



BIRMINGHAM CITY
University

REPORT OF THE BOARD OF GOVERNORS AND FINANCIAL STATEMENTS 2023/24



OUR UNIVERSITY IN 2023/24



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TURNOVER
£337M

STAFF
4,256

STUDENTS
31,571



61%
OF UK-DOMICILED
STUDENTS FROM
MINORITY ETHNIC
BACKGROUNDS

EMPLOYABILITY
92%
IN WORK OR STUDY
AFTER 15 MONTHS



67%
OF UK-DOMICILED
STUDENTS FROM
WEST MIDLANDS

50%
OF ENGLAND-DOMICILED
FULL-TIME UG ENTRANTS
FROM IMD QUINTILE 1

VICE- CHANCELLOR'S FOREWORD



As I mark my first year as Birmingham City University's Vice-Chancellor, it is my pleasure to present the 2023/24 financial statements and annual report. The opportunity to look back at the year, and lay out our future aspirations, arrives at a pivotal moment. In November 2024, we will embark on our new strategy, setting the course for our future as a university. BCU's Strategy 2030 and Beyond articulates our ambition to be an exemplar anchor institution, one that is unafraid to take risks to make a difference; physically and educationally at the heart of its city and region; attracting students from a diverse range of backgrounds; and guided by talented staff.

Every day I have been in post has reinforced my view before joining BCU: this is a unique and special institution. I have been inspired by the commitment of our community; the positive impact we have on our students, our city, and the region is commendable. One example of this is our Accelerate programme, which involves the University working directly with local schools to support pupils from lower-income families or households. This year, the programme has supported more than 1,000 pupils in our local communities through workshops, campus visits, study support and mentoring.

Despite our many successes, this year has not been without challenges. Like many institutions, we are working through complex policy changes and economic conditions that challenge our financial resilience. The University has navigated the financial environment through careful planning and sustainable investments, focusing on optimising our resources and mitigating risks where possible. Nevertheless, I am optimistic as we set our sights on the future with our Strategy for 2030 and Beyond.

Our strategy recognises BCU's role as one of Birmingham's most established institutions and will focus on three strategic pillars: **Develop Talent for Tomorrow, Create Knowledge for Good and Power Prosperity.**

We have maintained our reputation as a beacon of social mobility within the city; our student population remains largely drawn from socially disadvantaged areas of Birmingham. Our academics have worked hard throughout 2023-24 to provide an educational experience that transforms our students and provides a practice-based approach that delivers a clearer route to career opportunities. Delivering outstanding student employability is of paramount importance and I was pleased to see that BCU performed above benchmark in delivering positive outcomes for our full-time and part-time undergraduate students in this year's Graduate Outcomes survey. Our combined efforts have seen BCU being ranked seventh in the 2023 English Higher Education Social Mobility Index, a fitting accolade for our institution.

We have made strides in our education, delivering high quality and accessible degree apprenticeships in partnership with employers. These provide viable and flexible routes into and through education that help our regional economy thrive. From next year onwards, we will deliver additional programmes to meet skills that are in demand in our region, including: construction and built environment, better enabling the transition to carbon net zero; digital; and health and social care.

Our research is influencing the communities around us, whether this is through feasibility studies for AI, insight into the digital exclusion suffered by Gypsy-Roma-Traveller youth, or guidance on physical activity during Ramadan.

And we have strengthened our commitment to embedding the Science, Technology, Engineering, Arts and Mathematics (STEAM) agenda within the University: much of this is exemplified in the continued appeal of STEAMhouse to the region's entrepreneurs and businesses. Notable launches, including the opening of the Digital Labs, demonstrate that BCU remains an institution that prides itself on innovation and collaboration.

We are continuing to develop our estate to enhance the experience of our students and benefit the wider community. This year, our sport and exercise science courses have moved into the world-class Alexander Stadium. The University has invested over £5 million in repurposing parts of the stadium, and the spaces provide the ideal setting to teach and enhance the skills of the next generation of sports therapists, sports scientists, nutritionists, sports coaches, and other sports professionals. We are incredibly proud to help secure the legacy of the Commonwealth Games for the benefit of the city and region.

Our strategy will build on the excellent progress made by BCU during the financial year. Many of our community's other milestones and achievements are detailed in this report.

Looking ahead, implementing our new strategy will be the priority for me and the University Executive Team. I extend my thanks to our University community for their contributions and efforts this year, both in terms of development of the strategy, and continuing to provide an excellent experience for our students. I am confident that by working together, we will make significant strides over the year ahead towards realising an exciting vision for the city and its people.

Professor David Mba, Vice-Chancellor
November 2024

PEOPLE AND CULTURE



MORE THAN 60 COLLEAGUES
WHO HAVE COMPLETED AT
LEAST 20 YEARS OF SERVICE
WERE RECOGNISED AT THIS
YEAR'S LOYALTY AWARD CEREMONY



We are committed to making BCU a truly great place to work. We are determined to create an environment where our people can thrive at work, enjoy their job, and feel supported and valued by the University. In turn, staff will act as advocates of the University as an employer. We recognise the importance of investing in our staff, whether that's from a health and wellbeing perspective, by opening up opportunities to gain further qualifications, or by offering skills development.

Through supporting and developing our workforce, our people will deliver their best, whether that's educating and supporting our students, contributing to research, looking after our campuses across the city, or providing the professional services that support our University's operations.

EMPLOYEE ENGAGEMENT

Our 2023 staff engagement survey had a completion rate of 82%. Engagement levels were strong with a headline score of 69%, up from 58% in 2022. Our ongoing focus is to increase the number of staff recommending the University as a place to work and study.

EQUALITY, DIVERSITY AND INCLUSION

At BCU, we are committed to ensuring our University is a fair organisation where everyone can achieve their potential. Across faculties and professional service departments, we continue to focus on improving outcomes for those who are most disadvantaged. This includes removing systemic barriers in our own organisation and working collaboratively with communities and partner organisations. We are making much needed progress by actively participating in equality standards such as the Race Equality Charter, Athena Swan, and Disability Confident to drive improvement and continue to develop inclusive environments.

There have been several achievements over the last year, including an increase in Athena Swan departmental bronze awards to advance gender equality. This is allowing the University to steadily progress towards achieving the Athena Swan silver award. More students than ever from previously underrepresented communities are progressing into postgraduate research, creating opportunities and strengthening the diversity of the pipeline into academic careers. Additionally, we have been commended for developing impactful guidance on improving inclusivity in relation to physical education in schools during Ramadan.

LEARNING AND DEVELOPMENT

We want our staff to have a long and rewarding career with us. We are creating a number of leadership and management development programmes to enhance staff skills and knowledge, and to support career progression.

During this academic year, over 250 courses have been available to all staff covering topics such as financial skills, leadership and management, equality, diversity, inclusion

and career development. We are also using our levy funds to develop our staff and have several apprenticeship programmes available for staff to access. They cover a range of areas including coaching, customer service, and leadership and management.

LOYALTY AWARDS

We recognise and celebrate the commitment of our long-serving staff members at an annual event titled the Loyalty Award ceremony, the third of which took place at Edgbaston Cricket Ground in July. More than 60 colleagues who have completed at least 20 years of service were recognised at the event, which made for a joyous celebration of their loyalty.

EMPLOYEE VOICE

The Employee Forum, with representation from every area of the University, continues to meet to share information and discuss matters, ranging from strategy and business plans to organisational change.

Working in partnership with our trade union colleagues, we successfully negotiated a pay settlement that saw the University avoid the industrial action that has impacted the sector. We have further developed our formal negotiation and consultation forum (the Joint Negotiating and Consultative Committee), which aids local dialogue to support the progress of our University.

REWARD

The University has established a review of its reward and recognition offer to consider future options for the pay spine, professorial pay, Total Reward Statements, and a staff benefits and discount platform.

We look ahead to the next 12 months with confidence that we will continue to make BCU a great place to work.

HEALTH AND SAFETY

The University has successfully maintained its international certification to the ISO 45001 standard.

NEW WAYS OF WORKING

In 2023, the University's approach to agile working for professional service departments was established. This includes a 'role and team' based approach to agile working (time spent on campus/working from home) set locally at a department level. Guidelines for typical or average days spent in the office are agreed based on activity and to meet the needs of the academic cycle. A similar approach is being embedded with academic staff.



VOLUNTEERING

The University recognises the value of supporting and building community. Staff are able to take a paid day of leave each year to volunteer with local communities and organisations. This initiative continues to be promoted to enable staff to dedicate their time and talents to community projects.

BCU can be proud of all that staff have done for the city and region, both through their work at or away from the University - inspiring others to join in and fulfil the University's mission.

THE UNIVERSITY'S STATEMENT OF PUBLIC BENEFIT

Birmingham City University is an exempt charity by virtue of Schedule 3 of the Charities Act 2011 and as such regulated by the Office for Students (OfS) on behalf of the Charity Commission for England and Wales.

The University's objectives as defined in the Education Reform Act 1988 are to 'provide higher education', to 'provide further education' and to 'carry out research and to publish the results of that research' for the public benefit. The University's Board of Governors serves as its trustees and is responsible for determining the educational character and mission of the University, overseeing and scrutinising its activities. When establishing the strategic direction of the University, the Board of Governors and the University's Executive Team give careful consideration to the Charity Commission's general and supplementary guidance on public benefit and to the guidance issued by the OfS in its capacity as principal regulator on behalf of the commission.

We consider the beneficiaries of our charitable status to be all students (both undergraduate and postgraduate), as well as members of the public in the UK and overseas. We believe universities are institutions of public good and that Birmingham City University transforms lives by providing inspiring environments for its students and staff while sharing their discoveries to benefit the world.

OUR COMMITMENT

Our University is at the heart of Birmingham and the West Midlands, with a strong historic and current civic role. BCU is committed to ensuring that local communities see and enjoy the benefits of having a university on their doorstep. The University delivers a significant contribution to the region's health and wellbeing, education and skills, economy and jobs, and community and regeneration.

A SENSE OF PLACE

A focus on applied learning and on the widening of education to all who can benefit from it remains at the heart of the University and its inherent charitable objectives. The University is committed to supporting personal transformation, and through the transformation

of the life opportunities of our students, driving the success of our communities, city, and region.

We strive to complement and transform the region in a number of ways. This includes accelerating business growth and employability, delivering and sharing practice-based research, training a highly skilled graduate workforce, and maintaining interdisciplinary academic and industry collaborations. A strong sense of place is ingrained into our ethos of public and community engagement. We promote culture and learning to a wider audience through a programme of public events that includes lectures, exhibitions, and artistic performances. The University's schools of Jewellery and Art are heavily involved in the preservation of local heritage, and our Royal Birmingham Conservatoire offers a programme of over 300 concerts for schools and the general public each academic year.

DRIVING HEALTH IMPROVEMENT IN OUR REGION

We make a significant contribution to the health of our region by training hundreds of newly qualified nurses each year. Our Faculty of Health, Education and Life Sciences is one of the leading providers of defence healthcare and employees to the NHS. We offer cutting-edge learning facilities including state-of-the-art lecture theatres and seminar rooms, mock wards, birthing rooms, operating theatres, and virtual reality software. We also continue our work to increase the pipeline of skilled graduates to the local NHS as one of the largest and most diverse providers of health and social care education in the country. Our departments cover Education, Social Work, Adult Nursing, Mental Health, Learning Disabilities, Midwifery and Child Health, Operating Department Practice and Paramedics, Public and Community Health, Radiography, and Speech and Language Therapy.



MORE THAN
1,000 PUPILS
FROM YEAR 7 THROUGH TO
YEAR 11 BENEFITTED FROM THE
BCU ACCELERATE PROGRAMME



RAISING ATTAINMENT IN LOCAL SCHOOLS

BCU Accelerate: In partnership with Aldridge, Plantsbrook and Fairfax schools, and Hamstead Hall Academy, the University has provided attainment-raising workshops in English and science, confidence-building sessions, career awareness work, and campus visits to BCU. The full programme currently reaches 1,020 'average grade' (Grade 4) pupils from year 7 through to year 11, which form the core cohort for the programme from KS3 through to KS5. Embedded within the project is fostering engagement with the wider community through activities involving parents and carers.

AimHigher and UniConnect: Our partnership with AimHigher West Midlands and UniConnect has resulted in the design of a new innovative programme of activity to address lower than expected progression rates of secondary pupils living in 25 identified gap wards. The programme is also raising attainment initiatives of MyTutor for year 11 pupils (maths and English), literacy tutoring for approximately 500 pupils in years 7 - 9, and English CPD for teachers. AimHigher West Midlands delivered a two-day English Excellence programme with English teachers from secondary schools and colleges in the West Midlands to help develop their understanding of the GCSE English language exam. The programme looked to improve their understanding of how marks are awarded so that they can use this knowledge in their classrooms, improving their teaching and positively impacting academic outcomes.

Literacy tutoring in primary schools: BCU delivers an intensive literacy tutoring programme with local primary schools initiated by research and identifying literacy support needs. Each year, approximately 175 year 3 - 6 pupils receive weekly 30-minute 1-2-1 sessions for 10 weeks. In year 6 they attend the University for a graduation ceremony. Attainment is assessed by STAR reports completed by school staff, and the programme is evaluated through a measure of the pupils' reading age score at the start and end of the project.

ACADEMIC EXCELLENCE: AIMING FOR TEF GOLD



Delivering an exceptional student experience and developing career-ready graduates are ongoing ambitions that are central to the University's Strategy for 2030 and Beyond. As such, we continue to build on the strong performance recognised by our 2023 TEF ranking.

ACADEMIC QUALITY

As reported in our last Financial Statement, BCU was awarded Gold for Student Experience, and Silver for its TEF 2023 overall. The next TEF exercise will take place in 2027. In addition to holding a TEF award, BCU remains compliant with the Office for Students (OfS) B Conditions of Registration (those conditions relating to Academic Quality).

STUDENT CONTINUATION

The University remains in line with the sector benchmarks for entrant continuation, delivering 88% continuation for full-time undergraduate entrants. This is in line with the sector benchmark for our four-year average performance. While continuation slipped slightly below the benchmark for 2021/22 entrants, continuation from 2022/23 into 2023/24 has improved by approximately 2.9 percentage points.

A focus on improving first-time pass rates, attendance monitoring, and timely processes for students at risk of withdrawal during the last two academic years has supported the maintenance and improvement of our continuation rates. As part of the University's Strategy for 2030 and Beyond, faculties and their constituent colleges are being set five-year improvement targets.

STUDENT COMPLETION

BCU continues to perform above sector benchmark for the percentage of students who complete their studies, delivering 86.3% in our 2022/23 TEF statistics – this is above the sector benchmark of 85.7%.

PROGRESSION TO EMPLOYMENT

The percentage of our graduates in Highly Skilled Employment or Further Study 15 months after graduation, based on a survey of those who graduated in 2021/22, has remained at a high level (72%) – above the sector benchmark of 70%.

The University's Strategy for 2030 and Beyond puts employability at its heart. This year there has been additional investment in employability initiatives at BCU - including significant curriculum development.

COURSE DEVELOPMENT

A review during 2022/23 means that our portfolio on offer for 2025/26 is more focused and efficient, freeing up resources and space to deliver excellent student outcomes and experience. We are offering a refreshed portfolio of 201 courses for 2025/26, down 75 courses from our 2024/25 offer. A significant development is our new Games Academy, exploiting the synergy

between our Art and Design, and Computing academic strengths and facilities. It will be hosted in the state-of-the-art STEAMhouse building with new dedicated gaming laboratories.

STUDENT SATISFACTION AND ENGAGEMENT

After a strong performance in the National Student Survey (NSS) in 2023 in relation to the sector, the University was disappointed to see a drop in our undergraduate student satisfaction in the NSS 2024. While our reported TEF average values for the NSS are within benchmark – and we still outperform our peers around Assessment and Feedback – key areas that we will be focused on improving are Teaching, Academic Support, and Organisation and Management.

It's encouraging that our student satisfaction for international students is well above the benchmark for six out of seven themes, and our Postgraduate Taught Experience Survey results are excellent – BCU is in the top quartile in the sector for all themes.

The University is committed to driving improvements and several measures are already in place including investment in timetabling processes and systems.

STUDENT EXPERIENCE

The University offers its students a wide range of support services designed to encourage student success, from mental health and disability support to financial assistance. During 2023/24, our Mental Health and Wellbeing team offered 8,984 appointments and registered more than 1,300 new students to its service, allowing free and timely access to counsellors, CBT therapists, mental health advisers, and wellbeing advisers. We also delivered the 'Pause at BCU' wellbeing pop-up, in collaboration with the NHS and The Children's Society, and launched the BCU Wellbeing app to ensure that staff and students can access support for their mental health at any time.

We provided 3,096 students with a plan to ensure they received reasonable adjustments for disability to their assessment and learning. At the same time, we fully launched our support package for care leaver and care experienced students. We delivered a bursary scheme that provided eligible students with £82,500 in funding to support their successful transition into university, between years of study, and into future employment.

Our Money and Childcare Advice team responded with specialist advice and guidance to 3,532 student enquiries, helping students to resolve their financial issues, plan their spending, and access alternative sources of funding.

NSS 2024	QUESTION GROUPS				
	Teaching	Assessment & Feedback	Academic Support	Learning Resources	Student Voice
	Percentage positive response				
BCU	82%	79%	81%	87%	73%
OfS benchmark	84%	79%	84%	87%	75%

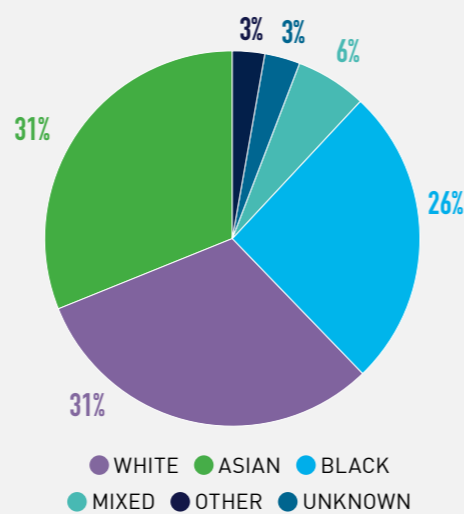
STUDENT NUMBERS

After exceptional high demand for full-time Home provision in 2022/23, our intake in 2023/24 was more in line with historic rates, leading to our overall UK undergraduate population remaining static against last year. Home application and offer making activity during 2023/24 was strong, leading to indications of higher recruitment for 2024/25. Changes to international student visa rules affected our international intake in January 2024 - this meant that BCU international postgraduate entrant numbers over 2023/24 as a whole were down against the high numbers achieved in 2022/23. Home postgraduate recruitment over the last few years has been shaped in part by a reduction nationally in demand for the Postgraduate Certificate in Education (PGCE) - there has been a review and rebalancing of our wider home PGT portfolio over 2023/24. BCU Apprenticeship provision continues to grow steadily, and we expect to see further growth in the coming years in line with the strong employability focus of BCU's emerging strategic direction. Transnational numbers remain steady as a result of a strategic review of partnerships as a springboard for new development in future years.

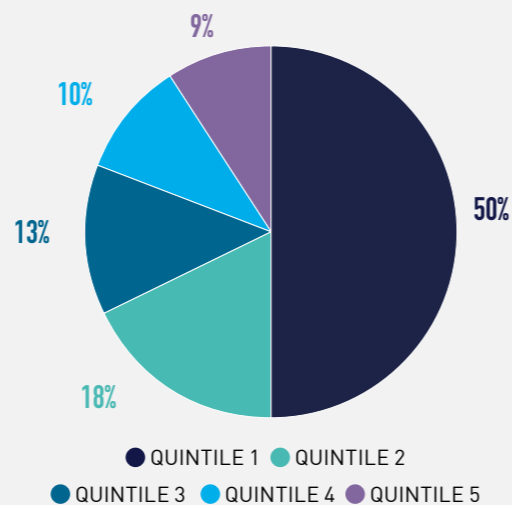
STUDENT DIVERSITY

Our UK undergraduate student body continues to grow in diversity to reflect the plural population of Birmingham and the West Midlands particularly. White students now make up 31% of full-time first degree UK entrants, down from 35% last year - and, for the first time, are no longer the single largest ethnic group. In addition, proportion of full-time undergraduate entrants who come from neighbourhoods categorised with highest levels of multiple deprivation has grown from 44% to 50% in 2023/24. These demographic changes provide further evidence to back the robust emphasis on addressing inequalities - in degrees awarded, in continuation and in progression to employment - which forms part of BCU's Access and Participation Plan. This emphasis is also the basis for Project Zero and is a strong cross-sectional theme in the University's Strategy for 2030 and Beyond.

BCU ETHNICITY FULL-TIME FIRST DEGREE ENTRANTS 2023/24

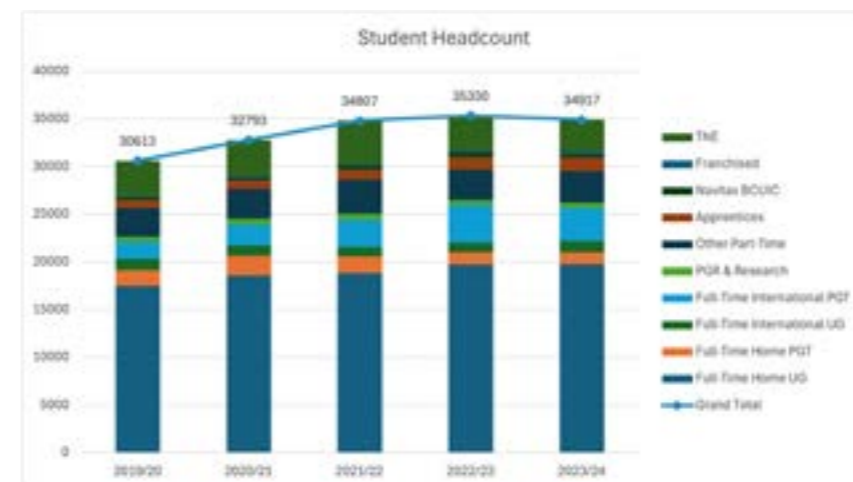


BCU INDICES OF MULTIPLE DEPRIVATION (IMD) UK FULL-TIME FIRST DEGREE ENTRANTS 2023/24



Fee status / Level	2019/20	2020/21	2021/22	2022/23	2023/24**
UK UG (FT)	17,466	18,559	18,819	19,746	19,760
UK PGT (FT)	1,678	2,090	1,744	1,253	1,237
International UG (FT)	1,160	1,067	999	1,026	1,182
International PGT (FT)	1,743	2,177	2,781	3,915	3,443
Total FT	22,047	23,893	24,343	25,940	25,622
PGR students	610	632	682	563	572
Part time	2,984	3,128	3,613	3,174	3,312
Apprentices	835	917	1,068	1,298	1,425
BCUIC (franchise)	266	246	388	522	319
Other	187	178	191	247	321
Total population*	26,929	28,994	30,285	31,744	31,571
Transnational Education***	3,684	3,799	4,522	3,586	3,346
Total population	30,613	32,793	34,807	35,330	34,917

FT = full-time PGT = postgraduate taught
 PGR = postgraduate research BCUIC = BCU International College
 * HESA definition ** Provisional *** Taught overseas





ACCESS AND PARTICIPATION PLAN

BCU has an extremely diverse student population, with a large proportion of students from socio-economic disadvantaged areas, as measured by the index of multiple deprivation (IMD). For 2023/24, 66% of our full-time undergraduate entrants were from ethnic minorities and 49% – our highest ever proportion – from IMD Quintile 1 (the most deprived neighbourhoods). Over 50% of our young undergraduate entrants are the first in their family to study at university.

The OfS requires all registered providers to have an approved Access and Participation Plan (APP) in place. With 2022/23 data available, our current status shows that we are on track to meet our targets of reducing gaps in recruitment from areas of low participation and reducing gaps in continuation between identified groups. The size of degree awarding gaps between mature and younger students and disabled and non-disabled students have also reduced to meet and exceed our targets. However, BCU continues to report a large ethnicity degree awarding gap and degree awarding gap between students of high and low levels of deprivation and a significant gap between the progression rates to employment for White and Asian students.

BCU volunteered for and has been selected to be one of a small number of providers to participate in the OfS 'Wave 1' trial for developing APP objectives for 2024-25 to 2027-28. This [plan](#) was approved by the OfS in October 2023. It accepts that BCU is performing exceptionally well at widening access to higher education, and therefore delivers a clear-eyed focus on addressing the ethnicity degree awarding gap. This will be implemented through specific workstreams including work on transition and assessment, and a renewed student mentoring scheme called Peer Navigators. New academic tutors will also be appointed to work with target groups in each faculty.

BCU was one of six universities to be chosen to participate in an APP evaluation project funded by TASSO (Transforming Access and Student Outcomes), supported by the OfS. This focused on the development of Theories of Change for our APP workstreams, which are now embedded in our evaluation plan.

Professor David Mba initiated a related programme, Project Zero, shortly after arriving at BCU as Vice-Chancellor. In addition to the data-focused work on the APP workstreams, Project Zero is driving evidence-based cultural and behavioural change for staff and students.

GRADUATE OUTCOMES

The latest Graduate Outcome data, based on 2021/22 leavers, indicated that the percentage of full-time UK domiciled first-degree students in high skilled employment and/or further study was 71.5% – set against an OfS threshold of 60%. Of particular note were considerable school and subject level improvements in Media and English, Architecture and Design, and Social Sciences. The University also saw a decrease in unemployment levels for the third consecutive year.

The new long-term Strategy for Employability was operationalised in 2023/24. This has driven an uplift in employability engagement through proactive outreach and coaching appointments, encouraging every student to build on the aspiration, knowledge, and experience appropriate for succeeding in an ever-changing digital, global world. The new Strategy aligns to BCU's ambition and targets for TEF Gold, enabling employability support from point of entry.

Operationally, significant levels of work took place across the University to drive positive outcomes for BCU's students and graduates. Following new approaches to working and

close partnership between the Employability team and facilities. Over 36,344 careers and employability advice interactions took place with students and graduates – an uplift of 15% from 2022/23.

Support for entrepreneurship also grew. This was exemplified by the opening of a new location for the Hatchery within STEAMhouse, the launch of the enterprise placement year, and growth in the Hatchery programme which received 194 applications – nearly double the number received last year. BCU is now ranked 12th nationally and 1st in the West Midlands for student and graduate start-ups.

Work continued in building stakeholder relationships with third sector and employability groups, alongside continued partnerships with stakeholders such as Birmingham City Council, and continued collaboration with Barnardo's to facilitate a mentoring partnership. More than 5,000 students were engaged with employer-related activities in 2023/24 including fairs, pop-ups, and embedded and optional sessions. This year also saw BCU's biggest Careers Fair to date. 1,500 students and graduates met and networked with employers in Autumn 2023, exceeding last year's attendance by 40%.



EXCELLENCE IN EDUCATION AND STUDENT ENGAGEMENT REMAINS AT THE HEART OF EVERYTHING WE DO.



PROJECT ZERO

IS DRIVING EVIDENCE-BASED CULTURAL AND BEHAVIOURAL CHANGE FOR STAFF AND STUDENTS.



ACHIEVE TARGETS

WE AIM TO BE RANKED IN THE TOP QUARTILE AMONG COMPARATOR INSTITUTIONS FOR OVERALL EMPLOYMENT OF OUR FULL-TIME UK UNDERGRADUATES, AND THE TOP QUARTILES FOR HIGHER-LEVEL EMPLOYMENT

LEADING LOCALLY ENGAGING GLOBALLY

Over the course of the year, the University continued its drive to be the partner of choice for industry, cultural organisations, and public service providers, based on distinctive partnerships of mutual value domestically and internationally. The University's Strategy for 2030 and Beyond underlines the importance of continuing to transform people, place, and enterprise.

ENTERPRISE

Across the 2023/24 academic year, concentration was placed on the translation of knowledge exchange and enterprise activity into impact, stimulating skills, business development, and productivity.

The Engagement, Enterprise, and Innovation directorate, oversaw the continued delivery of a £12.3m project portfolio. This included the Higher Level Skills Match (HLSM) project, which provided bespoke business support. The STEM-Up initiative offered STEM-based upskilling provision and WMCA Skills Bootcamps in climate literacy and adaptive re-use/retrofit to driving new knowledge and the skills acquisition needed by employers across the region.

The academic year was again typified by strong performance in BCU's Knowledge Transfer Partnership (KTP) activity – business improvement programmes designed to help SMEs increase profitability and achieve growth. By year end, BCU had 34 KTPs live, in progress, or that had been completed in year (ranked 7th in the UK by UKRI in terms of volume), with a portfolio value of £5.7m.

Work also continued in driving an uplift in institutional Knowledge Exchange Framework (KEF) performance under the 'working with business' perspective – consultancy, hire of facilities, collaborative research, and contract research. Specific measures included commercial training programmes for the academic community to support an uptick in performance, alongside promotion of academics to external audiences through B2B marketing, particularly where there is demand for commercial services.

INTERNATIONAL PARTNERSHIPS

Strong and sustainable international partnerships are central to the University's ambitions and to its global reach. Our international partnerships support the University's international student recruitment onto BCU courses delivered in the UK and abroad, our research and enterprise reputation in the international arena, as well as the graduate outcomes of BCU students who undertake study and work abroad.



We are particularly proud of the following achievements this year:

- We have grown on-campus international recruitment to more than 5,060 students. Our ambition is to earn a place among the 10 largest international recruiters in post-92 universities by 2025.
- Our total international tuition fee income from our transnational education activities (TNE) and on-campus students was £81.5m, of which TNE income was £5.1m, and on-campus income £76.4m.
- Our TNE activity now comprises nearly 4,100 students across 17 partners.
- The University TNE strategy for our branch campuses has been reviewed, with tightening of our network and some closure of under-performing arrangements. Our TNE offer has been strengthened significantly with key academic and innovation hubs operating in strategic regions:
 - Wuhan, China: BIFCA joint Ministry-approved campus running three successful programmes and looking to expand.
 - Ludhiana, India: STEAMhouse Ludhiana-Munjal Birmingham Centre for Innovation and Entrepreneurship (MBCIE) is a joint enterprise hub partnered with India's motorbike and cycle manufacturing giant Hero Group. The space provides a place for individuals to take new business ideas, for existing organisations to grow their businesses and for entrepreneurs to collaborate.
- Student experience and employability through international mobility: we have secured c.£1m from the UK government's Turing funding to support study and work placements for our students across our global network.



NUMBER OF ON-CAMPUS
INTERNATIONAL STUDENTS
INCREASED TO
OVER 5,000



34 KTPS
LIVE, IN PROGRESS,
OR COMPLETED IN YEAR



INSPIRED FAMILY DAY
 ATTRACTED MORE THAN 1,700 VISITORS TO CITY CENTRE CAMPUS TO TAKE PART IN A RANGE OF EDUCATIONAL ACTIVITIES ACROSS ALL SUBJECT AREAS.



THE DIGITAL LABS
 ARE THE FIRST FACILITY OF ITS KIND IN THE WEST MIDLANDS AND THE FIRST TO BE INTEGRATED INTO A UNIVERSITY.

COMMUNITY PRESENCE AND ENGAGEMENT

Community presence and engagement is central to BCU's place-based approach and role as an anchor institution in Birmingham and the wider West Midlands.

Embodying this commitment, a sector-leading ambassador scheme was piloted in 2023/24. Working with East Birmingham community representatives, the initiative identified community-based challenges and worked collaboratively with students, staff, and external partners on a response. The scheme will be rolled out fully in 2024/25, underpinning the University's Strategy for 2030 and Beyond.

The University is proud to have a longstanding partnership with Edgbaston and Warwickshire County Cricket Club. The organisations have worked together since 2016, with opportunities on both sides – including to change the face of cricket in Birmingham and the West Midlands. On match days, spectators at the ground and those watching on television see the BCU brand carried around the top of the Birmingham End, as well as on the Birmingham Bears match day kit.

In June, the University's third Knowledge Exchange Awards took place to celebrate the outstanding contribution of academic and professional staff in supporting the exchange of knowledge in the wider community. The breadth of BCU's work with external businesses and community groups included working with Midland Heart Housing Association to deliver 12 nearly net-zero homes for social tenants; and the provision of ground breaking practical Ramadan guidance for schools and educational settings to support

fasting Muslim students and staff to participate in physical activity.

The University's flagship community event – Inspired Family Day – attracted 1,753 visitors to BCU's City Centre Campus to take part in a range of fun, educational activities across all subject areas. The annual event aims to strengthen the University's link with the city and the local community, and offer a free day out for all attendees, with a particular focus on those who have not previously visited the University. Around 30% of attendees were visiting the University for the first time.

Other community highlights included the University's work with Birmingham City Council, community leaders, and our School of Art to unveil a portrait in the Council House of the late Alderman Egbert Carless OBE, Birmingham's first black elected Councillor. This major artwork will ensure that Councillor Carless's presence will continue to resonate with the Birmingham community for many years to come.

BCU is also proud of its work with local charities, particularly the two charities chosen by staff. The support we offer is practical – such as Birmingham and Solihull Women's Aid attending Family Day to engage with our visitors. It's also financial, including donating funds raised at the University's annual carol concert to Acorns Hospice.

From a student perspective, extracurricular community presence, engagement, and volunteering activity is recognised through Graduate+ and includes projects such as mentoring. This continued to grow in strength across 2023/24, with 428 students and graduates being matched with 230 high profile mentors. Two partnership projects with Birmingham Children's Trust, Birmingham City Council, Barnardo's, and community interest company

Our Place Support enabled 76 BCU students to access skill development opportunities in Youth Mentoring. They provided local young people with 1-2-1 wellbeing support and raising aspiration activities.

STEAMHOUSE

Across 2023/24, STEAMhouse continued to drive business growth and innovation while also securing high-profile external funding. This included the provision of business support to SMEs through the £1.2m 'STEAM Forward' project, which will drive priority cluster growth through product diversification and new production development. Additionally, £168k of West Midlands Growth Company funding was secured to provide workspace to high-growth potential technology-led SME Foreign Direct Investment companies looking to establish an operational presence in the West Midlands.

In April, STEAMhouse launched three Digital Labs in conjunction with global engineering consultancy, Arup. Resulting from over £2.5m pounds of investment, the Labs represent a dynamic, cutting-edge, and award-winning space for digitally focused individuals and businesses to collaborate, innovate, and grow. This includes SoundLab – an immersive audio environment enabling the evaluation of acoustic designs, such as those associated with major new infrastructure projects including HS2. This represents the first facility of its kind in the West Midlands and the first to be integrated into a university.

High-profile challenge events were also held across the academic year. This included a STEAM Sprint for Birmingham City Council to help them design the Regional Retrofit Skills Development Plan – a dedicated



Open Innovation Sprint for a BNP Paribas, and a challenge event focused on reducing carbon emissions in Solihull's schools to support the transition to Net Zero.



SUSTAINABILITY

To advance our net-zero carbon targets by 2037/38, we initiated several energy efficiency projects. We secured £3.3m from the Public Sector Decarbonisation Scheme, matched by £4.34m from BCU, leading to the installation of 117 solar panels at Seacole Building and 180 at the Pavilion. Air source heat pumps will be installed at both sites by March 2025.

BCU dropped from 26th to 27th in the People and Planet University League but remains in the 1st class category. Scope 1 and 2 emissions for 2023/24 are projected to be 5139 tCO₂e, a 33% decrease from the previous year using market-based reporting, with water consumption up 31%. Detailed figures will be available in the 2023/24 Annual Environmental Report.



Waste remains 5% below the 2018/19 baseline, though industrial waste and recycling rates have risen due to space reconfigurations. Coffee cup recycling trials were successful and as a result were expanded across other sites.

More than 500 people participated in 15 events, from Waste Awareness Week to bike riding lessons. Additionally, 66 articles, social media posts, and newsletters were shared to keep stakeholders informed about the latest sustainability developments at BCU.

We successfully retained our ISO 14001: 2015 accreditation after an external audit in February 2024.

ALL UNIVERSITY
DECISIONS AT MAIN GOVERNANCE COMMITTEES TO EXPLICITLY ADDRESS ENVIRONMENTAL SUSTAINABILITY

ALL STAFF
TO HAVE COMPLETED ENVIRONMENTAL AWARENESS TRAINING, AND ALL COURSES ASSESSED AGAINST SUSTAINABLE DEVELOPMENT GOALS



BCU IS CURRENTLY 27TH (OUT OF 154 UNIVERSITIES) IN THE **PEOPLE AND PLANET UNIVERSITY LEAGUE**

ALL RESTAURANTS ACCREDITED TO FOOD FOR LIFE SOIL ASSOCIATION **BRONZE AWARD**



RESEARCH QUALITY



The research community at BCU is currently made up of more than 400 academic staff and postdoctoral researchers working across four faculties and 16 constituent colleges plus the Royal Birmingham Conservatoire.

The Pure research information system is now live and provides a searchable resource of more than 14,000 research outputs produced by current and former research staff either at BCU or their previous institution(s). This year, we had 675 postgraduate research (PGR) students enrolled. These numbers continue to grow with new programmes being developed, such as the Professional Doctorate in Sport and collaborative PhD studentships secured with industry and other partners. To date we have 231 doctoral awards (cumulative total) eligible for REF 2029, of which 57 have been awarded in the 2023/24 academic year.

BCU continues to be a member of the Arts and Humanities Research Council (AHRC) Midlands4Cities and University Alliance Future Societies doctoral training consortia. From October 2026, AHRC Doctoral Training Partnership (DTP) training provision will be replaced with a block grant, known as a 'Doctoral Landscape Award', which will be allocated by funding formula to individual Higher Education Institutions forming a regional doctoral training hub.

The Doctoral Research College has invested Research England Capital Infrastructure Funding in the refurbishment of two dedicated PGR spaces, one at City Centre Campus (Jennens Road) and one at City South Campus, to provide PGR students with a central space to study and socialise.

Mental health and wellbeing training aimed specifically at academic and Doctoral Research College staff working with PGR students was launched to coincide with Mental Health Awareness Week. The learning provides an overview of mental health challenges faced by PGR students and outlines ways the University community can foster support.

This year, Research Office teams provided support for 170 externally funded research projects delivering income of £18 million over their lifetime. An increased focus on applying for larger and more strategic research grants has delivered some notable funding successes. This includes new projects in all faculties making a positive contribution through collaborative research and development to communities in Birmingham.

The Research portfolio was recently audited as part of the University's internal audit cycle. This audit examined the framework governing our research activities and all related strategies, policies, and processes. It concluded that BCU can be assured these are suitably designed, consistently applied, and effective.

The University Strategy for 2030 and Beyond is focused on impactful research and improving the quality, intensity, and inclusivity of research at BCU as measured by REF 2029.



WE WILL FOCUS ON IMPACTFUL RESEARCH AND IMPROVING THE QUALITY, INTENSITY, AND INCLUSIVITY OF RESEARCH AT BCU.



THIS YEAR, WE HAVE PROVIDED SUPPORT FOR 170 EXTERNALLY FUNDED RESEARCH PROJECTS.



CORPORATE GOVERNANCE AND INTERNAL CONTROLS

INTRODUCTION

The University endeavors to conduct its business in accordance with the seven Principles identified by the Committee on Standards in Public Life (selflessness integrity, objectivity, accountability, openness, honesty and leadership) and the HE Code of Governance. The University has reviewed its governance and management practices and internal controls against the latter and is satisfied that they comply with the guidance contained within the Code.

This statement of corporate governance relates to the period covered by the financial statements, and the period up to the date of approval of the audited financial statements.

THE CORPORATION

The University is an independent corporation, established as a Higher Education Corporation under the terms of the Education Reform Act 1988 and of an Instrument of Government approved by the Privy Council in April 1993.

The University is an exempt charity within the meaning of the Charities Act 2011. Its powers are set out in the Act; its framework of governance is set out in the Articles of Government which were approved by the Privy Council in September 1995 and by the Board of Governors in November 1995.

THE BOARD OF GOVERNORS

The Board of Governors is collectively responsible for overseeing the University's activities, determining its educational character, mission and general strategic direction and all decisions which might have significant reputational or financial implications, as well as all legal and regulatory compliance.

The Board includes the Vice-Chancellor within its membership and has a majority of independent members, chosen in line with strict criteria contained in the legislation. It is customary for the Chair of the Board to be elected from the independent members. There is also provision for the appointment of co-opted members (some of whom may be members of the staff of the University) and for representatives of the student body. By custom and practice the President of the Students' Union and one of the Vice-Presidents are members of the Board. The University Secretary has been appointed as Clerk to the Board and, in that capacity, provides independent advice and guidance on matters of governance to all Board members.

The University maintains a Register of Interests of members of the Board and senior officers which is published on the University's website. The members of the Governing Body are its trustees for the purpose of charity law. The trustees and officers serving during the year and until the date the financial statements were formally approved were as follows:



Independent and Co-opted External Members

Anita Bhalla, OBE
 Hugh Jones (appointed Deputy Chair 17 July 2024)
 Joe Bates
 Andrew Buckley
 The Rt Hon the Lord Grocott
 Glenn Howells
 Neil Jones
 Zubeda Limbada
 Joanne MacPhail (from 1 April 2024)
 Hinesh Mehta
 Nicola McGowan
 Patrick Nyarumbu MBE (from 1 April 2024)
 Clare Pelham
 Peter Phillips
 Brandon Relph (from 1 June 2024)
 Parmjit Singh

Staff Members

Dr Melanie-Marie Haywood
 Helen White

Student Members

Luke McCombe
 Shoukat Mehsud (appointed 1 July 2024)

Vice-Chancellor (Ex-Officio Member)

Professor David Mba

Co-opted Members of Committees

Aftab Rahman (Audit Committee)
 Sukhjeeven Nat (Finance Committee)
 Natasha Harris (HR and Remuneration Committees)
 Helen Ross (HR and Remuneration Committees)

Retired Members

Louise Brooke-Smith OBE
 Jay Dave
 Sue Hall

Expiry of Term of Office

31 March 2024
 30 June 2024
 31 March 2024

During the year ended 31 July 2024, Anita Bhalla was remunerated in her capacity as Chair of the Board.

Ex-officio and elected staff representatives on the Board have their salaries agreed in the normal way as employees (i.e. in accordance with agreed salary scales or, in the case of the Vice-Chancellor, via the approval of the University's Remuneration Committee). No staff representatives receive additional payment for their role as Trustees.

Board members' expenses for travel, subsistence and attendance at training and briefing events, meetings and hotel accommodation to the value of £10,453 (2023: £12,022) was provided.

The University's Governance structure includes a number of wholly-owned subsidiary companies. All non-charitable work carried out by the University is undertaken through these subsidiary companies.

THE VICE-CHANCELLOR

The Vice-Chancellor is the Chief Executive Officer and is responsible to the Board of Governors for the leadership of the academic affairs and executive management of the University. The Vice-Chancellor is the Accountable Officer under the OfS Terms and Conditions of Funding which came into force on 1 April 2018. The Accountable Officer is personally responsible to the governing body for ensuring compliance with the terms and conditions of funding and for providing the OfS with clear assurances to this effect. If required, the Accountable Officer can be summoned to appear before the Public Accounts Committee of the House of Commons.

Overall executive responsibility for the development of University strategy, the identification and planning of new developments and the shaping of the University's ethos lies with the Vice-Chancellor. Supporting the Vice-Chancellor in this executive leadership are members of the University Executive Team (UET), which includes the Chief Operating Officer, the Chief Financial Officer, the Chief People Officer, the University Secretary, Executive Deans and the Pro Vice-Chancellors.

COMMITTEES OF THE BOARD OF GOVERNORS

The Board of Governors meets regularly and at least three times each academic year, but much of its detailed work is initially handled by committees, including the Finance Committee, Human Resources Committee, Remuneration Committee, Nominations and Governance Committee, and Audit Committee. The decisions of these Committees are all formally reported to the Board.

Membership of these committees is comprised predominantly of independent and co-opted external members of the Board of Governors and does not include staff and student governors. The Vice-Chancellor attends meetings of the Remuneration Committee as a non-member but is required to withdraw from meetings where his own salary and terms of conditions of service are under discussion. The University's Articles allow for the co-option of non-Board members with particular expertise onto all Board committees. During 2023/24 co-opted members served on the Audit, Human Resources, Remuneration and Finance Committees.

INTERNAL CONTROL

The Board of Governors is responsible for maintaining a sound system of internal control that supports the achievements of policies, aims and objectives, while safeguarding the public and other funds and assets for which it has responsibility. The Board's review of the effectiveness of this system is supported by the work of the following:

- the University Executive Team (UET), which has operational responsibility for the development and maintenance of the internal control framework;
- the Audit Committee, which monitors and reviews the effectiveness of internal control, risk management and governance arrangements. As part of its work in this area, the Committee holds individual meetings with both the internal and external audit senior management teams at which no member of the University Executive is present;
- the University's internal audit service. The regular reports submitted to the Audit Committee by the internal audit service include an independent opinion on the adequacy and effectiveness of the system of internal control, together with any recommendations for improvement;
- the University's External Audit and Internal Audit providers both make recommendations for improvement in key management and internal control processes. Internal audit reviews include periodic reviews of the University's approach to delivering value for money. In addition to the annual assurance report received from Internal Audit, the Audit Committee and Governors receive benchmarking and sector specific reports from both Internal and External Auditors to assist them in discharging their responsibility to monitor the University's performance in delivering value for money.

The University's system of internal control manages, rather than eliminates, the risk of failure to adhere to policies and achieve aims and objectives and is based on a continuous process of management and monitoring, designed to:

- identify the principal risks to compliance with policies and to the achievement of aims and objectives;
- evaluate the nature and extent of those risks;
- implement actions to manage the risks efficiently, effectively and economically.

The University maintains an appropriate financial regulatory framework which ensures that resources are used with due regard to propriety, regularity and value for money, in the context of the achievement of the University's strategic plan.

RISK MANAGEMENT

The following specific actions have been taken in relation to risk management during the year:

- The University's Strategic Risk Register, which is approved by the University Executive Team (UET), identifies the key risks that could prevent the University from achieving its strategic objectives and articulates the measures being taken to manage and mitigate these risks. The Strategic Risk Register has been expanded to include Equality, Diversity and Inclusion and Engagement, Enterprise and Innovation. The Strategic Risk Register report has been reviewed regularly by UET and any pertinent risks have been reported to the Audit Committee.
- Work has continued to improve the understanding and management of operational risk across the University. Each PSD and Faculty has an individual risk register which has been reviewed on a quarterly basis by the Risk and Resilience Team, and as part of the QPR process. The Risk Appetite Statement has been reviewed and expanded to include risk appetites for all strategic risks. The statement has been incorporated into a revised Risk Management Policy, which has been reviewed and approved by the University Executive Team and the Audit Committee.
- The Audit Committee has provided the Board with regular reports and advice on the implementation and continuing effectiveness of the University's risk management arrangements.

GOING CONCERN

The University and Governors have closely monitored the financial situation of the University. This included consideration of the impact of global events on the income, costs and cashflow in 2023/24 and forecasts for subsequent years.

Uncertainty has remained in forecasting Income levels following the changes in government policies surrounding visa rules. Further to this the ongoing impacts of the cost of living increases continue to impact accurate expenditure forecasting.

Birmingham City University is a strongly sustainable institution, with low borrowings as at 31 July 2024, but with available credit facilities of £40m. It has historically strong local student recruitment, with approximately 67% commuting from home, and is situated in a city that's growing. The Board of Governors monitors the financial security at each of its meetings, to ensure that the University has adequate resources to continue in its operational existence for the foreseeable future and comfortable headroom in meeting bank covenant requirements. The Board of Governors considers that the University has adequate resources to continue in operational existence for a period of at least 12 months from the date of the approval of these financial statements and, therefore, has adopted the going concern basis of accounting in these financial statements.

Further detail on the Board's assessment of the going concern status of the University is set out in the Principal Accounting Policies on Page 41.

FINANCIAL RESPONSIBILITIES OF THE BOARD OF GOVERNORS

In accordance with the Education Reform Act 1988, the Board of Governors is responsible for overseeing the administration and management of the affairs of the University and is required to present audited financial statements for each financial year.

The Board of Governors is responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the University and enable it to ensure that the financial statements are prepared in accordance with the Education Reform Act 1988, the SORP on Accounting for Further and Higher Education and other relevant accounting standards. In addition, within the current OfS Terms and Conditions of Funding for Higher Education Institutions the Board of Governors, through the Vice-Chancellor, is required to prepare financial statements 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.

In causing the financial statements to be prepared, the Board of Governors 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;
- it is appropriate that the financial statements are prepared on the going concern basis.

Having regard to its charitable purpose, the Board of Governors has taken reasonable steps to:

- ensure income from the OfS, Research England, Department for Education and the Education and Skills Funding Agency (ESFA), grants and income for specific purposes and from other restricted funds by the University during the year ended 31 July 2023 have been applied for the purposes for which they were received and in accordance with the University statutes and, where appropriate, with the OfS Terms and Conditions of Funding, the Research England Terms and Conditions of Funding and the Financial Memorandum with the Department for Education and ESFA.
- ensure that there are appropriate financial management controls, regulations and policies in place to safeguard public funds and funds from other sources;
- safeguard the assets of the University and to prevent and detect fraud;
- secure the economical, efficient and effective management of the University's resources and expenditure.

FINANCIAL REVIEW

KEY FINANCIAL HIGHLIGHTS

The accounts have been prepared in accordance with FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland, and with the 2019 Statement of Recommended Practice – Accounting for Further and Higher Education.

The University has delivered a surplus and strong cash position despite a challenging world economy and continues to invest in its capital estate including updating the University house building.

FINANCIAL PERFORMANCE 2023/24

The external economic and market operating environment continued to present significant challenges. Facing continued pressures from global geopolitical insecurity and the resultant cost of living crisis.

The University's consolidated financial headlines are summarised as follows:

	2023/24 £'000	2022/23 £'000
Income	336,508	316,832
Expenditure	323,495	297,555
Surplus for the year	4,410	18,270
Cash and cash equivalents	116,423	113,538
Net current assets / (liabilities)	71,782	53,322
Total net assets	447,254	445,290

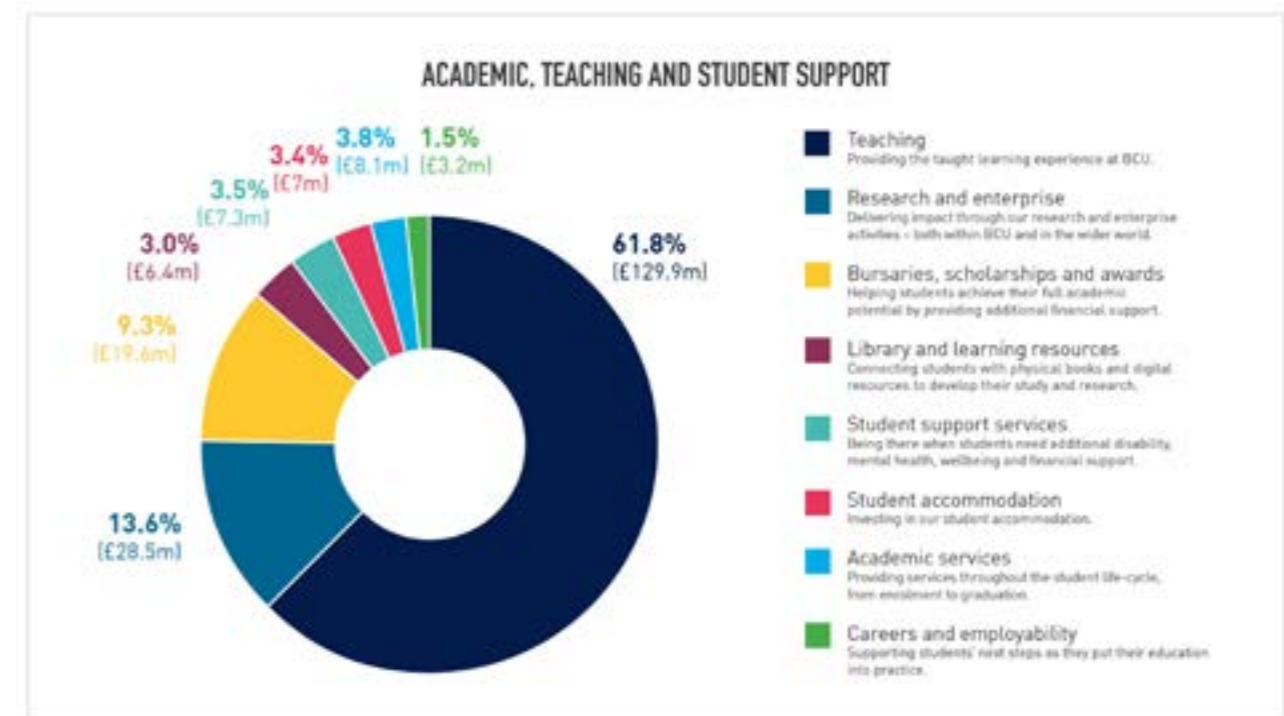
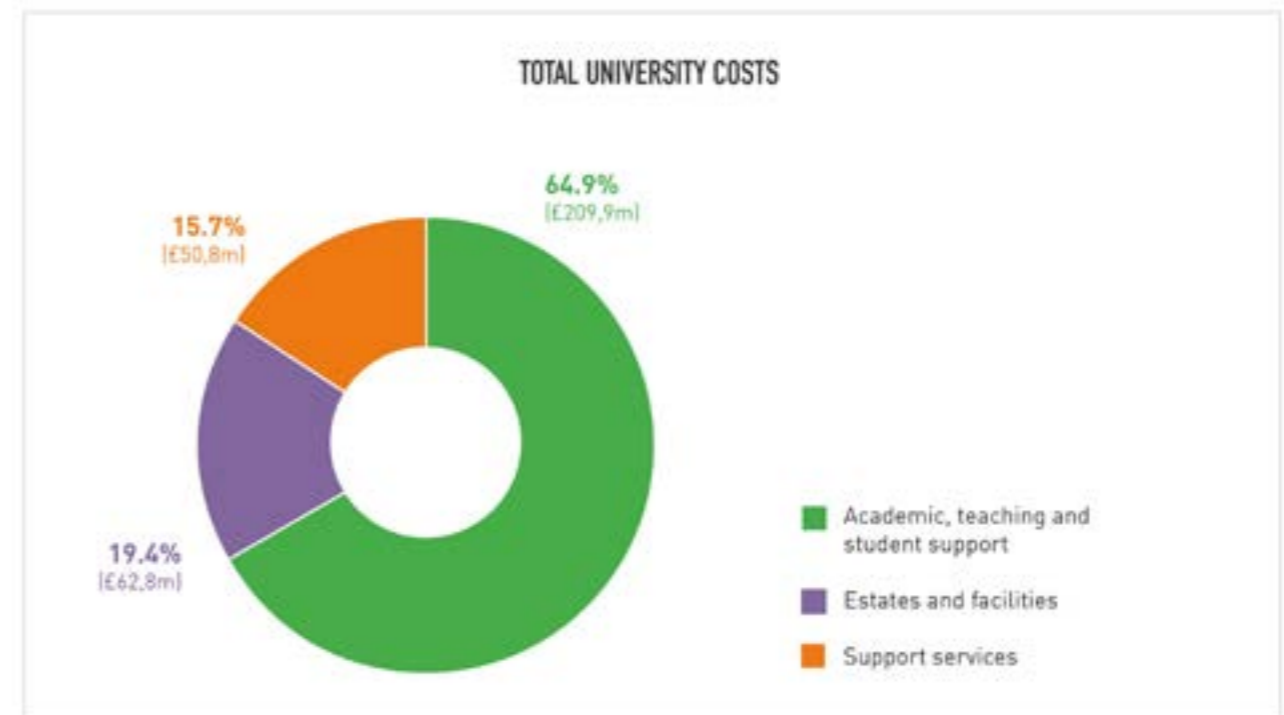
Against this backdrop, the results for the year reflect a strong financial performance. The majority of UK students pay tuition fees capped at £9,250. Growth in tuition fees, particularly from increases in fee rates for international students despite seeing a reduction in international enrolments in January 2024 against 2023, part-time students and full cost fees, has provided an increase in income of £13.8m as well as increased investment income of £4.4m reflecting improved availability of investment rate opportunities.

However this is offset by increases in total costs of £25.9m resulting from increases in pay costs of £9.4m due to an increase in staff numbers and the pay award. Other costs have increased by £9.6m largely due to increased IT license fees, agency fees, international agents fees, offset by a £7m decrease in bad debt provision. Depreciation costs have increased by £2.2m, and following an external valuation, an impairment of assets of £6.3m has been taken. There has also been a disposal of £8.9m of fixed assets during the year relating to assets removed ahead of the refurbishments of Benjamin Zephaniah Building (previously University House) and the Joseph Priestley Building.

VALUE FOR MONEY

A major focus for the University's procurement team continues to be the delivery of value for money in relation to other operating expenditure.

Procurement has worked with faculties and departments to add value and ensure compliance with both the financial rules of the University and Public Contract Regulations.

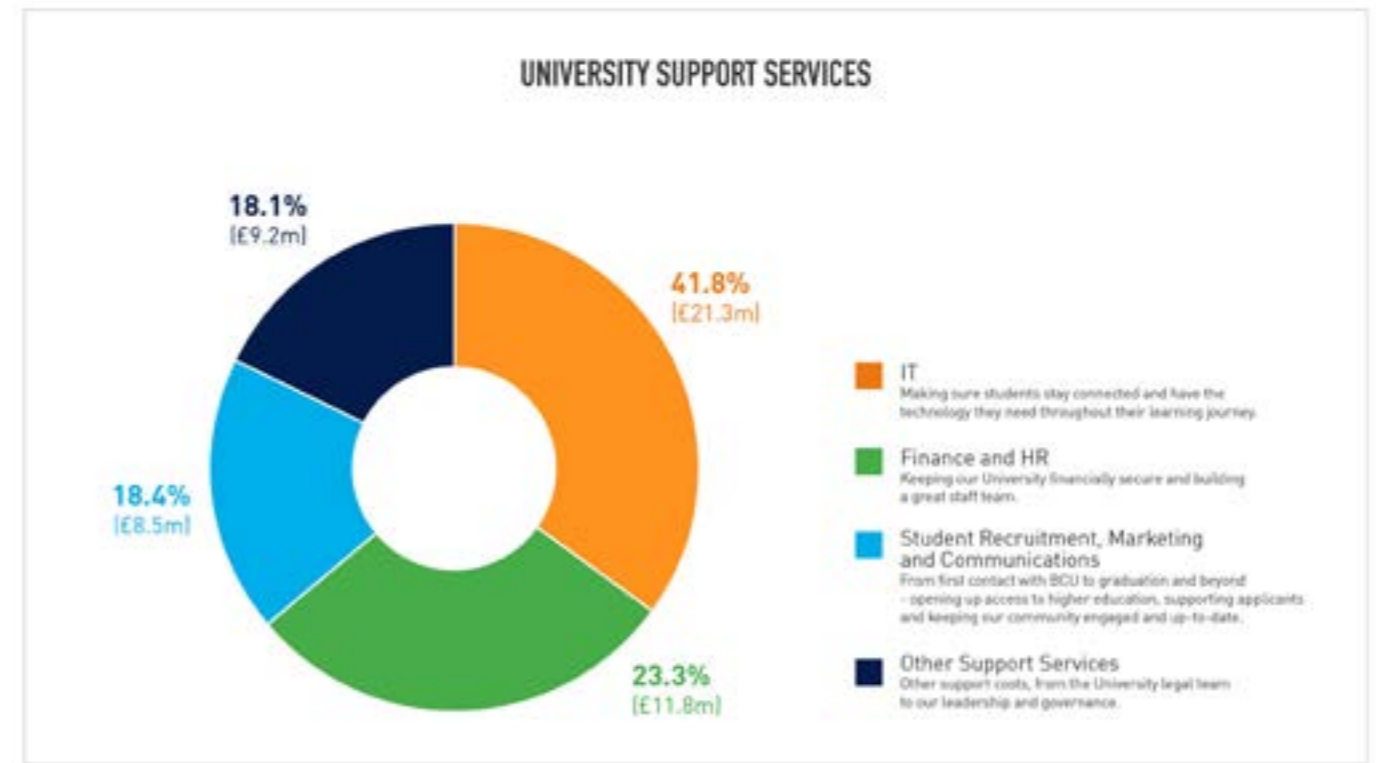
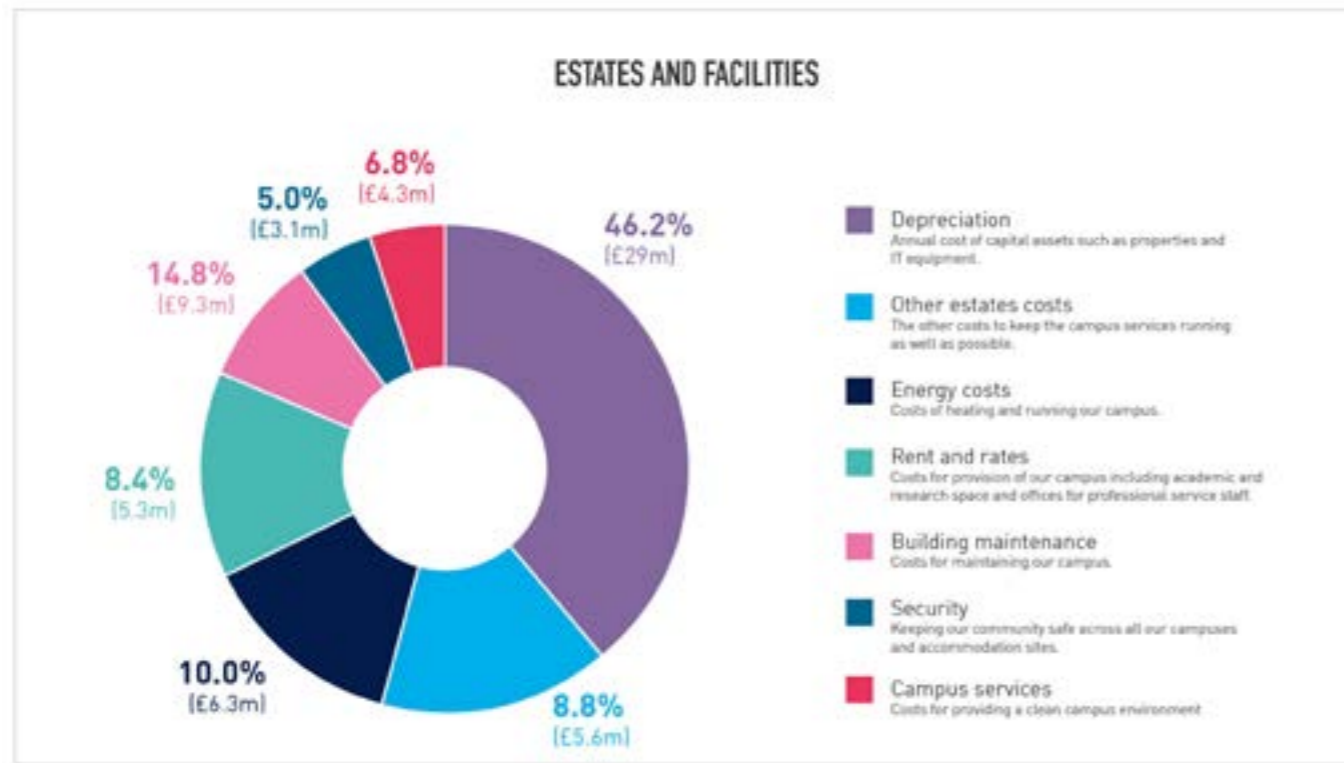


Using the Higher Education Procurement Association methodology for calculating savings, across the 2023/24 financial year procurement was able to deliver approximately £0.9m of cashable savings and £1.6m of cost avoidance savings against either budgeted cost, previous contract costs or market savings through competitive tendering.

The diagrams above show a summary of total University spend on academic and student support, estates and facility costs and support services and then breaks down each area into more detail.

CAPITAL INVESTMENT

The University capital expenditure for the year mounted to £24.8m (2023: £20.3m) as the Group further developed the STEAMhouse building opened last year, started a refit on University House and investment in replacement IT infrastructure.



CASH FLOW AND TREASURY MANAGEMENT

Cash flow from operations for the year was £21.9m (2023: £68.5m). The cash outflow from investing activities amounted to £18.8m (2023: £21.9m).

The Group has long-term borrowings in the form of mortgages secured on the City South Campus and student residential accommodation amounting to £6.6m (2023: £8.2m). In addition, the Group had undrawn borrowing facilities amounting to £40m (2023: £60m). The borrowings are subject to a set of financial covenants and the Group has complied with these requirements during the year. Gross debt at the year-end was £6.6m (2023: £8.2m). The Group has cash balances amounting to £116.4m at 31 July 2024 (2023: £113.5m) giving a higher net cash balance against prior year of £109.9m (2023: net cash £105.3m) as at the year end.

The cash balances are invested with a variety of counterparties including UK bank and UK Charity asset managers. The counterparty list is captured within the University's Treasury management policy which ensures that the investments deliver a balance of risk and return. Short term rates of return have increased in recent years and the University has taken advantage of overnight markets to ensure that the Group achieves a significantly higher return on its cash balances. The University's restricted funds continue to be invested with CCLA and its ethical charities funds which have an income yield of just under 3% during the year.

FUNDRAISING AND DONATIONS

During the 2023/24 financial year, the University received just over £1.7m in philanthropic income (2022/23: £1.2m) from 1,246 donors, comprising private individuals, trusts and foundations, and companies.

More than £1.0m of the cash received was for student scholarships and bursaries, reflecting the University's ongoing commitment to social mobility. In addition, £0.2m was raised for outreach, education and public engagement activities; £0.1m for staff posts; £0.1m towards capital projects; and £0.3m in unrestricted funds.

In particular, the University was delighted to secure a gift of £0.4m from alumnus Dr Cal Henderson via the Henderson Family Foundation to support an ambitious new programme designed to widen access to computing, engineering and technology subjects, especially for students from under-represented and low socio-economic backgrounds, whilst also encouraging student progression, innovation and entrepreneurship.

Once again, the University is extremely grateful to its growing community of donors and supporters for enriching the lives of hundreds of its students and providing learning opportunities for thousands more young people across the region.

CONCLUSION

The University results demonstrate a continued strong financial performance, environment and a robust control and management team. Our performance in 2023/24 and the earlier years against global challenges show that the University is resilient to changes in the future.

The University's financial position remains strong in the short term and is considered stable in the long term.

INDEPENDENT AUDITOR'S REPORT

TO THE BOARD OF GOVERNORS OF BIRMINGHAM CITY UNIVERSITY

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Opinion

We have audited the financial statements of Birmingham City University ("the University") for the year ended 31 July 2024 which comprise the Consolidated and Institution Statements of Comprehensive Income and Expenditure, Consolidated and Institution Statement of Changes in Reserves, Consolidated and Institution Balance Sheets, Consolidated Cashflow Statement and related notes, including the Accounting Policies in note 1.

In our opinion the financial statements:

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

Basis for opinion

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

Going concern

The Board of Governors has prepared the financial statements on the going concern basis as it does not

intend to liquidate the Group or the University or to cease their operations, and it has concluded that the Group and the University's financial position means that this is realistic. It has also concluded that there are no material uncertainties that could have cast significant doubt over their ability to continue as a going concern for at least a year from the date of approval of the financial statements ("the going concern period").

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

Our conclusions based on this work:

- we consider that the Board of Governors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate; and
- we have not identified, and concur with the Board of Governors' assessment that there is not, a material uncertainty related to events or conditions that, individually or collectively, may cast significant doubt on the Group or the University's ability to continue as a going concern for the going concern period.

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

Fraud and breaches of laws and regulations – ability to detect

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

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

- Enquiring of Board of Governors, the Audit Committee, internal audit and inspection of policy documentation as to the Group's high-level policies and procedures to prevent and detect fraud, including the internal audit function, and the Group's channel for "whistleblowing", as well as whether they have knowledge of any actual, suspected or alleged fraud.
- Reading Board of Governors, Audit Committee and Finance Committee meeting minutes.
- Using analytical procedures to identify any unusual or unexpected relationships.

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

As required by auditing standards, and taking into account possible pressures to meet loan covenants and performance targets, we perform procedures to address the risk of management override of controls and the risk that Group management may be in a position to make inappropriate accounting entries. On this audit we do not believe there is a fraud risk related to revenue due to the limited scope for manual intervention and the homogeneous nature of the majority of the revenue streams.

We did not identify any additional fraud risks.

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

We also performed procedures including:

- Identifying journal entries to test based on risk criteria and comparing the identified entries to supporting documentation. These included unusual or expected account combinations with cash or borrowings transactions.

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

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

We communicated identified laws and regulations throughout our team and remained alert to any indications of non-compliance throughout the audit. The potential effect of these laws and regulations on the financial statements varies considerably.



Firstly, the Group is subject to laws and regulations that directly affect the financial statements including financial reporting legislation, including related charities legislation, taxation legislation, pensions legislation and higher education financial reporting related regulation and we assessed the extent of compliance with these laws and regulations as part of our procedures on the related financial statement items.

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

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

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely the inherently limited procedures required by auditing standards would identify it. In addition, as with any audit, there remained a higher risk of non-detection of fraud, as these may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. Our audit procedures are designed to detect material misstatement. We are not responsible for preventing non-compliance or fraud and cannot be expected to detect non-compliance with all laws and regulations.

Other information

The Board of Governors is responsible for the other information, which comprises the Financial Review and the University's Statement of Public Benefit and the Corporate Governance and Internal Controls. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether, based on our financial

statements audit work, the information therein is materially misstated or inconsistent with the financial statements or our audit knowledge. Based solely on that work we have not identified material misstatements in the other information.

Board of Governors responsibilities

As explained more fully in its statement set out on page 27, the Board of Governors is responsible for: the preparation of the financial statements and for being satisfied that they give a true and fair view; such internal control as it determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error; assessing the Group and parent University's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and using the going concern basis of accounting unless it either intends to liquidate the Group or the parent University or to cease operations, or has no realistic alternative but to do so.

Auditor's responsibilities

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

A fuller description of our responsibilities is provided on the FRC's website at www.frc.org.uk/auditorsresponsibilities.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

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

In our opinion, in all material respects:

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

Matters on which we are required to report by exception

We are required by the Accounts Direction to report to you where the University has an access and participation plan that has been approved by the Office for Students' director of fair access and participation and the results of our audit work indicate that the Group's and the University's expenditure on access and participation activities for the financial year disclosed in Note 10 has been materially misstated.

We are also required by the Accounts Direction to report to you where the results of our audit work indicate that the Group's and the University's grant and fee income, as disclosed in note 8 to the financial statements has been materially misstated.

We have nothing to report in these respects.

THE PURPOSE OF OUR AUDIT WORK AND TO WHOM WE OWE OUR RESPONSIBILITIES

This report is made solely to the Board of Governors in accordance with paragraph 13.2 of the University's Articles of Government and section 124B of the Education Reform Act 1988. Our audit work has been undertaken so that we might state to the Board of Governors those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the University and the Board of Governors for our audit work, for this report, or for the opinions we have formed.

Mark Dawson
for and on behalf of KPMG LLP, Statutory Auditor

Chartered Accountants

One Snowhill
Snow Hill Queensway
Birmingham
B4 6GH

CONSOLIDATED AND INSTITUTION STATEMENTS OF COMPREHENSIVE INCOME AND EXPENDITURE

	NOTE	CONSOLIDATED 2024 £'000	INSTITUTION 2024 £'000	CONSOLIDATED 2023 £'000	INSTITUTION 2023 £'000
INCOME					
Tuition fees and education contracts	2	289,772	289,723	275,991	274,368
Funding body grants	3	23,020	23,008	21,359	21,359
Research grants and contracts	4	4,054	3,989	3,483	2,660
Other income	5	13,241	12,827	14,486	29,262
Investment income	6	4,706	4,706	263	263
Donations and endowments	7	1,715	1,715	1,250	1,210
TOTAL INCOME		336,508	335,968	316,832	329,122
EXPENDITURE					
Staff costs	9	172,694	167,531	163,302	163,302
Other operating expenses	10	119,417	124,764	109,787	127,755
Depreciation and amortisation	13, 14	22,677	22,470	20,468	20,249
Impairment	14	6,309	6,309	-	-
Interest and other finance costs	11	2,398	2,398	3,998	3,998
TOTAL EXPENDITURE		323,495	323,472	297,555	315,304
SURPLUS BEFORE OTHER GAINS/(LOSSES)		13,013	12,496	19,277	13,818
Loss on disposal of fixed assets		(8,860)	(8,860)	(444)	(444)
Gain/(loss) on investments		809	2,855	(247)	(1,605)
SURPLUS BEFORE TAX		4,962	6,491	18,586	11,769
Taxation	12	(552)	(462)	(316)	(225)
SURPLUS FOR THE YEAR		4,410	6,029	18,270	11,544
Actuarial (loss)/gain in respect of pension scheme	31	(2,446)	(2,446)	47,075	47,075
TOTAL COMPREHENSIVE INCOME AND EXPENDITURE FOR THE YEAR		1,964	3,583	65,345	58,619
Represented by:					
Endowment comprehensive income for the year	23	1,940	1,940	316	316
Unrestricted comprehensive income for the year	24	24	1,643	65,029	58,303
TOTAL		1,964	3,583	65,345	58,619

The notes form part of these financial statements.

CONSOLIDATED AND INSTITUTION STATEMENTS OF CHANGES IN RESERVES

CONSOLIDATED	ENDOWMENT £'000	UNRESTRICTED £'000	TOTAL £'000
AS AT 1 AUGUST 2022	11,904	368,041	379,945
Surplus from the income and expenditure statement	316	17,954	18,270
Actuarial gain in respect of pension schemes	-	47,075	47,075
AS AT 31 JULY 2023	12,220	433,070	445,290
Surplus from the income and expenditure statement	1,940	2,470	4,410
Actuarial loss in respect of pension schemes	-	(2,446)	(2,446)
AS AT 31 JULY 2024	14,160	433,094	447,254

INSTITUTION	ENDOWMENT £'000	UNRESTRICTED £'000	TOTAL £'000
AS AT 1 AUGUST 2022	11,904	359,859	371,763
Surplus from the income and expenditure statement	316	11,228	11,544
Actuarial gain in respect of pension schemes	-	47,075	47,075
AS AT 31 JULY 2023	12,220	418,162	430,382
Surplus from the income and expenditure statement	1,940	4,089	6,029
Actuarial loss in respect of pension schemes	-	(2,446)	(2,446)
AS AT 31 JULY 2024	14,160	419,805	433,965

The notes form part of these financial statements.

CONSOLIDATED AND INSTITUTION BALANCE SHEETS

	NOTE	CONSOLIDATED 2024 £'000	INSTITUTION 2024 £'000	CONSOLIDATED 2023 £'000	INSTITUTION 2023 £'000
NON-CURRENT ASSETS					
Intangible assets	13	1,065	1,065	2,638	2,638
Fixed assets	14	455,191	449,693	466,741	461,891
Heritage assets	15	741	741	690	690
Investments	16	10,660	13,602	9,849	12,791
TOTAL		467,657	465,101	479,918	478,010
CURRENT ASSETS					
Stocks	17	410	410	322	322
Debtors	18	24,372	27,714	27,012	26,929
Cash at bank and in hand		116,423	111,632	113,538	111,811
TOTAL		141,205	139,756	140,872	139,062
CREDITORS					
Creditors - Amounts falling due within one year	19	(69,423)	(79,277)	(87,550)	(99,298)
Net current assets		71,782	60,479	53,322	39,764
TOTAL ASSETS LESS CURRENT LIABILITIES		539,439	525,580	533,240	517,774
Creditors - amounts falling due after more than one year	20	(79,534)	(79,227)	(75,446)	(75,116)
PROVISIONS					
Pension provisions	22	-	-	(2,254)	(2,254)
Other provisions	22	(12,651)	(12,388)	(10,250)	(10,022)
NET ASSETS		447,254	433,965	445,290	430,382
RESTRICTED RESERVES					
Income and expenditure reserve - endowment reserves	23	14,160	14,160	12,220	12,220
UNRESTRICTED RESERVES					
Income and expenditure reserve - unrestricted	24	433,094	419,805	433,070	418,162
TOTAL RESERVES		447,254	433,965	445,290	430,382

The financial statements were approved by the Board of Governors on 26 November 2024 and signed on its behalf by:

A Bhalla, Chair of the Board of Governors

D Mba, Vice-Chancellor

The notes form part of these financial statements.

CONSOLIDATED CASHFLOW STATEMENT

	NOTE	2024 £'000	2023 £'000
CASH FLOW FROM OPERATING ACTIVITIES			
Surplus for the year before tax		4,962	18,586
ADJUSTMENT FOR NON-CASH ITEMS			
Depreciation	14	21,103	18,029
Amortisation of intangibles	13	1,573	2,439
Impairment	14	6,309	-
(Gain)/loss on endowments, donations and investment property		(804)	279
Decrease/(increase) in stock		(88)	(110)
Decrease/(increase) in debtors		2,640	7,923
Increase/(decrease) in creditors		(17,846)	12,889
(Decrease)/Increase in pension provision		(2,254)	4,876
(Decrease)/increase in other provisions		2,401	3,865
ADJUSTMENT FOR INVESTING OR FINANCING ACTIVITIES			
Investment income		(4,706)	(263)
Interest payable		2,456	2,376
(Gain)/loss on the sale of tangible assets		8,860	444
Capital grant income		(2,670)	(2,909)
OPERATING ACTIVITIES			
Net cash flows from operations		21,936	68,424
Corporation tax paid		(16)	58
NET CASH FLOWS FROM OPERATING ACTIVITIES		21,920	68,482
INVESTING ACTIVITIES			
Investment income		4,706	263
Interest paid		(2,456)	(581)
Donation Income		305	(84)
Purchase of intangible fixed assets		-	-
Purchase of heritage assets		(51)	-
Purchase of tangible fixed assets	14	(24,833)	(20,256)
Purchase of fixed asset investments		-	(2,808)
Proceeds on disposal of tangible fixed assets		-	-
Proceeds on disposal of Heritage assets		-	-
Proceeds on disposal of current asset investments		-	-
Other capital grant receipts		3,520	1,560
NET CASH FLOWS FROM INVESTING ACTIVITIES		(18,809)	(21,906)

The notes form part of these financial statements.

CONSOLIDATED CASHFLOW STATEMENT (CONTINUED)

	NOTE	2024 £'000	2023 £'000
FINANCING ACTIVITIES			
New endowments received		1,410	799
Drawdown of Loans		-	-
Repayment of loans		(1,636)	(1,626)
NET CASH FLOWS FROM FINANCING ACTIVITIES		(226)	(827)
Net increase in cash and cash equivalents		2,885	45,749
CASH AND CASH EQUIVALENTS AT 1 AUGUST		113,538	67,789
CASH AND CASH EQUIVALENTS AT 31 JULY		116,423	113,538
CASH AND CASH EQUIVALENTS CONSIST OF:			
Cash at bank and in hand		116,423	113,538
CASH AND CASH EQUIVALENTS		116,423	113,538

The notes form part of these financial statements.

1. PRINCIPAL ACCOUNTING POLICIES

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the University's accounts.

1.1 Accounting convention

The financial statements are prepared in accordance with the historical cost convention (modified by the revaluation of fixed assets). At 1 August 2014, fair value has been used for deemed cost for certain properties measured at fair value.

1.2 Basis of preparation

The Consolidation and Institution financial statements have been prepared in accordance with United Kingdom Accounting Standards, including Financial Reporting Standard 102 (FRS 102) and the Statement of Recommended Practice (SORP): Accounting for Further and Higher Education (2019 edition). They have also been prepared in accordance with the 'carried forward' powers and duties of previous legislation (Further and Higher Education Act 1992 and the Higher Education Act 2004) and the new powers of the Higher Education and Research Act 2017 during the transition period to 31 July 2019, the Accounts Direction issued by the Office for Students (OfS), the Terms and conditions of funding for higher education institutions issued by the OfS and the Terms and conditions of Research England Grant.

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

1.3 Going concern

The Consolidated and Institution activities, together with the factors likely to affect its future development, performance and position, are set out in the Operating and Financial Review which forms part of the Corporate Governance and Internal Controls Statement. The Corporate Governance and Internal Controls Statement also describes the financial position of the Institution, its cash flows, liquidity position and borrowing facilities.

The financial statements have been prepared on a going concern basis which the Board of Governors consider to be appropriate for the following reasons.

The Board of Governors have prepared cash flow forecasts for a period of 12 months from the date of approval of these financial statements. After reviewing these forecasts the Board of Governors is of the opinion that, taking account of severe but plausible downsides, the Group and Institution will have sufficient funds to meet their group liabilities as they fall due over the period of 12 months from the date of approval of the financial statements (the going concern assessment period).

The forecasts were reassessed using the latest available assumptions, including student recruitment and potential impacts on revenue from commercial activities. Recruitment data has been prudently considered in arriving at the final forecasts of student numbers and tuition fee income included in the forecasts, in light of the uncertainty of recruitment and retention of international students.

Consequently, the Board of Governors is confident that the Group and Institution will have sufficient funds to continue to meet their liabilities as they fall due for at least 12 months from the date of approval of the financial statements and therefore have prepared the financial statements on a going concern basis.

1.4 Lease Incentives

The University will continue to recognise the residual benefit or cost associated with lease incentives on the same basis as that applied at the date of transition to FRS102.

1.5 Basis of consolidation

The consolidated financial statements include the University and all its subsidiaries for the financial year to 31 July 2024. 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.

1.6 Recognition of Income

Income from the sale of goods or services is credited to the Consolidated Statement of Comprehensive Income and Expenditure when the goods or services are supplied to the external customers or the terms of the contract have been satisfied. Grant funding including Funding Council block grant, research grants from government sources and grants (including research grants) from non-government sources are recognised as income when the University is entitled to the income and performance related conditions have been met. Income received in advance of performance related conditions being met is recognised as deferred income within creditors on the balance sheet and released to income as the conditions are met.

Government capital grants are recognised in income over the expected useful life of the asset. Other capital grants are recognised in income when the University is entitled to the funds subject to any performance related conditions being met. The University has adopted the accounting treatment which allows it to recognise grant income received relating to land purchases in the income and expenditure account in the year of receipt.

Fee income is stated gross of any expenditure which is not a discount and credited to the Consolidated Statement of Comprehensive Income and Expenditure over the period in which students are studying. Where the amount of the tuition fee is reduced, by a discount for prompt payment, income receivable is shown net of the discount. Bursaries and scholarships are accounted for gross as expenditure and not deducted from income. Investment income is credited to the Consolidated Statement of Comprehensive Income and Expenditure on a receivable basis.

The University acts as agent in the collection and payment of training bursaries from the Department for Education and of access funds and bursaries from OfS. Funds the University receives and disburses as 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.

1.7 Leasing Costs

Leases in which the University assumes substantially all the risks and rewards of ownership of the leased asset are classified as finance leases. All other leases are operating leases.

Leased assets acquired by way of finance lease and the corresponding lease liabilities are initially recognised at an amount equal to the lower of their fair value and the present value of the minimum lease payments at inception of the lease. Minimum lease payments are apportioned between the finance charge and the reduction of the outstanding liability.

The finance charge is allocated to each period during the lease term so as to produce a constant periodic rate of interest on the remaining balance of the liability. Costs in respect of operating leases are charged on a straight line basis over the lease term. Any lease premiums or incentives are spread over the minimum lease term.

1.8 Post-Retirement Benefits

The University participates in three principal, defined benefit pension schemes: the Local Government Pension Scheme (LGPS), the Universities Superannuation Scheme (USS) and the Teacher's Pension Scheme England and Wales (TPS). The schemes are defined benefit schemes, which are externally funded. The assets of the schemes are held separately from those of the University and are administered independently. Each fund is valued at least every five years by professionally qualified independent actuaries. The University also has a defined contribution scheme run by BCU Support Services.

LGPS assets are measured using market values; scheme liabilities are measured using a 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 University's share of the pension scheme surplus (to the extent that it is recoverable) or deficit is recognised in full and movements are disclosed in the Consolidated Statement of Comprehensive Income and Expenditure split between operating charges, finance items and actuarial gains and losses.

In determining the valuation of the West Midlands Pension Fund, a number of key assumptions have been made. The key assumptions, which are given below, are largely dependent on factors outside the control of the University:

- Discount rate;
- Inflation rate; and
- Life expectancy

The asset values are reported using estimated asset allocations prepared by the scheme Actuary. This asset value is calculated at each triennial valuation. Thereafter it is rolled forward to accounting dates using investment returns, contributions received, and benefits paid out. During each annual reporting period between triennial valuations, asset returns are estimated using 11 months of market experience and one month of extrapolation being assumed.

The USS is a multi-employer scheme for which it is not possible to identify the assets and liabilities relating to University members due to the mutual nature of the scheme and therefore this scheme is accounted for as a defined contribution retirement benefit scheme. As a result, the amount charged to the Consolidated Statement of Comprehensive Income and Expenditure represents the contributions payable to the scheme in respect of the accounting period. Since the institution has entered into an agreement (the Recovery Plan that determines how each employer within the scheme will fund the overall deficit), the institution recognises a liability for the contributions payable that arise from the agreement to the extent that they relate to the deficit and the resulting expense in the income and expenditure account. A liability is recorded within provisions for any contractual commitment to fund past deficits within the USS scheme.

The TPS is accounted for as if it were a defined contribution pension scheme because the University is unable to identify its share of the underlying assets and liabilities of the scheme on a consistent and reasonable basis. As a result, the amount charged to the Consolidated Statement of Comprehensive Income and Expenditure account represents the contributions payable in respect of the accounting period.

The BCU Support Services pension is a defined contribution pension scheme with Legal & General.

As a result, the amount charged to the Consolidated Statement of Comprehensive Income and Expenditure account represents the contributions payable in respect of the accounting period.

1.9 Employment Benefits

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

1.10 Taxation

The University is an exempt charity within the meaning of schedule 3 of the Charities Act 2011 (formerly schedule 2 of the Charities Act 1993), and is considered to pass the tests set out in Paragraph 1 Schedule 6 Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes. Accordingly, the University is potentially exempt from taxation in respect of income or capital gains received within categories covered by section 287 CTA2009 and sections 471, and 478-488 CTA 2010 (formerly s505 of ICTA 1988) or section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied to exclusively charitable purposes.

The University receives no similar exemption in respect of Value Added Tax. 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 provided in full on timing differences which result in an obligation at the balance sheet date to pay more tax, or a right to pay less tax, at a future date, at rates expected to apply when they crystallise based on current rates and law. Timing differences arise from the inclusion of items of income and expenditure in taxation computations in periods different from those in which they are included in financial statements. Deferred tax assets are recognised to the extent they are regarded as more likely than not that they will be recovered. Deferred tax assets and liabilities are not discounted.

All subsidiary companies (with the exception of the Technology Innovation Centre, which is a charity) are liable to Corporation Tax and Value Added Tax in the same way as any other commercial organisation.

1.11 Foreign Currency

Transactions in foreign currencies are translated to the respective functional currencies of Group entities at the foreign exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are translated to the functional currency at the foreign exchange rate ruling at that date. Foreign exchange

differences arising on translation are recognised in Surplus or Deficit. Non-monetary assets and liabilities that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the transaction. Non-monetary assets and liabilities denominated in foreign currencies that are stated at fair value are retranslated to the functional currency at foreign exchange rates ruling at the dates the fair value was determined.

1.12 Intangible Assets

Intangible assets comprise software development costs. These are stated at cost less accumulated amortisation and accumulated impairment losses. Software development costs are amortised on a straight-line basis over their expected useful life to the asset, up to a maximum of five years.

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

1.13 Tangible Fixed Assets and Depreciation

Fixed assets are stated at deemed cost less accumulated depreciation and accumulated impairment losses. Certain items of fixed assets that had been revalued to fair value on or prior to the date of transition to the 2019 SORP, are measured on the basis of deemed cost, being the revalued amount at the date of that revaluation. Costs incurred in relation to land and buildings after initial purchase or construction, and prior to valuation, are capitalised to the extent that they increase the expected future benefits to the University. Buildings under construction are accounted for at cost, based on the value of architects' certificates and other direct costs incurred to 31 July.

Equipment is stated at cost. Equipment costing less than £25,000 per individual item or group of related items is written off in the year of acquisition. All other equipment is capitalised.

Depreciation is provided so as to charge the cost or valuation less the estimated residual value of tangible fixed assets by equal instalments over their estimated useful economic lives as follows. Where parts of a fixed asset have different useful lives, they are accounted for as separate items of fixed assets.

Depreciation methods, useful lives and residual values are reviewed at the date of preparation of each Balance Sheet:

- Existing freehold buildings - up to 60 years
- Leasehold land and buildings - period of lease or useful economic life, if shorter

Newly completed buildings:

- Externals - up to 60 years
- Services - 30 years
- Finishes - 20 years
- Fixtures and fittings - 30 years
- Equipment - between 3 and 10 years

No depreciation is provided on freehold land or on assets in the course of construction.

Government capital grants are recognised in income over the expected useful life of the asset. Other capital grants are recognised in income when the University is entitled to the funds subject to any performance related conditions being met.

1.14 Borrowing Costs

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

1.15 Investments

Non-current asset investments are held on the Balance Sheet at amortised cost less impairment. Current asset investments are held at fair value with movements recognised in the Surplus or Deficit. Investments in jointly controlled entities, associates and subsidiaries are carried at cost less impairment in the University's accounts.

1.16 Stocks

Stock is held at the lower of cost or net realisable value.

1.17 Cash Flows and Liquid Resources

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

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

1.18 Provisions, Contingent Liabilities and Contingent Assets

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

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

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

1.19 Accounting for Donations and Endowments

Non exchange transactions without performance related conditions are donations and endowments. Donations and endowments with donor imposed restrictions are recognised as income when the University is entitled to the funds. Income is retained within the restricted reserve until such time that it is utilised in line with such restrictions, at which point the income is released to general reserves through a reserve transfer.

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

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

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

Restricted donations - the donor has specified that the donation must be used for a particular objective.
Unrestricted permanent endowments - the donor has specified that the fund is to be permanently invested to generate an income stream for the general benefit of the University.

Restricted expendable endowments- the donor has specified a particular objective other than the purchase or construction of tangible fixed assets, and the University has the power to use the capital.

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.

1.20 Heritage Assets

Heritage assets are defined as assets that are held principally for their contribution to knowledge and culture.

Heritage assets valued at over £25,000 are capitalised and recognised in the balance sheet provided appropriate valuations are available. Donated assets that are capitalised will be reported in the income and expenditure account at valuation on receipt.

Valuations of heritage assets on conversion to FRS 102 were performed by specialist external valuers. Heritage assets that are irreplaceable originals for which no reliable value can be attributed will not be capitalised in the financial statements.

Heritage assets are not depreciated since their long economic life and high residual value mean that any depreciation would not be material. They are subject to impairment reviews if damage or deterioration is reported. They are maintained and the cost of maintenance is charged to the income and expenditure account as incurred.

1.21 Reserves

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

Other restricted reserves include balances where the donor has designated a specific purpose and therefore the University is restricted in the use of these funds.

2. TUITION FEES AND EDUCATION CONTRACTS

An analysis of the group's revenue by class of business is given below:

	CONSOLIDATED 2024 £'000	INSTITUTION 2024 £'000	CONSOLIDATED 2023 £'000	INSTITUTION 2023 £'000
TUITION FEES				
Full-time home and EU students	185,644	185,644	184,536	184,485
Full-time international students	82,882	82,882	71,410	69,951
Part-time students	7,459	7,464	5,975	5,970
Further education	32	32	[2]	[2]
Full cost course fees	3,205	3,160	1,303	1,227
TOTAL	279,222	279,182	263,222	261,631
EDUCATION CONTRACTS				
Health professions education contracts	3,550	3,550	6,340	6,340
Apprenticeships	7,000	6,991	6,429	6,397
TOTAL	289,772	289,723	275,991	274,368

Health professions education contracts include the training of nurses (pre and post registration), midwives, radiographers, radiotherapists, speech and language therapists and operating department practitioners for the NHS and Royal Centre for Defence Medicine.

3. FUNDING BODY GRANTS

	CONSOLIDATED 2024 £'000	INSTITUTION 2024 £'000	CONSOLIDATED 2023 £'000	INSTITUTION 2023 £'000
FUNDING BODY GRANTS				
Teaching funds	13,308	13,308	12,605	12,605
Research funds	5,120	5,120	4,441	4,441
Other specific grants	1,922	1,922	1,415	1,415
Deferred capital grants released	2,670	2,658	2,909	2,909
TOTAL	23,020	23,008	21,370	21,370
Education and Skills Funding Agency	-	-	[11]	[11]
TOTAL	23,020	23,008	21,359	21,359

4. RESEARCH GRANTS AND CONTRACTS

	CONSOLIDATED 2024 £'000	INSTITUTION 2024 £'000	CONSOLIDATED 2023 £'000	INSTITUTION 2023 £'000
Research councils	1,288	1,288	1,048	1,048
Research charities	168	168	192	133
Government (UK and overseas)	1,700	1,700	1,495	1,007
Industry and commerce	677	612	390	157
Other	221	221	358	315
TOTAL	4,054	3,989	3,483	2,660

5. OTHER INCOME

	CONSOLIDATED 2024 £'000	INSTITUTION 2024 £'000	CONSOLIDATED 2023 £'000	INSTITUTION 2023 £'000
Residences, catering and conferences	5,310	5,448	5,402	5,497
Other revenue grants	1,423	1,379	2,804	2,611
Other capital grants	-	-	87	87
Other income	6,508	6,000	6,193	21,067
TOTAL	13,241	12,827	14,486	29,262

6. INVESTMENT INCOME

	CONSOLIDATED 2024 £'000	INSTITUTION 2024 £'000	CONSOLIDATED 2023 £'000	INSTITUTION 2023 £'000
Investment income on endowments	382	382	252	252
Other investment income	1	1	11	11
Interest receivable	4,323	4,323	-	-
TOTAL	4,706	4,706	263	263

7. DONATIONS AND ENDOWMENTS

	CONSOLIDATED 2024 £'000	INSTITUTION 2024 £'000	CONSOLIDATED 2023 £'000	INSTITUTION 2023 £'000
New endowments	1,410	1,410	799	799
Unrestricted donations	305	305	451	411
TOTAL	1,715	1,715	1,250	1,210

8. GRANT AND FEE INCOME

	CONSOLIDATED 2024 £'000	INSTITUTION 2024 £'000	CONSOLIDATED 2023 £'000	INSTITUTION 2023 £'000
Grant income from the OfS	13,308	13,308	12,605	12,605
Grant income from other bodies	9,711	9,699	8,755	8,755
Fee income for research awards	2,719	2,719	2,177	2,177
Fee income from non-qualifying courses	4,000	3,957	2,165	2,086
Fee income for taught awards	282,567	282,526	271,649	271,648
TOTAL	312,305	312,209	297,351	297,271

Note - see Para 33 to 34 of the 2019 OfS Accounts direction for details of allocation between income sources.

9. STAFF COSTS

Staff costs, including remuneration of the Vice-Chancellor, were as follows:

STAFF COSTS	CONSOLIDATED 2024 £'000	INSTITUTION 2024 £'000	CONSOLIDATED 2023 £'000	INSTITUTION 2023 £'000
Wages and salaries	135,319	130,958	122,457	122,457
Social security costs	14,916	14,537	13,558	13,558
Other pension costs	22,459	22,036	27,287	27,287
TOTAL	172,694	167,531	163,302	163,302

Included within payroll costs above are restructuring costs amounting to £1.0 million relating to 47 staff (2023: £0.2 million relating to 28 staff). This includes payment in lieu of notice.

Consolidated other pension costs consist of the group's contributions net of adjustments for pension provision movements into the following pension schemes:

PENSION SCHEMES	CONSOLIDATED 2024 £'000	CONSOLIDATED 2023 £'000
Universities Superannuation Scheme (USS)	(1,764)	(165)
Local Government Pension Scheme (LGPS)	6,544	12,359
Teachers' Pension Scheme (TPS)	17,254	15,093
Legal & General Mastertrust (BCUSS)	425	-
TOTAL	22,459	27,287

The average monthly number of employees, including the Executive Group, during the year was:

EMPLOYEES	CONSOLIDATED 2024 £'000	INSTITUTION 2024 £'000	CONSOLIDATED 2023 £'000	INSTITUTION 2023 £'000
Manager	518	463	493	493
Administration	1,325	1,086	1,255	1,255
Academic	1,653	1,653	1,628	1,628
Visiting tutors	716	716	755	755
TOTAL	4,212	3,918	4,131	4,131

Number of higher paid staff (by range) whose basic salary was above £100k, during the year was:

SALARY	2024	2023
£100,000 to £104,999	5	3
£105,000 to £109,999	1	4
£110,000 to £114,999	3	3
£115,000 to £119,999	1	3
£120,000 to £124,999	2	1
£125,000 to £129,999	-	2
£130,000 to £134,999	1	2
£135,000 to £139,999	3	4
£140,000 to £144,999	2	-
£145,000 to £149,999	3	-
£150,000 to £154,999	1	-

9. STAFF COSTS (CONTINUED)

Number of higher paid staff (by range) whose basic salary was above £100k, during the year was:

SALARY	2024	2023
£155,000 to £159,999	-	-
£160,000 to £164,999	-	-
£165,000 to £169,999	-	2
£170,000 to £174,999	-	1
£230,000 to £234,999	-	-
£295,000 to £299,999	-	1
TOTAL	22	26

Note – The Vice Chancellor's remuneration is excluded from 2024 disclosure as the post was not held for the full year, in accordance with OfS Accounts Direction guidance. Remuneration was included for the Vice Chancellor in the 2023 disclosure.

Key management personnel

The members of the University Executive Team (excluding the Vice Chancellor) including the Chief Financial Officer, Chief Operating Officer, Chief People Officer, PVC Executive Deans, PVC Education, PVC Engagement, Enterprise and Innovation, PVC Research, University Secretary, Deputy Vice Chancellors and Director of HR are the Key Management Personnel for the University.

	2024 £'000	2023 £'000
Remuneration of key management personnel	3,056	3,123
Compensation for loss of office paid to Higher paid personnel (excluding Vice Chancellor)	564	-

Note - Key management personnel remuneration is stated excluding employers national insurance payments.

EMOLUMENTS OF THE VICE-CHANCELLORS:	2024 £	2023 £
D MBA (Commenced 1 October 2023)		
Salary	220,833	-
Taxable Benefits	-	-
Pension Contributions (Taxable)	40,633	-
Non-Taxable Benefits	8,071	-
TOTAL EMOLUMENTS	269,537	-
P PLOWDEN (Left 31 December 2023)		
Salary	130,785	263,346
Taxable Benefits	22,805	54,733
Pension Contributions (Taxable)	-	-
Non-Taxable Benefits	-	-
TOTAL EMOLUMENTS	153,590	318,079

Justification for the total remuneration for the Head of Provider (Vice Chancellor):

The Vice-Chancellor was appointed during the academic year 2023/24 taking up the post on 1 October 2023. In determining the remuneration for the post the Board of Governors considered the Committee of University Chairs' annual salary benchmarking. Most Higher Education Institutions participate in this benchmarking providing a sound basis for Board of Governor members to make an informed decision on appropriate remuneration for the post. Having been appointed, Professor Mba's salary was set in accordance with the range agreed by the Board of Governors.

Professor Mba's remuneration is reviewed annually by the Remuneration Committee with reference to performance against objectives set by the Chair of the Board of Governors and the performance of the institution.

Head of Provider (VC) - Multiples of Basic Pay and Total Pay Analysis:

YEAR	VC	FTE SALARY	STAFF BASIC PAY MEDIAN	VC MULTIPLE OF BASIC PAY
2023	Plowden	263,346	37,787	6.97
2024	Mba	265,000	40,048	6.62

YEAR	VC	TOTAL PAY	STAFF TOTAL PAY MEDIAN	VC MULTIPLE OF TOTAL PAY
2023	Plowden	318,079	43,058	7.39
2024	Mba	313,760	46,329	6.77

10. OTHER OPERATING EXPENSES

Other operating expenses include:

	2024 £'000	2023 £'000
AUDITOR'S REMUNERATION:		
In respect of audit services	170	171
In respect of non-audit services	87	174
OPERATING LEASE RENTALS:		
Land and buildings	8,276	9,289
Other	310	244

ACCESS & PARTICIPATION EXPENDITURE	CONSOLIDATED AND INSTITUTION 2024 £'000	CONSOLIDATED AND INSTITUTION 2023 £'000
Access investment	3,333	2,483
Financial support provided to students	786	1,035
Support for disabled students	1,180	812
Research and evaluation of access and participation activities	325	185
TOTAL	5,624	4,515

In relation to the movement between years in Financial Support provided to students, a full review was undertaken in 2022 resulting in a new Financial Assistance Fund policy, which enables a targeted and responsive approach. The reduction year on year is due to 2022/23 containing an allocation from the Office for Students of £290,000, which was not replicated in 2023/24.

The increase in spend on access is driven by the additional resources identified in this area. The increase in disability spend is mainly due to an increase in the hourly costs of supporting students with additional needs as organisations providing the support workers struggled to source suitable individuals.

Research and evaluation costs increased during 2023/24 as a result of preparing and assessing the new interventions developed as part of our participation

in Wave 1 Access and Participation Plan pilot with the OfS. This required a new look at our data analysis, the setting up of an evaluation unit and a review of our evaluation systems and processes, as well as supporting enhancements of our data dashboard products to aid University-wide engagement with Access and Participation plan goals.

Included in the above note there is £1,113,141 (Access investment), 324,898 (Research and evaluation) and £695,387 (Support for disabled students) costs which are already included within the staff costs figures reported within the Financial Statements note 9.

More information on Access and Participation can be found on the University's website: www.bcu.ac.uk/about-us/corporate-information/policies-and-procedures/access-and-participation-plan

11. INTEREST AND OTHER FINANCE COSTS

	CONSOLIDATED 2024 £'000	INSTITUTION 2024 £'000	CONSOLIDATED 2023 £'000	INSTITUTION 2023 £'000
Loan interest	617	617	581	581
Finance lease interest	1,839	1,839	1,795	1,795
Net expense on pension scheme	(58)	(58)	1,622	1,622
TOTAL	2,398	2,398	3,998	3,998

12. TAXATION

Recognised in the statement of comprehensive income:

CURRENT TAX	CONSOLIDATED 2024 £'000	CONSOLIDATED 2023 £'000
UK Corporation tax	-	-
Overseas tax	478	313
Deferred tax expense	74	3
TOTAL TAX EXPENSE	552	316

13. INTANGIBLE ASSETS

CONSOLIDATED AND INSTITUTION	IT SOFTWARE DEVELOPMENT £'000
COST OR VALUATION	
AT 1 AUGUST 2023	21,743
Additions	-
Transfers from tangible assets	-
Disposals	-
Adjustment	-
AT 31 JULY 2024	21,743
DEPRECIATION	
AT 1 AUGUST 2023	19,105
Expense for the year	1,573
Transfers from tangible fixed assets	-
Eliminated on disposals	-
AT 31 JULY 2024	20,678
NET BOOK VALUES	
AT 31 JULY 2024	1,065
AT 31 JULY 2023	2,638

14. FIXED ASSETS

CONSOLIDATED	FREEHOLD LAND AND BUILDINGS £'000	LEASEHOLD LAND AND BUILDINGS £'000	FIXTURES, FITTINGS AND EQUIPMENT £'000	ASSETS IN THE COURSE OF CONSTRUCTION £'000	TOTAL £'000
COST OR VALUATION					
AT 1 AUGUST 2023	109,349	431,666	37,466	25,255	603,736
Additions	3,804	1,802	777	18,450	24,833
Transfer to heritage assets	-	-	-	(51)	(51)
Transfers	1,089	6,370	9,463	(16,922)	-
Adjustment	584	3,328	(8)	-	3,904
Disposals	(100)	(16,049)	(24)	-	(16,173)
At 31 JULY 2024	114,726	427,117	47,674	26,732	616,249
DEPRECIATION					
AT 1 AUGUST 2023	14,288	101,290	21,417	-	136,995
Expense for the year	5,038	9,939	6,126	-	21,103
Adjustment	479	3,433	(8)	-	3,904
Impairments	-	6,309	-	-	6,309
Disposals	(17)	(7,227)	(9)	-	(7,253)
At 31 JULY 2024	19,788	113,744	27,526	-	161,058
NET BOOK VALUES					
AT 31 JULY 2024	94,938	313,373	20,148	26,732	455,191
AT 31 JULY 2023	95,061	330,376	16,049	25,255	466,741

INSTITUTION	FREEHOLD LAND AND BUILDINGS £'000	LEASEHOLD LAND AND BUILDINGS £'000	FIXTURES, FITTINGS AND EQUIPMENT £'000	ASSETS IN THE COURSE OF CONSTRUCTION £'000	TOTAL £'000
COST OR VALUATION					
AT 1 AUGUST 2023	109,349	423,991	36,935	25,273	595,548
Additions	3,804	1,802	777	17,597	23,980
Transfers to heritage assets	-	-	-	(51)	(51)
Transfers	1,089	6,370	9,482	(16,941)	-
Adjustment	478	3,436	-	-	3,914
Disposals	(100)	(16,049)	(22)	-	(16,171)
At 31 JULY 2024	114,620	419,550	47,172	25,878	607,220
DEPRECIATION					
AT 1 AUGUST 2023	14,288	98,411	20,958	-	133,657
Expense for the year	5,038	9,743	6,116	-	20,897
Adjustment	479	3,439	-	-	3,918
Impairment	-	6,309	-	-	6,309
Elimination on disposals	(17)	(7,227)	(10)	-	(7,254)
At 31 JULY 2024	19,788	110,675	27,064	-	157,527

14. FIXED ASSETS (CONTINUED)

NET BOOK VALUES					
AT 31 JULY 2024	94,832	308,875	20,108	25,878	449,693
AT 31 JULY 2023	95,061	325,580	15,977	25,273	461,891

Impairment on assets:

The University undertook a valuation of its fixed assets as at 31st July 2024. The valuation was performed by Avison Young and had an increase on certain assets of £240.2m above book value and a potential decrease on other assets of £25.8m.

In line with standard accounting practice, the University's accounting policy does not recognise the £ 240.2m increase in value of land and buildings but has assessed the recognition of impairments of land and buildings against all impairment factors and have recognised 6.3m of impairment that have met all the impairment factors.

Included within consolidated and university fixed assets are assets held under finance leases as follows:

	2024 £'000	2023 £'000
COST OR VALUATION		
AT 1 AUGUST 2023	21,369	21,369
DEPRECIATION		
AT 1 AUGUST 2023	4,182	3,717
Expense for the year	465	465
AT 31 JULY 2024	4,647	4,182
Net Book Values	16,722	17,187

15. HERITAGE ASSETS

CONSOLIDATED AND INSTITUTION	TOTAL £'000
COST OR VALUATION	
AT 1 AUGUST 2023	690
Transfer in from tangible assets	51
AT 31 JULY 2024	741

The University's heritage assets support its teaching, research and public engagement. The collection includes objects, such as paintings and sculpture. The strengths of the collection relates to the University's own specialist areas of excellence. The heritage assets held in the University make a significant contribution to scholarly endeavour, teaching and learning and the dissemination of knowledge for the public benefit.

The acquisition, preservation, management and disposal of heritage assets is in accordance with the University's general policies in regard to its heritage assets; relevant assets are curated by the appropriate staff in the Birmingham Institute of Art and Design to ensure that such assets continue to be available to staff and students for teaching, research and other purposes.

Heritage assets valued at over £25,000 are capitalised and recognised in the balance sheet provided appropriate

valuations are available. Donated assets that are capitalised will be reported in the income and expenditure account at valuation on receipt.

The collections were valued on conversion to FRS 102 by specialist external valuers. Information on the qualifications of the valuer can be found at <http://schoonantiquesandart.com/index.html>. Heritage assets that are irreplaceable originals for which no reliable value can be attributed will not be capitalised in the financial statements.

Heritage assets are not depreciated since their long economic life and high residual value mean that any depreciation would not be material. They are subject to impairment reviews if damage or deterioration is reported. They are maintained and the cost of maintenance is charged to the income and expenditure account as incurred.

16. INVESTMENTS

CONSOLIDATED	SUBSIDIARY UNDERTAKINGS £'000	ENDOWMENT FUNDS £'000	OTHER FIXED ASSET INVESTMENTS £'000	TOTAL £'000
COST OR FAIR VALUE				
AT 1 AUGUST 2023	-	9,792	57	9,849
Change in Fair Value	-	804	7	811
New Funds	-	-	-	-
Impairment	-	-	-	-
At 31 JULY 2024	-	10,596	64	10,660

INSTITUTION	SUBSIDIARY UNDERTAKINGS £'000	ENDOWMENT FUNDS £'000	OTHER FIXED ASSET INVESTMENTS £'000	TOTAL £'000
COST OR VALUATION				
AT 1 AUGUST 2023	2,942	9,792	57	12,791
Change in Fair Value	-	804	7	811
At 31 JULY 2024	2,942	10,596	64	13,602

The £2,942K subsidiary undertaking is an investment in BCU Property Ltd, a wholly owned subsidiary of Birmingham City University.

Investments in endowment funds constitute the University's Trust and Prize Funds. The capital element of these assets is invested in income and shares in the COIF Charities Fixed Interest, Property and Ethical Investment Funds on the basis of professional investment advice. Investments held in the COIF funds at the year-end were as follows:

ENDOWMENT FUNDS COMPRISE:	CONSOLIDATED AND INSTITUTION TOTAL £'000
COIF Fixed Interest Fund	384
COIF Ethical Investment Fund	9,779
COIF Property Fund	433
TOTAL	10,596

Investments in subsidiaries and other fixed asset investments are held at the lower of cost and net realisable value.

OTHER FIXED ASSET INVESTMENTS CONSIST OF:	CONSOLIDATED AND INSTITUTION TOTAL £'000
CVCP Properties Limited	35
Mercia	29
AT 31 JULY 2024	64

17. STOCKS

	CONSOLIDATED 2024 £'000	INSTITUTION 2024 £'000	CONSOLIDATED 2023 £'000	INSTITUTION 2023 £'000
Raw materials and consumables	410	410	322	322
Finished goods and goods for resale	-	-	-	-
TOTAL	410	410	322	322

18. DEBTORS

	CONSOLIDATED 2024 £'000	INSTITUTION 2024 £'000	CONSOLIDATED 2023 £'000	INSTITUTION 2023 £'000
Trade debtors	8,366	7,963	8,268	7,490
Amounts due from subsidiaries	-	3,930	-	933
Prepayments and accrued income	16,006	15,821	18,744	18,506
TOTAL	24,372	27,714	27,012	26,929

19. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	CONSOLIDATED 2024 £'000	INSTITUTION 2024 £'000	CONSOLIDATED 2023 £'000	INSTITUTION 2023 £'000
Bank loans (Note 21)	1,618	1,618	1,635	1,635
Trade creditors	3,488	3,455	2,110	2,007
Other creditors	12,074	11,967	18,259	18,246
Capital Grants	2,417	2,406	2,506	2,506
Finance Lease	-	-	-	-
Amounts due to subsidiaries	-	10,430	-	12,842
Corporation tax	-	-	-	-
Other taxation and social security	5,126	4,764	9,020	8,688
Accruals and deferred income	44,700	44,637	54,020	53,374
TOTAL	69,423	79,277	87,550	99,298

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

	CONSOLIDATED 2024 £'000	INSTITUTION 2024 £'000	CONSOLIDATED 2023 £'000	INSTITUTION 2023 £'000
Donations	76	76	86	86
Research grants received on account	545	545	315	233
Grant income	72	72	(86)	(86)
TOTAL	693	693	315	233

20. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	CONSOLIDATED 2024 £'000	INSTITUTION 2024 £'000	CONSOLIDATED 2023 £'000	INSTITUTION 2023 £'000
Bank loans (Note 21)	4,937	4,937	6,556	6,556
Other creditors	4,008	4,008	-	-
Capital Grants	40,984	40,677	39,996	39,666
Finance Lease liabilities (Note 21)	29,605	29,605	28,894	28,894
TOTAL	79,534	79,227	75,446	75,116

21. BANK LOANS AND FINANCE LEASES

Bank loans are repayable as follows:

	CONSOLIDATED 2024 £'000	INSTITUTION 2024 £'000	CONSOLIDATED 2023 £'000	INSTITUTION 2023 £'000
Within one year	1,618	1,618	1,635	1,635
Between two and five years	4,937	4,937	6,467	6,467
After more than five years	-	-	89	89
TOTAL	6555	6555	8191	8191

The Natwest Bank loans are secured on the University's city south campus and student residential properties. These RCF were undrawn at the year end. The secured loan facilities are scheduled for repayment by 19 August 2028; the interest rate payable on the loans is SONIA + 0.40%.

In addition to this there is a revolving credit facility of £40m with Natwest which is also not secured.

Finance leases are repayable as follows:

	CONSOLIDATED 2024 £'000	INSTITUTION 2024 £'000	CONSOLIDATED 2023 £'000	INSTITUTION 2023 £'000
Within one year	-	-	-	-
Between two and five years	-	-	-	-
After more than five years	29,605	29,605	28,894	28,894
TOTAL	29,605	29,605	28,894	28,894

22. PROVISIONS

CONSOLIDATED	OBLIGATION TO FUND DEFICIT ON USS PENSION £'000	OBLIGATION TO FUND DEFICIT ON LGPS PENSION £'000	TOTAL PENSION PROVISIONS £'000	OTHER PROVISIONS £'000	TOTAL OTHER PROVISIONS £'000
AT 1 AUGUST 2023	2,254	-	2,254	10,250	10,250
Increase / (decrease) in provisions	(2,254)	-	(2,254)	2,655	2,655
Utilised during the year	-	-	-	(150)	(150)
Unutilised amounts reversed in the year	-	-	-	(104)	(104)
At 31 JULY 2024	-	-	-	12,651	12,651

Other provisions of £12.4m includes: £4.4m dilapidations provision for Leasehold Buildings, £3.2m provision for annual leave, and provision against potential clawback on income and grants.

INSTITUTION	OBLIGATION TO FUND DEFICIT ON USS PENSION £'000	OBLIGATION TO FUND DEFICIT ON LGPS PENSION £'000	TOTAL PENSION PROVISIONS £'000	OTHER PROVISIONS £'000	TOTAL OTHER PROVISIONS £'000
AT 1 AUGUST 2023	2,254	-	2,254	10,022	10,022
Increase / (decrease) in provisions	(2,254)	-	(2,254)	2,492	2,492
Utilised during the year	-	-	-	(22)	(22)
Unutilised amounts reversed in the year	-	-	-	(104)	(104)
At 31 JULY 2024	-	-	-	12,388	12,388

Other provisions of £12.4m includes: £4.4m dilapidations provision for Leasehold Buildings, £3.2m for annual leave provision and provision against potential clawback on income and grants.

23. ENDOWMENT RESERVES

CONSOLIDATED AND INSTITUTION	RESTRICTED PERMANENT ENDOWMENTS 2024 £'000	EXPENDABLE ENDOWMENTS 2024 £'000	TOTAL 2024 £'000	TOTAL 2023 £'000
AT 1 AUGUST				
Capital	9,139	2,716	11,855	11,301
Accumulated income	431	(66)	365	603
TOTAL	9,570	2,650	12,220	11,904
New endowments	96	1,314	1,410	799
Investment income	265	117	382	252
Other income	10	99	109	38
Expenditure	(127)	(638)	(765)	(528)
Increase in market value of investments	536	268	804	(245)
Re-analysis of Capital endowments	(3,011)	3,011	-	-
Re-analysis of accumulated income	587	(587)	-	-
TOTAL ENDOWMENT COMPREHENSIVE INCOME FOR THE YEAR	(1,644)	3,584	1,940	316
AT 31 JULY	7,926	6,234	14,160	12,220
Capital	6,760	7,309	14,069	11,855
Accumulated income	1,166	(1,075)	91	365
TOTAL	7,926	6,234	14,160	12,220

ANALYSIS OF ENDOWMENTS BY ASSETS	2024 £'000	2023 £'000
Fixed assets	509	509
Non-current asset investments	10,595	9,792
Cash at bank and in hand	2,358	1,957
Current assets	732	(39)
Current liabilities	(34)	1
TOTAL	14,160	12,220

24. UNRESTRICTED RESERVES

CONSOLIDATED	TOTAL 2024 £'000	TOTAL 2023 £'000
AT 1 AUGUST	433,070	368,041
Surplus for the year	2,470	17,954
Actuarial (loss)/gain in respect of pension schemes	(2,446)	47,075
TOTAL UNRESTRICTED COMPREHENSIVE INCOME FOR THE YEAR	24	65,029
AT 31 JULY	433,094	433,070

24. UNRESTRICTED RESERVES (CONTINUED)

INSTITUTION	TOTAL 2024 £'000	TOTAL 2023 £'000
AT 1 AUGUST	418,162	359,859
Surplus for the year	4,089	11,228
Actuarial (loss)/gain in respect of pension schemes	(2,446)	47,075
TOTAL UNRESTRICTED COMPREHENSIVE INCOME FOR THE YEAR	1,643	58,303
AT 31 JULY	419,805	418,162

25. CAPITAL AND OTHER COMMITMENTS

Capital commitments

At 31 July, the Group and University had the following capital commitments for which no provision has been made:

	CONSOLIDATED 2024 £'000	INSTITUTION 2024 £'000	CONSOLIDATED 2023 £'000	INSTITUTION 2023 £'000
Commitments contracted for	16,436	16,436	11,413	11,413

The gross value of capital commitments set out above reflect the costs associated with the implementation of the University's capital programme. The commitments reflect the contracted costs set out in the University's major projects plan in relation to the development of the City Centre Campus.

No provision has been made in the accounts for these capital commitments. However, the University has taken steps to ensure that it will have access to sufficient cash and liquid resources to enable it to finance its major projects plan.

Lease obligations

Minimum lease payments payable under non-cancellable operating leases fall due as follows:

	2024 £'000	2023 £'000
Within one year	7,229	6,041
Between one and five years	27,259	22,655
After more than five years	64,705	61,290
TOTAL	99,193	89,986

26. CONTINGENT LIABILITIES

The University has given a guarantee to Millennium Point Property Ltd to pay the property lease rental of its subsidiary, Technology Innovation Centre (TIC). The lease term is currently 30 years until 26 November 2029 and the current annual rental is £1,127,312 (2023: £1,099,816). On

the expiration date of the current lease, a lease extension signed on 31 October 2011 will be entered into between Millennium Point Property Ltd, TIC and the University which extends the period of the guarantee and lease to 18 March 2149.

27. SUBSIDIARY UNDERTAKINGS

The subsidiary companies (all of which are registered in England and Wales) and unincorporated entities, wholly-owned or effectively controlled by the University, are as follows:

ENTITY	PRINCIPAL ACTIVITY	STATUS	HOLDING
Awarding Body For The Built Environment Limited	Awarding organisation providing qualifications for the built environment	Company limited by guarantee	100%
Technology Innovation Centre	First-degree & post-graduate level education, engineering related scientific and technical consulting, technical testing and analysis	Company limited by guarantee	100%
TIC Commercial Limited	Professional, scientific and technical activities	Company limited by guarantee	100%
BCU Enterprise Limited	Training programmes for health professionals, training, consultancy, commercial research, residential conferences and catering	Company limited by guarantee	100%
BCU Property Limited	Buying and selling of own real estate	Company limited by shares	100%
BCU Trustees limited	Trustee for Employees' Non-Discretionary Medical Benefit Scheme for BCU	Company limited by shares	100%
BCU Support Services Limited	Providing support services for the University	Company limited by shares	100%
Eastside Locks Management	Management and Maintenance of Eastside Locks	Company limited by shares	74.4%

28. RELATED PARTY TRANSACTIONS

Due to the nature of the University's activities and the composition of the Board of Governors it is possible that transactions will take place from time-to-time with organisations in which a member of the Board of Governors may have an interest. All such transactions are conducted at arm's length and in accordance with the University's financial regulations and normal procurement procedures.

The following material related party transactions occurred during the year: £3,280,390 (2023: £3,895,973) was paid to Millennium Point Property Limited for use of space and associated service charges and £18,519 was invoiced for sponsorships of students. (Karen Stephenson – Trustee).

In 2019/20, BCU approved investment in the form of annual membership and five year support for Greater Birmingham and Solihull Institute for Technology. During the year transactions occurred for the value of £100,000 (2023: £100,000).

Two student governors elected by the Students' Union are members of the University's Board of Governors. During the year ended 31 July 2024, payments were made to the Students' Union for the value of £1,574,928 (2023: £62,376) and invoices were raised from the University for the value of £7,836 (2023: £2,960).

There were balances of £881 and £1,678 outstanding in creditors and debtors at the year end.

29. ACCOUNTING ESTIMATES AND JUDGEMENTS

The preparation of the University’s consolidated financial statements requires management to make estimates and judgements that affect the reported results in the income statement, balance sheet and accompanying disclosures. Uncertainty about the estimates and judgments could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities in future periods.

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 (income) for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 31, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2022 has been used by the actuary in valuing the pensions liability at 31 July 2024. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

USS Pension Liability

The USS pension liability has been estimated using the BUFDG USS modeller on the assumption that the number of staff in the pension scheme will be stable, salary inflation consistent with the assumptions used for LGPS and the discount rate for high quality corporate bond.

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 that provided by USS.

The accounting for a multi-employer scheme where the employer has entered into an agreement with the scheme that determines how the employer will fund a deficit results in the recognition of a liability for the contributions payable that arise from the agreement (to the extent that they relate to the deficit) and the resulting expense is recognised in profit or loss.

The management are satisfied that the scheme provided by USS meets the definition of a multi-employer scheme and has therefore recognised the discounted fair value of the contractual contributions under the funding plan in existence at the date of approving the financial statements.

Assessment of impairment of Assets

An impairment assessment of the University’s land and buildings has been undertaken and impairments have been taken in this financial year.

Bad Debt Provision

A bad debt provision has been made against expenditure based on the percentage recovery rates of the external debt recovery company used by the University. Management are satisfied these provide a reasonable approximation in light of historical recovery rates. Due to the continuing impact of global impacts the percentages have been revised to reflect those areas for which management consider there to be an increased risk.

The University’s principal financial instruments are cash, investments and loans. The core objective of these financial instruments is to meet the financing needs of the University’s operations. Additionally, the University has other financial assets and liabilities arising directly from its operations i.e. trade debtors and creditors.

30. FINANCIAL INSTRUMENTS

Risk Management

The University operates a centralised treasury management function which is responsible for managing the credit, liquidity, interest and foreign currency risk. These financial risks are managed within the parameters specified by the Finance Committee’s approved treasury management policy. The treasury management policy adopts the key recommendations of the Code of Practice on Treasury Management in Public Service as issued by Chartered Institute of Public Finance and Accountancy (CIPFA) as recommended by the Office for Students (OfS) and is reviewed, updated and approved annually.

30. FINANCIAL INSTRUMENTS (CONTINUED)

Credit Risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in a financial loss to the University.

The University’s credit risk arises from bank balances, investments, student debtors and commercial organisations as customers. Management of credit risk is a prime objective of the Treasury Management Policy. At 31 July 2024, the maximum exposure is represented by the carrying value of each financial asset in the balance sheet.

The credit risk of liquid funds and financial instruments is limited because the counterparties are banks with investment grade credit ratings assigned by an international credit-rating agency. The University’s exposure and the credit ratings of its counterparties are monitored regularly. The credit exposure is limited by counterparty limits and minimum counter party credit ratings set within the treasury management policy.

Student and commercial debtors are reviewed on an-ongoing basis and a bad debt provision is made if recovery becomes uncertain. If a debtor is deemed irrecoverable it is written off. The concentration of risk is limited due to a large number of diverse customers across both students and commercial customer populations.

Liquidity Risk

Liquidity risk refers to the risk that the University will not be able to meet its financial obligations as they fall due. Regular monitoring of liquidity risk is an essential feature of treasury management activities.

Cash flow forecasts form part of the University’s planning process and are revised during the financial year when re-forecasts are made. The University policy is to normally maintain a minimum of £20m in on-call cash balances. Excess funds are invested to maximise the return whilst observing the Treasury Management Policy limits.

Interest Rate Risk

Interest rate risk refers to the likelihood that changes in interest rates will result in fluctuations of the value of balance sheet items (i.e. price risk) or changes in interest income or expenses (i.e. re-investments risk).

Financial Instruments – fair values

The fair values of each category of the University’s financial instruments are the same as their carrying value in the balance sheet.

31. PENSION SCHEMES

The University’s employees belong to three principal pension schemes, the West Midlands Pension Fund, a Local Government Pension Scheme (LGPS) the Teachers’ Pension Scheme (TPS), the Universities Superannuation Scheme (USS) and the BCU University pension scheme for BCU Support Services Ltd independently administered by Legal and General Mastertrust. The assets of these schemes are held separately from those of the University and are administered independently.

The liabilities associated with these schemes are as follows:

	2024 £'000	2023 £'000
Local Government Pension Scheme	-	-
Universities Superannuation Scheme	-	2,254
Teachers’ Pension Scheme	-	-
TOTAL	-	2,254

31. PENSION SCHEMES (CONTINUED)

(i) Local Government Pension Scheme (LGPS)

In completing our calculations for pension accounting purposes we have used the following items of data, which we received from West Midlands Pension Fund:

- The results of the valuation as at 31 March 2022 which was carried out for funding purposes and the results of the 31 July 2024 FRS102 report which was carried out for accounting purposes;
- Estimated whole Fund income and expenditure items for the period to 31 July 2024;
- Fund investment returns to 30 June 2024, estimated returns based on a net asset statement and market returns thereafter;

- Estimated Fund income and expenditure in respect of the Employer for the period to 31 July 2024;
- Details of any new early retirements for the period to 31 July 2024 that have been paid out on an unreduced basis, which are not anticipated in the normal employer service cost; and
- Details of any settlements for the period to 31 July 2024.

Although some of these data items have been estimated, we do not believe that they are likely to have a material effect on the results of this report. Further, we are not aware of any material changes or events since we received the data. The data has been checked for reasonableness and we are happy that the data is sufficient for the purposes of this advice.

Employer membership statistics

The table below summarises the membership data, as at 31 March 2022, for members receiving funded benefits, and as at 31 March 2022 for any members receiving unfunded benefits.

MEMBER DATA SUMMARY	NUMBER
Actives	1,547
Deferred pensioners	2,816
Pensioners	845

The service cost for the year ending 31 July 2024 is calculated using an estimate of the total pensionable payroll during the year. The estimated total pensionable payroll during the year is £48,301,000.

The projected service cost for the year ending 31 July 2025 has been calculated assuming the payroll remains at this level over the year.

Scheduled contributions

For information, the table below summarises the minimum employer contributions due from Birmingham City University to the Fund over this inter-valuation period. The calculated cost of accrual of future benefits is 26.0% of payroll p.a.

MINIMUM EMPLOYER CONTRIBUTIONS DUE FOR THE PERIOD BEGINNING	1 APRIL 2023	1 APRIL 2024	1 APRIL 2025
Percent of payroll	18.0%	19.0%	26.0%

31. PENSION SCHEMES (CONTINUED)

Birmingham City University may pay further amounts at any time and future periodic contributions, or the timing of contributions may be adjusted on a basis approved by the Fund Actuary.

Early retirements

There were no new early LGPS retirements over the year.

Assets

The return on the Fund (on a bid value to bid value basis) for the year to 31 July 2024 is estimated to be 8.1%. The actual return on Fund assets over the year may be different.

The estimated asset allocation for Birmingham City University as at 31 July 2024 is as follows:

	31 JULY 2024 £'000	%	31 JULY 2023 £'000	%
Equities	164,232	51%	199,152	68%
Bonds	112,708	35%	61,503	21%
Property	22,542	7%	20,501	7%
Cash	22,542	7%	11,715	4%
TOTAL	322,024	100%	292,871	100%

The actuaries have estimated the bid values where necessary based on the information provided by West Midlands Pension Fund. Please note that the individual percentages shown are to the nearest percentage point for each asset class and may not sum to 100%. The final asset allocation of the Fund assets as at 31 July 2024 is likely to be different from that shown due to estimation techniques.

Valuation approach

To assess the value of the Employer's liabilities at 31 July 2024, actuaries have rolled forward the value of the Employer's liabilities calculated for the funding valuation as at 31 March 2022 using financial assumptions that comply with FRS102.

The full actuarial valuation involved projecting future cash flows to be paid from the Fund and placing a value on them. These cash flows include pensions currently being paid to members of the Fund as well as pensions (and lump sums) that may be payable in future to members of the Fund or their dependants. These pensions are linked to inflation and will normally be payable on retirement for the life of the member or a dependant following a member's death.

It is not possible to assess the accuracy of the estimated value of liabilities as at 31 July 2024 without completing a full valuation.

However, they are satisfied that the approach of rolling forward the previous valuation data to 31 July 2024 should not introduce any material distortions in the results provided that the actual experience of the Employer and the Fund has been broadly in line with the underlying assumptions, and that the structure of the liabilities is substantially the same as at the latest formal valuation. From the information received there appears to be no evidence that this approach is inappropriate.

As required under the FRS102 accounting standard, the actuaries have used the projected unit credit method of valuation.

Valuation of the Employer's assets

To calculate the asset share we have rolled forward the assets allocated to the Employer at 31 March 2022 allowing for investment returns (estimated where necessary), contributions paid into, and estimated benefits paid from, the Fund by and in respect of the Employer and its employees.

31. PENSION SCHEMES (CONTINUED)

Experience items allowed for since the previous accounting date

Experience items arise due to differences between the assumptions made as part of the roll forward approach and actual experience. This includes (but is not limited to) assumptions made in respect of salary increases, pension increases, mortality, and member transfers. This assumes that pension increases are in line with the annual pension increases set by HM Treasury Revaluation Order.

As a result of allowing for actual experience, which may be different from that assumed previously, an experience item may be observed in the reconciliation to 31 July 2024.

Section 37 confirmations

Court of Appeal Decision - Virgin Media Ltd vs NTL Trustees On 25 July 2024, the Court of Appeal dismissed the appeal in the case of Virgin Media Limited v NTL Pension Trustees II Limited and others. The appeal was brought by Virgin Media Ltd against aspects of the High Court's ruling handed down in June 2023 relating to the validity of certain historical pension changes due to the lack of actuarial confirmation required by law. The Court of Appeal upheld the High Court's ruling. The ruling may have implications for other UK defined benefit plans. It is understood this would apply to the LGPS and HM Treasury is currently assessing the implications for all public service pension schemes. No further information is available at this stage.

Guaranteed Minimum Pension (GMP) Equalisation

As a result of the High Court's recent Lloyds ruling on the equalisation of GMPs between genders, a number of pension schemes have made adjustments to accounting disclosures to reflect the effect this ruling has on the value of pension liabilities. It is our understanding that HM Treasury has confirmed that the judgement "does not impact on the current method used to achieve equalisation and indexation in public service pension schemes".

On 23 March 2021, the Government published the outcome to its Indexation and equalisation of GMP in public service pension schemes consultation, concluding that the requirement for public service pension schemes

The assumed life expectations from age 65 are based on lives aged 45 and 65 at the latest Fund valuation at the balance sheet date:

		31 JULY 2024	31 JULY 2023
Retiring today	Males	20.0	19.8
	Females	23.5	23.2
Retiring in 20 years	Males	20.9	20.5
	Females	24.2	24.6

The actuaries have also assumed that:

- Members will exchange pension to get 50% of the maximum available cash on retirement. For every £1 of pension that members commute, they will receive a cash payment of £12 as set out in the Regulations;
- Members will retire at one retirement age for all tranches of benefit, which will be the pension weighted average tranche retirement age; and
- The proportion of the membership that had taken up the 50:50 option at the previous valuation date will remain the same.

to fully protect the GMP element of individuals' public service pension would be extended to those individuals reaching State Pension Age (SPA) before 5 April 2021.

This is a permanent extension of the existing 'interim solution' that has applied to members with a GMP reaching SPA on or after 6 April 2016.

Our valuation assumption for GMP is that the Fund will pay limited increases for members that have reached SPA by 6 April 2016, with the Government providing the remainder of the inflationary increase.

For members that reach SPA after this date, we have assumed that the Fund will be required to pay the entire inflationary increase. Therefore the pension fund do not believe we need to make any adjustments to the value placed on the liabilities as a result of the above outcome.

Demographic/Statistical assumptions

The actuaries have adopted a set of demographic assumptions that are consistent with those used for the most recent Fund valuation, which was carried out as at 31 March 2022 except for the CMI projection model. The post retirement mortality tables adopted are Fund-specific Club Vita tables. These base tables are then projected using the CMI_2023 Model, allowing for a long-term rate of improvement of 1% p.a., smoothing parameter of 7.0, an initial addition parameter of 0.0% p.a. and 2022/23 weightings of 15%.

Although the post retirement mortality tables adopted are consistent with the previous accounting date, the mortality improvement projection has been updated to use the latest version of the Continuous Mortality Investigation's model, CMI_2023. The parameters of the model have been requested by the University after taking independent advice. At the last accounting date, the CMI_2022 Model was adopted. The effect on the University's liabilities of updating to the most recent model is reflected in the Change in demographic assumptions figure, and the effect on the assumed life expectancies is demonstrated in the table below.

31. PENSION SCHEMES (CONTINUED)

Financial assumptions

The financial assumptions used to calculate the results are as follows:

	31 JULY 2024 % P.A.	31 JULY 2023 % P.A.
Discount Rate	5.00%	5.05%
Pension increase	2.65%	2.65%
Salary increases	2.65%	2.65%

The assumptions as at 31 July 2024 have been requested of the Fund following the University having taken independent advice.

The estimate of the duration of the University's liabilities is 21 years.

Past service costs/gains

Past service costs/gains arise as a result of introduction or withdrawal of, or changes to, member benefits. For example, an award of additional discretionary benefits to a member such as added years by a member would be considered a past service cost.

The actuaries are not aware of any additional benefits which were granted over the year ending 31 July 2024.

Curtailments

The actuaries have calculated the cost of curtailments arising as a result of the payment of unreduced pensions on early retirement. The fund may also have to account for non-pension related costs (e.g. lump sum payments on redundancy) but for the avoidance of doubt, the actuaries have only calculated the cost of curtailments which affect the University's LGPS pension liabilities.

The Actuaries calculate the cost of curtailments at the point of exit, with interest applied to the accounting date accounted for separately.

Over the year, no employees were permitted by the University to take unreduced early retirement that they would not otherwise have been entitled to.

Settlements

We are not aware of any liabilities being settled at a cost materially different to the accounting reserve during the year.

Statement of profit or loss for the year to 31 July 2024

The amounts recognised in the profit and loss statement are:

	YEAR TO 31 JULY 2024 £'000	YEAR TO 31 JULY 2023 £'000
Service cost	6,569	12,358
Net interest on defined liability	(58)	1,523
TOTAL LOSS	6,511	13,881

31. PENSION SCHEMES (CONTINUED)

Asset and benefit obligation reconciliation for the year to 31 July 2024.

Reconciliation of opening and closing balances of the present value of the defined benefit obligation:

	YEAR TO 31 JULY 2024 £'000	YEAR TO 31 JULY 2023 £'000
Opening defined benefit obligation	244,733	331,149
Current service cost	6,569	12,358
Interest Cost	12,428	11,735
Change in financial assumptions	2,687	(96,673)
Change in demographic assumptions	1,328	(20,664)
Estimated benefits paid net of transfers in	(7,139)	(6,636)
Experience loss/(gain) on defined benefit obligation	(1,375)	10,385
Contributions by Scheme participants and other employers	3,332	3,090
Unfunded pension payments	(10)	(11)
CLOSING DEFINED BENEFIT OBLIGATION	262,553	244,733

The change in demographic assumptions figure in the table above reflects the update to use the CMI_2023 Model as set out in the Demographic/Statistical assumptions section of this report.

Reconciliation of opening and closing balances of the fair value of Fund assets:

	YEAR TO 31 JULY 2024 £'000	YEAR TO 31 JULY 2023 £'000
Opening fair value of fund assets	292,871	289,684
Interest on assets	14,917	10,212
Return on assets less interest	9,148	(10,863)
Contributions by University including unfunded	8,895	8,178
Contributions by Scheme participants and other employers	3,332	3,090
Estimated benefits paid plus unfunded net of transfers in	(7,139)	(6,636)
Other experience	-	(794)
CLOSING FAIR VALUE OF FUND ASSETS	322,024	292,871

The total return on the fund assets for the year to 31 July 2024 is (£24.1m).

Pension assets recognition

In accordance with FRS102, the Board of Governors have deemed that the surplus should not be recognised and therefore have restricted the asset valuation to £nil. An entity shall recognise a plan surplus as a defined benefit plan asset only to the extent that it is able to recover the surplus either through reduced contributions in the future or through refunds from the plan.

31. PENSION SCHEMES (CONTINUED)

Re-measurements in other comprehensive income

Re-measurement of the net defined liability:

	YEAR TO 31 JULY 2024 £'000	YEAR TO 31 JULY 2023 £'000
Return on Fund assets in excess of interest	(9,148)	10,863
Changes in financial assumptions	2,687	(96,673)
Change in demographic assumptions	1,328	(20,664)
Other actuarial gains/(losses) on assets	52	82
Experience gain/(loss) on defined benefit obligation	(1,375)	11,179
Pension surplus not recognised	8,902	48,138
RE-MEASUREMENT OF THE NET DEFINED LIABILITY	2,446	(47,075)

(ii) The Universities' Superannuation Scheme

The institution participates in Universities Superannuation Scheme (USS). The Scheme is a hybrid pension scheme, providing defined benefits (for all members), as well as defined contribution benefits. The assets of the scheme are held in a separate trustee-administered fund. USS is a multi-employer scheme and is accounted for as set out in the accounting policies.

The University participates in the Universities Superannuation Scheme (the scheme). Throughout the current and preceding periods, the scheme was a defined benefit only pension scheme until 31 March 2018 which was contracted out of the State Second Pension (S2P). The assets of the scheme are held in a separate trustee-administered fund. Because of the mutual nature of the scheme, the scheme's assets are not hypothecated to individual institutions and a scheme-wide contribution rate is set.

The USS is a multi-employer scheme for which it is not possible to identify the assets and liabilities relating to University members due to the mutual nature of the scheme and therefore this scheme is accounted for as a defined contribution retirement benefit scheme. As a result, the amount charged to the Consolidated Statement of Comprehensive Income and Expenditure represents the contributions payable to the scheme in respect of the accounting period.

Since the institution entered into an agreement (the Recovery Plan that determines how each employer within the scheme will fund the overall deficit), the institution recognised a liability for the contributions payable that arise from the agreement to the extent that they relate to the deficit and the resulting expense in the income and expenditure account. A liability had been previously recorded within provisions for any contractual commitment to fund past deficits within the USS scheme. However no deficit recovery plan contributions have been required since 1 January 2024 therefore there is a nil balance at 31 July 2024.

The total cost charged to the profit and loss account is a release of £1,764,000 (2023: Release £165,000) as shown in note 9. The latest available full actuarial valuation of the scheme was at 31 March 2023 (the valuation date), which was carried out using the projected unit method.

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

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

The key financial assumptions used in the 2023 valuation are described below.

DISCOUNT RATE (FORWARD RATES)	
Fixed interest gilt yield curve plus:	
Pre-retirement:	2.5% p.a.
Post retirement:	1.00% p.a.
PENSION INCREASE (CPI)	
Term dependent rates in line with the difference between the Fixed Interest and Index Linked yield curves less: 1.0% p.a. to 2030, reducing linearly by 0.1% p.a. from 2030	
PENSION INCREASES (SUBJECT TO A FLOOR OF 0%)	
Benefits with no cap:	1.00% p.a.
Benefits subject to a "soft cap" of 5% (providing inflationary increases up to 5%, and half of any excess inflation over 5% up to a maximum of 10%):	CPI assumption minus 3bps

31. PENSION SCHEMES (CONTINUED)

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

MORTALITY BASE TABLE	2020 VALUATION
Mortality base table	101% of S2PMA “light” for males and 95% of S3PFA for females.
Future improvements to mortality	CMI 2021 with a smoothing parameter of 7.5, an initial addition of 0.4% p.a., 10% w2020 and w2021 parameters, and a long-term improvement rate of 1.8% pa for males and 1.6% pa for females

The current life expectancies on retirement at age 65 are:

	2023 VALUATION	2022 VALUATION
Males currently aged 65 (years)	23.7	24.0
Females currently aged 65 (years)	25.6	25.6
Males currently aged 45 (years)	25.4	26.0
Females currently aged 45 (years)	27.2	27.4

A new deficit recovery plan was put in place as part of the 2020 valuation, which requires payment of 6.2% of salaries over the period 1 April 2022 until 31 March 2024, at which point the rate will increase to 6.3%. However no deficit recovery plan was required under the 2023

valuation because the scheme was in surplus on a technical provisions basis. The institution was no longer required to make deficit recovery contributions from 1 January 2024 and accordingly released the outstanding provision to the profit and loss account.

(iii) The Teachers’ Pension Scheme (TPS)

The Teachers’ Pension Scheme (TPS) is a statutory, unfunded, defined benefit scheme, governed by the Teachers’ Pensions Regulations 2010, and the Teachers’ Pension Scheme Regulations 2014. These regulations apply to teachers in schools and other educational establishments, including academies, in England and Wales that are maintained by local authorities. In addition, teachers in many independent and voluntary-aided schools and teachers and lecturers in some establishments of further and higher education may be eligible for membership. Membership is automatic for full-time teachers and lecturers and, from 1 January 2007, automatic too 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 Teacher’s Pension Budget and Valuation Account

Although members may be employed by various bodies, their retirement and other pension benefits are set out in regulations made under the Superannuation Act (1972) and Public Service Pensions Act (2013) and are paid by public funds provided by Parliament. The TPS is an unfunded scheme and members contribute on a ‘pay as you go’ basis – these contributions, along with those made by employers, are credited to the Exchequer under arrangements governed by the above Act.

The Teachers’ Pensions Regulations 2010 require an annual account, the Teachers’ Pension Budgeting and Valuation Account, to be kept of receipts and expenditure (including the cost of pension increases). From 1 April 2001, the Account has been credited with a real rate of return, which is equivalent to assuming that the balance in the Account is invested in notional investments that produce that real rate of return.

Valuation of the Teachers’ Pension Scheme

The latest valuation of the Teachers’ Pension Scheme has now taken place, in line with directions issued by HM Treasury and using membership data as at 31 March 2020. As a result of this valuation TPS employers have paid an increased contribution rate of 28.68% from 1 April 2024 (this includes the administration levy of 0.08%).

A copy of the latest valuation report can be found on the Teachers’ Pension Scheme website.

Scheme Changes


In line with the requirements of the Public Service Pensions and Judicial Offices Act 2022, the Department for Education laid regulations which came into force on 1 April 2022, closing the legacy scheme to any further accrual which prevented any further discrimination. The regulatory changes, along with the ongoing Transitional Protection remedy, are being implemented in response to the McCloud-Sargeant discrimination ruling. The retrospective remedy offers members in scope a deferred choice of benefits, legacy or reformed, in respect of pensionable service during the remedy period (1 April 2015 to 31 March 2022).

(iv) BCU Support Services Ltd pension scheme

The pension scheme for BCU Support Services Limited which is part of the Legal & General Mastertrust. This is a defined contribution plan, a post employment benefit plan under which BCU Support Services Limited pays fixed contributions into a separate entity and has no legal or constructive obligation to pay further amounts. Obligations for contributions to defined contribution pension plans are recognised as an expense in the income statement in the year during which services are rendered by employees.

Birmingham City University
University House
15 Bartholomew Row
Birmingham
B5 5JU

www.bcu.ac.uk
+44 (0)121 331 5000

 myBCU
 [birminghamcityuniversity](https://www.facebook.com/birminghamcityuniversity)