair value. Loans, accruals and prepayments are recognised at the amortised cost.

Financial assets and financial liabilities are recognised when the Group becomes a party to the contractual provisions of the instrument. Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the Group after deducting all of its liabilities. All financial assets and liabilities are initially measured at transaction price (including transaction costs), except for those financial assets classified as at fair value through profit or loss, which are initially measured at fair value (which is normally the transaction price excluding transaction costs), unless the arrangement constitutes a financing transaction. If an arrangement constitutes a financing transaction, the financial asset or financial liability is measured at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

Financial assets and liabilities are only offset in the statement of financial position when, and only when there exists a legally enforceable right to set off the recognised amounts and the Group intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously. Financial liabilities are derecognised only when the obligation specified in the contract is discharged, cancelled or expires.

Assets, other than those measured at fair value, are assessed for indicators of impairment at each balance sheet date. If there is objective evidence of impairment, an impairment loss is recognised in the Statement of Comprehensive Income.

### 20. Investment in Subsidiaries

The investment in the subsidiary undertaking is shown at cost less any impairment value. The University carries out an annual impairment review of the investment in the subsidiary.

### 21. Reserves

Reserves are classified as restricted or unrestricted. Restricted endowment reserves include balances which, although endowed to the University, are held as a permanently restricted fund which the University must hold in perpetuity. The following reserves are maintained:

- Unrestricted – where the reserve is not restricted as to its use.
- Designated – this is the designated pensions reserve reported in Note 23.
- Restricted – where the University holds funds for which the donor has placed restrictions on their use.

## Consolidated and University Statement of Comprehensive Income and Expenditure For the Year Ended 31 July 2023

	Notes	Consolidated		University	
		2023	2022	2023	2022
		£'000	£'000	£'000	£'000
<b>Income</b>					
Tuition fees and education contracts	1	<b>224,103</b>	151,422	<b>224,103</b>	151,422
Funding body grants	2	<b>18,023</b>	13,986	<b>18,023</b>	13,986
Research grants and contracts	3	<b>1,715</b>	1,939	<b>1,715</b>	1,939
Other income	4	<b>18,715</b>	18,485	<b>18,575</b>	18,342
Investment income	5	<b>1,252</b>	2	<b>1,243</b>	2
<b>Total income</b>		<b>263,808</b>	185,834	<b>263,659</b>	185,691
<b>Expenditure</b>					
Staff costs	6	<b>88,509</b>	79,457	<b>88,405</b>	79,384
Interest and other finance costs	7	<b>2,658</b>	2,523	<b>2,658</b>	2,523
Other operating expenses		<b>159,353</b>	100,780	<b>159,351</b>	100,738
Depreciation and Amortisation	9 & 11	<b>9,900</b>	8,446	<b>9,900</b>	8,446
<b>Total Expenditure</b>	8	<b>260,420</b>	191,206	<b>260,314</b>	191,091
<b>Surplus/(Deficit) for the year before loss on disposal of fixed assets</b>		<b>3,388</b>	(5,372)	<b>3,345</b>	(5,400)
<b>Impairment of Fixed Assets</b>		-	-	-	-
<b>(Loss)/Profit on disposal of fixed assets</b>		<b>(146)</b>	365	<b>(146)</b>	<b>365</b>
<b>Surplus/(Deficit) for the year</b>		<b>3,242</b>	(5,007)	<b>3,199</b>	(5,035)
Endowment comprehensive income for the year	17	<b>(30)</b>	85	<b>(30)</b>	85
Actuarial gain in respect of pension schemes	23	<b>9,880</b>	80,564	<b>9,880</b>	80,564
<b>Total comprehensive Surplus for the year</b>		<b>13,092</b>	75,642	<b>13,049</b>	75,614
Represented by:					
Endowment comprehensive (losses)/income for the year	17	<b>(30)</b>	85	<b>(30)</b>	85
Unrestricted comprehensive gain for the year		<b>13,122</b>	75,557	<b>13,079</b>	75,529
<b>Surplus for the year attributable to the University</b>		<b>13,092</b>	75,642	<b>13,049</b>	75,614

## Consolidated and University Statement of Changes in Reserves For the Year Ended 31 July 2023

Consolidated	Income and expenditure account			Total
	<i>Endowment</i>	<i>Restricted</i>	<i>Unrestricted</i>	
	£'000	£'000	£'000	£'000
<b>Balance at 1 August 2021</b>	<b>399</b>	<b>39</b>	<b>49,011</b>	<b>49,449</b>
Deficit from the income and expenditure statement	-	-	(5,007)	(5,007)
Other comprehensive income	84	1	80,564	80,649
<b>Total comprehensive income for the year</b>	<b>84</b>	<b>1</b>	<b>75,557</b>	<b>75,642</b>
<b>Balance at 31 July 2022</b>	<b>483</b>	<b>40</b>	<b>124,568</b>	<b>125,091</b>
<b>Balance at 1 August 2022</b>	<b>483</b>	<b>40</b>	<b>124,568</b>	<b>125,091</b>
Surplus from the income and expenditure statement	-	-	3,242	3,242
Other comprehensive income	(25)	(5)	9,880	9,850
<b>Total comprehensive income for the year</b>	<b>(25)</b>	<b>(5)</b>	<b>13,122</b>	<b>13,092</b>
<b>Balance at 31 July 2023</b>	<b>458</b>	<b>35</b>	<b>137,690</b>	<b>138,183</b>
<b>University</b>	<b>Income and expenditure account</b>			<b>Total</b>
	<i>Endowment</i>	<i>Restricted</i>	<i>Unrestricted</i>	
	£'000	£'000	£'000	£'000
<b>Balance at 1 August 2021</b>	<b>399</b>	<b>39</b>	<b>49,065</b>	<b>49,503</b>
Deficit from the income and expenditure statement	-	-	(5,035)	(5,035)
Other comprehensive income	84	1	80,564	80,649
<b>Total comprehensive income for the year</b>	<b>84</b>	<b>1</b>	<b>75,529</b>	<b>75,614</b>
<b>Balance at 31 July 2022</b>	<b>483</b>	<b>40</b>	<b>124,594</b>	<b>125,117</b>
<b>Balance at 1 August 2022</b>	<b>483</b>	<b>40</b>	<b>124,594</b>	<b>125,117</b>
Surplus from the income and expenditure statement	-	-	3,199	3,199
Other comprehensive income	(25)	(3)	9,880	9,852
<b>Total comprehensive income for the year</b>	<b>(25)</b>	<b>(3)</b>	<b>13,079</b>	<b>13,051</b>
<b>Balance at 31 July 2023</b>	<b>458</b>	<b>37</b>	<b>137,673</b>	<b>138,168</b>

## Consolidated and University Statement of Financial Position As at 31 July 2023

	Notes	As at 31 July Consolidated		As at 31 July University	
		2023 £'000	2022 £'000	2023 £'000	2022 £'000
<b>Non-current assets</b>					
Tangible assets	9	167,356	169,897	167,356	169,897
Assets held for resale	9a	-	2,217	-	2,217
Investments	10	-	-	450	450
Intangible assets	11	16,956	16,013	16,956	16,013
		<u>184,312</u>	<u>188,127</u>	<u>184,762</u>	<u>188,577</u>
<b>Current assets</b>					
Stock		239	241	239	241
Trade and other receivables	12	104,597	69,468	104,674	69,478
Cash and cash equivalents	18	55,312	34,323	55,086	34,040
		<u>160,148</u>	<u>104,032</u>	<u>159,999</u>	<u>103,759</u>
Less: Creditors: amounts falling due within one year	13	(141,192)	(98,430)	(141,508)	(98,581)
<b>Net current assets</b>		<u>18,956</u>	<u>5,602</u>	<u>18,491</u>	<u>5,178</u>
<b>Total assets less current liabilities</b>		<u>203,268</u>	<u>193,729</u>	<u>203,253</u>	<u>193,755</u>
Creditors: amounts falling due after more than one year	14	(54,041)	(50,190)	(54,041)	(50,190)
<b>Provisions</b>					
Pension liability LGPS	23	-	(5,953)	-	(5,953)
Other provisions	16	(11,044)	(12,495)	(11,044)	(12,495)
<b>Total net assets</b>		<u>138,183</u>	<u>125,091</u>	<u>138,168</u>	<u>125,117</u>
<b>Restricted Reserves</b>					
Income and expenditure reserve - endowment reserve	17	35	40	35	40
<b>Unrestricted Reserves</b>					
Income and expenditure reserve - endowment reserve	17	458	483	458	483
Income and expenditure - Local Government Pension Scheme reserve		-	(5,953)	-	(5,953)
Income and expenditure reserve - unrestricted includes pension		137,690	130,521	137,675	130,547
		<u>138,148</u>	<u>125,051</u>	<u>138,133</u>	<u>125,077</u>
<b>Total Funds</b>		<u>138,183</u>	<u>125,091</u>	<u>138,168</u>	<u>125,117</u>

The Financial Statements on pages 44 to 77 were approved and authorised for issue by the Governing Body on 28 November 2023 and signed on its behalf by:

Professor R Thirunamachandran  
Vice Chancellor and Principal  
Canterbury Christ Church University  
Registered company number 04793659

Ms J Armitt  
Pro-Chancellor (Chair of the Governing Body)

## Consolidated Cash Flow Statement For the Year ended 31 July 2023

	Notes	2023	2022
		£'000	£'000
<b>Cash flow from operating activities</b>			
Surplus/(deficit) for the year		3,242	( 5,007)
<b>Adjustment for non-cash items</b>			
Depreciation and amortisation	9/11	9,900	8,446
Decrease/(increase) in stock		2	( 15)
(Increase) in debtors	12	( 35,129)	( 45,072)
Increase in creditors	13	41,579	47,244
(Decrease)/increase in other provisions	16	( 1,451)	5,960
Pension charges	23	3,973	10,289
<b>Adjustment for investing or financing activities</b>			
Investment income	5	( 1,252)	( 2)
Interest payable	7	2,502	1,336
Endowment income and donations	17	( 43)	( 128)
Loss/(profit) on the sale of tangible assets	9	146	( 365)
Capital Grant income	2	( 1,751)	( 1,936)
<b>Net cash inflow from operating activities</b>		<u>21,718</u>	<u>20,750</u>
<b>Cash flows from investing activities</b>			
Proceeds from sales of fixed assets	9	2,097	4,999
Investment income	5	1,252	2
Payments made to acquire tangible and intangible assets	9/11	( 8,328)	( 7,816)
Payments from endowment assets	17	( 74)	( 38)
Capital grant receipts	2/14	1,751	2,562
<b>Net cash (outflow) from investing activities</b>		<u>( 3,302)</u>	<u>( 291)</u>
<b>Cash flows from financing activities</b>			
Interest paid	7	( 2,502)	( 1,336)
Endowment cash received	17	41	128
New unsecured loans	14	14,000	( 13,000)
Repayments of amounts borrowed	15	( 8,966)	( 2,621)
<b>Net cash (outflow) from financing activities</b>		<u>2,573</u>	<u>( 16,829)</u>
<b>Increase in cash and cash equivalents in the year</b>		<u>20,989</u>	<u>3,630</u>
Cash and cash equivalents at beginning of the year	18	34,323	30,693
Cash and cash equivalents at end of the year	18	55,312	34,323

# Notes to the Financial Statements

## Consolidated & University

### 1. TUITION FEES AND EDUCATIONAL CONTRACTS

	Notes	2023 £'000	2022 £'000
Full-time home and European students		204,683	137,571
Full-time Students Overseas		11,462	5,733
Part-time Students		4,179	4,799
Total fees paid by or on behalf of individual students		<u>220,324</u>	<u>148,103</u>
Education contracts		3,779	3,319
Total		<u><u>224,103</u></u>	<u><u>151,422</u></u>

## Consolidated & University

### 2. FUNDING BODY GRANTS

		2023 £'000	2022 £'000
<b>Recurrent grant</b>			
Office for Students		8,573	5,899
Research England		3,672	2,690
Education and Skills Funding Agency		<u>2,984</u>	<u>2,433</u>
<b>Total recurrent grants</b>		<b>15,229</b>	<b>11,022</b>
<b>Specific grants</b>			
Department for Health and Social Care		-	16
Challenge Competitions		28	141
Higher Education Innovation Fund		735	694
QR Strategic Priorities Fund 2019-20		-	50
QR Policy Support		50	-
Enhancing Research Culture		150	-
QR Participatory Research		20	20
Department for Education		60	107
<b>Total specific grants</b>		<u>1,043</u>	<u>1,028</u>
<b>Capital grant received and recognised in the year</b>			
<b>SELEP</b>		328	896
<b>OfS - Capital</b>		473	828
OfS - Teaching Capital Investment Fund		100	30
OfS - Research Capital Investment Fund		150	81
HEE - Kent and Medway Medical School		700	101
<b>Total capital grants</b>		<u>1,751</u>	<u>1,936</u>
<b>Total</b>		<u><u>18,023</u></u>	<u><u>13,986</u></u>

## Notes to the Financial Statements (continued)

### Consolidated & University

<b>3. RESEARCH GRANTS AND CONTRACTS</b>	<b>2023</b>	2022
	<b>£'000</b>	£'000
Research Councils	<b>20</b>	119
Research Charities	<b>265</b>	242
Government UK & Overseas	<b>661</b>	740
Industry Commerce Public	<b>68</b>	81
Other grants and contracts	<b>701</b>	757
	<b><u>1,715</u></b>	<u>1,939</u>

### Consolidated

<b>4. OTHER OPERATING INCOME</b>	<b>2023</b>	2022
	<b>£'000</b>	£'000
Residences, catering and conferences	<b>8,255</b>	7,773
Other income generating activities	<b>9,857</b>	10,375
Other operating income	<b>603</b>	337
	<b><u>18,715</u></b>	<u>18,485</u>

Other income generating activities above include Teach First, consultancy fees and consultancy contracts, social work and community engagement.

### Consolidated

<b>5. INVESTMENT INCOME</b>	<b>2023</b>	2022
	<b>£'000</b>	£'000
Bank interest receivable	<b>1,252</b>	2
	<b><u>1,252</u></b>	<u>2</u>

## Notes to the Financial Statements (continued)

### 6. STAFF COSTS

All Staff are employed by Canterbury Christ Church University. The average monthly number of persons (including senior post holders) employed during the year, expressed as full time equivalents was:

	<b>2023</b>	<b>Consolidated</b>	<b>2022</b>
	<b>Number</b>		<b>Number</b>
Academic Staff	<b>627</b>		617
Professional Service Staff	<b>828</b>		720
Academic Support Staff	<b>209</b>		225
Total	<b><u>1,664</u></b>		<b><u>1,562</u></b>
	<b>2023</b>		<b>2022</b>
	<b>£'000</b>		<b>£'000</b>
<b>Staff costs</b>			
Wages and salaries	<b>69,031</b>		62,055
Social security costs	<b>6,716</b>		6,038
Other pension costs	<b>12,762</b>		11,364
Total	<b><u>88,509</u></b>		<b><u>79,457</u></b>

The other pension costs represents the total value of contributions due in the year to TPS, USS and LGPS. An additional cost of £3,817k (2022: £9,107k) is recognised within other operating expenses relating to the balance between the contributions due to the LGPS and the actuarially calculated service cost. The total expense recognised for the year can be seen within note 23.

Included in Wages and salaries and other pension costs are severance payments of £660,132 for 30 members of staff (2022: £246,220 for 21 members of staff), which includes staff who were recently granted voluntary redundancy. The University has in place a redundancy policy that is applied for all instances of restructuring that may generate a redundancy situation. Although every effort is taken to minimise the risk of redundancy, where redundancies are unavoidable, the University will endeavour to handle them fairly, consistently, empathetically and with dignity. The policy defines the measures that will be taken to ensure this, through providing meaningful information, and consulting and involving employees and recognised trade unions regarding proposals for organisational change.

#### Key management personnel

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the University. Staff costs includes compensation paid to key management personnel. Compensation consists of salary and benefits, including any employer's pension contribution. The Key Management Personnel in the University are members of the Senior Management Team.

In 2022/2023 there were 12 senior post holders. In 2021/2022 two senior post holders retired from the University with both the previous and current post holders being reported for the same year, hence there were 15 individuals reported as post

	<b>2023</b>	<b>2022</b>
	<b>£'000</b>	<b>£'000</b>
Key management personnel compensation	<b><u>1,929</u></b>	<b><u>1,676</u></b>

## Notes to the Financial Statements (continued)

### 6. STAFF COSTS (CONTINUED)

#### Higher paid staff

Salary Range	2023 Number	2022 Number
£100,000 to £104,999	3	1
£105,000 to £109,999	1	2
£110,000 to £114,999	5	1
£115,000 to £119,999	1	-
£120,000 to £124,999	-	1
£125,000 to £129,999	-	1
£130,000 to £134,999	1	1
£140,000 to £ 144,999	-	-
£150,000 to £154,999	1	1
£155,000 to £155,999	-	-
£160,000 to £164,999	-	-
£165,000 to £169,999	-	-
£170,000 to £174,999	-	-
£175,000 to £179,999	-	-
£180,000 to £185,000	1	-
	<u>13</u>	<u>8</u>

The emoluments paid to the five members of the Governing Body (2022: 5) and their accrued benefits under defined benefits pension schemes are shown below:

	2023 £'000	2022 £'000 Restated
Salaries	509	489
Employer's pension contributions	66	62
Total	<u>575</u>	<u>551</u>

#### Emoluments of the Vice-Chancellor, being the highest paid director

	2023 £'000	2022 £'000
Salary	282	271
Employer's pension contributions	18	15
Total emoluments of the Vice-Chancellor	<u>300</u>	<u>286</u>

The emoluments of the Vice Chancellor are shown on the same basis as for higher paid staff. There have been no non-taxable or taxable benefits paid to the Vice Chancellor in the year other than those that are for the reimbursement of business travel and other business expenses. These are claimed in line with the University's staff expenses policy. The Vice Chancellor's expense claims and charges are approved by the Pro-Chancellor and published on the University's website.

The Vice Chancellor has enhanced opt out membership of the USS Pension Scheme, and therefore, the contribution made by the University to the scheme on his behalf is at the significantly lower contribution rate of 6.3%. The enhanced opt out rate of contribution was increased by the USS pension scheme in March 2022 from 2.5% to 6.3%.

The pay ratio of the Vice Chancellor's total emoluments as a ratio to the median of the total emoluments for all staff is 8.2:1 (2022: 8.1:1). The pay ratio of the Vice Chancellor's basic salary as a ratio to the median of the basic salary of all staff is 7.8:1 (2022: 7.9:1). These calculations are on a full time equivalent basis for all staff employed by the University whose payroll charges are included in the real time information report to HM Revenue and Customs.

## Notes to the Financial Statements (continued)

### 6. STAFF COSTS (CONTINUED)

#### Directors' Emoluments

The remuneration of the Vice-Chancellor is determined by the Remuneration Committee which is made up of Independent Members only and chaired by Ms Nadra Ahmed. From November 2018, the Committee has been supplemented to include an external member who is not a member of the Governing Body. In addition, the President of the Students' Union has been a member of this Committee since November 2021. The decisions of the Remuneration Committee are reported in writing to the full Governing Body.

The remuneration of the Vice-Chancellor is based on an annual appraisal against objectives carried out by the Pro-Chancellor. Any annual increase in the Vice-Chancellor's pay is based on a senior salary framework, which was approved by the Remuneration Committee in 2014 and applies equally to all members of the Senior Management Team. The framework is based on a 3-point scale for assessment and performance – exceptional, excellent and requiring improvement. The pay increase for an 'excellent' rating is pegged to the annual national pay award for all staff (total 3% in 2021/22).

Based upon the Vice-Chancellor's performance in 2020/21, the committee agreed with the Pro-Chancellor's assessment that this represented excellent performance and accordingly a pay increase of 3% was approved by the committee. In support of this assessment, the committee noted the excellent leadership of the Vice-Chancellor through a more stable year than the previous one with the successful delivery of key strategic objectives such as the final pieces of the estates strategy being completed, the University had an excellent result in the REF, it was a very successful year financially, partly as a result of the new partnerships secured the previous year, and at the third attempt the new student records system (MOSI) went live.

The Vice-Chancellor's understanding and influence on national policy issues is invaluable with him undertaking key roles as a member of the Board of Universities UK. The Vice-Chancellor also makes a distinctive contribution to regional life including his role as a non-executive director of the Medway Foundation NHS Trust. His performance as senior lead for fundraising and raising the profile of the Engineering and Medical Schools, working with the Kent & Medway Economic Partnership, NHS, charities and local business is also commendable.

The Vice-Chancellor's leadership helped to ensure a significant improvement in the University's NSS score. A plan for improving the University's league table position was advanced as part of the work on Vision 2030. The Climate Emergency strategy was prepared and supported by the Governing Body and the new Academy for Sustainable Futures was launched. There were a number of other highlights in the year, including completing the outstanding graduation ceremonies, and celebrating the University's diamond jubilee, and in particular holding the Thanksgiving service at which the Archbishop of Canterbury preached on 30 September 2022.

The University is a Church of England foundation and one in which values are prominent in the policies, procedures and ways of working for staff and students. The Vice-Chancellor leads and upholds these values in an exemplary way.

The Vice-Chancellor has been in post at Canterbury Christ Church University since 2013 and is held in considerable esteem across the Higher Education sector following many years of experience gained in senior roles within the Higher Education Funding Council and universities.

## Notes to the Financial Statements (continued)

7. INTEREST PAYABLE AND OTHER FINANCE COSTS	Consolidated & University	
	2023	2022
	£'000	£'000
Bank loans not wholly repayable within five years	2,502	1,336
Net charge on pension schemes	156	1,187
<b>Total</b>	<b>2,658</b>	<b>2,523</b>

8. ANALYSIS OF TOTAL EXPENDITURE BY ACTIVITY	Consolidated	
	2023	2022
	£'000	£'000
Academic departments	177,625	110,426
Academic services departments	5,667	5,362
Administration and central services	34,445	31,390
Premises	14,122	17,612
Residences, catering and conferences	12,212	11,824
Research grants and contracts	2,124	2,470
Other expenses	1,667	1,144
Depreciation	9,900	8,446
Interest payable and other finance costs	2,658	2,532
<b>Total</b>	<b>260,420</b>	<b>191,206</b>

Other operating expenses include:	Consolidated	
	2023	2022
	£'000	£'000
Fees payable for auditing of the financial statements of the parent company	52	39
Fees payable for auditing the subsidiary company	5	4
Other fees payable to the group auditor - grant and pension assurance review	5	4
Operating lease rentals - land and buildings	7,023	6,903
Operating lease rentals - equipment	152	171

8a ACCESS AND PARTICIPATION	Consolidated	
	2023	2022
	£'000	£'000
Access Investment (i)	961	854
Financial Support	4,657	3,265
Disability Support (i)	1,553	1,364
Research and Evaluation	80	8
<b>Total</b>	<b>7,251</b>	<b>5,491</b>

(i) £1,356k of these costs are included in the staff cost figures included in the financial statements, note 6, (2022: £1,452k).

The published Access and Participation plan is available on: <https://www.canterbury.ac.uk/about-us/access-and-participation>

## Notes to the Financial Statements (continued)

### 9. TANGIBLE ASSETS

#### Consolidated and University

	Freehold Land and Buildings	Assets under Construction	Fixtures, Fittings and Equipment	Plant and Machinery	Total
Cost and deemed cost for land and buildings	£'000	£'000	£'000	£'000	£'000
At 1 August 2022	178,971	3,061	32,902	8,017	222,951
Additions	-	5,523	-	-	5,523
Assets coming into use	997	(4,455)	2,711	747	-
Disposals	(272)	-	(2,256)	(237)	(2,765)
<b>At 31 July 2023</b>	<b>179,696</b>	<b>4,129</b>	<b>33,357</b>	<b>8,527</b>	<b>225,709</b>
<b>Accumulated depreciation and impairment losses</b>					
At 1 August 2022					
Depreciation	(26,218)	-	(21,581)	(5,255)	(53,054)
Charge for the year - Depreciation	(4,472)	-	(2,988)	(578)	(8,038)
Disposals - Depreciation	268	-	2,234	237	2,739
<b>At 31 July 2023</b>	<b>(30,422)</b>	<b>-</b>	<b>(22,335)</b>	<b>(5,596)</b>	<b>(58,353)</b>
<b>Net book value</b>					
<b>At 31 July 2023</b>	<b>149,274</b>	<b>4,129</b>	<b>11,022</b>	<b>2,931</b>	<b>167,356</b>
At 31 July 2022	152,753	3,061	11,321	2,762	169,897
<b>Financed by capital grant:</b>					
<b>At 31 July 2023</b>	<b>-</b>	<b>-</b>	<b>1,751</b>	<b>-</b>	<b>1,751</b>
At 31 July 2022	-	-	1,936	-	1,936

As part of the transition to FRS 102 the University's land and buildings were valued at 31 July 2014 by Strutt and Parker, an external valuer, in accordance with RICS Valuation – professional standards.

#### Heritage Assets

Heritage assets held by the University consists of artwork and assets of cultural interest displayed in the University's campuses held in perpetuity. The total estimated value of the assets as determined at 31 July 2023 is £170,550 (April 2021: £169,550). The recognition value of all items is based on the insurance replacement cost. The heritage assets are not depreciated as their individual value, other than for insurance purposes, is not known. These asset values are not included in the tangible asset note.

There were no tangible assets held by the subsidiary company.

## Notes to the Financial Statements (continued)

### 9a TANGIBLE ASSETS HELD FOR RESALE

		Consolidated and	
		Freehold Land and Buildings	Total
		2023 £'000	2023 £'000
<b>Cost</b>	As at 31 July 2022	2,618	2,618
	Disposals	(2,618)	(2,618)
		<u>-</u>	<u>-</u>
<b>Accumulated depreciation and impairment losses</b>			
	As at 1 August 2022		
	Depreciation	(401)	(401)
	Disposals - depreciation	401	401
	<b>As at 31 July 2023</b>	<u>-</u>	<u>-</u>
<b>Carrying value</b>			
	<b>At 31 July 2023</b>	<u>-</u>	<u>-</u>
	At 31 July 2022	<u>2,217</u>	<u>2,217</u>

In August 2022 the sale of Hall Place was completed. This being the last remaining asset held for resale by the University there are no further properties held for future disposal.

## Notes to the Financial Statements (continued)

### 10. FIXED ASSET INVESTMENTS

	Shares/ Capital Contribution	Loans	Total
	£'000	£'000	£'000
	450	-	450
<b>At 1 August 2022 and 31 July 2023</b>	<u>450</u>	<u>-</u>	<u>450</u>

Medco (CCCU) Limited had share capital of 10,000,000 £1 ordinary shares of which 4,500,002 were issued, all owned by Canterbury Christ Church University. £4,500,000 of the £1 ordinary shares were converted from issued and paid up redeemable preference shares at an Extraordinary General Meeting on the 7 November 2006. At an Extraordinary General Meeting held on 26 October 2009, Canterbury Christ Church University agreed to a voluntary reduction in its share capital from £4,500,002 to £449,999.

The subsidiary company Medco (CCCU) Limited had been dormant from July 2012. The company was reactivated and started trading as an agency for temporary staff from 1 February 2015. The results of the subsidiary company have been consolidated with the parent company's statements. The registered address of the subsidiary company is the same as the parent: Anselm, North Holmes Raod, Canterbury, Kent, CT1 1QU.

The Directors and Governing Body believe that the carrying value of the investment is underpinned by the operational value the business provides to the parent company. This support is in the form of agency workers in a range of roles within the University, and to students and graduates in the form of employment opportunities.

## Notes to the Financial Statements (continued)

### 11. INTANGIBLE ASSETS

#### Consolidated and University

	Assets in development £'000	Software £'000	Total £'000
<b>At 1 August 2022</b>	12,782	4,486	17,268
Additions	2,805	-	2,805
Assets coming into use	( 13,443)	13,443	-
<b>At 31 July 2023</b>	<u>2,144</u>	<u>17,929</u>	<u>20,073</u>
<b>Amortisation</b>			
At 1 August 2022	-	1,255	<b>1,255</b>
Charge for the year	-	1,862	<b>1,862</b>
<b>At 31 July 2023</b>	<u>-</u>	<u>3,117</u>	<u>3,117</u>
<b>Net book value</b>			
<b>At 31 July 2023</b>	<u>2,144</u>	<u>14,812</u>	<u>16,956</u>
At 31 July 2022	<u>12,782</u>	<u>3,231</u>	<u>16,013</u>

Intangible assets include software assets that are under development by the University and those that are complete and are brought into use in the year. This includes the development cost of the Medical School programme.

## Notes to the Financial Statements (continued)

### 12. TRADE DEBTORS AND OTHER RECEIVABLES

	Consolidated		University	
	2023 £'000	2022 £'000	2023 £'000	2022 £'000
Trade debtors	83,634	57,886	83,634	57,886
Prepayments and accrued income	20,963	11,582	21,019	11,558
Amount owed by subsidiary company	-	-	21	34
	<u>104,597</u>	<u>69,468</u>	<u>104,674</u>	<u>69,478</u>

The level of debt related to student tuition owed at the end of the year has increased by £32m due to the intake of partnership students.

### 13. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	Consolidated		University	
	2023 £'000	2022 £'000	2023 £'000	2022 £'000
Bank loans	3,796	2,613	3,796	2,613
Trade creditors	22,147	18,204	22,147	18,204
Amount owed to subsidiary company	-	-	306	213
Taxation and social security	3,378	2,983	3,378	2,983
Accruals and deferred income	111,871	74,630	111,881	74,568
Deferred Capital Grants	-	-	-	-
	<u>141,192</u>	<u>98,430</u>	<u>141,508</u>	<u>98,581</u>

Amounts owed to the subsidiary company and amounts owed by the parent company are unsecured, interest free and repayable 30 days from the date of invoice. The bank loans relate to the capital repayment of loan finance to support the campus redevelopment, the purchase of the prison and student accommodation in Broadstairs. The repayment profile has increased since the prior year due to the capital repayments now being made for the termed out loan for the Verena Holmes building, held jointly with Lloyds and Natwest banks. Loans are secured on assets held by the University and the loan agreement restricts further borrowing and indebtedness.

As at 31 July 2023 the University has a debtor of monies owed by the University of Kent of £1,147,704 (2022: a creditor of £1,232,165 was reported).

## Notes to the Financial Statements (continued)

### 14 CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	Consolidated		University	
	2023	2022	2023	2022
	£'000	£'000	£'000	£'000
Secured loans	54,041	29,190	54,041	29,190
Revolving Credit Facility	-	21,000	-	21,000
	<u>54,041</u>	<u>50,190</u>	<u>54,041</u>	<u>50,190</u>

The Revolving Credit Facility was a flexible loan provided jointly by Lloyds and NatWest banks. The credit facility converted to long term finance on 24 April 2023 at the initial loan amount of £34m, amortising over a 20 year profile and is now reported in secured loans.

Loans held with Lloyds and Natwest banks have been secured over the freehold land and buildings included in Tangible fixed assets in note 9.

### 15 BORROWINGS

Lender	Purpose of Loan	Original amount borrowed £'000	Term (Years)	Maturity Date	Interest rate (%)	Amount owed as at 31 July 2023 £'000	Amount owed as at 31 July 2022 £'000
Lloyds Bank	Thanet Campus Development	4,250	23	Dec 2024	5.25	289	479
Lloyds Bank	Thanet Accommodation Development	2,850	30	Dec 2033	5.25	969	1,059
Lloyds Bank	Canterbury Campus Development	8,750	26	Sep 2034	5.34	6,102	6,479
Lloyds Bank	Canterbury Campus Development 1	5,000	25	Dec 2034	2.74	2,875	3,125
Lloyds Bank	Canterbury Campus Development 2	17,250	25	Dec 2034	5.25	10,154	11,010
Lloyds Bank	Canterbury Campus Development 3	5,000	25	Dec 2034	4.06	2,875	3,125
Lloyds Bank	Acquisition of former prison	10,000	19	Dec 2033	7.00	-	6,479
Lloyds Bank	Verena Holmes (50%)	17,500	10	Apr 2033	6.80	17,281	10,500
Natwest	Verena Holmes (50%)	17,500	10	Apr 2033	6.80	17,281	10,500
Salix Finance	Carbon Saving measures - interest free loan	123	4	Apr 2023	0.00	-	25
Salix Finance	Carbon Saving measures - interest free loan	56	4	May 2024	0.00	11	22
<b>Total</b>						<u>57,837</u>	<u>52,803</u>

In April 2018 the University entered into a financing through a Revolving Credit Facility jointly with Lloyds Bank and Natwest to further support the Estates Master Plan for the second phase, including construction of the Verena Holmes building. The total credit agreement was for £47,000,000 for five years with the option to convert to a term loan on completion of the building programme. There was a non-utilisation charge whilst the funds remain committed but undrawn of 0.6%. The utilisation costs were expensed to the Statement of Comprehensive Income. This loan converted to a term loan on a 20 year amortisation profile on 24 April 2023, with £35m being drawn on the conversion date.

On 19 July 2023 the University repaid the full balance outstanding on the loan from Lloyds Bank that had financed the purchase of the former prison site in April 2014. The balance paid to clear the loan was £5.937m.

## Notes to the Financial Statements (continued)

### 15. BORROWINGS (CONTINUED)

	Consolidated and University	
<b>Bank loans and overdrafts</b>	<b>2023</b>	2022
	<b>£'000</b>	£'000
Bank loans and overdrafts are repayable as follows:		
In one year or less	<b>3,796</b>	2,613
Between one year and two years	<b>3,713</b>	2,609
Between two and five years	<b>11,034</b>	7,479
In five years or more	<b>39,294</b>	40,102
Total	<b><u>57,837</u></b>	<u>52,803</u>

### 16. PROVISIONS FOR LIABILITIES

	Consolidated and University	
	<b>2023</b>	2022
	<b>£'000</b>	£'000
Dilapidation provision at the start of the year	<b>1,833</b>	2,442
Additions in year	<b>377</b>	44
Released	<b>( 312)</b>	( 653)
<b>At 31 July</b>	<b><u>1,898</u></b>	<u>1,833</u>

The University has provided for the potential future dilapidation costs in line with the substance of the works required.

	<b>2023</b>	2022
<b>Other Provisions</b>	<b>£'000</b>	£'000
Provisions at the start of the year	<b>10,662</b>	4,093
Additions in year	<b>3,131</b>	7,069
Released	<b>(4,647)</b>	( 500)
Provision at the end of the year	<b><u>9,146</u></b>	<u>10,662</u>

Provision is made for the return of unused funding from prior years, costs relating to fire safety works charges for costs from curriculum changes and an estimate of the net pension liability arising from future pension costs of the Universities Superannuation Scheme.

## Notes to the Financial Statements (continued)

### 17. ENDOWMENTS

	Consolidated and University		2023	2022
	Expendable	Restricted Permanent	Total	Total
	£'000	£'000	£'000	£'000
<b>Opening balance at 1 August 2022</b>				
Capital	483	40	<b>523</b>	438
<b>Movement for the year to date</b>				
New Endowments	32	-	<b>32</b>	122
Interest	11	1	<b>12</b>	1
Expenditure	(68)	(6)	<b>(74)</b>	(38)
	<u>(25)</u>	<u>(5)</u>	<u><b>(30)</b></u>	<u>85</u>
<b>Closing balance at 31 July 2023</b>	<u><b>458</b></u>	<u><b>35</b></u>	<u><b>493</b></u>	<u><b>523</b></u>
<b>Represented by:</b>				
Capital	483	40	<b>523</b>	523
The above amounts are represented by cash balances				
<b>Representing:</b>				
Specific donations	2	-	<b>2</b>	1
Scholarships and bursaries	210	5	<b>215</b>	187
Prize funds	246	30	<b>276</b>	335
	<u><b>458</b></u>	<u><b>35</b></u>	<u><b>493</b></u>	<u><b>523</b></u>

## Notes to the Financial Statements (continued)

### 18. CASH AND CASH EQUIVALENTS

<b>University</b>	At 1st August 2022 £'000	<b>Cash Flows £'000</b>	At 31st July 2023 £'000
Balance at bank	33,531	21,098	<b>54,629</b>
Cash & cash equivalents - endowment assets	509	(52)	<b>457</b>
	<u>34,040</u>	<u>21,046</u>	<u>55,086</u>

### **Consolidated**

	At 1st August 2022 £'000	<b>Cash Flows £'000</b>	At 31st July 2023 £'000
Balance at bank - University	33,531	21,098	<b>54,629</b>
Balance at bank - Medco (CCCU) Limited	283	(57)	<b>226</b>
Cash & cash equivalents - endowment assets	509	(52)	<b>457</b>
	<u>34,323</u>	<u>20,989</u>	<u>55,312</u>

### 19. CONTINGENT LIABILITIES

The conclusion of the Harpur Trust v Brazel case in July 2022 determined that workers who only work for part of the year, but who are on permanent contracts, are effectively entitled to the same holiday allowance as workers who work all year. The University is reviewing its position to ensure it is in compliance with the Court's interpretation of the relevant regulations and is considering the impact on existing and past contracts. The University is unable currently to determine with any certainty whether a provision is required to be reflected in the Financial Statements for the year ended 31 July 2023 and the quantum of any such provision. It is acknowledged that any liability which may arise will need to be recognised in future years.

## Notes to the Financial Statements (continued)

### 20. LEASE OBLIGATIONS AND OTHER COMMITMENTS

At 31 July 2023, Canterbury Christ Church University had annual commitments under non-cancellable operating leases as follows:

	Land and Buildings £'000	Plant and Machinery £'000	Total £'000	2022 £'000
<b>Paid during the year</b>	<b>6,388</b>	<b>4</b>	<b>6,392</b>	6,538
<b>Future minimum lease payments due:</b>				
Not later than 1 year	6,122	1	6,123	6,322
Later than 1 year and not later than 5 years	22,771	-	22,771	23,821
Later than 5 years	65,202	-	65,202	69,781
<b>Total lease payments due</b>	<b>94,095</b>	<b>1</b>	<b>94,096</b>	<b>99,924</b>

The University had outstanding financial commitments in the form of open purchase orders with a total value of £14,420,419 at the year end (2022: £8,450,123). These orders do not form part of the above lease commitments.

Other commitments consist of long term arrangements for the use of Polo Farm facilities by the University for a

Future minimum payments due:	<b>2023</b>	2022
	<b>£'000</b>	£'000
Not later than 1 year	<b>327</b>	328
Later than 1 year and not later than 5 years	<b>1,310</b>	1,311
Later than 5 years	<b>16,829</b>	17,177
	<b>18,466</b>	18,816

### 21. RELATED PARTY DISCLOSURES

Canterbury Christ Church University's subsidiary company, Medco (CCCU) Limited trades as a Unitemps staffing agency, under a franchise arrangement with Warwick University Enterprises Limited. The ultimate controlling party of the subsidiary company is the parent company, the University. The subsidiary company's results have been consolidated with the parent company in these financial statements.

Funding council grants are disclosed on the face of the statement of comprehensive income and in the relevant notes to the financial statements.

### 22. EVENTS AFTER THE REPORTING PERIOD

There are no events to be reported after the reporting period.

## Notes to the Financial Statements (continued)

### 23. PENSION SCHEMES

The three principal pension schemes for Canterbury Christ Church University's staff are the Teacher's Pension Scheme (TPS), the local Government Pension Scheme (LGPS) and the Universities Superannuation Scheme (USS). The schemes are defined benefit schemes. The TPS and USS schemes are both multi-employer schemes and it is not possible to identify the assets of the schemes which are attributable to the University on a consistent and reliable basis. In accordance with FRS 102 the USS and TPS pension schemes are accounted for on a defined contributions basis. The contributions to these schemes are included as expenditure in the period in which they are payable in the Statement of Comprehensive Income.

The University has an agreed obligation to fund past deficits of the USS and therefore, recognises the contributions payable that arise from the agreement as a liability in the Balance Sheet.

The TPS is an unfunded scheme and therefore, no liability for past deficits are reported.

The total employer's pension contribution for Canterbury Christ Church University was:

	<b>2023</b>	2022
	<b>£000</b>	£000
Contribution to TPS	<b>7,067</b>	6,663
Contribution to LGPS	<b>5,316</b>	4,360
Contribution to USS	<b>376</b>	341
	<b><u>12,759</u></b>	<u>11,364</u>
Percentage employers contributions to TPS as at the year end	<b>23.68%</b>	23.68%
Percentage employers contributions to LGPS as at the year end	<b>17.50%</b>	17.50%
Percentage employers contributions to USS as at the year end	<b>21.60%</b>	21.60%

The assumptions and other data relevant to the determination of the contribution levels of the schemes are as follows:

	<b>TPS</b>	<b>LGPS</b>	<b>USS</b>
	<b>31/03/16</b>	<b>31/03/22</b>	<b>31/03/20</b>
Latest actuarial valuations			
<b>Actuarial Method</b>	<b>Prospective benefits</b>	<b>Projected Unit</b>	<b>Projected Unit</b>
Discount rate	5.30%	4.50%	+0.14% to + 1.55%
Salary scale increases per annum	4.20%	3.90%	RPI less RPI/CPI 2020
Pension increases per annum	4.00%	2.90%	2.60%
Market value of assets at date of last valuation	-	£7,702m	£63,000.7m
Nominal market value of assets at date of the last valuation	£196,100m	-	-
Proportion of members accrued benefits covered by the actuarial value of assets	92%	102%	95%

## Notes to the Financial Statements (continued)

### 23. PENSION SCHEMES (CONTINUED)

The most recent valuation of Kent's Local Government Pension Scheme at 31 March 2022 records a surplus of £181m, equivalent to a funding level of assets to liabilities of 102%.

The Teachers' Pension Scheme valuation at 31 March 2012 reported the scheme as having a notional deficit of £15.0 billion. In the valuation report for the year ended 31 March 2016 the notional deficit increased to £22.0 billion.

The latest Universities' Superannuation Scheme valuation at 31 March 2018 indicated that the scheme had a shortfall or deficit of £3.6 billion, equivalent to a funding level of assets to liabilities of 95%.

#### Teachers' Pensions Scheme

The Teachers' Pension Scheme (TPS) is a statutory, contributory, defined benefit scheme. The regulations under which the TPS operates are the Teachers' Pensions Regulations 1997, as amended. These regulations apply to teachers in schools and other educational establishments in England and Wales maintained by local authorities, to teachers in many independent and voluntary-aided schools, and to teachers and lecturers in establishments of further and higher education. Membership is automatic for full-time teachers and lecturers and from 1 January 2007, for teachers and lecturers in part-time employment following appointment or a change of contract. Teachers and lecturers are able to opt out of the TPS.

The Teachers' Pensions Regulations require an annual account, the Teachers' Pension Account, to be kept of receipts and expenditure (including the cost of pensions' increases). From 1 April 2001, the Account has been credited with a real rate of return (in excess of price increases and currently set at 3.1%), which is equivalent to assuming that the balance in the account is invested in notional investments that produce that real rate of return.

Not less than every four years the Government Actuary, using normal actuarial principles, conducts a formal actuarial review of the TPS. The aim of the review is to specify the level of future contributions.

The contribution rate paid into the TPS is assessed in two parts. First, a standard contribution rate (SCR) is determined. This is the contribution, expressed as a percentage of the salaries of teachers and lecturers in service or entering service during the period over which the contribution rate applies, which if it were paid over the entire active service of these teachers and lecturers would broadly defray the cost of benefits payable in respect of that service. Secondly, a supplementary contribution is payable if, as a result of the actuarial investigation, it is found that accumulated liabilities of the Account for benefits to past and present teachers, are not fully covered by standard contributions to be paid in future and by the notional fund built up from past contributions. The total contribution rate payable is the sum of the SCR and the supplementary contribution rate.

Although teachers and lecturers are employed by various bodies, their retirement and other pension benefits, including annual increases payable under the Pensions (Increase) Acts, as provided for in the Superannuation Act 1972, are paid out of monies provided by Parliament. Under the unfunded TPS, teachers' contributions on a 'pay-as-you-go' basis and employers' contributions are credited to the Exchequer under arrangements governed by the above Act. The scheme is accounted for as if it is a defined contribution scheme.

# Notes to the Financial Statements (continued)

## 23. Pension Schemes (continued)

### Universities Superannuation Scheme

USS is valued every three years by professionally qualified independent actuaries using the projected unit method, the rates of contribution payable being determined by the trustees on the advice of the actuaries. In the intervening years, the USS actuary reviews the progress of the USS scheme.

The contribution rate payable by Canterbury Christ Church University to USS is 21.6% of pensionable salaries. The actuary to USS has confirmed that it is appropriate to take the pension costs in Canterbury Christ Church University's financial statements to be equal to the actual contributions paid during the year. In particular, the current contribution rate has regard to the surplus/(deficit) disclosed, the benefit improvements introduced subsequent to the valuation and the need to spread the surplus/(deficit) in a prudent manner over the future working lifetime of current scheme members.

Because of the mutual nature of the scheme, Canterbury Christ Church University is unable to identify its share of the underlying assets and liabilities of the scheme on a consistent and reasonable basis and therefore, accounts for the scheme as if it were a defined contribution scheme. As a result, the amount charged to the income and expenditure account represents the contributions payable to the scheme in respect of the accounting year. The liability for future payments is included in the balance sheet as a provision.

### Local Government Pension Scheme

The LGPS is a funded scheme and is valued every three years by actuaries using the projected unit method, the rates of contribution payable being determined by the members of Kent County Council Superannuation Fund on the advice of the actuaries. In the intervening years, the LGPS actuary reviews the progress of the LGPS scheme.

For LGPS, the actuary has indicated that the resources of the scheme are likely, in the normal course of events, to meet the liabilities as they fall due at the level specified by the LGPS Regulations.

Under the definitions set out in FRS 102 the LGPS is a multi-employer defined benefit pension scheme. In the case of the LGPS, the actuary of the scheme has identified Canterbury Christ Church University's share of its assets and liabilities as at 31 July 2023.

The pension scheme assets are held in a separate trustee administered fund to meet long-term pension liabilities to past and present employees. The trustees of the fund are required to act in the best interests of the funds' beneficiaries. The appointment of the trustees of the fund is determined by the scheme's trust documentation. The trustees are responsible for setting the investment strategy for the scheme after consultation with professional advisors.

The significant assumptions used by the actuary for FRS 102 for the LGPS at 31 July 2023 were:

	<b>2023</b>	2022
	<b>% pa</b>	% pa
Inflation / Pension increase	<b>2.85</b>	2.75
Rate of increase in salaries	<b>3.35</b>	3.25
Discount rate for liabilities	<b>5.15</b>	3.40

It is accepted there is a potential financial impact to the choice of assumptions applied. The University has considered the assumptions to be applied for the year in comparison to assumptions applied by other institutions in the sector.

## Notes to the Financial Statements (continued)

### 23. PENSION SCHEMES (CONTINUED)

The post retirement mortality tables adopted are the S3A tables. These base tables are projected using the CMI 2022 model. The S3PA tables provide for a multiplier of 110% for both males and females. The base tables are projected with a long term rate of improvement of 1.25% p.a., a smoothing parameter of 7.0, and an initial parameter of 0.0%. The weighting parameter for 2022 is 25%.

The assumed life expectations from age 65 are:

	<b>Males</b>	<b>Females</b>
Current Pensioners	20.7 years	23.2 years
Future Pensioners	22.0 years	24.9 years

#### Sensitivity analysis

	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
<b>Adjustment to discount rate</b>	<b>+0.1%</b>	<b>0.0%</b>	<b>-0.1%</b>
Present value of total obligation	123,401	125,390	127,807
Projected service cost	4,677	4,859	5,048
<b>Adjustment to long term salary increase</b>	<b>+0.1%</b>	<b>0.0%</b>	<b>-0.1%</b>
Present value of total obligation	125,539	125,390	125,244
Projected service cost	4,863	4,859	4,856
<b>Adjustment to pension increases and deferred revaluation</b>	<b>+0.1%</b>	<b>0.0%</b>	<b>-0.1%</b>
Present value of total obligation	127,711	125,390	124,134
Projected service cost	5,051	4,859	4,674
<b>Adjustment to life expectancy assumption</b>	<b>+1 Year</b>	<b>None</b>	<b>- 1 Year</b>
Present value of total obligation	129,399	125,390	121,514
Projected service cost	5,044	4,859	4,680

The assets in the LGPS scheme and the expected rate of return for Canterbury Christ Church University were:

	<b>Value at 31 July 2023</b>	<b>Value at 31 July 2022</b>
	<b>£'000</b>	<b>£'000</b>
Equities	<b>99,123</b>	97,517
Gilts	<b>863</b>	861
Bonds	<b>21,275</b>	19,977
Property	<b>15,597</b>	18,079
Cash	<b>1,782</b>	2,798
Absolute return fund	<b>11,132</b>	10,957
Infrastructure	<b>5,736</b>	
	<b><u>155,508</u></b>	<u>150,189</u>
	<b>Value at 31 July 2023</b>	<b>Value at 31 July 2022</b>
	<b>£'000</b>	<b>£'000</b>
<b>Total market value of assets</b>	<b>155,508</b>	150,189
Present value of scheme liabilities	<b>(125,389)</b>	(156,132)
Present value of unfunded liabilities	<b>(1)</b>	(10)
<b>*Surplus/(Deficit) in the scheme – net pension liability</b>	<b><u>30,118</u></b>	<u>(5,953)</u>

\*The surplus in the scheme is subject to an asset ceiling for recognition in the Statement of Financial Position of the University in 2023.

## Notes to the Financial Statements (continued)

### 23. PENSION SCHEMES (CONTINUED)

	2023	2022
	£'000	£'000
<b>Reconciliation of Defined Benefit Obligation</b>		
<b>Opening Defined Benefit Obligation</b>	<b>156,142</b>	223,973
Current Service Cost	9,175	13,680
Interest Cost	5,289	3,575
Change in financial assumptions	( 59,308)	(80,860)
Change in demographic assumptions*	( 2,572)	(4,101)
Contributions by Members	2,009	1,846
Losses on curtailments	-	221
Estimated Unfunded Benefits Paid	(1)	(1)
Estimated Benefits Paid (net of transfers in)	(3,186)	(3,129)
Experience (gain)/loss on defined benefit obligation	17,842	939
<b>Closing Defined Benefit Obligation</b>	<b><u>125,390</u></b>	<b><u>156,143</u></b>

\* The change in demographic assumptions reflects the outcome of the recent McCloud/Sargeant judgement.

	2023	2022
	£'000	£'000
<b>Reconciliation of Fair Value of Employer Assets</b>		
<b>Opening Fair Value of Employer Assets</b>	<b>150,189</b>	147,744
Interest on assets	5,178	2,393
Return on assets less interest	(3,599)	(3,458)
Administration expenses	(92)	(85)
Contributions by the Employer	5,450	4,879
Contributions by Members	2,009	1,846
Other Actuarial gains	(440)	-
Estimated Benefits Paid including unfunded benefits	(3,187)	(3,130)
<b>Closing Fair Value of Employer Assets</b>	<b><u>155,508</u></b>	<b><u>150,189</u></b>

The total return on the fund assets for the year to 31 July 2022 was a loss of £1,065,000 after interest charges are netted off. Scheme assets do not include any Canterbury Christ Church University owned financial instruments or any property occupied by Canterbury Christ Church University.

	2023	2022
	£'000	£'000
<b>Analysis of the amount shown in the balance sheet for LGPS:</b>		
Scheme assets	155,508	150,189
Scheme liabilities	(125,390)	(156,143)
<b>Deficit in the scheme – net pension liability recorded within pensions provisions</b>	<b>30,118</b>	<b>(5,954)</b>
Current service cost including curtailments	9,175	13,901
Admin charge	92	85
<b>Total operating charge:</b>	<b><u>9,267</u></b>	<b><u>13,986</u></b>
<b>Analysis of the amount charged to interest payable for LGPS</b>		
Interest cost	111	1,182
<b>Net charge to other finance income</b>	<b><u>111</u></b>	<b><u>1,182</u></b>
<b>Total profit and loss charge before deduction for tax</b>		
<b>Analysis of other comprehensive income for LGPS:</b>		
Gain on assets	(3,599)	(3,458)
Other actuarial gains/(losses) on assets	(440)	-
Changes to demographic assumptions	2,572	4,101
Financial assumption changes	59,308	80,860
Experience gain/(loss) on defined benefit obligation	(17,842)	(939)
<b>Total other comprehensive income before deduction for tax</b>	<b><u>39,999</u></b>	<b><u>80,564</u></b>

## Notes to the Financial Statements (continued)

### 24. FINANCIAL INSTRUMENTS

<b>Consolidated</b>	<b>2023</b>	<b>2022</b>
	<b>£'000</b>	<b>£'000</b>

#### **Financial Assets**

Financial Instruments are debt instruments measured at amortised cost

Cash and cash equivalents	<b>55,312</b>	34,323
Trade and other debtors	<b>84,109</b>	58,567
	<b><u>139,421</u></b>	<u>92,890</u>

#### **Financial Liabilities**

Financial liabilities measured at amortised cost

Loans	<b>57,837</b>	52,803
Trade creditors	<b>22,147</b>	18,201
Other creditors	<b>111,871</b>	74,630
	<b><u>191,855</u></b>	<u>145,634</u>

<b>University</b>	<b>2023</b>	<b>2022</b>
	<b>£'000</b>	<b>£'000</b>

#### **Financial Assets**

Financial Instruments are debt instruments measured at amortised cost

Cash and cash equivalents	<b>55,086</b>	34,040
Trade and other debtors	<b>84,109</b>	58,567
	<b><u>139,195</u></b>	<u>92,607</u>

#### **Financial Liabilities**

Financial liabilities measured at amortised cost

Loans	<b>57,837</b>	52,803
Trade creditors	<b>22,147</b>	18,201
Other creditors	<b>112,187</b>	74,781
	<b><u>192,171</u></b>	<u>145,785</u>

## Notes to the Financial Statements (continued)

### 25. STUDENT SUPPORT FUNDS

	<b>2023</b>	2022
	<b>Total</b>	Total
	<b>£'000</b>	£'000
<b>DfE Bursaries</b>		
Funding Council grants	<b>973</b>	2,079
Balance brought forward from previous years	<b>391</b>	262
Disbursed to students	<b>(1,186)</b>	(1,950)
	<u><b>178</b></u>	<u>391</u>
<b>HEKSS Paramedic Bursaries</b>		
Funding Council grants	-	2
Balance brought forward from previous years	-	(20)
Travel expenses paid to students	-	20
Disbursed to students	-	(2)
	<u>-</u>	<u>-</u>