

# Statement of Accounts 2021/22

For the year ended 31 July 2023

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## No 1

Britain's best university,  
as ranked by students

Student Crowd University Awards, 2022

## Top 10

in England for Student  
Satisfaction

Guardian League Table, 2021

## 80%

of our research  
was classified as  
world-leading or  
internationally excellent

Research Excellence Framework, 2021

## 95%

of our graduates were  
in a job or further study  
six months following  
graduation

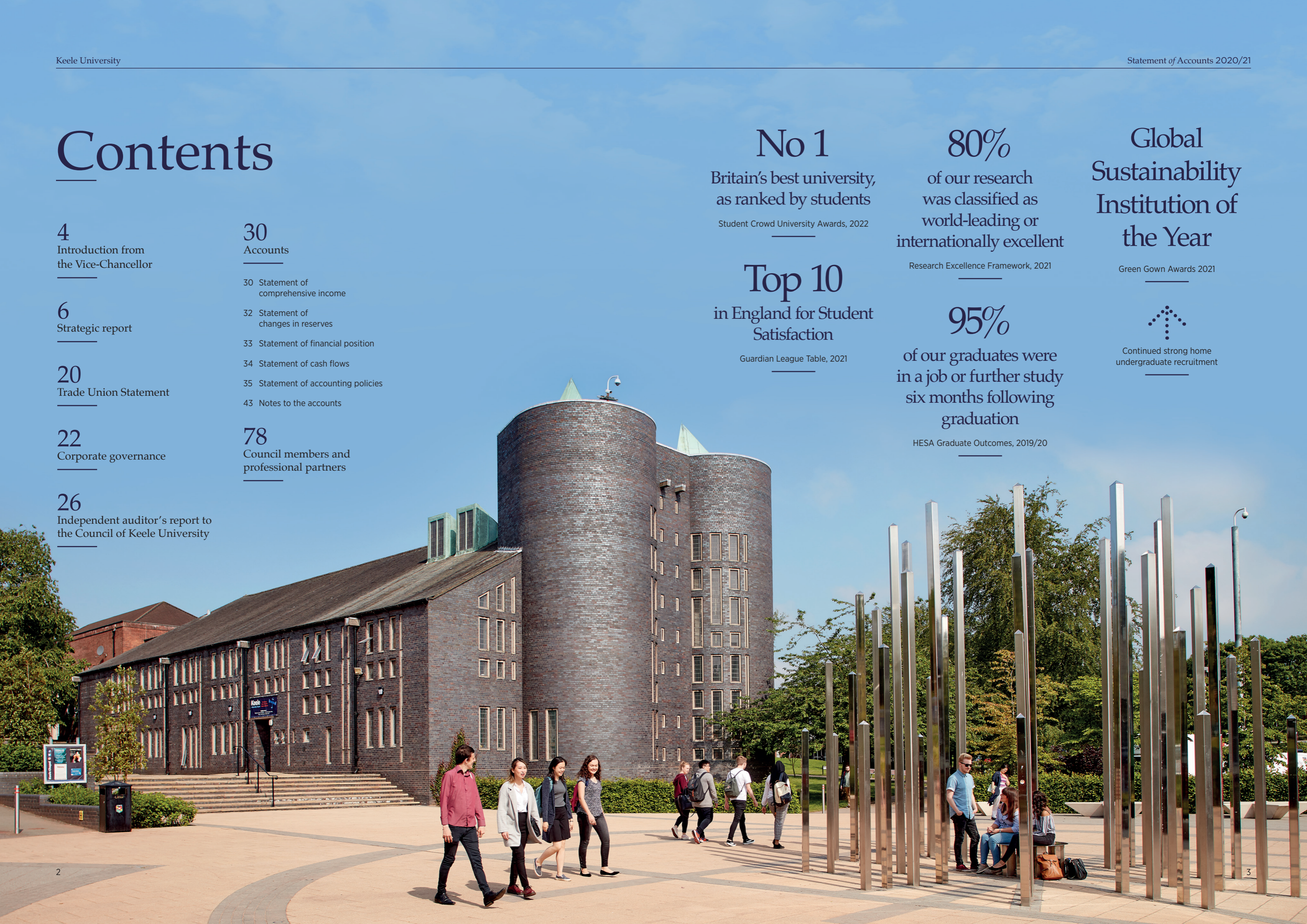
HESA Graduate Outcomes, 2019/20

## Global Sustainability Institution of the Year

Green Gown Awards 2021



Continued strong home  
undergraduate recruitment



# Introduction *from* the Vice-Chancellor

The past 12 months have been another busy and successful year at Keele, with a number of significant achievements across many areas of the University.

The past 12 months have been another busy and successful year at Keele, with a number of significant achievements across many areas of the University. For example, we were named the 'Best UK University' in the nationwide Student Crowd Awards. The award was based purely on verified student feedback, with nearly 16,000 reviews being used to decide the winners across 11 categories, providing a real tribute to our efforts to give students an outstanding education and university experience. This success followed on from Medicine at Keele being ranked among the Top 5 in England in the Times Good University Guide 2022, behind only Oxford, Bristol, and Imperial, as well as our Radiography and Forensic Science courses being ranked among the Top 10 in the UK in the Complete University Guide 2023.

It was fantastic to welcome students back onto our campus for the first graduation ceremonies in more than two years, due to the Covid-19 pandemic. Through the enormous effort of many members of staff our "catch up" ceremonies, held in a tented village on campus, were very special indeed. Graduation is, without doubt, the highlight of the academic year, and being able to congratulate our graduating students and celebrate their achievements in a way in which they deserve after the difficulties they have faced during the pandemic was particularly pleasing.

While the pandemic slowed down construction and development across the world, we've seen a number of new and exciting campus developments come to fruition. We celebrated the official opening of our pioneering renewable energy park. The Low Carbon Energy Generation (LCEG) park features an array of 12,500 solar panels and two wind turbines, which generate clean, renewable energy for our campus – a major step forward in our pledge to be carbon neutral by 2030. Surplus renewable energy is also fed back into the National Grid. Additionally, through HyDEX we're leading efforts to put the Midlands at the forefront of the hydrogen revolution. The £4.99 million, three-year programme, funded via the Research England Development Fund scheme will see the Energy Research Accelerator (ERA) university partners making available their £111m worth of hydrogen facilities, large scale demonstration programmes, and research capabilities to regional businesses.

Students from the Harper and Keele Veterinary School also started their new academic year in a brand-new facility at the University. The state-of-the-art building has paved the way for new ways of teaching and learning and will undoubtedly attract more veterinary students from Staffordshire and further afield. And the construction of Innovation Centre 7, which will become the home for our new Digital Society Institute, continues at pace ahead of its estimated completion towards the end of this year. The Institute will use technology, and the latest advances in data science and analysis, to give local and regional companies an edge in a competitive and dynamic business environment.

Our research has continued to go from strength to strength this year. Our role as a centre for outstanding, world-class research was reaffirmed in the UK-wide Research Excellence Framework 2021. The results for Keele indicated a 75% increase in the volume of world-leading research across the University, with 80% classed as either world-leading or internationally excellent. We were also part of a consortium of 18 UK universities which were awarded funding to accelerate the uptake of open research practices across the UK academic sector, as well as joining forces with the Universities of Birmingham and Warwick to become part of an NIHR-funded body working to improve public health through research.

The University also has a new Chancellor – I was delighted to see James Timpson OBE become the fifth Chancellor in our history, and I am sure he will be a fantastic ambassador for Keele in the months and years ahead. James is the chief executive of Timpson, one of the most socially-responsible retailers in the UK, and chair of the Prison Reform Trust. On behalf of the University, I would like to welcome James and wish him good luck in his new role and thank former Chancellor Sir Jonathon Porritt for sharing his time, expertise, and counsel over the last ten years.

The world feels a very uncertain place with the ongoing conflict in Ukraine, the cost of living crisis, droughts, and extreme weather all creating an unsettling and worrying environment. In a time of global uncertainty, universities and the innovation that we drive is more important than ever. I am in no doubt that our staff at Keele will continue to innovate in all fields of research and education to address the challenges we are all facing and to produce graduates who will have a real impact on society. Through this, Keele will remain at the forefront of efforts to improve people's lives and the world we live in.

Professor Trevor McMillan OBE  
Vice-Chancellor, Keele University



STRATEGIC REPORT

# Highlights of the year

- 1 James Timpson OBE was appointed as our new Chancellor. The chief executive of Timpson, one of Britain's most socially responsible retailers, took over from Sir Jonathon Porritt who had held the post since 2012. James, who became the fifth Chancellor in the University's history, is well-known and respected for his leading role in training, mentoring, and employing former prisoners.
- 2 We were delighted to hold our first in-person graduation ceremonies since before the pandemic. The biggest-ever graduation week in the University's history saw 15 ceremonies take place across five days, with more than 10,000 people visiting the campus.
- 3 The University was ranked by students as being the best in the UK, in the nationwide Student Crowd Awards. Keele won the coveted No.1 spot in the 'Best UK University' category in this year's awards, highlighting our commitment to providing an outstanding student experience.
- 4 We celebrated the official opening of our pioneering renewable energy park. The Low Carbon Energy Generation Park, built in partnership with low-carbon technology specialists EQUANS, features an array of 12,500 solar panels, two wind turbines, and an industrial sized battery, which generate and store clean, renewable energy for the Keele campus. Surplus renewable energy is fed back into the National Grid.
- 5 Our role as a centre for outstanding, world-class research was reaffirmed in the UK-wide Research Excellence Framework 2021. The results for Keele indicated a 75% increase in the volume of world-leading research across the University, with 80% classed as either world-leading or internationally excellent.



- 6 A planet discovered by Keele astronomers was one of the first to be featured by NASA in the initial science release from the James Webb Space Telescope. WASP-96b was discovered in 2014, and its combination of large size, short orbital period, puffy atmosphere, and lack of contaminating light from objects nearby in the sky, made it an ideal target for the \$10 billion telescope.
- 7 We began leading a new programme designed to support and foster the creation of a new hydrogen economy in the Midlands. 'HyDEX' brings together university partners in the Energy Research Accelerator (ERA), along with multinational businesses, SMEs, and other partners, to accelerate innovation in hydrogen, build markets and the supply chain, and support the skills needed for the new hydrogen economy.
- 8 The Harper and Keele Veterinary School started their new academic year in a brand-new facility at the University. The state-of-the-art building provides a home for the School on Keele's campus and is one of the most recent vet schools to be opened anywhere in the UK.
- 9 The University launched a new scholarship scheme to support refugees from Ukraine and other countries, which is providing over £1 million in financial support to refugees or those with similar status in the UK. The move underlines Keele's commitment to supporting students from all backgrounds in accessing higher education.
- 10 A new partnership between Keele University and leading global education provider Navitas was officially signed to give international students new opportunities to access higher education with Keele. The first Keele University International College students have started in September 2022.
- 11 Keele is the higher education partner with Newcastle and Stafford College Group in a new Institute of Technology that will be built in Stafford.

STRATEGIC REPORT

# Financial Highlights

Total income of  
**£176.8m**

**Total income** – income for the year totalled £176.8m, an increase of £5.8m in income compared to 2020/21. This is mainly due to increased tuition fees from additional student numbers and significantly improved other income due to accommodation income benefitting from a full year on campus compared to a Covid-19 hit 2020/21.

## Surplus before other gains

**(Deficit) / surplus before other gains/ losses** – excluding the actuarial movement in staff costs, the consolidated operating (deficit) / surplus before other gains/losses reduced in 2021/22 to a £2.7m deficit from a £13.3m surplus in 2020/21. Whilst income improved, non-pay costs have increased incorporating a one-off impairment charge of £10.3m and the additional costs of capital investment with higher depreciation and interest charges supporting the leases for the Vet School and the Energy Park.



## Cash generation

**£36.5m**

**Cash Generation** – the University improved its cash generation from operating activities in the year from £14.1m to £22.5m as shown in the Consolidated Statement of Cash Flows. At year end, the Group had cash and cash equivalents of £36.5m and fixed asset investments of £34.8m (2020/21:

£26.1m and £39.4m respectively). The University also has access to further undrawn bank borrowing (Revolving Credit Facilities) of £14m that can be used flexibly as required to support liquidity and cash flow. An element of the fixed asset investments could also be drawn down and be available to the University at short notice if required.

## Tuition fee income

**£92.5m**

**Tuition Fee Income** – tuition fee income increased by £5.7m, to £92.5m. This was primarily due to strong overseas UG recruitment, and encouragingly was supported by improvements in PG Taught fee income.

## Staff costs



**Staff costs** – on-going staff costs (see note 8) totalled £91.1m for 2021/22, equalling 52% of total income (£89.4m and 52% in 2020/21).

## Capital expenditure

**£20.7m**



**Capital Expenditure** – £20.7m of capital expenditure (ignoring finance leases) was spent on projects in the year. A significant proportion of this was funded externally, including the Innovation Centre 7 which is being grant funded by the European Regional Development Fund and the Government's Getting Building Fund.

STRATEGIC PLAN – OUR FUTURE

# Strategic performance

The University Strategic Vision “Our Future”, sets out five key tenets of a successful university, Purpose, People, Place, Partnerships and Performance.

Over recent years, facing and emerging from a global pandemic, these five themes have provided a framework through which the University has made sound decisions to pursue its ambitions, in the midst of some challenging environments.

## Purpose

Keele's founding missions was to be **“making a difference in society by providing innovative, high- quality education for students from all backgrounds and by undertaking world-leading research that transforms understanding and brings benefit to society, communities and individuals.”**

Our purpose remains true to that founding principle and the University has been able to develop the hybrid- education model introduced during the pandemic, to offer new and innovative ways of delivering our programmes to our students, as well as significantly seeking to expand its educational provision through the launch of our Academic Development Plan, bringing a suite of new programmes at undergraduate and postgraduate level into development for future recruitment.

Research remains at the heart of our activity at Keele and this year we saw the publication of the REF2021 results. Keele's performance was strong, maintaining our position within the sector of being a quality research-led institution. Combined with our teaching excellence, quality student experience and a continued commitment to the local community, we continue to hold our founding mission at heart.

## People

Keele's community is founded on its people: staff, students and partners. Our principles of collegiality, ambition, accountability, respect, fairness and consistency inform all that we do. Keele's Professional Services have undergone a major transformation project during this year. The OneKeele programme, developed as part of the Financial Sustainability Plan, sought to deliver a more efficient professional service for the University, whilst also providing the foundation for their continuous improvement in years to come. The implementation completed in the summer of 2021, generating a recurrent saving in the professional services of £3.67m as well as providing more high quality and consistent services for staff and students.

Our academic colleagues continue to be at the forefront of our education and research ambitions. Although a difficult year with industrial action taking place due to national pay and pension negotiations; our staff have remained committed to our student community ensuring that they remain receiving a quality educational experience.

## Place

Our Future is clear that Keele University is much more than our beautiful 600-acre campus. The national 'lockdowns' in the pandemic confirmed that Keele University is a powerful organisation which covers many corners of the globe and can 'work from home' when needed. As such, we have introduced agile working for all staff, allowing more flexibility and productivity to our people, whilst continuing to deliver our excellence levels of service. We remain committed to our place in North Staffordshire, and this resides as a key focus for our efforts to help the economy of the region, as well as our broader place within society.

We were pleased to see a number of building projects develop over the course of the year. The new Veterinary Science building has seen its first set of students this year; Innovation Centre 7 home of our Digital Institute has also been built over the last year and we have benefited from our own renewable energy farm throughout the year, combining wind turbines and PV Panels for energy generation.

Campus facilities have been updated in the main Chancellor's Building and Students Union building, bringing a Co-Op, Greggs and new Cafeteria area in these locations.



## Partnerships

Our mutual commitment with our partners continues to be vital to the success of the institution. Our partnership with the NHS remains a key priority for us, as do our academic collaborations, such as Harper Adams University, with which we share the Joint Veterinary Sciences School and the Newcastle and Stafford Colleges Group, who amongst other things, we will be partners with on a new Institute of Technology in Stafford.

We continue to build international partnerships, through a combination of research partners and collaborative educational provision. Our ambitions internationally will feature partnerships at their heart and opportunities continue to develop in countries such as China, Nepal, India and many others.



## The *new* Institute of Technology in Stafford in partnership with Newcastle and Stafford Colleges Group



## Performance

Our performance is evident through a broad range of measures; we continue to recruit good levels of students; our research impact and performance continues to demonstrate improvement; our regional and local links and impact are increasingly evident. A key driver for our financial position was the introduction of the three-year Financial Sustainability Plan, comprising of three-stages of cost- reduction, efficiency savings and growth. Cost reductions were made during the 2018/19 and 2019/20 financial years through an ambitious voluntary severance scheme, which was carefully managed and planned by a Staffing Review Group, to ensure that the University business could sustainably be delivered, whilst realising significant financial savings. This scheme, in conjunction with the Financial Sustainability Plan, positioned the University well to respond to the financial challenges faced by the sector as a result of the pandemic. As mentioned above, OneKeele was a second pillar of the Financial Sustainability Plan and delivered significantly above its £3m target without requiring any compulsory redundancies, which is a notable achievement. Recruitment growth was the third pillar of the plan, although growth has been seen during the period, the pandemic inevitably impacted on international recruitment in a way which could not have been foreseen. However, as we look to 2022 student recruitment, our international applications are significantly ahead of expectations, and we expect to see Keele exceed the delivery of the final strand of the FSP during this recruitment round.

## Future Prospects

As we look ahead, the University, intends to continue building upon the successes of the Financial Sustainability Plan, with the deliverance of the Academic Development Plan. This ambitious plan combines systematic new programme development, with strategic advances in areas of research, inclusivity and leadership development which will ensure that Keele is well positioned to respond to emerging opportunities and challenges, whilst continuing to deliver against our strategic objectives.

## Going Concern

Net cash generated from operating activities for 2021/22 was £22.5m, or 12.7% of turnover. Cash generation is an area that the University is continually looking to improve, to facilitate increased investment across the campus buildings and infrastructure and the student and staff experience at Keele. The amount of cash and cash equivalents on the balance sheet increased from £26.1m at 31 July 2021 to £36.5m at 31 July 2022. This was generated through the improved operational cash generation, but there is an element of timing differences here where the University has received the cash ahead of expenditure requirements.

The University has fixed asset investments that are invested in liquid funds that could be available to the University at short notice if required. Additionally, the majority of the University's external loan funding of £64.8m is long term in nature. Cash flow forecasts show that the University is still able to ensure it has sufficient liquidity over the short, medium and long term. At the date of signing these accounts, the University also has access to revolving credit facilities of £14m (£10m Nat West and £4m Barclays) which can be used to support liquidity as and when required.

As with all other entities, the University has been impacted by the high inflationary environment on our cost base, with our primary source of income (UK undergraduate taught students) being a fixed fee of

£9,250 per year whose value therefore reduces over time. However, the financial improvement plans that have been implemented in recent years together with the Office for Student forecasts that have been recently submitted provides the University Council with the confidence that the University has adequate resources to continue in operational existence for the foreseeable future and for at least 12 months from the date of signature of these financial statements.



## Gender Pay Gap

Building on the University's founding principles, our commitment to promoting equality and valuing diversity is at the centre of our efforts to ensure that all staff and students have the opportunity to flourish and fulfil their potential. In recent years the University has carried out an annual Equal Pay Analysis across our pay grades which demonstrates that there is no pay inequality within our Pay Grading Structure, i.e. we pay men and women equally for work at the same level. However, there is work to do in addressing our Gender Pay Gap which exists, not because of an equal pay failure, but due to issues relating to the composition of the workforce.

Keele's Gender Pay Gap is biased towards men. The gender pay gap includes every worker and employee, from frontline operational staff to members of the executive team. The composition of our workforce is therefore a key factor in understanding our gender pay gap. Put simply, we have more men in senior academic roles and more women in our lower level administrative and operational positions.

This year we reported a small increase of 1.4% in the mean Gender Pay Gap, but it is positive that there was a notable decrease in our median Gender Pay Gap of 6.7%. The reduction in the median Gender Pay Gap was attributable to a significant reduction in the number of low-paid casual roles.

While the gap reflects broader societal trends and career choices that disproportionately impact on women, we choose not to be complacent and use this to justify our gap. We have reduced the number of low paid casual staff and we have engaged recruitment approaches to make administrative roles more attractive to a diverse group but we recognise that we have a responsibility to address workplace barriers to gender equality and have an action plan in place which will be extended to summer 2023, when we will resubmit for a further Athena Swan award.

Since September 2005, the University has been a Member of the Athena Swan Charter. The University and its Schools continue to strive towards higher levels of award recognition. Keele University is committed to the principles of the Athena Swan Charter and values equality and diversity across its workforce. The University sees membership of the Charter as working towards sustaining equitable working environments enabling universities to identify themselves as employers of choice, not only to their staff, but to students, stakeholders, research councils and industry. Keele University currently holds departmental Bronze awards in all Schools, with the exception of the Harper and Keele Vet School which is currently ineligible for an award.

A full gender gap report can be found on the University website, together with other equality, diversity and inclusion reports

## Ethical Investment Code of Practice

Keele University's Ethical Investment Code of Practice aims to ensure that its investments are managed in a productive but socially responsible manner which reflects the mission and values of the University. It is based on the premise that the University's choice of where to invest should be in line with its strategic aims and its environmental, social and ethical values. The Business Review Committee, on behalf of Council, actively monitor and take a view on the ethical position of the University's investments. In particular, the Committee may advise against investment in areas which it considers to be ethically unacceptable.

**Keele University is an exempt charity. In respect of the Charity Commission's guidance on public benefit, the Council has highlighted some of the ways in which the University has had a positive impact on society during 2021/22.**

## Sustainability

Keele's Root and Branch campaign continues to "embed sustainability in everything we do" and our vision is to be an international leader in campus sustainability encompassing activity across all aspects of the University estate and operations, our business activities, our engagement with the wider community, and in our core areas of education and research.

This year has seen significant progress and international interest in our major on-campus sustainability projects, including the Low Carbon Energy Generation Park providing renewable energy generated on campus, and the Smart Energy Network Demonstrator.

These initiatives will also allow the University to further develop its unique position as a campus which is on the scale of a small-town and that includes educational, research, residential and business communities, to be a genuine "living laboratory" where we can develop and test innovative sustainability solutions which can ultimately be introduced to wider society.

Notable achievements this year include:

- Our pioneering Low Carbon Energy Generation Park was officially opened. The 12,500 solar panels and two wind turbines generate up to 50% of the campus' electricity needs, with energy being stored in an industrial sized battery, and excess power being fed back into the grid to serve local communities.
- The results of the ground-breaking HyDeploy pilot trial that were presented at a reception in Parliament, highlight the promising results and the vast potential of using hydrogen blending to reduce carbon emissions from home heating. This trial has formed the basis of new trials in communities in other parts of the country.
- We have launched a new programme with our partners at the Energy Research Accelerator, to help kick start a hydrogen economy in the Midlands. HyDEX brings together the university partners in the ERA with multinational businesses, SMEs and other partners, to accelerate innovation in hydrogen, build markets and the supply chain, and support the skills needed for the new hydrogen economy and ecosystem. Keele's Dr Sharon George is the Principal Investigator and is leading the programme.
- We were ranked "First Class" for our environmental and ethical impact in the People and Planet University League Table. The League Table ranks UK universities on their environmental and ethical performance and has seen Keele receive a perfect score of 100% in categories judging its environmental policy, sustainability education, and provision of sustainability-focused staff.
- Professor Zoe Robinson worked collaboratively with the Centre for Alternative Technology to create a list of guidelines for local authorities, to help them tackle the climate emergency. Based on a pilot project Professor Robinson carried out with Staffordshire councils, the guidelines provide recommendations to support other councils in taking action against climate change and meeting their climate targets.



## Global Sustainability Institution of the Year

Green Gown Awards 2021

Over  
**5,000**

More than 5,000 healthcare workers currently on the NHS frontline were educated at Keele University, supported by hundreds of final year students



## Healthcare

The University has a considerable impact upon society in the area of medicine and healthcare through our research, education and citizenship activities, as well as membership of trust and national advisory boards, charity work, and volunteering.

Our researchers continued to have an impact on a national scale this year for example:

Professor Christian Mallen was an advisor on a new government paper on the direct and indirect health impacts of Covid-19 in England, that assesses the emerging impacts of Omicron. The paper was produced by the Department of Health and Social Care (DHSC) in collaboration with the Office for National Statistics (ONS) and benefited from the clinical expertise of Professor Mallen and colleagues at Keele.

Professor Mamas Mamas co-authored a study which found the risk of heart attacks and strokes temporarily increases in the four months after a gout flare. Led by the University of Nottingham in collaboration with Keele, the study showed that gout patients who suffered from a heart attack or stroke were twice as likely to have had a gout flare in the 60 days prior to the event, and one and a half times more likely to have a gout flare in the 61-120 days prior, emphasising that gout episodes may be a crucial factor in a patient's cardiovascular risk profile.

An international team of researchers, led by Keele University, discovered a potential new drug that could be used to reduce infection spread of Covid-19 and other emerging viruses. Led by Professor Jerry Turnbull, the team was the first to demonstrate that an existing drug that mimics heparan sulfate inhibits attachment and infectivity of the SARS-CoV-2 virus. The drug, Pixatimod, is effective against all the key variants of concern that have emerged to date, including Omicron, and is in clinical development as an anti-cancer drug by Zucero Ltd in Brisbane, Australia.

Researchers from Keele University's School of Medicine have advised on a Government review to aid decision making in relation to the UK's state pension age. Their research estimates the average number of years that populations are healthy and in work, and has identified inequalities by socio-demographic, geographical, health and workplace factors.

Research by Dr Zoe Paskins, Professor Edward Roddy, and Professor Christian Mallen from Keele University's School of Medicine, found that steroid injections can provide an effective means of treating patients with arthritis in their hip. The Keele University research, the largest study of its kind ever conducted, looked at the use of corticosteroid injections for treating hip osteoarthritis (OA), and found that these treatments had a rapid and sustained impact for patients, giving them better movement and greater pain reduction over a six-month period than those without.

A team of researchers led by Dr Pensée Wu, from our School of Medicine, found that women who conceive with assisted reproductive technology such as in vitro fertilisation (IVF) are at a higher risk of vascular and pregnancy complications. This was the first population-based study of its kind and the largest analysis to consider both pregnancy outcomes and vascular complications at the time of delivery for women who have conceived using assisted reproductive technology (ART).

New research found that mosquitoes can learn to actively avoid pesticides after being exposed to a near-fatal dose. Led by Keele University's Professor Frederic Tripet and conducted in collaboration with researchers from the Vector Control Research Unit of Universiti Sains Malaysia, the study found that mosquitoes can recognise a chemical compound by smell after suffering detrimental effects from being exposed to it, and thereafter actively avoid it to ensure their survival – even going without food to do so. These findings are an important contribution in the fight against malaria, as they can help researchers to develop new methods to control mosquitoes.

Researchers are also working with partners to improve the health and wellbeing of some of the most vulnerable members of our community. A research team led by Dr Tom Kingstone and Professor Carolyn Chew-Graham working with Staffordshire Fire and Rescue Service to develop mental health support for older adults, that can be delivered through the fire service's home fire safety visits.

The University has thousands of undergraduate students studying professional programmes in the areas of medicine, midwifery, nursing, pharmacy, physiotherapy and radiography who are engaged in direct service delivery and patient care during their clinical placements.

This experience takes place within over twenty NHS trusts, 100 GP practices, and over 200 private, voluntary or independent providers, and spans the whole of the West Midlands, Cheshire, Liverpool, Wales and as far away as Kent and Durham. Keele students also undertake placements around the world in both a voluntary capacity or as a planned student exchange, having a global impact on health.

We have also continued to expand our commitment to training the next generation of healthcare professionals, with new and innovative courses and facilities to not only fill skills gaps and create excellent clinicians, but to ensure they have the best start in their careers. New programmes in Paramedic Science, and Prosthetics and Orthotics were both launched this academic year. Our first cohort of student paramedics ventured out into the field on their first placements early in 2022, while a brand new custom-built workshop and suite of facilities was opened in support of our Prosthetics and Orthotics students.



## Education and the Student Experience

We are passionate about, and committed to, delivering an outstanding student experience. Our purpose is to support our students at every stage of their Keele journey, from the first time they encounter us – perhaps in a prospectus – to when they leave us to take the next steps in their lives and careers.

The student community at Keele is varied and diverse. Keele recruits from across the UK and the world, as well as locally, with approximately 40% of our students coming from the West Midlands.

Our students have a significant impact on the local community, and their wide-ranging interactions with the community, both on and off-campus, through their studies, their residency and activities such as volunteering, enrich both their experience and the companies, institutions and individuals with whom they interact.

The Keele Students' Union volunteering team helps student gain experience relevant to their course or something completely different. Currently more than 3,700 Keele students are registered on their database, with around one third of those actively involved in volunteering projects at any one time.

Keele has continued to affirm its reputation as a leading institution in the UK, ranking highly among prestigious UK universities in the latest league tables. Radiography (Diagnostic Imaging) at Keele University has been ranked among the Top 10 in the UK in this year's Complete University Guide, climbing four places from last year. Forensic Science was also ranked among the Top 10 in the UK in the same guide. Our role as a centre for outstanding, world-class research was reaffirmed today in the UK-wide Research Excellence Framework (REF 2021), with a 75% increase in the volume of world-leading research across the University compared to the last REF in 2014. Law at Keele was ranked among the Top 200 in the world in the Times Higher Education World University Subject Rankings 2022, with medicine ranked among the Top 5 in England in the Times Good University Guide 2022.

Keele has consistently ranked highly for student satisfaction and this year is no different, with Keele ranked by students as being the best in the UK, in the nationwide Student Crowd Awards. Keele won the coveted No.1 spot in the 'Best UK University' category in this year's awards, highlighting our commitment to providing an outstanding student experience. And the launch of a new scholarship scheme in response to the Ukraine crisis, will provide over £1m in financial support to refugees or those with similar status in the UK – highlighting our commitment to supporting students from all backgrounds to access higher education.

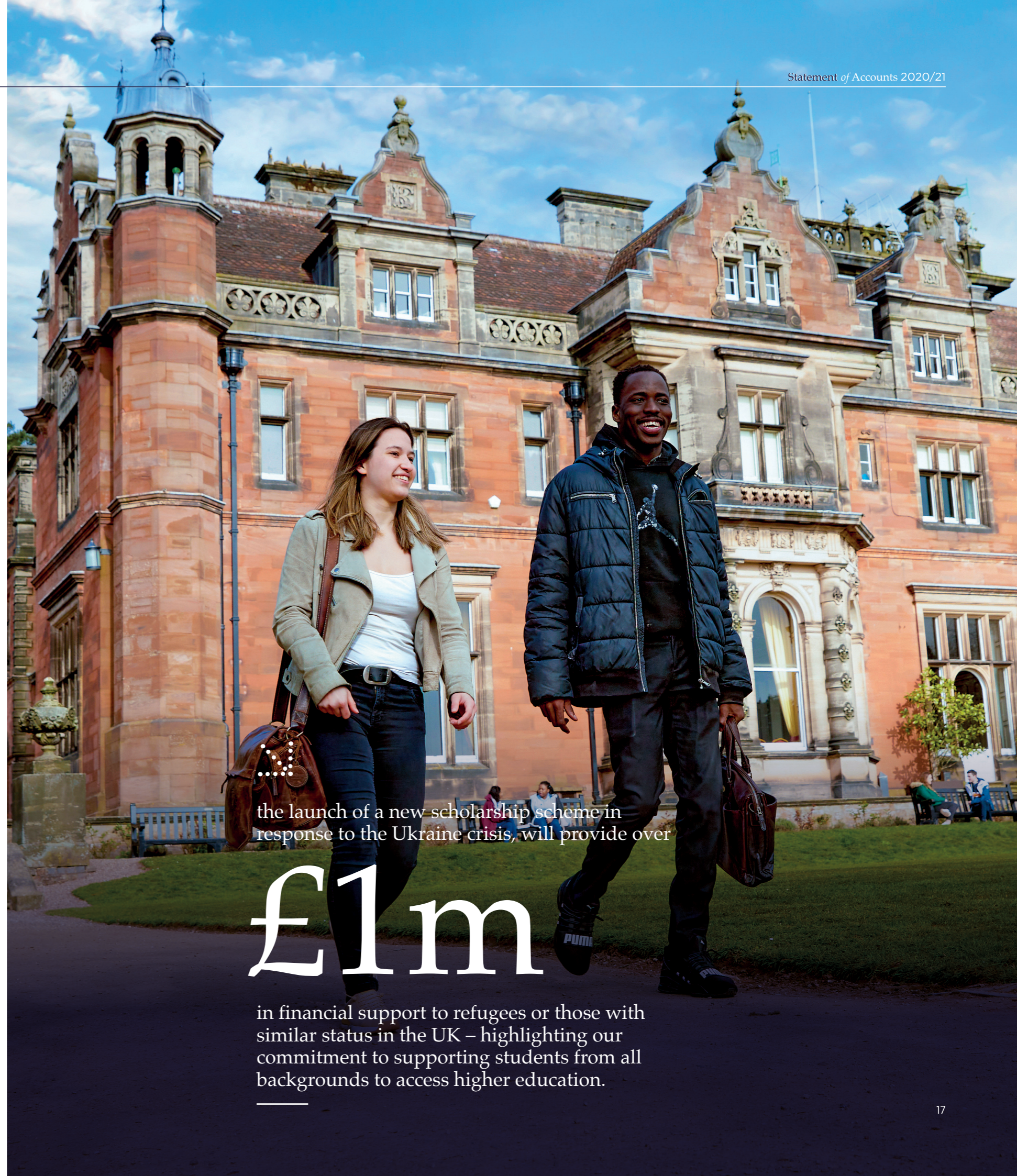
## Widening Participation

As a University that was founded on the principles of widening participation, Keele has always placed great importance on supporting underrepresented groups, both pre and post entry. Keele is also the lead institution for Higher Horizons, one of the largest partnerships in the Government-funded Uni Connect Programme (formerly the National Collaborative Outreach Programme, or NCOP) and the leading provider of HE outreach in Cheshire, Shropshire and Staffordshire.

Keele oversees four outreach hubs at Keele and Staffordshire Universities; the University of Chester; and Harper Adams University, with over thirty members of staff dedicated to producing and delivering informative and impartial activities to schools and colleges across the region.

The academic year 2021/22 has seen a firm bounce back from the Covid-19 pandemic which affected how the partnership delivered provision to young people. This academic year, Higher Horizons has delivered 708 unique activities to 10,294 young people, focusing on three themes of Inform, Experience and Enable. Learnings from the COVID-19 restrictions has seen a hybrid method of delivery with 210 of these activities delivered with a strong virtual element.

Many of the young people have engaged on three or more occasions, giving them the greatest chance to overcome barriers and apply to Higher Education. Over 70 per cent of those engaged come from areas that have the lowest rates of progression to Higher Education.



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£1m

in financial support to refugees or those with similar status in the UK – highlighting our commitment to supporting students from all backgrounds to access higher education.

## Business Engagement

In the academic year 2021/22, Keele University continued to support local businesses with innovation-led growth, research and development support, and a leadership programme for entrepreneurs and innovators across Stoke-on-Trent and Staffordshire, via the University's landmark New Keele Deal.

Since launching in 2017, there have been almost 1,000 support interactions between the University and local businesses as a result of the first New Keele Deal – also known as Keele Deal | Economy – with three further Deals being launched since, focusing on Culture, Health and Recovery respectively. The Keele Deals are testament to the commitment that Keele has to the local area and have been praised by the UK Government.

The New Keele Deal, a £70 million investment by a number of partners including University Hospitals of North Midlands NHS Trust (UHNM), Staffordshire County Council, Stoke-on-Trent City Council, Newcastle-under-Lyme Borough Council and the Stoke-on-Trent and Staffordshire Local Enterprise Partnership, continues to support long-term economic growth for the region, create high-value jobs, and provide opportunities for students and graduates to gain experience working in growing and innovative businesses.

At the time of publication, Keele Deal | Economy has:

5,780

tonnes of CO2

Created

800

new jobs

Provided

980

support interactions with local businesses

Injected

£80m

into the local economy

The Deal has led to the injection of approximately £200m into the local economy, and the Smart Energy Network Demonstrator, one of the projects made possible through the Deal, is on track to save more than 4,000 tonnes of CO2 emissions a year by the end of 2022.

Keele's Science and Innovation Park continues to attract pioneering, innovative companies to the area, with over 50 businesses currently located within what is one of the leading developments of its kind in the country, employing more than 750 people in high-value jobs.

Sir John Peace, Chairman of Midlands Engine, visited the Park in May 2022 to learn more about the pioneering development, saying: "The Science and Innovation Park highlights the best of our region and how collaborative working to solve problems at pace can deliver transformative results for our region."

The Science and Innovation Park is proud to host and support a range of businesses, from recent start-ups through to multinationals, working across a range of different knowledge-intensive markets. Four of the Park's tenant businesses are winners of Queen's Awards for Enterprise, with Biocomposites being the latest to be honoured after being recognised in two categories in April 2022.

The Smart Innovation Hub launched in 2020 currently has 16 business tenants, and nine co-workers in residence from different businesses, and in the academic year 2021/22 more than 100 businesses engaged with programmes run from the Smart Innovation Hub.

Expansion of the Park continues at pace, with construction of the seventh Innovation Centre (IC7) entering its final stages. The facility is home to Keele's Digital Society Institute and was selected as one of 300 projects to receive funding from the government's "Getting Building Fund".

The vision for IC7 is to drive business growth and innovation, helping local businesses understand and adopt advanced data analytics to drive productivity, growth and improve social outcomes.

The Centre's initial business programme was launched in May 2022 and will support over 400 local SMEs across three support channels, each created to suit organisations at varying stages of their digital journey.



Professor T J McMillan OBE  
Vice-Chancellor



D Hall  
Treasurer

27 June 2023

TRADE UNION

# Statement

## Trade Union Representation time

The Trade Union (Facility Time Publication Requirements) Regulations 2017 came into force on 1 April 2017. These regulations place a legislative requirement on relevant public sector employers to collate and publish, on an annual basis, a range of data on the amount and cost of facility time within their organisation. The regulations provide a framework for open and transparent monitoring and for demonstrating the effective use of taxpayer's money. The data below covers the relevant period of 1 April 2021 to 31 March 2022.

## Relevant Union Officials

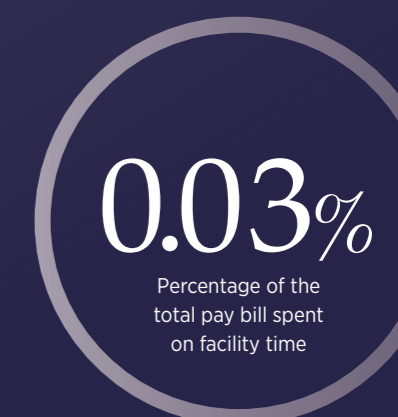
Number of employees who were relevant union officials during the relevant period - 19 Full-time equivalent employee number - 18.4



## Percentage of time spent by Relevant Union Officials on facility time



## Percentage of pay bill spent on facility time



## Paid trade union activities



As a percentage of total paid facility time hours, hours spent by employees who were relevant union officials during the relevant period on paid trade union activities

The following statement is provided to enable readers of the Annual Review and Statement of Accounts of Keele University to obtain a better understanding of its governance and legal structure. It covers the period 1 August 2021 to 31 July 2022 and up to the date of approval of the audited financial statements.

## CORPORATE GOVERNANCE

# Statement

The following statement is provided to enable readers of the Annual Review and Statement of Accounts of Keele University to obtain a better understanding of its governance and legal structure. It covers the period 1 August 2021 to 31 July 2023 and up to the date of approval of the audited financial statements.

## Legal Status of the University

Keele University is an independent corporation and is the successor to the University College of North Staffordshire, founded in 1949. The University derives its legal status from the Royal Charter granted in 1962 (as subsequently amended) and the status of its degrees is recognised by the University of Keele Act 1962. Like many English universities, the University is a charity exempt from registration with the Charity Commission and the Office for Students (OfS) is the principal regulator for the University as an exempt charity. This means that members of the Council have the responsibilities of charity trustees in relation to ensuring the institution's work is for the public benefit and that it complies with Charity Commission expectations. An internal review of the University's compliance with charity law requirements in 2021 resulted in the Council being provided with a high level of assurance.

## How the University is governed

The University is committed to exhibiting best practice in all aspects of corporate governance. The University, like other public bodies, has a duty to conduct its affairs in a responsible and transparent way and to take into account the requirements of its funding bodies and the Higher Education Code of Governance published by the Committee of University Chairs (CUC). The University also conducts 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). The CUC Code was revised and published in September 2020 and the University is fully compliant.

The CUC published a Higher Education Audit Committees Code of Practice in May 2020, which identified the key principles and elements that form an effective Audit Committee. The Council has formally adopted the Code. The University is also committed to the principles of academic freedom and equality of opportunity in its approach to governance.

The University has a responsibility to ensure that slavery and human trafficking are not taking place in our business or in our supply chains. Our Modern Slavery and Human Trafficking Statement can be accessed on our website at: [www.keele.ac.uk/modern-slavery](http://www.keele.ac.uk/modern-slavery)

In line with CUC guidance and sector best practice, the University commissions reviews of the Council effectiveness at least every four years and a review was undertaken by Advance HE this financial year. The review concluded that the governance arrangements were highly effective. Four elements of current practice were highlighted: the work of the governance team and the arrangements in place for regulatory oversight and compliance; the positive culture of support and challenge exhibited across the Council; the highly effective leadership of the Council by the Chair; and an ingrained appetite for continuous development and improvement. A small number of recommendations were made to further enhance effectiveness, which will be taken forward over the coming months.

In the spirit of continuous improvement, the Council ensures that it maintains its position as an exemplar of good governance by individually appraising members each year; a 360 degree review of the Chair; and each committee reviews its terms of reference on an annual basis to ensure they remain fit for purpose, that the committee has fulfilled its remit, that it has had due regard for the promotion of equality and diversity and that the membership of the committee is appropriate given its responsibilities.

The Council took part in a Governance Apprenticeship Programme run by an executive search firm in 2021/22 that was aimed at underrepresented groups. Two Apprentices were appointed in 2021/22 to support the next generation of diverse board talent, one of whom will continue for an additional year. A further Apprentice has been appointed for 2022/23.

On 7 March 2022, the Council approved the appointment of Michel Farrar CBE as the new Pro-Chancellor and Chair of Council. He has taken over as Chair on 1 September 2022 but joined the Council as a lay member with immediate effect to facilitate his induction and handover with the outgoing Chair, Dame Jo Williams.

The Council also approved the appointment of a new Chancellor this financial year. On 7 April 2022, James Timpson OBE was appointed as the University's fifth Chancellor and installed into the role at a ceremony on 13 June 2022. He succeeded Sir Jonathon Porritt, who had completed two five year terms.

## The University's Corporate Governance Framework

The University's powers and framework of governance are set out in the Charter, its supporting Statutes, Ordinances and Regulations. These currently require the University to have two separate bodies, each with clearly defined functions and responsibilities, to oversee and manage its activities, as follows:

- **The Council** is the supreme governing body, responsible for the finance, property, investments and general business of the University, and for setting the general strategic direction of the institution. Council members are sometimes referred to as the Trustees of the University. The Council has a majority of members from outside the University (described as lay members), from whom it's Chair and Deputy Chairs must be drawn. Members also include representatives of the University's academic and support staff and student body. For a full list of Council members who have served during the last year see the first page of this report.
- **The Senate** is the academic authority of the University and draws its membership entirely from the academic and academic-related staff and the students of the institution. Its role is to regulate and superintend the education, welfare and discipline of students and the promotion of learning and research. The Vice-Chancellor is the Chair of the Senate. A review of its effectiveness will take place in 2022/23 to follow the Council review.

The principal academic and administrative officer of the University is the Vice-Chancellor, who has a general responsibility to the Council for maintaining and promoting the efficiency and good order of the University. Under the terms of the OfS Regulatory Framework for Higher Education in England, the Vice-Chancellor is the Accountable Officer of the University.

The Council has a number of committees, which undertake a lot of the detailed scrutiny on behalf of the Council and their decisions are reported back to the Council and, where relevant, the Senate. All committees are formally constituted with written terms of reference and have majority lay member representation.

The University has an executive committee with responsibility for Equality, Diversity & Inclusion, which has lay representation from the Council and a reporting line into the Council.

It also has a committee for Health & Safety (H&S) that reports to both the University Executive Committee and via the Audit & Risk Committee to the Council. The University uses the Health and Safety Management Profile (HSMAP) as its standard tool for assurance on H&S matters, which is accepted by the Universities and Colleges Employers Association as the scheme for measuring H&S management performance in the higher education sector. This also enables the University to focus on its H&S Strategic Action Plan. Considerable work has been undertaken in the year to review, update and amend policies and procedures and to engrain H&S across the campus to ensure that the University is at the forefront of H&S for all our staff, students and visitors.

The Council and the Senate hold a joint meeting each year to discuss matters of common interest, and this is just one example of the numerous initiatives to aid the Council's understanding of the academic governance of the University.

The Council approved a new University Strategy 'Our Future' in May 2019, which is articulated through five strands: Purpose, Performance, People, Place and Partnerships. A new set of key performance indicators were developed, and a comprehensive review of the University Risk Register was subsequently undertaken in line with the new Strategy. Performance is reviewed by Council and the University Risk Register is reviewed at each meeting of the Audit & Risk Committee and subsequently Council.

The Council approved the appointment on 7 July 2022 of new external auditors PKF Littlejohn LLP for the 2022/23 financial year audit and a minimum of two years thereafter on the recommendation of the Audit & Risk Committee.

## Council Committees

The Business Review Committee provides detailed scrutiny on behalf of the Council on matters concerning the operation and financial sustainability of the University. It receives and recommends approval to the Council of the draft budget, financial forecasts and statutory accounts, monitors financial performance against agreed plans and budgets, receives reports on the University's wholly-owned subsidiary companies and monitors the University's portfolio of investments.

The Nominations & Governance Committee advises the Council on matters relating to corporate governance arrangements, ensuring that the University pursues best practice and complies with external governance requirements in addition to advising the Council on the appointment of new members, members of the College of Fellows and the Chancellor. The Committee takes into account skills and experience and seeks to ensure the promotion of equality and diversity in reflecting both the diversity of society and the needs of the University in all of its appointments. The University, in accordance with guidance based on the Lambert Report, normally advertises vacancies nationally against defined person specifications.

The Senior Remuneration Committee determines the remuneration of the most senior academic and professional services staff, including the Vice-Chancellor. The University adopted the CUC HE Senior Staff Remuneration Code, which was published in 2018 and revised in 2021 and demonstrates Council's leadership and stewardship in seeking to protect the University's reputation and provide greater assurances to key stakeholders and partners, including the student community and wider society.

The Audit & Risk Committee meets at least three times a year, with the University's external and internal auditors in attendance. The Committee considers detailed reports together with recommendations for the improvement of the University's systems of internal control and management's responses and implementation plans. The Audit & Risk Committee undertakes an annual appraisal of its effectiveness and prepares an Annual Report for both the Council and the OfS. It also receives and considers reports from the OfS as they affect the University's business and monitors adherence to the regulatory requirements. Whilst senior executives attend meetings of the Audit & Risk Committee, they are not members of the Committee, and the Committee members meet both the Internal and External Auditors on their own for independent discussions at least once a year.

## Statement of Primary Responsibilities – The Role of Council

The appointment and powers of the Council are laid down by the Charter and Statutes of the University. Its main general responsibilities are as follows:

- 1 To approve the mission and strategic vision of the institution, long-term academic and business plans and key performance indicators, and to ensure that these meet the interests of stakeholders.
- 2 To delegate authority to the Vice-Chancellor, as chief executive, for the academic, corporate, financial, estate and personnel management of the institution. To establish and keep under regular review the policies, procedures and limits within such management functions as shall be undertaken by and under the authority of the head of the institution.
- 3 To ensure the establishment and monitoring of systems of control and accountability, including financial and operational controls and risk assessment, and procedures for handling internal grievances and for managing conflicts of interest.
- 4 To ensure that processes are in place to monitor and evaluate the performance and effectiveness of the institution against the plans and approved key performance indicators, which should be, where possible and appropriate, benchmarked against other comparable institutions.
- 5 To establish processes to monitor and evaluate the performance and effectiveness of the governing body itself.
- 6 To conduct its business in accordance with best practice in higher education corporate governance and with the principles of public life drawn up by the Committee on Standards in Public Life.
- 7 To safeguard the good name and values of the institution.
- 8 To appoint the Vice-Chancellor as chief executive, and to put in place suitable arrangements for monitoring his/her performance.
- 9 To appoint a secretary to the governing body and to ensure that, if the person appointed has managerial responsibilities in the institution, there is an appropriate separation in the lines of accountability.
- 10 To be the employing authority for all staff in the institution and to be responsible for establishing a human resources strategy.
- 11 To be the principal financial and business authority of the institution, to ensure that proper books of account are kept, to approve the annual budget and financial statements, and to have overall responsibility for the institution's assets, property and estate.
- 12 To be the institution's legal authority and, as such, to ensure that systems are in place for meeting all the institution's legal obligations, including those arising from contracts and other legal commitments made in the institution's name.
- 13 To ensure, subject to the relevant legislation, that appropriate arrangements are in place for the management and operation of such companies as are wholly or partly owned by the University.
- 14 To accept ultimate responsibility for the health and safety of employees, students and other individuals while they are on the institution's premises and in other places where they may be affected by its operations. And to ensure that the institution has a written statement of policy on health and safety and arrangements for the implementation of that policy.
- 15 To make such provision as it thinks fit for the general welfare of students, consultation with the Senate.
- 16 To act as trustee for any property, legacy, endowment, bequest or gift in support of the work and welfare of the institution.
- 17 To ensure that the institution's constitution is followed at all times and that appropriate advice is available to enable this to happen.

## Preparation of the Statement of Accounts

The Council is responsible for preparing the Statement of Accounts and the financial statements in accordance with the requirements of the Office for Students' Terms and Conditions of Funding for Higher Education Institutions and Research England's Terms and Conditions of Research England Grant and applicable law and regulations.

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

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

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

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

The Council is also responsible for ensuring that:

- funds from whatever source administered by the Group or the University for specific purposes have been properly applied to those purposes and managed in accordance with relevant legislation;
- income has been applied in accordance with section 17 of the University's Statutes;
- funds provided by the Office for Students, UK Research and Innovation (including Research England) and the Education and Skills Funding Agency and the Department for Education have been applied in accordance with the terms and conditions attached to them;
- ensuring that there are appropriate financial and management controls in place to safeguard public funds and funds from other sources; and
- securing the economical, efficient and effective management of the University's resources and expenditure.

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

## Risk Management and the System of Internal Control

As the governing body of Keele University, the Council has responsibility for maintaining a sound system of internal control that supports the achievement of policies, aims and objectives, while safeguarding public and other funds and assets for which the University is responsible in accordance with the responsibilities assigned to the governing body in the University's Charter and Statutes and in the OfS's Regulatory Framework for Higher Education in England. The system of internal control is designed to manage rather than eliminate the risk of failure to achieve policies, aims and objectives; it can, therefore, only provide reasonable and not absolute assurance of effectiveness.

The system of internal control is based on an on-going process designed to identify the principal risks to the achievement of policies, aims and objectives, to evaluate the nature and extent of those risks and to manage them efficiently, effectively and economically. The University has reviewed and updated its risk management procedures, which continue to enable it to be fully compliant with OfS requirements.

The University has a published Risk Management Policy, which was approved by the Council in June 2011 and reviewed and updated in November 2011, November 2015 and November 2019. This policy identifies clearly and distinguishes the roles and responsibilities of both the Council and the executive. A key element of the policy is the University Risk Register, which is intrinsically linked to the University's Strategic Plan. A new Risk & Compliance Group has been established in 2021/22 to oversee on behalf of the University Executive Committee the implementation of the University's Risk Management Policy and procedures, including incident management and business continuity, and compliance with internal audit recommendations.

The University employs UNIAC to undertake its internal audit functions. The internal auditors submit regular reports to the Audit & Risk Committee, including the head of internal audit's independent opinion on the adequacy and effectiveness of the system of internal control, together with recommendations for improvement. The Chair of the Audit & Risk Committee provides the Council with regular reports concerning internal control.

The Council's review of the effectiveness of the system of internal control is informed by the work of the internal auditors and the executive managers within the University who have responsibility for the development and maintenance of the internal control framework, and by comments made by the external auditors in their management letter and other reports.

During the year several changes were implemented to our procurement systems and processes to further improve internal controls. These arose as a result of concerns about the effectiveness of internal controls relating to the raising of purchase orders which prompted the University to undertake an investigation, which commenced in August 2022. Although the University has not yet completed this investigation, measures were put in place during the year to further strengthen internal controls relating to compliance with financial regulations and contract procedures, and which serve to mitigate the risk of future irregularities in procurement procedures.

The internal control improvements made are part of an improvement plan being led by the interim Chief Financial Officer. This plan will be overseen by the Audit and Risk Committee of Council.

## Value for Money

The University strives to apply value for money considerations to all its processes and activities and this is supported by strong awareness and vigilance across the executive. The Council and the Audit & Risk Committee have adequate and effective arrangements in place to ensure value for money in accordance with the OfS's Regulatory Framework for Higher Education in England. The Audit & Risk Committee also receives a comprehensive report on the Transparent Approach to Costing (TRAC) analysis undertaken by the University and submitted to the OfS in January of each year. In addition, all relevant internal audit review undertaken and submitted to the Audit & Risk Committee makes specific observations and judgements concerning the value for money demonstrated.

## Register of Interests

The University maintains a Register of Interests of members of the Council and the executive, which may be consulted by arrangement with the Secretary to the Council. Lay members of the Council receive no remuneration for their role although they are reimbursed for travelling and other expenses incurred in attending Council and Committee meetings and other University business in their official capacity. The total sum of expenses claimed by members of the Council for the year to 31 July 2022 was £1,777 to 3 members (2021: £nil to no council members).

## Further Information

Any enquiries about the constitution and governance of the University should be addressed to the Secretary to the Council.

## REPORT ON AUDIT OF THE

# Financial Statements

## Opinion

We have audited the financial statements of Keele University ("the University") for the year ended 31 July 2022 which comprise the Consolidated and University Statement of Comprehensive Income, Consolidated and University Statement of Changes in Reserves, Consolidated and University Statement of Financial Position, Consolidated Statement of Cash Flows and related notes, including the Statement of Accounting Policies.

In our opinion the financial statements:

- give a true and fair view of the state of the Group's and of the University's affairs as at 31 July 2022, and of the Group's and 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 University Council has prepared the financial statements on the going concern basis as it does not intend to liquidate the Group or the University or to cease their operations, and has concluded that the Group and the University's financial position means that this is realistic. It has also concluded that there are no material uncertainties that could have cast significant doubt over their ability to continue as a going concern for at least a year from the date of approval of the financial statements ("the going concern period").

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

Our conclusions based on this work:

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

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

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

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

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

- Enquiring of management, the Audit and Risk committee, internal audit, the Fraud Response Group, and inspection of policy documentation as to the Group's high-level policies and procedures to prevent and detect fraud, as well as whether they have knowledge of any actual, suspected or alleged fraud.
- Reading Council, Senate, Audit and Risk Committee and Fraud Response Group minutes.
- Using analytical procedures to identify any unusual or unexpected relationships.
- Consulting with our forensic specialist to support the audit teams' identification of fraud risk factors. This included support with designing and executing relevant audit procedures to respond to the identified fraud risk factors, and attendance at meetings with management and management's external advisers to discuss key fraud risk areas.

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, we perform procedures to address the risk of management override of controls, in particular the risk that Group management may be in a position to make inappropriate accounting entries and the risk of bias in accounting estimates and judgements such as pension assumptions.

On this audit we do not believe there is a fraud risk related to revenue recognition across all income streams, just in relation to research income:

- We consider there to be a significant risk of fraud and error in the recognition of research revenue largely due to inappropriate apportionment of overhead costs. The University also receives a number of non-standard grants which do not have any performance conditions and therefore there is a significant risk that income may be inappropriately recognised. There is a related risk of fraud

and error that non-compliance with grant terms and conditions results in income not being recognised in line with the University's accounting policies or relevant accounting standards. Non-compliance with grant terms and conditions may also result in claw back of funding by research funders.

We also identified fraud risk factors in respect of potential weaknesses in internal controls over the raising of purchase orders relating to estates expenditure in response to issues identified by management.

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

We performed procedures including:

- Identifying journal entries to test based on risk criteria and comparing the identified entries to supporting documentation. These included those posted by specific users such as senior finance management and estates officers with a possible link to weaknesses in procurement controls, and those with an unexpected debit/credit posting.
- Assessing whether the judgements made in making accounting estimates are indicative of a potential bias.
- Understanding and assessing the extent of the procurement issues identified to confirm that there was no material impact on the financial statements.

### 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 directors and other management (as required by auditing standards), and from inspection of the Group's regulatory and legal correspondence and discussed with the directors and other management the policies and procedures regarding compliance with laws and regulations.

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

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

Firstly, the Group is subject to laws and regulations that directly affect the financial statements including financial reporting legislation (including related higher education 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, health and safety laws, data protection laws, anti-bribery, employment law and procurement regulations recognising the nature of the Group's activities. Auditing standards limit the required audit procedures to identify non-compliance with these laws and regulations to enquiry of the directors and other management and inspection of regulatory and legal correspondence, if any. Therefore if a breach of operational regulations is not disclosed to us or evident from relevant correspondence, an audit will not detect that breach.

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

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

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

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

## Other information

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

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

## Council responsibilities

As explained more fully in its statement set out on pages 21 and 22, the Council is responsible for: the preparation of the financial statements and for being satisfied that they give a true and fair view; such internal control as it determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error; assessing the Group and parent University's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and using the going concern basis of accounting unless it either intends to liquidate the Group or the parent University or to cease operations, or has no realistic alternative but to do so.

## Auditor's responsibilities

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

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

## Report on other Legal and Regulatory Requirements

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

In our opinion, in all material respects:

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

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

We are required by the Accounts Direction to report to you where the University has an access and participation plan that has been approved by the Office for Students' director of fair access and participation and the results of our audit work indicate that the Group's and the University's expenditure on access and participation activities for the financial year disclosed in Note 34 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 3 to the financial statements has been materially misstated.

We have nothing to report in these respects.

## The Purpose of our Audit Work and to Whom We Owe Our Responsibilities

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

## Debra Chamberlain

For and on behalf of KPMG LLP,  
Statutory Auditor

Chartered Accountants  
1 St Peters Square, Manchester M2 3AE

June 2023



## Consolidated and University Statement of Comprehensive Income ("SOCl") Year Ended 31 July 2022

	Notes	Year ended 31 July 2022 Consolidated £'000	University £'000	Year ended 31 July 2021 Consolidated £'000	University £'000
<b>Income</b>					
Tuition fees and education contracts	1	92,536	92,536	86,857	86,857
Funding body grants	2	27,403	27,403	25,181	25,181
Research grants and contracts	4	14,549	14,549	15,696	15,696
Research grants and contracts – capital income	4	384	384	8,873	8,873
Other Income	5	40,575	39,974	32,910	33,152
Investment Income	6	1,177	1,213	1,243	1,263
Donations and endowments	7	152	152	239	239
<b>Total Income</b>		<b>176,776</b>	<b>176,211</b>	<b>170,999</b>	<b>171,261</b>
<b>Expenditure</b>					
Staff costs – pay (including Voluntary Severance)	8	91,355	91,355	89,470	89,470
Staff costs – actuarial movement	8	44,996	44,996	(2,365)	(2,365)
Other operating expenses	9	71,995	71,336	54,077	54,222
Depreciation	13	11,833	11,737	10,700	10,603
Interest and other finance costs	10	4,265	4,265	3,709	3,709
<b>Total expenditure</b>	11	<b>224,444</b>	<b>223,689</b>	<b>155,591</b>	<b>155,639</b>
<b>(Deficit) / surplus before other gains/ losses</b>		<b>(47,668)</b>	<b>(47,478)</b>	15,408	15,622
Loss on disposal of tangible assets		-	-	(73)	(73)
Gain on investment property	13	335	335	1,350	1,350
(Loss) / gain on investments		(2,244)	(2,244)	3,052	3,052
<b>(Deficit) / surplus before tax</b>		<b>(49,577)</b>	<b>(49,387)</b>	19,737	19,951
Taxation	12	-	-	-	-
<b>(Deficit) / surplus for the year</b>		<b>(49,577)</b>	<b>(49,387)</b>	19,737	19,951
<b>Other comprehensive income and expenditure</b>					
Actuarial gain in respect of pension schemes	32	9,662	9,662	3,229	3,229
Unrealised gain on transfer to Investment Property	13	-	-	240	240
<b>Total comprehensive income and expenditure for the year</b>		<b>(39,915)</b>	<b>(39,725)</b>	<b>23,206</b>	<b>23,420</b>
Represented by:					
Endowment comprehensive income for the year	23	(18)	(18)	14	14
Restricted comprehensive income for the year	24	-	-	(1,488)	(1,488)
Unrestricted comprehensive income for the year		<b>(39,897)</b>	<b>(39,707)</b>	<b>24,680</b>	<b>24,894</b>
		<b>(39,915)</b>	<b>(39,725)</b>	<b>23,206</b>	<b>23,420</b>

All items of income and expenditure relate to continuing activities.

The accompanying notes and policies on pages 34 to 69 form part of these financial statements.

ACCOUNTS

## Statement of Comprehensive Income and Expenditure



Consolidated and University Statement of Comprehensive Income (“SOCl”)  
Year Ended 31 July 2022

Consolidated	Income and expenditure account			Total £'000
	Endowment £'000	Restricted £'000	Unrestricted £'000	
<b>Balance at 1 August 2020</b>	<b>1,042</b>	<b>1,488</b>	<b>149,680</b>	<b>152,210</b>
Surplus for the year from the income and expenditure statement	14	(1,488)	21,211	19,737
Other comprehensive income and expenditure	-	-	3,469	3,469
Release of restricted funds spent in year	-	-	-	-
<b>Total comprehensive income for the year</b>	<b>14</b>	<b>(1,488)</b>	<b>24,680</b>	<b>23,206</b>
<b>Balance at 1 August 2021</b>	<b>1,056</b>	<b>-</b>	<b>174,360</b>	<b>175,416</b>
Surplus for the year from the income and expenditure statement	(18)	-	(49,559)	(49,577)
Other comprehensive income and expenditure	-	-	9,662	9,662
Release of restricted funds spent in year	-	-	-	-
<b>Total comprehensive income for the year</b>	<b>(18)</b>	<b>-</b>	<b>(39,897)</b>	<b>(39,915)</b>
<b>Balance at 31 July 2022</b>	<b>1,038</b>	<b>-</b>	<b>134,463</b>	<b>135,501</b>
<b>University</b>	<b>Income and expenditure account</b>			<b>Total</b>
	Endowment £'000	Restricted £'000	Unrestricted £'000	£'000
<b>Balance at 1 August 2020</b>	<b>1,042</b>	<b>1,488</b>	<b>149,799</b>	<b>152,329</b>
Surplus for the year from the income and expenditure statement	14	(1,488)	21,425	19,951
Other comprehensive income and expenditure	-	-	3,469	3,469
Release of restricted funds spent in year	-	-	-	-
<b>Total comprehensive income for the year</b>	<b>14</b>	<b>(1,488)</b>	<b>24,894</b>	<b>23,420</b>
<b>Balance at 1 August 2021</b>	<b>1,056</b>	<b>-</b>	<b>174,693</b>	<b>175,749</b>
Surplus for the year from the income and expenditure statement	(18)	-	(49,369)	(49,387)
Other comprehensive income and expenditure	-	-	9,662	9,662
Release of restricted funds spent in year	-	-	-	-
<b>Total comprehensive income for the year</b>	<b>(18)</b>	<b>-</b>	<b>(39,707)</b>	<b>(39,725)</b>
<b>Balance at 31 July 2022</b>	<b>1,038</b>	<b>-</b>	<b>134,986</b>	<b>136,024</b>

See note 23 for endowment reserves and note 24 for restricted reserves.

Consolidated and University Statement of Comprehensive Income (“SOCl”)  
Year Ended 31 July 2022

Notes	Year ended 31 July 2022		Year ended 31 July 2021	
	Consolidated £'000	University £'000	Consolidated £'000	University £'000
<b>Non-current assets</b>				
Tangible assets	13	302,756	300,020	286,523
Investment Properties	13	12,285	12,285	11,950
Heritage assets	13 / 14	12,116	12,116	12,116
Investments	15	34,764	34,764	39,353
		<b>361,921</b>	<b>359,185</b>	<b>349,942</b>
<b>Current assets</b>				
Stock	17	3,103	51	3,739
Trade and other receivables	18	22,120	25,591	15,147
Cash and cash equivalents	26	36,484	36,473	26,125
		<b>61,707</b>	<b>62,115</b>	<b>45,011</b>
Less: Creditors: amounts falling due within one year	20	<b>70,340</b>	<b>70,339</b>	<b>44,844</b>
<b>Net current (liabilities) / assets</b>		<b>(8,633)</b>	<b>(8,224)</b>	<b>167</b>
<b>Total assets less current liabilities</b>		<b>353,288</b>	<b>350,961</b>	<b>350,109</b>
Creditors: amounts falling due after more than one year	21	<b>(122,890)</b>	<b>(120,040)</b>	<b>(111,195)</b>
<b>Provisions</b>				
Pension provisions	22	<b>(94,861)</b>	<b>(94,861)</b>	<b>(62,639)</b>
Other provisions	22	<b>(36)</b>	<b>(36)</b>	<b>(859)</b>
<b>Total Net Assets</b>		<b>135,501</b>	<b>136,024</b>	<b>175,416</b>
<b>Restricted Reserves</b>				
Income and expenditure reserve – endowment reserve	23	<b>1,038</b>	<b>1,038</b>	<b>1,056</b>
Income and expenditure reserve – restricted reserve	24	-	-	-
<b>Unrestricted reserves</b>				
Income and expenditure reserve – unrestricted reserve		<b>134,463</b>	<b>134,986</b>	<b>174,360</b>
<b>Total Reserves</b>		<b>135,501</b>	<b>136,024</b>	<b>175,416</b>

The financial statements were approved by the Governing Body on 27 June 2023 and were signed on its behalf on that date by:

T. J. McMillan, Vice-Chancellor

M. Farrar, Chair of Council

D. Hall, Treasurer

## Consolidated and University Statement of Comprehensive Income (“SOCl”) Year Ended 31 July 2022

Consolidated	Notes	31 July 2022	31 July 2021
		£'000	£'000
<b>Cash flows from operating activities</b>			
Surplus / (deficit) for the year		<b>(49,577)</b>	19,737
<b>Adjustment for non-cash items</b>			
Depreciation	13	<b>11,833</b>	10,700
Impairment of Tangible Assets	13	<b>10,314</b>	-
Gain on investment property	13	<b>(335)</b>	(1,350)
Loss / (gain) on investments		<b>2,244</b>	(3,052)
Decrease in stock	17	<b>636</b>	532
Increase in debtors		<b>(4,971)</b>	(2,517)
Increase in creditors		<b>11,277</b>	1,117
Pension movements included in staff costs	8	<b>44,996</b>	(2,365)
Interest payable on pension schemes (net)	6 & 10	<b>818</b>	804
KSS deficit contributions paid	32	<b>(3,930)</b>	(1,447)
Decrease in other provisions		<b>(823)</b>	(9)
<b>Adjustment for investing or financing activities</b>			
Investment Income	6	<b>(1,175)</b>	(1,243)
Interest payable (including loan interest)	10	<b>3,445</b>	2,905
Endowment income	7	<b>(28)</b>	(57)
Loss on disposal of tangible assets		-	73
Capital grant income		<b>(2,223)</b>	(9,771)
<b>Cash flows from operating activities</b>		<b>22,501</b>	14,057
Taxation		-	-
<b>Net cash inflow from operating activities</b>		<b>22,501</b>	14,057
<b>Cash flows from investing activities</b>			
Capital grant receipts		<b>10,668</b>	3,824
Disposal of non-current asset investments		<b>4,765</b>	2,807
Investment income		<b>1,205</b>	1,272
Payments made to acquire tangible assets		<b>(20,670)</b>	(8,564)
New non-current asset investments		<b>(2,421)</b>	(2,986)
		<b>(6,453)</b>	(3,647)
<b>Cash flows from financing activities</b>			
Interest paid		<b>(2,803)</b>	(2,891)
Interest element of finance lease		<b>(613)</b>	-
Endowment cash received		<b>28</b>	57
New loans		-	-
Repayments of amounts borrowed		<b>(1,962)</b>	(1,962)
Capital element of finance lease		<b>(339)</b>	-
		<b>(5,689)</b>	(4,796)
<b>Increase in cash and cash equivalents in the year</b>		<b>10,359</b>	5,614
Cash and cash equivalents at beginning of the year	26	<b>26,125</b>	20,511
Cash and cash equivalents at end of the year	26	<b>36,484</b>	26,125

## Consolidated and University Statement of Comprehensive Income (“SOCl”) Year Ended 31 July 2022

### 1. General information

Keele University is registered with the Office for Students in England. The address of the registered office is Keele, Staffordshire, ST5 5BG.

### 2. Accounting convention

The Consolidated and University 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 Royal Charter, the Accounts Direction issued by the Office for Students (OfS), the Terms and conditions of funding for higher education institutions issued by the Office for Students and the Terms and conditions of funding for higher education institutions issued by the Office for Students 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.

### 3. Basis of preparation

The Consolidated and University financial statements have been prepared under the historical cost convention, with the exception of certain investment properties which have been revalued to fair value as at the year ended 31 July 2022.

The Group and University's activities, together with the factors likely to affect its future development, performance and position are set out in the Strategic Report which forms part of the Council's Report. The Council's Report also describes the financial position of the University, its cash flows, liquidity position and borrowing facilities. The financial statements have been prepared on a going concern basis which Council consider to be appropriate for the following reasons.

The Council has prepared cash flow forecasts for a period of 13 months from the date of approval of these financial statements (the going concern period) which indicate that, taking account of severe but plausible downsides, including the anticipated impact of the Covid-19 pandemic, the Group and parent University will have sufficient funds to meet their liabilities as they fall for that period. In reaching this conclusion, the Council has considered the following factors:

- The University responded well to Covid-19, and has increased student recruitment and improved cash generation during the period. This was significantly assisted by the financial sustainability planning that the University has been engaged in to improve income streams and control associated revenue and capital expenditure. The University improved both net cash inflow from operating activities and cash and cash equivalents. It is anticipated that the University will be able to provide students with a full campus experience in 2022/23 onwards, but if this is not possible then the University has demonstrated that it is able to react financially to ensure that it is still cash generative.
- For the year ended 31 July 2023, the University has recruited well for home and overseas students, at both undergraduate and postgraduate level.
- The 2022/23 onward Budgets assume costs of operating with students on campus and the appropriate level of associated pay and non-pay costs. During the budget process, assumptions are based on the best knowledge of the University and are prudent for both income and expenditure. The University has budgeted to produce an overall surplus in each year and to generate net cash inflow from operating activities to support capital expenditure and investments.
- The University has a £10m revolving credit facility with National Westminster Bank until October 2024 and a £4m revolving credit facility with Barclays Bank until August 2023 to assist with liquidity. There is no requirement for any new or additional lending facilities during the going concern assessment period.
- No banking covenants have been breached or are expected to be breached during the going concern assessment period.

The Council believe the Group and parent University have sufficient funding in place and expect the Group to comply with its debt covenants even in severe but plausible downside scenarios.

Consequently, the Council is confident that the Group and parent University 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.

These financial statements are presented in sterling (rounded to £'000), which is the functional currency of the group.

### 4. Exemptions under FRS 102

The University has taken the exemption under section 3.3 of the SORP (1.12(b) of FRS 102) to not produce a cash flow statement for the University in its separate financial statements.

### 5. Basis of Consolidation

The consolidated financial statements include the financial statements of the University and all its subsidiaries for the financial year to 31 July 2022. Details of these companies are provided in note 15 (b).

The results of subsidiaries acquired or disposed of during the period are included in the Consolidated Statement of Comprehensive Income and Expenditure from the date of acquisition or up to the date of disposal. Goodwill arising on consolidation (representing the excess of the fair value of the consideration given over the fair value of the separable net assets acquired) is capitalised on acquisition.

Intra-group transactions are eliminated on consolidation. Gains or losses on any intra-group transactions are eliminated in full. Amounts in relation to debts and claims between undertakings included in the consolidation are also eliminated. Balances between the University and any associates and joint ventures are not eliminated. Normal trading transactions that are not settled by the balance sheet date are included as current assets or liabilities.

> continued on page 36

Any gains or losses are included in the carrying amount of assets of either entity, the part relating to the University's share is eliminated.

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

The consolidated financial statements do not include the income and expenditure of the Students' Union or Postgraduate Association as the University does not exert control or dominant influence over their policy decisions, but simply provides grant funding. The Students' Union and Postgraduate Association are both separately registered with the Charity Commission.

## 6. Income recognition

Income from the sale of goods or services is credited to the 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.

Tuition fee income is stated gross of any expenditure which is not a discount and credited to the Statement of Comprehensive Income and Expenditure over the period in which students are studying. Where the amount of the tuition fee is reduced, income receivable is shown net of the discount. Externally funded bursaries and scholarships are accounted for gross as expenditure and not deducted from income.

Education contracts are recognised when the University is entitled to the income, which is the period in which students are studying, or where relevant, when performance conditions have been met.

Investment income is credited to the Statement of Comprehensive Income and Expenditure on a receivable basis.

In both 2000/01 and 2006/07 the University received premiums for the lease of student accommodation to Keele Residential Funding plc, previously Owengate (Keele) plc. These premiums are held under Creditors on the balance sheet and are being released to the Statement of Comprehensive Income and Expenditure over the period of the respective lease agreements on a straight-line basis.

The income received for student lettings of the Halls is recognised as income in full, with any payments that are made to Keele Residential Funding Plc being accounted for as non-pay expenditure.

Funds the University receives and disburses as paying agent on behalf of a funding body are excluded from the Statement of Comprehensive Income and Expenditure of the University where the University is exposed to minimal economic benefit related to the transaction.

### Grant funding

Government revenue grants, including Funding Council block grant and Government research grants, are recognised within the Statement of Comprehensive Income and Expenditure over the periods in which the University recognises the related costs for which the grant is intended to compensate. Where part of a Government grant is deferred it is recognised as deferred income within creditors and allocated between creditors due within one year and due after more than one year as appropriate.

Grants (including research grants) from non-government sources are recognised in the Statement of Comprehensive Income and Expenditure 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 deferred within creditors in the Balance Sheet and released to the Statement of Comprehensive Income and Expenditure as the conditions are met.

### Donations and endowments

Non exchange transactions without performance related conditions are donations and endowments. Donations and endowments with donor imposed restrictions are recognised within the Statement of Comprehensive Income and Expenditure 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 recorded in the Statement of Comprehensive Income and Expenditure when the University is entitled to the funds.

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

### Income recognition (continued)

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

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

### Capital grants

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

## 7. Accounting for retirement benefits

The two principal pension schemes for the University's staff are the Universities Superannuation Scheme ("USS") and the Keele Superannuation Scheme ("KSS"). The schemes are defined benefit schemes which are externally funded. Each fund is valued every three years by professionally qualified independent actuaries.

The USS is a multi-employer defined benefit scheme for which it is not possible to identify the assets and liabilities to Institution at members due to the mutual nature of the scheme and therefore this scheme is accounted for as a defined contribution retirement benefit scheme. A liability is recorded within provisions for any contractual commitment to fund past deficits within the USS scheme.

### Defined Contribution Plan

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

### Multi-employer schemes

Where the University is unable to identify its share of the underlying assets and liabilities in a multi-employer scheme on a reasonable and consistent basis, it accounts as if the scheme were a defined contribution scheme. Where the University has entered into an agreement with such a multi-employer scheme that determines how the University will contribute to a deficit recovery plan, the University recognizes 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 expenditure.

### Defined benefit schemes

A defined benefit plan is a post-employment benefit plan other than a defined contribution plan. Under defined benefit plans, the University's obligation is to provide the agreed benefits to current and former employees, and actuarial risk (that benefits will cost more or less than expected) and investment risk (that returns on assets set aside to fund the benefits will differ from expectations) are borne, in substance, by the University. The net liability is recognised in the balance sheet in respect of each scheme and is the present value of the defined benefit obligation at the reporting date less the fair value of the plan assets at the reporting date.

The Group should recognise a liability for its obligations under defined benefit plans net of plan assets. This net defined benefit liability is measured as the estimated amount of benefit that employees have earned in return for their service in the current and prior periods, discounted to determine its present value, less the fair value (at bid price) of plan assets. The calculation is performed by a qualified actuary using the projected unit credit method. Where the calculation results in a net asset, recognition of the asset is limited to the extent to which the University is able to recover the surplus either through reduced contributions in the future or through refunds from the plan.

Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are charged or credited to other comprehensive income. These amounts together with the return on plan assets, less amounts included in net interest, are disclosed as actuarial gains and losses. The cost of the defined benefit plan, recognised in expenditure as staff costs, except where included in the cost of an asset, comprises the increase in pension benefit liability arising from employee service during the period and the cost of plan introductions, benefit changes, curtailments, and settlements. The net interest cost is calculated by applying the discount rate to the net liability. This cost is recognised in expenditure as a finance cost.

Further detail is provided on the specific pension schemes in note 32 to the accounts.

### Universities Superannuation Scheme

The University participates in the Universities Superannuation Scheme (the scheme). The assets of the scheme are held in a separate trustee-administered fund. Because of the mutual nature of the scheme, the assets are not attributed to individual institutions and a scheme-wide contribution rate is set. The University is therefore exposed to actuarial risks associated with other institutions' employees and is unable to identify its share of the underlying assets and liabilities of the scheme on a consistent and reasonable basis. As required by Section 28 of FRS 102 "Employee benefits", the University therefore accounts for the scheme as if it were a wholly defined contribution scheme. As a result, the amount charged to the Statement of Comprehensive Income and Expenditure represents the contributions payable to the scheme. Since the University has entered into an agreement (the Recovery Plan) that determines how each employer within the scheme will fund the overall deficit, the University recognises a liability for the contributions payable that arise from the agreement (to the extent that they relate to the deficit) with related expenses being recognised through the Statement of Comprehensive Income and Expenditure.

### Keele Superannuation Scheme

The University operates the KSS providing benefits based on final pensionable pay for those staff who were both still members of the Scheme on 31 December 2013 and employed by the University upon retirement. All other members benefits being based on upon pay at the date of leaving KSS or the University revalued by CPI to the date of becoming a pension member. The assets of the scheme are held separately from those of the University. The scheme is closed to future accrual. Pension scheme assets are measured using market values. The Scheme is contracted out of the State Second Pension (S2P).

Annually the University engages independent actuaries to calculate the obligation for KSS. The present value is determined by discounting the estimated future payments at a discount rate based on market yields on high quality corporate bonds denominated in sterling with terms approximating to the estimated period of the future payments.

Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are charged or credited to other comprehensive income. These amounts together with the return on plan assets, less amounts included in net interest, are disclosed as actuarial gains and losses. The cost of the defined benefit plan, recognised in expenditure as staff costs, except where included in the cost of an asset, comprises the increase in pension benefit liability arising from employee service during the period and the cost of plan introductions, benefit changes, curtailments, and settlements. The net interest cost is calculated by applying the discount rate to the net liability. This cost is recognised in expenditure as a finance cost.

### Others

The University participates in the Local Government Pension Scheme ("LGPS"). This is a defined benefit scheme which is externally funded. The assets of the LGPS are measured using closing market values.

Annually the University engages independent actuaries to calculate the obligation for LGPS. The present value is determined by discounting the estimated future payments at a discount rate based on market yields on high quality corporate bonds denominated in sterling with terms approximating to the estimated period of the future payments.

Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are charged or credited to other comprehensive income. These amounts together with the return on plan assets, less amounts included in net interest, are disclosed as actuarial gains and losses. The cost of the defined benefit plan, recognised in expenditure as staff costs, except where included in the cost of an asset, comprises the increase in pension benefit liability arising from employee service during the period and the cost of plan introductions, benefit changes, curtailments, and settlements. The net interest cost is calculated by applying the discount rate to the net liability. This cost is recognised in expenditure as a finance cost.

A small number of staff are also in the NHS pension scheme. The amount charged to the Statement of Comprehensive Income and Expenditure represents the contributions payable to the scheme in respect of the accounting period.

## 8. 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.

## 9. Leases

### Finance leases

Leases in which the University assumes substantially all the risks and rewards of ownership of the leased asset are classified as finance leases. Leased assets acquired by way of a 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.

Assets held under finance leases are depreciated over the shorter of the lease term or the useful economic lives of equivalent owned assets.

### Operating leases

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 lease term.

## 10. Service Concession Arrangements

Fixed assets held under service concession arrangements are recognised in the Balance Sheet at the present value of the minimum lease payments when the assets are bought into use with a corresponding financial liability.

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

The Keele Residential Fund agreement is not treated as a service concession arrangement, and as such no financial liability was created and the Halls of Residence were valued in use as part of fixed assets.

## 11. Foreign currency

Transactions in foreign currencies are converted into sterling at the foreign exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the reporting date are translated to sterling at the foreign exchange rate ruling at that date. Foreign exchange differences arising on translation are recognised in the Statement of Comprehensive Income and Expenditure.

## 12. Accounting for Research and Development

Expenditure on pure and applied research is treated as a part of the continuing activities of the University. Expenditure on development activities is carried forward and amortised over the period expected to benefit.

## 13. Fixed assets

Fixed assets are stated at deemed cost less accumulated depreciation.

### Land and Buildings

Land and buildings are capitalised at cost on initial recognition. After initial recognition land and buildings are subsequently measured at cost less accumulated depreciation and accumulated impairment losses. Certain items of land and buildings that had been revalued to fair value on transition to the 2015 FE HE 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 are capitalised to the extent that they increase the expected future benefits to the Group.

Freehold land is not depreciated as it is considered to have an indefinite useful life. Freehold buildings are depreciated by component from the date of completion over their expected useful economic lives ("UEL") on a straight-line basis as follows:

Structure	up to 50 years
Plant and Machinery	up to 25 years
Fit Out	3 – 15 years
Refurbishments	10 years

Where an item of land and buildings comprise two or more major components with substantially different UELs, each component is accounted for separately and depreciated over its individual UEL. Expenditure relating to subsequent replacement of components is capitalised as incurred to the extent that they increase the expected future benefits to the University.

Leasehold land and buildings are depreciated over the life of the lease up to a maximum of 50 years. No depreciation is charged on assets in the course of construction.

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

### Equipment and Furniture

Equipment, including computers and software, and furniture costing less than £20,000 is written off to the Statement of Comprehensive Income and Expenditure in the year of acquisition, unless part of a larger capital project. All other equipment is capitalised, including equipment used for research. Capitalised equipment and furniture is stated at cost and depreciated from the month of purchase over its expected useful life of between 1 to 10 years. Equipment acquired for specific research projects is written off over the same length as the remaining research project life, to better match depreciation and usage.

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

A review for impairment of a tangible fixed asset is carried out if events or changes in circumstances indicate that the carrying amount of the tangible fixed asset may not be recoverable. If there is an indication of impairment, the recoverable amount of any affected asset is estimated and compared with its' carrying amount. If the estimated recoverable amount is lower, the carrying amount is reduced to its estimated recoverable amount, and an impairment loss is recognised when it arises. If an impairment loss subsequently reverses, the carry amount of the asset is increased to the revised estimate of its recoverable amount, but not in excess of the amount that would have been determined had no impairment loss been recognised for the asset in prior years. A reversal of an impairment loss is recognised when it arises.

### Borrowing costs

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

## 14. Heritage assets

Heritage assets are individual objects, collections, specimens or structures of historic, scientific or artistic value that are held and maintained principally for their contribution to knowledge and culture.

Heritage assets costing in excess of the capitalisation threshold of £20,000 will be capitalised and recognised at their cost or value where reasonably obtainable. The University uses the valuation for insurance purposes as the basis for the value reflected in the financial statements. The University's significant donated assets are works of art, porcelain and antiques. These are accounted for as heritage assets.

Heritage assets are revalued in line with insurance valuations, with any movements taken to the Statement of Comprehensive Income and Expenditure. The valuations are usually carried out every five years, and on an interim basis for specific items.

Heritage assets are not depreciated as their long economic life and high residual value mean that any depreciation would not be material. However, they are subject to an annual impairment review in accordance with applicable accounting standards.

## 15. Investment Properties

Investment property is land or a building, or part of a building, held for rental income or capital appreciation rather than for use in delivering services. Mixed use property is separated between investment property and property, plant and equipment where the separate portions can be sold separately or leased out under a finance lease. Where the fair value of the investment property portion cannot be reliably measured, the entire property has been included within property, plant and equipment. Where investment property, or a component of that property, is rented to another group entity the property has been accounted for within property, plant and equipment.

Investment properties are initially measured at cost and then subsequently at fair value at the end of each reporting date, with changes in fair value recognised in the Statement of Comprehensive Income and Expenditure. Investment properties are not depreciated but are revalued or reviewed annually according to market conditions as at the reporting date.

## 16. Investments

Investments in jointly controlled entities, associates and subsidiaries are carried at cost (less impairment) in the University's separate financial statements. Investments are held in the Balance Sheet as basic financial assets and are measured in accordance with Note 25.

## 17. Accounting for Joint Operations, Jointly Controlled Assets and Joint Ventures

A joint venture is an entity where the University has joint control and is entitled to a share of the net assets and liabilities. The University accounts for its share of joint ventures using the equity method, which involves recognition in the Statement of Comprehensive Income and Expenditure of the University's share of the joint venture's net surplus or deficit for the year.

The interest in a joint venture is carried in the Balance Sheet as the University's share in the net assets of the joint venture together with any goodwill less any impairment loss. When the University's share in a loss exceeds the carrying amount of the joint venture, the carrying amount is reduced to zero. No further losses are recognised, unless the University has responsibility for obligations relating to the joint venture.

The University accounts for its share of transactions from joint operations and jointly controlled assets through the Statement of Comprehensive Income and Expenditure.

## 18. Stock

Stock is held at the lower of cost and net realisable value. Food and beverage stock is held at latest cost.

The development land for sale is valued on a "per acre" basis for the remaining unsold plots on the development site by an external valuer, unless a separate plot specific valuation has been performed.

## 19. Cash and cash equivalents

Cash includes cash in hand, deposits repayable on demand and overdrafts. Deposits are repayable on demand if they are in practice available within 24 hours without penalty. Cash equivalents are short term (maturity being less than three months from the placement date), highly liquid investments that are readily convertible to known amounts of cash with insignificant risk of change in value.

## 20. Provisions, contingent liabilities and contingent assets

Provisions are recognised in the financial statements when:

- the University has a present obligation (legal or constructive) as a result of a past event;
- it is probable that an outflow of economic benefits will be required to settle the obligation; and
- a reliable estimate can be made of the amount of the obligation.

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

A contingent liability arises from a past event that gives the University a probable 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.

A contingent asset arises where an event has taken place that gives the University a possible asset whose existence will only be confirmed by the occurrence or otherwise of uncertain future events not wholly within the control of the University.

Contingent assets and liabilities are not recognised in the Balance Sheet but are disclosed in the notes.

## 21. Taxation

Current tax, including UK Corporation Tax and foreign tax, is provided at amounts expected to be paid using the tax rates and laws that have been enacted or substantively enacted by the reporting date.

Deferred tax is provided in full on timing differences that exist at the reporting date and that result in an obligation to pay more tax, or a right to pay less tax in the future. The deferred tax is measured at the rate expected to apply in periods in which the timing differences are expected to reverse, based on the tax rates and laws that are enacted or substantively enacted at the reporting date. Unrelieved tax losses and other deferred tax assets shall be recognised only to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. Deferred tax assets and liabilities are not discounted.

The University is an exempt charity within the meaning of Schedule 3 of the Charities Act 2011. It is therefore a charity within the meaning of Paragraph 1 of Schedule 6 to the Finance Act 2010 and accordingly, the University is potentially exempt from UK Corporation Tax in respect of income or capital gains received within categories covered by section 478-488 of the Corporation Tax Act 2010 (CTA 2010) or section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied to exclusively charitable purposes.

The University group receives no similar exemption in respect of Value Added Tax ("VAT"). Irrecoverable VAT on expenditure (revenue and capital) is included in the costs of such expenditure.

The University's subsidiary companies are subject to Corporation Tax and VAT in the same way as any other commercial organisation.

## 22. Financial instruments

The Group and University has elected to adopt Sections 11 and 12 of FRS 102 in respect of the recognition and measurement of financial instruments. Financial assets and liabilities are recognised when the Group and University becomes party to the contractual provision of the instrument and they are classified according to the substance of the contractual arrangements entered into. A financial asset and a financial liability are offset only when there is a legally enforceable right to set off the recognised amounts and an intention either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

### Financial assets

Basic financial assets include trade and other receivables, cash and cash equivalents, and investments including commercial paper (i.e. deposits and bonds). These assets are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Such assets are subsequently carried at amortised cost using the effective interest rate method. Financial assets are assessed for indicators of impairment at each reporting date. If there is objective evidence of impairment, an impairment loss is recognised in the statement of comprehensive income.

For financial assets carried at amortised cost the impairment loss is the difference between the carrying amount of the asset and the present value of the estimated future cash flows, discounted at the asset's original effective interest rate.

Other financial assets, including investments in equity instruments which are not subsidiaries, associates, or joint ventures are initially measured at fair value, which is typically the transaction price. These assets are subsequently carried at fair value and changes in fair value at the reporting date are recognised in the statement of comprehensive income. Where the investment in equity instruments are not publicly traded and where the fair value cannot be reliably measured the assets are measured at cost less impairment.

Financial assets are de-recognised when the contractual rights to the cash flows from the asset expire or are settled or substantially all of the risks and rewards of the ownership of the asset are transferred to another party.

### Financial liability

Basic financial liabilities include trade and other payables, bank loans, and intra-group loans. These liabilities are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Debt instruments are subsequently carried at amortised cost using the effective interest rate method.

Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down.

Trade payables are obligations to pay for goods and services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade payables are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest rate method.

Derivatives, including forward foreign exchange contracts, are not basic financial instruments. Derivatives are initially recognised at fair value on the date the derivative contract is entered into and are subsequently re-measured at their fair value at the reporting date. Changes in the fair value of derivatives are recognised in the statement of comprehensive income in finance costs or finance income as appropriate, unless they are included in a hedging arrangement.

To the extent that the Group and University enters into forward foreign exchange contracts which remain unsettled at the reporting date the fair value of the contracts is reviewed at that date. The initial fair value is measured as the transaction price on the date of inception of the contracts. Subsequent valuations are considered on the basis of the forward rates for those unsettled contracts at the reporting date. The Group and University does not apply hedge accounting in respect of forward foreign exchange contracts held to manage cash flow exposures of forecast transactions denominated in foreign currencies.

Financial liabilities are de-recognised when the liability is discharged, cancelled, or expires.

## 23. Reserves

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

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

## 24. Significant accounting estimates and judgements

Management is required to adopt those accounting policies most appropriate to the circumstances for the purposes of presenting fairly the Group's financial position, financial performance, and cash flows. The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies and reported amounts of assets and liabilities, income and expenses. These judgements, estimates, and associated assumptions are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Valuations for the University's investment properties and pension funds rely on third party valuations. These valuations are subject to inherent uncertainty. The resulting accounting estimates will therefore, by definition, be unlikely to equal the related actual results.

Management considers the areas set out below to be those where critical accounting judgements have been applied and the resulting estimates and assumptions may lead to adjustments to the future carrying amounts of assets and liabilities:

### Recoverability of debtors (Note 18)

The provision for doubtful debts is based on an estimate of the expected recoverability of those debts. Assumptions are made based on the level of debtors which have defaulted historically, coupled with current economic knowledge. The provision is based on the current situation of the customer, the age profile of the debt and the nature of the amount due. At the reporting date, the bad debt provision is £1,637k (2021: £1,086k).

### Impairment of assets (Note 13)

At each reporting date, assets (in particular tangible non-current assets) are reviewed to determine whether there is any indication that those assets have suffered an impairment loss. If there is an indication of impairment, the recoverable amount of any affected asset is estimated and compared with its carrying amount. Where an indication of impairment is identified the estimation of the recoverable value requires an estimation of the recoverable value of the cash generating units (CGUs). This requires estimation of the future cash flows from the CGUs and also selection of appropriate discount rates in order to calculate the net present value of those cash flow. If the estimated recoverable amount is lower, the carrying value is reduced to its estimated recoverable amount and an impairment loss is recognised immediately in the period it arises. During the year, the Group recognised an impairment charge of £10,314k (2021: £nil).

### Significant accounting estimates and judgements (continued) Investment property valuations (Note 13)

The University and Group holds four investment properties. Properties held for investment purposes are revalued to their fair value at the reporting date by an independent external team of chartered surveyors (Gerald Eve LLP). This is updated annually by them following a site visit, based on assumptions using the current tenant rents, any rental growth projections and an estimate of the rental yield going forward. Investment properties were valued at £12,285k (2021:£11,950k).

### Useful economic life (UEL) of tangible assets (Note 13)

Property, plant and equipment represent a significant proportion of the Group's and University's total assets. Therefore, the estimated useful lives can have a significant impact on the depreciation charged and the reported performance. Useful lives are determined at the time the asset is acquired, and the UEL of its assets is reviewed annually. The UEL are based on historical experience with similar assets as well as anticipation of future events.

### Provisions (Note 22)

Management apply judgement to arrive at the best estimate for any obligation required. The amount recognised as a provision is management's best estimate of the present value of the amount required to settle the obligation. To arrive at this amount, management assess the likelihood and extent of any future settlement and make judgements based on these.

### Employee leave accrual (Note 20)

A liability for holiday pay is recognised due to accounting standards necessitating that short-term employee benefits be charged to the Statement of Comprehensive Income and Expenditure as the employee service is received. Information has been gathered from the HR/Payroll system on holiday balances, with assumptions having been made for staff where this information was not possible to collect. These balances were then applied against individual pay data to calculate the employee leave accrual. At the reporting date, the employee leave accrual in Creditors: amounts falling due within one year is £3,500k (2021: £3,500k).

### Income recognition (Notes 1-7)

Judgement is applied in determining the value and timing of certain income items to be recognised in the financial statements. This includes determining when performance related conditions have been met, and determining the revenues associated with partially delivered courses and training where the activities have not been fully completed at the reporting date.

### Retirement benefits (Note 8 and 32)

The University has obligations to pay pension benefits to certain employees. Recent changes in global and UK economic pressures and tightening of monetary policy have had a significant impact on asset markets and corporate bonds yields, which are key to the FRS102 assessment of the net pension asset or liability. In particular, AA corporate bond yields, used to set the FRS102 discount rate, have increased significantly since 31 July 2022, with corresponding falls in asset values. The markets have been exceptionally volatile and therefore while both gross defined benefit obligations and assets will have fallen, it is difficult to estimate the impact of these changes on the net balance sheet position.

### Keele Superannuation Scheme (KSS) and Local Government Pension Scheme (LGPS)

The cost of defined benefit pension plans are determined using actuarial valuations. The actuarial valuation involves making assumptions about discount rates, future salary increases, mortality rates and future pension increases. Due to the complexity of the valuation, the underlying assumptions and the long-term nature of these plans, such estimates are subject to significant uncertainty. The actuarial assumptions are set by the University, having first considered actuarial advice. Based on actuarial advice provided, management estimate these factors to determine the net pension obligation in the statement of financial position.

The assumptions used by the University for CPI for these financial statements for LGPS is 2.80%. The 2023 Pension Increase ("PI") Order is used to set the level of pension increases with effect from 1 April 2023. This is expected to be significantly higher than the above CPI assumption as it is typically set with reference to the change in CPI inflation over the 12 months to the previous September. As such, the 2023 PI Order is expected to be set with reference to the September 2022 CPI. The change in CPI over the 12 months to September 2022 was 10.10%. If the University were to amend its assumption on CPI as at 31 July 2022 for a 2023 PI Order of 10.10%, there would be an additional £0.2m of liabilities at 31 July 2022.

### University Superannuation Scheme

FRS 102 makes the distinction between a Group Plan and a multi-employer scheme. A Group Plan consists of a collection of entities under common control typically with a sponsoring employer. A multi-employer scheme is a scheme for entities not under common control and represents (typically) an industry-wide scheme such as 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 in the Statement of Comprehensive Income and Expenditure in accordance with section 28 of FRS 102. The University is satisfied that USS meets the definition of a multi-employer scheme and has therefore recognised the discounted fair value of the contractual contributions under the recovery plan in existence at the date of approving the financial statements.



## Notes to the Accounts For the year ended 31 July 2022

### 1. Tuition fees and education contracts

Notes	Year ended 31 July 2022 Consolidated and University £'000	Year ended 31 July 2021 Consolidated and University £'000
Home and EU students	76,765	76,682
International students	11,716	7,984
Short course fees	928	488
Degree Apprenticeships	1,829	1,335
Home and EU fees paid by the Department of Health	796	324
Other fees	502	44
	<b>92,536</b>	<b>86,857</b>

### 2. Funding body grants

	Year ended 31 July 2022 Consolidated and University £'000	Year ended 31 July 2021 Consolidated and University £'000
<b>Recurrent grants</b>		
Office for Students (OfS)	13,133	11,164
Research England (RE)	8,453	8,395
Capital Grant	1,818	75
<b>Specific grants</b>		
Office for Students	2,313	3,191
Higher Education Innovation Fund (HEIF)	1,686	1,533
Capital Grant	-	823
	<b>27,403</b>	<b>25,181</b>

#### Recurrent grants

The University receives recurrent annual funding from OfS and RE. The OfS recurrent funding is high-cost subject funding and targeted allocations to support important or vulnerable features of higher education in accordance with key OfS policy initiatives.

The University recognised the formula and bid Teaching capital income in full during 2021/22 for the OfS grant year from 1 April 2021 to 31 March 2022 and the Research England formula capital income for the same period. There is no other funding body capital grant income recognised.

#### Specific grants

The specific grant from the OfS relates primarily to the National Collaborative Outreach Programme (NCOP), where the income and expenditure are matched. RE provides HEIF funding for knowledge exchange to support and develop a broad range of knowledge-based interactions between universities and the wider world, which result in benefits to the economy and society.

## Notes to the Accounts For the year ended 31 July 2022

### 3. Grant and fee income

Notes	Year ended 31 July 2022 Consolidated and University £'000	Year ended 31 July 2021 Consolidated and University £'000
Grant income from the OfS	16,362	14,382
Grant income from other bodies (incl furlough income)	13,101	21,911
Fee income for taught awards	89,817	85,450
Fee income for research awards	930	655
Fee income from non-qualifying courses	1,789	751
<b>Total grant and fee income</b>	<b>121,999</b>	<b>123,149</b>

#### Grant income from the OfS

This includes grants by the OfS for the provision of education, the provision of facilities and the carrying on of other activities. This includes recurrent teaching funding (including targeted allocations, high-cost subject funding, National Collaborative Outreach Programme ("NCOP") funding and any other recurrent teaching funding) and non-recurrent funding (including grants for capital infrastructure, challenge competitions or any other non-recurrent grant funding) from the OfS.

#### Grant income from other bodies

This includes grants by UKRI, Research England or any other body. This includes the knowledge exchange funding that is distributed by both UKRI and the OfS in the form of Higher Education Innovation Funding.

This includes fee income for higher education courses for taught awards (from students directly or via the Student Loans Company or any other body paying fees on behalf of the student). These include undergraduate and postgraduate taught awards.

#### Fee income for research awards

This includes fee income for research awards, including postgraduate research awards but excluding research training support grants.

#### Fee income from non-qualifying courses

This includes fees paid by students (or by others on behalf of students) for non-credit-bearing courses, further education courses, research training support or any other course that are not included under fee income for taught awards or fee income for research awards.

## Notes to the Accounts For the year ended 31 July 2022

### 4. Research grants and contracts

	Year ended 31 July 2022 Consolidated and University £'000	Year ended 31 July 2021 Consolidated and University £'000
Research councils	2,828	3,307
Research charities	1,905	2,138
UK central government	7,260	7,774
UK industry & commerce	421	444
Other	2,135	2,033
	<b>14,549</b>	<b>15,696</b>
Capital income	384	8,873
	<b>14,933</b>	<b>24,569</b>

Capital income is the release of capital funding for the Smart Energy Network Demonstrator ("SEND") for £139k (2021: £8,673k) and also a specific EPSRC grant for £245k (2021: £200k). The SEND project met the performance criteria for completion in 2020/21 financial year and so the income for the project was recognised in that year. The income recognised in 2021/22 related to amounts where claims have been made in 2021/22 over and above the income recognised in 2020/21. The EPSRC grant was completed in full in 2021/22 and no further income will be recognised.

"Other" above includes EU government bodies, UK local authorities, health and hospital sources and other UK, EU and overseas sources.

### 5. Other income

Notes	Year ended 31 July 2022		Year ended 31 July 2021	
	Consolidated £'000	University £'000	Consolidated £'000	University £'000
Residences, catering and conferences	15,906	15,906	9,943	9,943
KRF rental payment received	3,792	3,792	4,766	4,766
KRF premium release	2,842	2,842	2,842	2,842
Other services rendered	1,658	1,658	1,387	1,387
Coronavirus Job Retention Scheme grant	7	7	817	817
Other income	16,349	15,748	13,155	13,397
Other capital grants	21	21	-	-
	<b>40,575</b>	<b>39,974</b>	<b>32,910</b>	<b>33,152</b>

### 6. Investment income

	Year ended 31 July 2022		Year ended 31 July 2021	
	Consolidated £'000	University £'000	Consolidated £'000	University £'000
Investment income on endowments	1	1	-	-
Decrease in fair value of derivatives	131	131	169	169
Other investment income	1,043	1,079	1,074	1,094
Pension scheme interest	2	2	-	-
	<b>1,177</b>	<b>1,213</b>	<b>1,243</b>	<b>1,263</b>

## Notes to the Accounts For the year ended 31 July 2022

### 7. Donations and endowments

	Year ended 31 July 2022		Year ended 31 July 2021	
	Consolidated £'000	University £'000	Consolidated £'000	University £'000
New endowments	28	28	57	57
Unrestricted donations	124	124	182	182
	<b>152</b>	<b>152</b>	239	239

There are no donations or endowments being held in the Balance Sheet not recognised as income.

### 8. Staff costs

	Year ended 31 July 2022	Year ended 31 July 2021
	Consolidated and University £'000	Consolidated and University £'000
Salaries	70,320	67,793
Social security costs	6,811	6,351
Occupational pension costs (see note 32)		
- Employer contributions	13,942	13,402
- Actuarial movements on pension provisions	<u>44,996</u>	<u>(2,365)</u>
	136,069	85,181
Severance costs	282	1,924
Total	<b>136,351</b>	87,105
	£'000	£'000
<b>Analysed as:</b>		
On-going staff costs	91,073	87,546
Severance costs (see below)	<u>282</u>	<u>1,924</u>
	91,355	89,470
Actuarial movements on pension provisions	<u>44,996</u>	<u>(2,365)</u>
Total	<b>136,351</b>	87,105

The above severance costs were payable to 29 post-holders (2021: 97).

A general pay award of 1.6% was made from 1 August 2021 for all staff on the Keele Spine. Operational staff received a pay award of 4.2% from 1 April 2022. Staff on NHS pay scales received pay awards in line with their nationally agreed scale.

## Notes to the Accounts For the year ended 31 July 2022

Average staff numbers by major category:

	Year ended	
	31 July 2022 FTE	31 July 2021 FTE
Academic / Research	729	699
Technical	84	77
Academic Related	313	317
Secretarial / Clerical	414	406
Other	243	236
<b>Total</b>	<b>1,783</b>	1,735

### Emoluments of the Vice-Chancellor (Professor McMillan)

	Year to 31 July 2022	Year to 31 July 2021
	£'000	£'000
Basic salary	249	238
Payments in lieu of pension contributions	39	38
Non-taxable benefit – Clock House residence	2	6
Taxable benefit – Clock House residence	-	1
Remuneration excluding pension contributions	<u>290</u>	<u>283</u>
Contributions to USS – Death In Service	14	5
<b>Total Remuneration</b>	<b>304</b>	288

The above severance costs were payable to 29 post-holders (2021: 97).

A general pay award of 1.6% was made from 1 August 2021 for all staff on the Keele Spine. Operational staff received a pay award of 4.2% from 1 April 2022. Staff on NHS pay scales received pay awards in line with their nationally agreed scale. The Vice-Chancellor is required by the University to have accommodation on campus. The University paid contributions to the University Superannuation Scheme for the Death In Service element only, which increased from 2.1% to 6.3% from 1 October 2021. The Vice-Chancellor had no salary sacrifice arrangements and did not receive any bonus or expenses allowance in the current or previous year. The emoluments of the Vice-Chancellor are shown on the same basis as for higher paid staff.

### Basis of the remuneration package of the Vice-Chancellor

The remuneration of the Vice-Chancellor is reviewed annually by the Senior Remuneration Committee with reference to the terms set out in the "Salary Review Framework for the Vice-Chancellor" which was adopted in August 2013 and updated in July 2018 to align with the principles of the Committee of University chairs (CUC) voluntary Higher Education Remuneration Code for Senior Staff published in June 2018. The Committee has regard for the promotion of equality and diversity and ensures equality of opportunity in the way it conducts itself and in the transaction of its business. Committee members consider the public interest and the safeguarding of public funds alongside the interests of the institution when considering all forms of payment, reward and severance to the staff within its remit.

In 2021/22 there was a national pay award of 1.5% implemented for all employees above point 22 of the Keele pay scale, including the Vice-Chancellor, with increased uplifts, up to 3.6%, for those on grades below point 22.

During the year 2021/22, the Committee conducted its business through three virtual meetings in November 2021 and July 2022. The membership of the Committee is:

Name	Position	Dates of meeting attended		
		12 Nov 21	18 Nov 21	July 22
Mrs Sally Bucknall (Chair)	Deputy Pro-Chancellor	Yes	Yes	Yes
Mr Richard Callaway	Deputy Pro-Chancellor	Yes	Yes	Yes
Mr David Hall	Treasurer	Yes	Yes	Yes
Mrs Manali Lukha	Lay member of Council	Yes	Yes	Yes
Dame Jo Williams	Pro-Chancellor	Apologies	Yes	Yes
Secretary in attendance: Mrs Nic Ratcliffe	Deputy Director of Human Resources	Yes	Yes	N/A
Ms Frances Hewison	Director of Human Resources	N/A	N/A	Yes

The Vice-Chancellor may attend the Committee, except for an item where their remuneration is under consideration. The Vice-Chancellor attended all meetings in the year.



## Notes to the Accounts For the year ended 31 July 2022

### Context in which Keele University operates

The University operates in the United Kingdom Higher Education sector, which is both competitive and complex. There is competition across the sector to recruit both UK and International students for undergraduate and postgraduate studies, alongside the desire of all institutions to attract and retain a high quality of academic and professional service staff. This obviously includes key management personnel, including the Vice-Chancellor. Alongside teaching, research is the other key strand of the sector, an area that encompasses varied specialisms, funding streams and requirements. As a result of the staff involved in teaching and research, universities are able to engage in innovation, business engagement and technology transfer, or collectively knowledge exchange.

### Terms of the Vice-Chancellor's Salary Review

In considering any pay increase, Senior Remuneration Committee takes into account the following:

#### 1. The size and complexity of the role, relevant market comparators, pay ratio data and other metrics as appropriate and the need to protect the strategic interests of the University.

The Vice Chancellor's salary is benchmarked annually against the salary data for comparable roles and institutions set out within the latest available UCEA Remuneration Report, as a basis for ensuring broad based fairness and comparability. However, it is not the intention that the salary is automatically adjusted to reflect a specific percentile point or range.

#### 2. Performance in role

The Vice Chancellor's performance is reviewed annually by the Chair of Council with due consideration of both long and short-term objectives. Only in the case where the Vice Chancellor is deemed to have demonstrated significant achievement and exceptionality of performance in his/her role against key performance indicators and personal objectives will a salary review based on performance be considered.

#### 3. Affordability – the University's financial position – current and longer terms.

Any increase considered against 1) and 2) above is balanced against available and projected long-term funding, expenditure priorities, discretionary pay expenditure, and pay as a percentage of income in the short to medium term.

#### 4. National Pay Restraint and any associated Public and Employee Relations issues

Any recommended increase is considered within the context of the relevant pay climate. The Vice Chancellor's remuneration package is published annually within the annual statutory accounts which are available on the University's website and the University must be able to properly explain any enhancements based on the strategic interests of the institution.

### Vice-Chancellor Pay Review 2021 / 22

The Senior Remuneration Committee reviewed the Vice-Chancellor's salary against sector benchmarks and an appraisal of his performance against agreed objectives and agreed an uplift in salary to £250,000 from 1 October 2021. This follows a period of pay restraint with no pay award made above the national uplift.

### Pay ratio of the Vice-Chancellor compared to the median pay of staff

The ratio has been calculated using the OFS Accounts Direction guidance, which states the calculation "must include all employees who are required to be included in real-time reporting to HMRC. Employees that are not required to be included in real-time reporting to HMRC should be excluded from the calculation of the remuneration of 'all other staff'". This includes all substantive staff together with all sessional and casual staff and anyone else paid through the payroll but excludes Agency Staff.

The median pay is calculated on a full-time equivalent basis for the salaries paid by the University to the staff.

	Year ended	
	31 July 2022	31 July 2021
	Pay multiple	Pay multiple
Basic salary of Vice-Chancellor compared to median of University staff	7.25	7.04
Total remuneration of Vice-Chancellor compared to median of University staff	7.96	7.42

## Notes to the Accounts For the year ended 31 July 2022

As can be seen above, the basic salary of the Vice-Chancellor has increased in the year to 31 July 2022 compared to the year to 31 July 2021, whilst the total remuneration has increased at a higher percentage due to the additional payments to USS for the Death in Service element. As noted in the 2021 accounts, the median pay level for 2020/21 increased as the number of atypical contracts fell during the year. During 2021/22, these have increased and in line with expectations the pay multiple has increased to above 2020/21 but below 2019/20.

### Remuneration of higher paid staff

The number of staff with a basic salary of over £100,000 per annum has been included below, including the Vice-Chancellor. Basic salary includes market supplements and agency payments, but excludes (amongst other items) bonuses, payments in lieu of pension contributions, allowances, clinical excellence awards, benefits, compensation for loss of office, employer pension contributions, employer National Insurance and expenses. Payments made on behalf of the NHS in respect of its contractual obligations to University staff under separate NHS contracts of employment are not included within remuneration. In line with the Office for Students Accounts Direction, staff who joined or left part-way through a year who would have received salary in these bands in a full year but did not in this part year are excluded.

Basic salary per annum	Year ended	
	31 July 2022 Number	31 July 2021 Number
£100,000 to £104,999	-	1
£105,000 to £109,999	-	3
£110,000 to £114,999	-	3
£115,000 to £119,999	4	-
£120,000 to £124,999 **	3	2
£125,000 to £129,999	1	1
£130,000 to £134,999	1	-
£135,000 to £139,999	1	1
£140,000 to £144,999*	1	1
£145,000 to £149,999	-	-
£150,000 to £154,999	1	1
£155,000 to £159,999	1	-
£180,000 to £184,999	1	1
£235,000 to £239,999	-	1
£245,000 to £249,999	1	-
	15	15

\* The higher paid staff within this band was employed directly by the University from 1 December 2021, and prior to this was paid via an agency for three months of the year. Payments to the agency have been included within the higher paid staff members Basic salary per annum calculation.

\*\* One of the three higher paid staff within this band was paid via an agency for eight months of the year. Payments to the agency have been included within the higher paid staff members Basic salary per annum calculation.

### Key management personnel

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the University through the University Executive Committee. Key management personnel costs are based on 18 (2021: 16) University employees. Compensation consists of salary, benefits, compensation for loss of office, employer's national insurance and employer's pension contribution.

	Year ended	
	31 July 2022 £'000	31 July 2021 £'000
Key management personnel	2,712	2,328

## Notes to the Accounts For the year ended 31 July 2022

### 9. Other operating expenses

Notes	Year ended 31 July 2022		Year ended 31 July 2021	
	Consolidated £'000	University £'000	Consolidated £'000	University £'000
Other operating expenses include:				
External auditors remuneration				
Fees payable to the auditor for the audit of the University financial statements	-	128	-	89
Audit of the financial statements of the subsidiary	12	-	7	-
Other assurance services	3	3	3	3
Taxation and other advisory services	24	10	55	55
Internal auditors remuneration	118	118	85	85
Impairment of Tangible Assets	13	10,314	-	165
Operating lease rentals				
Land and buildings	-	173	-	173
Other	145	145	204	204

4The consolidated audit remuneration fee for 21/22 was £101k excluding VAT (University £93k and subsidiary £8k).

### 10. Interest and other finance costs

	Year ended 31 July 2022 Consolidated and University £'000	Year ended 31 July 2021 Consolidated and University £'000
Loan interest	2,827	2,902
Finance lease interest	613	-
Exchange differences	5	3
	<u>3,445</u>	<u>2,905</u>
Net charge on pension schemes	32	804
	<u>4,265</u>	<u>3,709</u>

### 11. Analysis of total expenditure by activity

	Year ended 31 July 2022		Year ended 31 July 2021	
	Consolidated £'000	University £'000	Consolidated £'000	University £'000
Academic	60,568	60,568	56,363	56,363
Academic services	19,578	19,578	16,776	16,776
Central administration	14,196	14,196	12,599	12,599
General education	4,198	4,198	3,686	3,686
Staff and student facilities	6,675	6,675	6,774	6,774
Premises	21,334	21,334	19,394	19,394
Residences, catering and conferences	20,464	20,464	18,870	18,870
Research grants and contracts	12,600	12,600	13,564	13,564
Scholarships, bursaries and prizes	4,522	4,522	4,435	4,435
Other expenses	14,276	14,276	3,619	3,619
Staff costs – actuarial movement	44,996	44,996	(2,365)	(2,365)
Restructuring	282	282	1,924	1,924
<b>Total University expenditure</b>	<b>223,689</b>	<b>223,689</b>	<b>155,639</b>	<b>155,639</b>
Subsidiary and consolidation	755	-	(48)	-
<b>Total Consolidated expenditure</b>	<b>224,444</b>	<b>223,689</b>	<b>155,591</b>	<b>155,639</b>

## Notes to the Accounts For the year ended 31 July 2022

### 12. Taxation

12 Taxation	Year ended 31 July 2022		Year ended 31 July 2021	
	Consolidated £'000	University £'000	Consolidated £'000	University £'000
Current tax	-	-	-	-
Deferred tax	-	-	-	-
<b>Total tax expense</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

The University has not provided a full tax reconciliation disclosure as tax is not material to the financial statements. The University does not believe that any current taxation will be payable by the group.

### 13. Tangible Assets

Consolidated	Freehold Land and Buildings £'000	Leasehold Land and Buildings £'000	Equipment £'000	Assets in the Course of Construction (AUC) £'000	Tangible Assets Total £'000	Investment Properties £'000	Heritage assets £'000	Total £'000
<b>Cost / valuation</b>								
At 1 August 2021	316,892	413	24,749	4,404	346,458	11,950	12,116	370,524
Additions	5,902	17,715	2,018	12,745	38,380	-	-	38,380
Valuation increase	-	-	-	-	-	335	-	335
Transfers - AUC	3,029	-	245	(3,274)	-	-	-	-
Disposals	-	-	(2,154)	-	(2,154)	-	-	(2,154)
<b>At 31 July 2022</b>	<b>325,823</b>	<b>18,128</b>	<b>24,858</b>	<b>13,875</b>	<b>382,684</b>	<b>12,285</b>	<b>12,116</b>	<b>407,085</b>
<b>Depreciation</b>								
At 1 August 2021	44,116	57	15,762	-	59,935	-	-	59,935
Charge for the year	9,516	385	1,932	-	11,833	-	-	11,833
Impairment	10,314	-	-	-	10,314	-	-	10,314
Disposals	-	-	(2,154)	-	(2,154)	-	-	(2,154)
<b>At 31 July 2022</b>	<b>63,946</b>	<b>442</b>	<b>15,540</b>	<b>-</b>	<b>79,928</b>	<b>-</b>	<b>-</b>	<b>79,928</b>
<b>Net book value</b>								
At 31 July 2022	261,877	17,686	9,318	13,875	302,756	12,285	12,116	327,157
At 31 July 2021	272,776	356	8,987	4,404	286,523	11,950	12,116	310,589
<b>University</b>	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
<b>Cost / valuation</b>								
At 1 August 2021	313,709	413	24,670	4,404	343,196	11,950	12,116	367,262
Additions	5,902	17,715	2,018	12,745	38,380	-	-	38,380
Valuation increase	-	-	-	-	-	335	-	335
Transfers - AUC	3,029	-	245	(3,274)	-	-	-	-
Disposals	-	-	(2,154)	-	(2,154)	-	-	(2,154)
<b>At 31 July 2022</b>	<b>322,640</b>	<b>18,128</b>	<b>24,779</b>	<b>13,875</b>	<b>379,422</b>	<b>12,285</b>	<b>12,116</b>	<b>403,823</b>

## Notes to the Accounts For the year ended 31 July 2022

<b>Depreciation</b>								
At 1 August 2021	43,765	57	15,683	-	59,505	-	-	59,505
Charge for the year	9,422	385	1,930	-	11,737	-	-	11,737
Impairment	10,314	-	-	-	10,314	-	-	10,314
Disposals	-	-	(2,154)	-	(2,154)	-	-	(2,154)
<b>At 31 July 2022</b>	<b>63,501</b>	<b>442</b>	<b>15,459</b>	<b>-</b>	<b>79,402</b>	<b>-</b>	<b>-</b>	<b>79,402</b>
<b>Net book value</b>								
<b>At 31 July 2022</b>	<b>259,139</b>	<b>17,686</b>	<b>9,320</b>	<b>13,875</b>	<b>300,020</b>	<b>12,285</b>	<b>12,116</b>	<b>324,421</b>
At 31 July 2021	269,944	356	8,987	4,404	283,691	11,950	12,116	307,757

The University and Group revalued its land and buildings on a fair value basis as at 31 July 2014, taking advantage of the transitional provisions of FRS 102 section 35.10. The University appointed Gerald Eve LLP, an independent external valuer which is regulated by the Royal Institution of Chartered Surveyors ("RICS"). The valuation was performed in accordance with the RICS Valuation – Professional Standards January 2014. In accordance with the FRS 102 transitional provisions these revised values are now used as the deemed cost of land and buildings going forward.

At 31 July 2022, freehold land and buildings included £34,601k university and £34,893k consolidated (2021 – £34,601k University; £34,893k Consolidated) in respect of freehold land that is not depreciated. There are no leased assets included in the above, other than the Leasehold Land and Buildings.

The investment properties held by the University currently totalling £12,285k (2021: £11,950k) were valued on a fair value basis as at 31 July 2022 by an external valuer (Gerald Eve LLP), which is regulated by the RICS. The historical cost of these investment properties is £8,850k (2021:

£8,850k). The valuations have been carried out in compliance with the Practice Statements contained within the Valuation – Global Standards 2022 of the Royal Institution of Chartered Surveyors (RICS). The critical assumption made relating to the valuations is an equivalent net yield on the properties of between 8.4% – 10.3% (2021: between 8.5% and 10.0%).

## 14. Heritage assets Consolidated and University

The University has a number of different types of heritage assets, some of which it owns, and some of which are held on loan deposit. On-deposit and loan items are not included within the valuation total for the University. During the year, the heritage assets were not revalued for insurance purposes. The total heritage assets are split between:

### Library: Archives and Special Collections

The University holds a large number of manuscripts, archives and other special collections; these collections are housed in the University Library. They are held and maintained principally for their contribution to knowledge and culture.

Collections are acquired by deposit, gift and purchase. The University is committed to ensuring that these collections are exploited to their maximum advantage and made available efficiently and effectively. The University's collecting policy states that material should conform to at least one of the following criteria:

- It fits with the current or future teaching and research profile of the University
- It is of strategic local interest
- It supplements an existing collection
- It is material generated by the University and considered worth preserving.

The collections were professionally valued for insurance purposes during 2015/16 by Hansons Auctioneers and Valuers Ltd. The valuation of items owned by the University totalled £6,972k.

## Notes to the Accounts For the year ended 31 July 2022

Listed below are the collections owned by the University:

Arnold Bennett Papers  
 Wilfred Bloor Papers  
 Goldendale Iron Company  
 T.E. Hulme Archive William Jack Collection  
 The Foundations of British Sociology Archive (formerly called the LePlay Collection) Lord Lindsay Papers  
 Local Collection  
 Karl Mannheim Papers Pape Collection  
 Raymond Richards Collection Sneyd Family Papers Warrillow Collection  
 Josiah Clement Wedgwood Collection Jeavons Collection of 20th Century Slides An Illuminated Manuscript  
 Reserve stock (13,529 other titles held by the University) George Thomas Baggaley – Finishing Designs  
 Ray Pahl Papers

Additionally, within the Hansons Auctioneers and Valuers Ltd insurance valuation there were items that were not owned by the University and were on deposit, valued at a total of £977k. As noted in the 2018/19 financial statements, the University has been loaned the Joyce Holliday Archive valued at £5k, although again no value has been assigned to this in the financial statements as this is on loan.

Other than above, no significant additions or disposals have occurred of University owned Archives and Special Collections in this or the previous four years.

### Other Miscellaneous Artefacts

The University has various miscellaneous artefacts that it owns, mainly situated in Keele Hall and the Library. These are classed as follows:

- Silver and Plated Ware
- Ceramics
- Furniture
- Sculpture
- Pictures (including Drawings and Prints)

During 2015/16, the collections were professionally valued for insurance purposes by Hansons Auctioneers and Valuers Ltd. The new valuation totalled £5,144k. Additionally, within the valuation there were items that were not owned by the University and were on deposit, valued at a total of £241k.

Other than above, no significant additions or disposals have occurred of University owned Artefacts in this or the previous four years.

## Notes to the Accounts For the year ended 31 July 2022

### 15. Non-Current Investments

Consolidated	Keele Residential Fund (see 15a)		(see 15b)	(see 15c)	(see 15d)	Total
	Stanhope Capital	Nat West Guaranteed Investment	Subsidiary companies	Investment in spinouts	Other fixed asset investments	
	£'000	£'000	£'000	£'000	£'000	£'000
At 1 August 2020	20,605	15,435	-	-	82	36,122
Additions	2,256	730	-	-	-	2,986
Disposals	(12)	(2,795)	-	-	-	(2,807)
Change in market value	3,052	-	-	-	-	3,052
At 1 August 2021	25,901	13,370	-	-	82	39,353
Additions	1,688	633	-	-	100	2,421
Disposals	(1,788)	(2,978)	-	-	-	(4,766)
Change in market value	(2,244)	-	-	-	-	(2,244)
<b>At 31 July 2022</b>	<b>23,557</b>	<b>11,025</b>	<b>-</b>	<b>-</b>	<b>182</b>	<b>34,764</b>

University	Keele Residential Fund (see 15a)		(see 15b)	(see 15c)	(see 15d)	Total
	Stanhope Capital	Nat West Guaranteed Investment	Subsidiary companies	Investment in spinouts	Other fixed asset investments	
	£'000	£'000	£'000	£'000	£'000	£'000
At 1 August 2020	20,605	15,435	-	-	82	36,122
Additions	2,256	730	-	-	-	2,986
Disposals	(12)	(2,795)	-	-	-	(2,807)
Change in market value	3,052	-	-	-	-	3,052
At 1 August 2021	25,901	13,370	-	-	82	39,353
Additions	1,688	633	-	-	100	2,421
Disposals	(1,788)	(2,978)	-	-	-	(4,766)
Change in market value	(2,244)	-	-	-	-	(2,244)
<b>At 31 July 2022</b>	<b>23,557</b>	<b>11,025</b>	<b>-</b>	<b>-</b>	<b>182</b>	<b>34,764</b>

### 15 (a) Keele Residential Fund Investments

The Keele Residential Fund investments relate to monies generated from the financial restructuring deals in 1999 and 2007, and can be categorised as follows:

#### Stanhope Capital Investment Funds and Refurbishment Funds

The strategic asset investment funds are an overall fund managed by Stanhope Capital on behalf of the University. The fund is held over a variety of different investments. Where an element of the fund is held in liquid assets, this is shown as cash and cash equivalents with the rest shown as non-current asset investments above. All of the investments are shown at market value, as provided by the Investment managers, with any changes in market value being adjusted for in the Statement of Comprehensive Income and Expenditure.

#### National Westminster Bank plc (Nat West) Guaranteed Investment Contract

The Nat West Guaranteed Investment Contract is a separate fixed interest cash account against which a specified annual amount is drawn down by the University to use for the Halls of Residence refurbishment works. The ability of the University to draw down against the profile is subject to confirmation by Keele Residential Funding plc, and the final draw down is in 2029 when the balance in the account will be £nil. The whole of the Guaranteed Investment Contract is included in fixed asset investments.

## Notes to the Accounts For the year ended 31 July 2022

### 15 (b) Investment in wholly owned subsidiary companies

The University had the following investments in wholly owned subsidiary companies as at 31 July 2022, which had a 31 July year end:

Name of Investment	Class of share	Proportion held by University	Nature of business
Keele University Science and Business Park Ltd	Ordinary	100%	Land development and associated activity
Keele Pension Trustee Ltd	Ordinary	100%	Dormant – Corporate pension trustee

The companies are registered in England and Wales. Keele Pension Trustee Ltd was incorporated in the year.

There were no acquisitions in the year. The University does not believe that there is any material difference between the cost and market value of the shares in the above company, and the investment is shown at cost.

### 15 (c) Investment in spin out companies

The University had the following investment in a spin out company as at 31 July 2022:

Name of Investment	Class of share	No of shares purchased	Proportion held by University & Group	Nature of business
Prescribing Decision	£1 Ordinary (1,000)	250	25.0%	Software to
Support Limited (PDS)	£1 Ordinary B (100)	-	-	assist pharmacists

The University does not believe that there is any material difference between the cost and market value of the shares in PDS, and the investment is shown at cost. Where the University holds 20% or more of the share capital of any spin out company, the University does not account for these investments as associates but holds them as simple investments in line with those in which it has a less than 20% shareholding. This is on the basis that the University merely holds the shares as an investment and does not seek to exercise any significant influence over the operating and financial policies of a spin out company.

### 15 (d) Other Investments

The University holds the following equity shares, which are accounted for at cost as a simple investment:

£	Shares held in	Description
31,761	CVCP Properties PLC	CVCP Properties plc is a company owned by 100 Higher Education institutions, whose executive heads are members of Universities UK.
49,850	KRF Holdings Ltd	The University holds 99.7% of the shares, being "A" Ordinary shares. These shares have no voting rights, and the holders of this class of shares do not have any right to appoint directors of the company. Consequently, the University has no Board representation. On the basis that the University lacks the ability to control the entity, KRF Holdings Ltd has not been consolidated into the accounts and is included at cost.

The University holds the following investment which is accounted for at cost as a simple investment:

£	Shares held in	Description
100,000	Midlands Mindforge Ltd	During the year, the University invested £100,000 into a convertible loan agreement with Midlands Investment Vehicle Limited, to enable the establishment of an investment fund to support the commercialisation of university IP across Midlands Innovation Universities. The company changed its name on 15 December 2022 to Midlands Mindforge Limited

## Notes to the Accounts For the year ended 31 July 2022

### 16 Investment in jointly controlled company and other partnerships

#### Joint contracts and partnerships

The University operates a number of collaborative provision arrangements with other Universities and educational establishments, as follows:

Partner	Country	Type of arrangement
<b>Active</b>		
Beijing Foreign Studies University	China	Joint Programme / Dual Award
Harper Adams University	United Kingdom	Joint Award
Shaw Education Trust and Keele and North Staffordshire Primary SCITT	United Kingdom	Franchising
Higher Education Partners	United Kingdom	Online Programmes
<b>Newly approved but yet to launch</b>		
Navitas – Keele University International College	United Kingdom	Pathway Provider
Jiangxi University of Applied Sciences	China	Joint Programme / Dual Award
<b>Undergoing teach out</b>		
Foundation for International Medical Education and Research		Validation

### 17. Stock

	At 31 July 2022		At 31 July 2021	
	Consolidated £'000	University £'000	Consolidated £'000	University £'000
Finished goods	51	51	127	127
Development land	3,052	-	3,612	-
	<u>3,103</u>	<u>51</u>	<u>3,739</u>	<u>127</u>

The development land is held by Keele University Science and Business Park Ltd.

### 18. Trade and other receivables

	At 31 July 2022		At 31 July 2021	
	Consolidated £'000	University £'000	Consolidated £'000	University £'000
<b>Amounts falling due within one year:</b>				
Research grants receivables	3,492	3,492	1,968	1,968
Other trade receivables	2,537	2,537	2,606	2,606
Other receivables	5,896	5,823	3,355	3,347
Prepayment and accrued income	7,057	7,057	4,389	4,389
Amounts due from subsidiary companies	-	-	-	94
	<u>18,982</u>	<u>18,909</u>	<u>12,318</u>	<u>12,404</u>
<b>Amounts falling due after one year:</b>				
Prepayment and accrued income	3,138	3,138	2,829	2,829
Amounts due from subsidiary companies	-	3,544	-	3,300
	<u>22,120</u>	<u>25,591</u>	<u>15,147</u>	<u>18,533</u>

Within the prepayments balances are deferred costs relating to the Keele Residential Funding agreements in 1999 and 2007, which are being expended over the life of the leases.

## Notes to the Accounts For the year ended 31 July 2022

### 19. Current Investments

Current asset investments include deposits held with banks and building societies operating in the London market and licenced by the Financial Services Authority with more than three months but less than twelve months maturity at the balance sheet date. The University does not hold any deposits with a maturity of three months or greater. As such, any liquid investments held are classified as cash and cash equivalents.

### 20. Creditors: amounts falling due within one year

	At 31 July 2022		At 31 July 2021	
	Consolidated £'000	University £'000	Consolidated £'000	University £'000
Unsecured loans (see note 21a)	1,962	1,962	1,962	1,962
Obligations under finance leases	589	589	-	-
Trade payables	5,963	5,963	3,578	3,578
Other creditors	899	899	863	863
Social security and other taxation payable	1,896	1,896	1,910	1,910
Accruals and deferred income	37,575	37,562	23,045	22,705
Research grants and contract advances	15,734	15,734	8,085	8,085
Payments received on account	2,880	2,880	2,428	2,428
Amounts due to subsidiary companies	-	12	-	13
Deferred income: Keele Residential Funding premium (see Note 21b)	2,842	2,842	2,842	2,842
Derivative (see note 25)	-	-	131	131
	<u>70,340</u>	<u>70,339</u>	<u>44,844</u>	<u>44,517</u>

#### Deferred income

Included within creditors falling due within one year are the following items of income which have been deferred until specific performance related conditions have been met.

	At 31 July 2022	At 31 July 2021
	Consolidated and University £'000	Consolidated and University £'000
Capital grant income	11,333	859
Research grants received on account	1,086	1,175
Other income	15	16
	<u>12,434</u>	<u>2,050</u>

### 21. Creditors: amounts falling due after more than one year

	At 31 July 2022		At 31 July 2021	
	Consolidated £'000	University £'000	Consolidated £'000	University £'000
Unsecured loans (see note 21a)	62,869	62,869	64,831	64,831
Deferred income: Keele Residential Funding premium (see Note 21b)	40,370	40,370	43,212	43,212
Obligations under finance leases	16,787	16,787	-	-
Other long-term creditors	2,864	14	3,152	14
	<u>122,890</u>	<u>120,040</u>	<u>111,195</u>	<u>108,057</u>

## Notes to the Accounts For the year ended 31 July 2022

### 21. (a) Mortgages and unsecured loans

	At 31 July 2022 Consolidated		At 31 July 2021 Consolidated	
	£'000	£'000	£'000	£'000
Analysis of secured and unsecured loans:				
Due within one year or on demand (see note 20)		1,962		1,962
Due between one and two years	6,263		1,962	
Due between two and five years	4,563		5,886	
Due in five years or more	<u>52,043</u>		<u>56,983</u>	
Due after more than one year (see note 21)		62,869		64,831
Total secured and unsecured loans		<u>64,831</u>		<u>66,793</u>
Secured loans		-		-
Unsecured loans repayable by 2042		<u>64,831</u>		<u>66,793</u>

### 21. Creditors: amounts falling due after more than one year (continued)

The loans are all held by the University, with no loan facilities in the subsidiary companies. As at 31 July 2022, the loans comprise of the following:

Lender	Term	Balance £'000	Interest rate %
Royal Bank of Scotland	2029	2,237	SONIA hedged at 5.22% plus agreed margin
Royal Bank of Scotland	2027	2,000	9.19% fixed
Royal Bank of Scotland	2029	1,790	SONIA plus agreed margin
National Westminster Bank (Revolving credit facility)	2024	-	SONIA plus agreed margin
Barclays Bank	2035	8,620	Mix of 6.885% fixed and SONIA plus agreed margin
Barclays Bank (Revolving credit facility)	2023	-	Variable rate plus 1.25% margin
Lloyds Bank	2024	5,184	Mix of 5.715% fixed and SONIA plus agreed margin
Barings Bank	2037/2042	45,000	3.27% Series A and 3.37% Series B Senior Notes
Total		<u>64,831</u>	

The Lloyds Bank loan has a final repayment date in April 2024, and the above assumes a full repayment of the outstanding balance at that date.

### 21 (b) Keele Residential Funding premium

The Keele Residential Funding premium represents the premiums received on the lease of student accommodation to Keele Residential Funding plc. The premiums are held as deferred income in creditors and are being released on a straight-line basis over the period of the lease agreements.

## Notes to the Accounts For the year ended 31 July 2022

### 22. Provisions for liabilities

#### Consolidated and University

	Obligation to fund deficit on pensions for:			Total Pensions Provisions £'000	Pay and severances £'000	Other provisions £'000	Total Other Provisions £'000
	USS £'000	KSS £'000	LGPS £'000				
At 1 August 2021	25,818	36,821	-	62,639	859	-	859
Utilised in year	-	-	-	-	(859)	-	(859)
Transfer from statement of comprehensive income	45,196	(9,044)	-	36,152	36	-	36
University deficit contributions	-	(3,930)	-	(3,930)	-	-	-
Additions	-	-	-	-	-	-	-
<b>At 31 July 2022</b>	<b>71,014</b>	<b>23,847</b>	<b>-</b>	<b>94,861</b>	<b>36</b>	<b>-</b>	<b>36</b>

#### USS deficit

The obligation to fund the past deficit on the Universities Superannuation Scheme (USS) arises from the contractual obligation with the USS to deficit payments in accordance with the deficit recovery plan. In calculating this provision, management have estimated future staff levels within the USS scheme for the duration of the contractual obligation and salary inflation. Key assumptions are set out below and further information is provided in note 32. Following the completion of the 2020 actuarial valuation, a deficit recovery plan has been agreed which requires deficit payments of 6.2% of salaries from 1 April 2022 to 31 March 2024 and 6.3% from 1 April onwards.

The major assumptions used to calculate the obligation are:

	2022	2021	
Discount rate	3.32%	0.88%	(based on rate issued by Mercers in their workings for the sector through BUFDG)
Salary growth - Year 1	4.40%	3.00%	(includes spine and grade point increases, and estimated national pay awards)
Salary growth - Year 2 & on	3.50%	3.50%	

#### Sensitivity analysis

As set out in the accounting policies, there are some critical judgements made in estimating the obligation to fund the USS deficit. The sensitivity of the principal assumptions used to measure the USS deficit provision are set out below:

Change in assumptions at 31 July 2022	Approximate impact
0.5% change in the salary inflation	£3.1m
0.5% change in the staff numbers	£3.1m
0.5% change in the discount rate	£3.1m

This relates to pension scheme obligations that have been calculated by actuaries. See note 32 for further details.

#### LGPS

This relates to pension scheme obligations that have been calculated by actuaries. It must be noted that the position for LGPS as at 31 July 2022 shows a surplus of £1,263k (2021: £77k surplus). As no change in contributions will immediately arise from this actuarial surplus, then FRST02 does not allow the recognition of the surplus and so no asset or liability balance is recognised on the Statement of Financial Position for LGPS at 31 July 2022. Note 32 shows the details for LGPS and assumes the nil balance position by reducing the assets from £5,121k to £3,858k to eliminate the £1,263k surplus.

#### Pay and severances

The provision of £36k (2021: £859k) relates to severance payments that the University and individuals have agreed by 31 July, but the University had not paid by that date.

## Notes to the Accounts For the year ended 31 July 2022

### 23. Endowment Reserves

Restricted net assets relating to endowments are as follows:

Consolidated and University	Restricted permanent endowments	Unrestricted permanent endowments	Expendable endowments	2022 Total
	£'000	£'000	£'000	£'000
<b>Balances at 1 August 2021</b>				
Capital	251	-	-	251
Accumulated income	80	-	725	805
	<u>331</u>	<u>-</u>	<u>725</u>	<u>1,056</u>
New endowments	-	-	29	29
Investment income	-	-	1	1
Expenditure	-	-	(48)	(48)
	<u>-</u>	<u>-</u>	<u>(18)</u>	<u>(18)</u>
<b>At 31 July 2022</b>	<b><u>331</u></b>	<b><u>-</u></b>	<b><u>707</u></b>	<b><u>1,038</u></b>
<b>Represented by:</b>				
Capital	251	-	-	251
Accumulated income	80	-	707	787
	<u>331</u>	<u>-</u>	<u>707</u>	<u>1,038</u>
<b>Analysis by type of purpose:</b>				
General fund				2022 Total £'000
Hardship fund				2021 Total £'000
Prize funds				
Scholarships and bursaries				
Student Loans				
				<u>1,038</u>
				<u>1,056</u>

The funds are held as cash and cash equivalents.

There are no deficit balances as at 31 July 2021 or 31 July 2022.

### 24. Restricted Reserves

Reserves with restrictions are as follows:

Consolidated and University	Capital Grant Income Unspent
	£'000
<b>Balances at 1 August 2021</b>	
New capital grant income	(1,818)
Capital grants utilised	<u>1,818</u>
	<u>-</u>
<b>At 31 July 2022</b>	<b><u>-</u></b>

## Notes to the Accounts For the year ended 31 July 2022

### 25. Financial instruments

A financial instrument is a contract that gives rise to a financial asset in one entity and a financial liability or equity instrument in another entity. Examples of financial instruments include cash, debtors and creditors, investments, hedging instruments and loans.

#### Nature and Extent of Risks Arising from Financial Instruments

The university's activities expose it to a variety of financial risks. The main risks to the University's treasury activities are:

- Credit and counterparty risk (security of investments);
- Liquidity risk/refinancing risk (inadequate cash resources/impact of debt maturing in future years);
- Interest rate risk (fluctuations in interest rate levels);
- Inflation risk (exposure to inflation); and
- Foreign exchange risk.

#### Interest rate risk

The University is exposed to risk in terms of its exposure to interest rate movements on its borrowings and cash equivalent investments. Movements in interest rates have a dual impact on the University. A rise in interest rates would increase the interest payable costs of any variable rate loans, but interest income credited to the surplus or deficit will rise for investments and cash equivalents that are based on a variable interest receivable. The University 'hedges' its interest rate risk using swaps which provide stability against interest rate fluctuations, as highlighted below.

The carrying values of the Group and University's financial assets and liabilities are summarised by category below:

Notes	At 31 July 2022		At 31 July 2021	
	Consolidated £'000	University £'000	Consolidated £'000	University £'000
<b>Categories of financial instruments</b>				
<b>Financial assets</b>				
<i>Financial assets at fair value through Statement of Comprehensive income</i>				
Listed investments	15	23,557	23,557	25,901
<i>Financial assets that are equity instruments measured at cost less impairment</i>				
Other investments	15	11,207	11,207	13,453
<i>Financial assets that are debt instruments measured at amortised cost</i>				
Trade and other receivables	18	2,537	2,537	2,606
		<u>37,301</u>	<u>37,301</u>	<u>41,960</u>
<b>Financial liabilities</b>				
<i>Financial liabilities at fair value through Statement of Comprehensive income</i>				
Derivatives (see below)	20	-	-	131
<i>Financial liabilities measured at amortised cost</i>				
Loans	20/21	64,831	64,831	66,793
Trade and other payables	20	5,963	5,963	3,578
		<u>70,794</u>	<u>70,794</u>	<u>70,502</u>

The derivative above related to a bank loan hedge which expired at 31 July 2022.

## Notes to the Accounts For the year ended 31 July 2022

The Group and University's income, expense, gains and losses in respect of financial instruments are summarised below:

### Derivatives

The Group and University's income, expense, gains and losses in respect of financial instruments are summarised below:

	Notes	At 31 July 2022		At 31 July 2021	
		Consolidated £'000	University £'000	Consolidated £'000	University £'000
<b>Interest income and (expense)</b>					
Total interest income for financial assets at fair value		384	384	345	345
Total interest income for financial assets at amortised cost		597	597	698	698
Total interest expense for financial liabilities at amortised cost	10	<u>(3,440)</u>	<u>(3,440)</u>	<u>(2,902)</u>	<u>(2,902)</u>
		<u>(2,459)</u>	<u>(2,459)</u>	<u>(1,859)</u>	<u>(1,859)</u>
<b>Fair value gains and (losses)</b>					
On financial assets measured at fair value through the Statement of Comprehensive Income		(2,244)	(2,244)	3,052	3,052
On financial liabilities measured at fair value through the Statement of Comprehensive Income	6	131	131	169	169
		<u>(2,113)</u>	<u>(2,113)</u>	<u>3,221</u>	<u>3,221</u>

## 26. Cash and cash equivalents

	At 1 August 2021 £'000	Cash Flows £'000	At 31 July 2022 £'000
Consolidated			
Cash at bank and on deposit	<u>26,125</u>	<u>10,359</u>	<u>36,484</u>

The cash at bank and on deposit represents cash in hand together with current and short-term deposit accounts without a notice period or a notice period of less than 3 months.

## 27. Consolidated reconciliation of net debt

	Year ended 31 July 2022 Consolidated	
	£'000	£'000
<b>Net debt 1 August 2021</b>		<b>40,799</b>
Movement in cash and cash equivalents (note 26)	(10,359)	
Repayment of loans	(1,962)	
New finance leases	17,715	
Repayment of finance leases	(339)	
Changes in market value (note 6)	(131)	
<b>Change in net debt</b>		<b>4,924</b>
<b>Net debt 31 July 2022</b>		<b><u>45,723</u></b>

### Analysis of net debt:

## Notes to the Accounts For the year ended 31 July 2022

	31 July 2022 Consolidated		31 July 2021 Consolidated	
	£'000	£'000	£'000	£'000
<b>Cash and cash equivalents (note 26)</b>		<b>(36,484)</b>		<b>(26,125)</b>
<b>Borrowings: amounts falling due within one year</b>				
Unsecured loans	1,962		1,962	
Bank overdraft	-		-	
Obligations under finance leases	589		-	
Derivatives	-		131	
		<u>2,551</u>	<u>131</u>	2,093
<b>Borrowings: amounts falling due after more than one year</b>				
Unsecured loans	62,869		64,831	
Obligations under finance leases	16,787		-	
Derivatives	-		-	
		<u>79,656</u>	<u>64,831</u>	64,831
<b>Net debt</b>		<b><u>45,723</u></b>		<b><u>40,799</u></b>

## 28. Capital and other commitments

Provision has not been made for the following capital commitments:

	31 July 2022 Consolidated and University £'000	31 July 2021 Consolidated and University £'000
Commitments contracted for (order placed but work not completed)	<u>7,270</u>	<u>15,774</u>

## 29. Contingent liabilities

	31 July 2022 Consolidated and University £'000	31 July 2021 Consolidated and University £'000
Repurchase of houses sold to staff	<u>15,707</u>	<u>14,413</u>

The University has a stock of houses on campus that is available to purchase by or rent to employees under various Schemes. If a house is purchased by an individual, the University covenants to re-purchase the house from that person if they are unable to sell to another eligible person. The contingent liability represents the stock of houses that the University would be liable to purchase if all of the owners called on the University to do so as at 31 July at an estimated market value.

In February 2021, an independent operator opened a new hotel on campus. As part of the agreements, upon practical completion of the Hotel, Keele University is required to underwrite the lease rental for 37 years as an "income guarantee" to Legal & General who will be long leasing the land and providing the funds to the external developer for the construction of the Hotel. The rental for the year February 2022 to January 2023 was £787k, and this will increase annually based on RPI using a "cap and collar" of between zero to 5%.

Additionally, both Keele University and Keele University Science and Business Park Limited are jointly and severally liable for all of the Tenant's (Keele Hotel Tenant Limited) covenants that are contained in the 37-year Occupational Lease for the Keele Marriott Hotel. These are the rent, repair, reinstatement and insurance liabilities for the Hotel which fall upon the Tenant.

The NHS Pension Scheme operates a "Scheme Pays" and for 2019/20 the government put in place an allowance compensation scheme for that year. This guaranteed that any annual allowance tax charge for eligible clinicians will be compensated at the time of retirement, with the additional pension obligation falling on the employer but an equal amount of funding being "guaranteed" by the government. 4 people have signed up through Keele University to the NHS Scheme Pays 2019/20 allowance compensation scheme.





## Notes to the Accounts For the year ended 31 July 2022

### 31 (d) Harper Adams University

Professor Mark Ormerod is on the Board of Governors at Harper Adams University. This is primarily due to the joint Harper and Keele Veterinary School, which is run by the two Universities. Income and expenditure incurred by both Universities on the Veterinary School is reconciled through the year, and the above debtor and creditor balances include the gross income and expenditure balances held on the Balance Sheet. Additionally, both Universities are part of the Uni Connect Programme through Higher Horizons. Keele manages the regional Hub and so receives claims from, and passes grant income to, Harper Adams.

### 31 (e) University Hospitals of North Midlands NHS Trust (“UHNM”)

Tracy Bullock is the Chief Executive of UHNM. The University has a Faculty of Medicine and Health Sciences including a School of Medicine and School of Nursing and Midwifery, and so naturally has a significant relationship with UHNM. The balances due from UHNM includes debtors and accrued income and the balances due to UHNM includes creditors and accrued expenditure.

### 31 (f) Cheshire East Council

Jane Burns is the Executive Director at Cheshire East Council with whom the University has Social Work placements.

### 31. Related Party Transactions (continued) 31 (g) Midlands Innovation (MI)

Professor Trevor McMillan is the Chair of the MI group. MI is a collaboration between eight research intensive Universities across the Midlands: Aston, Birmingham, Cranfield, Keele, Leicester, Loughborough, Nottingham and Warwick. The spend in the year related to subscriptions.

#### Other related party disclosures

### 31. (h) Keele Residential Funding (“KRF”) agreement

The term Keele Residential Funding (“KRF”) is used to describe several linked transactions running throughout the financial statements. The principal relationships and transaction flows are described in this note.

During the financial year 1999/2000, the University undertook a securitisation deal in respect of the rental income flow from its Halls of Residence up to 2029 with Keele Residential Funding plc. In 2006/07, this was extended to 2047. The University received a premium on both occasions, and this premium (together with associated costs) is being released to the Statement of Comprehensive Income and Expenditure over the life of the agreements. The residual premium and associated costs are recognised as deferred income and prepayments respectively on the Balance Sheet.

The university collects rent on behalf of Keele Residential Funding plc under a Letting Services agreement and passes these rents over on an annual basis. Halls of Residence rental income is recognised in full within income for the University, with the payment to Keele Residential Funding plc being a cost recognised in other operating expenses. Keele Residential Funding plc pays the University a management fee for the management of the Halls of Residence, which is included within income, and disclosed in note 5 to the accounts.

As part of these agreements, the University leases a proportion of its student accommodation portfolio to Keele Residential Funding plc. The assets leased remain on the balance sheet of the University, because the substance of the transaction is that they will fully revert back to the University at the end of the agreement in 2047. The updated net book value on the University fixed asset register as at 31 July 2022 of these assets is £73,546k (2021: £84,736k).

Additionally, the University has a contractual duty to maintain and refurbish the student halls of residence. Investments of £26,098k (2021:

£26,423k) have been set aside in fixed asset investments as at 31 July 2022 to enable the University to meet its future obligations in respect of the agreed refurbishment programme. These investments are shown as part of the Keele Residential Funding investments. The University is required to ensure funds are maintained at a level to ensure compliance with agreed maintenance programmes and failure to comply may result in monies being withheld from annual University facilities management payments due from Keele Residential Funding plc.

As highlighted in note 15(d), the University holds shares in KRF Holdings Ltd, but does not consolidate its accounts into the University accounts. KRF Holdings Ltd owns 100% of the share capital of Keele Residential Funding plc, which owns 100% of the share capital of KRF Management Ltd.

## Notes to the Accounts For the year ended 31 July 2022

### 32. Pension Schemes

The University contributes to the following pensions schemes:

	<b>Name of pension scheme</b>	<b>Type of pension scheme accounted as</b>
(i)	<b>Universities' Superannuation Scheme (USS)</b>	<b>Multi-employer (Contributions plus recognise contractual commitment to fund past deficits)</b>
(ii)	<b>Keele Superannuation Scheme (KSS)</b>	Defined benefit
(iii)	<b>Local Government Pension Scheme (LGPS)</b>	Defined benefit
(iv)	<b>National Health Service Pension Scheme (NHSPS)</b>	Multi-employer (Contributions only)
(v)	<b>National Employment Savings Trust (NEST)</b>	Defined contribution

The two principal pension schemes for University staff are USS and KSS. The assets of these pension schemes are held in separate trustee administered funds.

	<b>Year Ended 31 July 2022 £'000</b>	Year Ended 31 July 2021 £'000
Total pension costs comprised:		
<b>Contributions paid</b>		
USS	<b>13,342</b>	12,820
KSS	-	-
LGPS	<b>95</b>	107
NHSPS (includes invoiced amounts for additional NHS pension costs)	<b>490</b>	467
NEST	<b>15</b>	8
	<b>13,942</b>	13,402
<b>Actuarial adjustment in staff costs</b>		
USS	<b>44,969</b>	(2,405)
KSS	<b>113</b>	66
LGPS	<b>(86)</b>	(26)
	<b>44,996</b>	(2,365)
Total pension cost for year (charged to staff costs in the Statement of Comprehensive Income and Expenditure as per Note 8)	<b>58,938</b>	11,037

The pension scheme liability on the Balance Sheet is disclosed in note 22.

## Notes to the Accounts For the year ended 31 July 2022

### (i) The Universities Superannuation Scheme (USS)

The University participates in USS which is the main scheme covering most staff. 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 total cost charged to salaries in the Statement of Comprehensive Income and Expenditure is £13,342k (2021: £12,820k), excluding the impact of the change in the deficit recovery plan as shown above as the "Actuarial adjustment".

Deficit recovery contributions due within one year for the University are £4,115k (2021: £3,243k).

The latest available complete actuarial valuation of the Retirement Income Builder section of the Scheme is at 31 March 2020 ("the valuation date"), which was carried out using the projected unit method.

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

The 2020 valuation was the sixth 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. At the valuation date, the value of the assets of the scheme was £66.5 billion and the value of the scheme's technical provisions was £80.6 billion indicating a shortfall of £14.1 billion and a funding ratio of 83%.

The key financial assumptions used in the 2020 valuation are described below. More detail is set out in the Statement of Funding Principles ([uss.co.uk/about-us/valuation-and-funding/statement-of-funding-principles](http://uss.co.uk/about-us/valuation-and-funding/statement-of-funding-principles)).

CPI assumption	Term dependent rates in line with the difference between the Fixed Interest and Index Linked yield curves less:  1.1% p.a. to 2030, reducing linearly by 0.1% p.a. to a long-term difference of 0.1% p.a. from 2040
Pension increases (subject to a floor of 0%)	CPI assumption plus 0.05%
Discount rate (forward rates)	Fixed interest gilt yield curve plus: Pre-retirement: 2.75% p.a.  Post retirement: 1.00% p.a.

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 2020 actuarial valuation. The mortality assumptions used in these figures are as follows:

	2020 valuation
Mortality base table	101% of S2PMA "light" for males and 95% of SEPFA for females.
Future improvements to mortality	CMI-2019 with a smoothing parameter of 7.5, an initial addition of 0.5% pa and a long-term improvement rate of 1.8% p.a. for males and 1.6% p.a. for females.

The current life expectancies on retirement at age 65 are:	2022	2021
Males currently aged 65 (years)	23.9	24.7
Females currently aged 65 (years)	25.5	26.1
Males currently aged 45 (years)	25.9	26.7
Females currently aged 45 (years)	27.3	27.9

## Notes to the Accounts For the year ended 31 July 2022

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%. The 2022 deficit recovery liability reflects this plan. The liability figures have been produced using the following assumptions:

	2022	2021
Discount rate	3.32%	0.88%
Pensionable salary growth – Year 1	4.40%	3.00%
- Year 2 onwards	3.50%	3.50%
The employers' contribution rates are as follows:		
Effective date	Rate	
1 October 2019 to 30 September 2021	21.10%	
1 October 2021 to 31 March 2022	21.40%	
1 April 2022 to 31 March 2024	21.60%	
1 April 2024 to 30 April 2038	21.40%	

### (ii) Keele Superannuation Scheme (KSS)

The KSS is a final salary defined benefit scheme in the United Kingdom that pays out pensions at retirement based on service and final pay, with the assets held in separate trustee-administered funds. The employer cash contribution made for the year ended 31 July 2022 was £3,930k including a £1,500k one-off contribution (2021: £1,447k and £nil), with £200k (2021: £250k) of expenses paid by the University on behalf of the Scheme. This includes £nil (2021: £nil) outstanding contributions at the balance sheet date.

In 2013, it was decided to close KSS to future service benefit accrual and to transfer active members to USS. Therefore, no further contributions by either members or the University have been made in this financial year, with the exception of the deficit funding contributions paid by the University in line with the recovery plan agreed between the University and the KSS Trustees that began in November 2015.

### Assumption

The following information is based upon a full actuarial valuation of KSS at 1 August 2020. The principal financial assumptions used to calculate scheme liabilities under FRS102 are:

	At 31 July 2022	At 31 July 2021
	%pa	%pa
Discount rate	3.30	1.70
Rate of increase in salaries	3.55	3.40
Price Inflation (RPI)	3.55	3.40
Price Inflation (CPI)	2.70	2.65
Rate of increase of pensions in payment and deferred pensions:		
Pre 1 August 2001 Service	4.05	4.10
1 August 2001 to 30 November 2006 Service	3.55	3.35
Post 1 December 2006 Service	2.35	2.15
Commutation allowance (Members commute % of their pension)	25%	25%

No allowance has been assumed for early retirement.

## Notes to the Accounts For the year ended 31 July 2022

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

	Current Pensioner aged 65 (Male)	Non-pensioner currently aged 45 (Male)	Current Pensioner aged 65 (Female)	Non-pensioner currently aged 45 (Female)
At 31 July 2022	21.4	22.7	23.8	25.2
At 31 July 2021	21.4	22.8	23.4	24.9

The actuarial tables used for this are 112% S3PA CMI 2020 (1.25%) (2021: 102% S2PA with CMI 2018 improvements trending to 1.25%).

COVID-19 has caused significant disruption to economic activity which has been reflected in global stock market fluctuations and, in turn, in the valuation of pension Scheme assets. Although allowance is made for known membership movements, the longer-term impact of the pandemic on pension scheme members is not yet known and no specific adjustments have been made to mortality assumptions adopted at the 31 July 2022 year-end. Consistent with previous years, the approach taken is to set mortality assumptions broadly in line with the mortality assumption adopted for the latest triennial valuation of the Scheme.

The assumptions used by the actuary are the best estimates chosen from a range of possible actuarial assumptions, which, due to the timescale covered, may not necessarily be borne out in practice.

### Scheme assets of KSS

The assets in the scheme were:

	Fair value as at	
	31 July 2022 £'000	31 July 2021 £'000
Equities / Return seeking Funds	13,072	12,873
Corporate bonds	13,042	19,474
Insured pensioners	899	1,402
Cash	140	30
<b>Total</b>	<b>27,153</b>	<b>33,779</b>

The scheme's assets, which are not intended to be realised in the short term and may be subject to significant change before they are realised, and the scheme's liabilities, which are derived from cash flow projections over long periods and thus inherently uncertain, were:

	At 31 July 2022 £'000	At 31 July 2021 £'000
<b>Analysis of the amount shown in the balance sheet for KSS</b>		
Scheme assets	27,153	33,779
Scheme liabilities	(51,000)	(70,600)
<b>Deficit in the scheme – recorded within pension provisions (note 22)</b>	<b>(23,847)</b>	<b>(36,821)</b>
<b>Total operating charge</b>		
Staff costs and administrative expenses	313	316
<b>Analysis of the amount charged to interest payable for KSS</b>		
Interest on net deficit	593	592
<b>Total profit and loss charge before deduction for tax</b>	<b>906</b>	<b>908</b>

## Notes to the Accounts For the year ended 31 July 2022

### Analysis of other comprehensive income for KSS:

	Year to 31 July 2022 £'000	Year to 31 July 2021 £'000
Experience (loss)/gain on assets	(8,901)	1,976
Gain on liabilities	18,651	556

### Total other comprehensive income before deduction for tax

	<b>9,750</b>	<b>2,532</b>
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### Cumulative actuarial loss recognised as other comprehensive income for KSS

	At 31 July 2022 £'000	At 31 July 2021 £'000
Cumulative actuarial losses recognised at the start of the year	17,893	20,425
Cumulative actuarial losses recognised at the end of the year	(8,143)	(17,893)

### Analysis of movement in deficit for KSS

	At 31 July 2022 £'000	At 31 July 2021 £'000
<b>Deficit at beginning of year</b>	<b>(36,821)</b>	<b>(40,142)</b>
Contributions paid by the University	3,930	1,447
Administration expenses paid by the University	200	250
Total operating charge	(313)	(316)
Other finance charges	(593)	(592)

### Deficit at end of year

	<b>(23,847)</b>	<b>(36,821)</b>
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	At 31 July 2022 £'000	At 31 July 2021 £'000
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### Analysis of movement in the present value of KSS liabilities

	At 31 July 2022 £'000	At 31 July 2021 £'000
<b>Present value of KSS liabilities at the start of the year</b>	<b>70,600</b>	<b>70,700</b>
Total operating charge	313	316
Interest cost	1,182	1,046
Actuarial (gain)/loss	(18,651)	(556)
Actual benefit payments	(2,131)	(1,992)
Recognition of insured pensioners	-	1,402
Administration expenses paid by KSS	(313)	(316)

### Present value of KSS liabilities at the end of the year

	<b>51,000</b>	<b>70,600</b>
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	At 31 July 2022 £'000	At 31 July 2021 £'000
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### Analysis of movement in the fair value of scheme assets

	At 31 July 2022 £'000	At 31 July 2021 £'000
<b>Fair value of assets at the start of the year</b>	<b>33,779</b>	<b>30,558</b>
Expected return on assets	589	454
Actuarial (loss)/gain on assets	(8,901)	1,976
Contributions paid by the University	3,930	1,447
Administration expenses reimbursed by the University	200	250
Actual benefit payments	(2,131)	(1,992)
Recognition of insured pensioners	-	1,402
Administration expenses paid by KSS	(313)	(316)

### Fair value of scheme assets at the end of the year

	<b>27,153</b>	<b>33,779</b>
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## Notes to the Accounts For the year ended 31 July 2022

KSS assets do not include any of the University's own financial instruments, or any property occupied by the University.

	Year to 31 July 2022 £'000	Year to 31 July 2021 £'000
<b>Actual return on Scheme assets</b>		
Expected return on assets	589	454
Actuarial gain on assets	<u>(8,901)</u>	<u>1,976</u>
Actual return on Scheme assets before administration expenses	(8,312)	2,430
Administration expenses	(313)	(316)
<b>Actual return on Scheme assets before administration expenses</b>	<u><b>(8,625)</b></u>	<u><b>2,114</b></u>

Based on the Schedule of Contributions dated 24 November 2021, the University expects to contribute in the region of £3,200k to the scheme in the next year, through deficit contributions and expenses payments.

### (iii) Local Government Pension Scheme (LGPS)

LGPS is a contributory defined benefit pension scheme administered by Staffordshire County Council. The scheme is governed by the Public Service Pensions Act 2013 (as amended). The fund is administered in accordance with the following secondary legislation:

- the Local Government Pension Scheme Regulations 2013 (as amended)
- the Local Government Pension Scheme (Transitional Provisions, Savings and Amendment) Regulations 2014 (as amended)
- the Local Government Pension Scheme (Management and Investment of Funds) Regulations 2016.
- the Statement of Recommended Practice (SORP) The Financial Reports of Pension Schemes (as amended in 2014).

The employer contribution (including contributions in respect of unfunded benefits) made for the year ended 31 July 2022 was £97k (2021:

£107k). This includes £nil (2021: £nil) outstanding contributions at the balance sheet date.

For the year ended 31 July 2022, the University has been contributing at a rate of 34.40% with agreed annual lump sum contributions to the scheme of £88k. Employee contributions were tiered at 6.50% and 6.80% of pensionable salaries.

### Assumptions

The following information is based upon a full formal actuarial valuation of LGPS as at 31 March 2019 projected forward to 31 July 2022 by a qualified independent actuary. There is an allowance for the impact of the recent McCloud ruling, as there was in the year to 31 July 2021.

The 2019 formal funding valuation included an allowance for full Guaranteed Minimum Pension Benefits (GMP) indexation within the LGPS. The rolled forward position to 31 July 2022 therefore includes this allowance.

The principal financial assumptions used to calculate scheme liabilities under FRS102 are:

	At 31 July 2022 %pa	At 31 July 2021 %pa
Discount rate	3.45	1.55
Price Inflation (RPI)	3.30	3.35
Price Inflation (CPI)	2.80	2.80
Rate of increase in salaries	3.20	3.20
Rate of increase of pensions	2.80	2.80
Commutation allowance (Members commute % of their pension) – pre-April 2008 service	50%	50%
–post-April 2008 service	75%	75%

## Notes to the Accounts For the year ended 31 July 2022

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

	Current Pensioner aged 65 (Male)	Non-pensioner currently aged 45 (Male)	Current Pensioner aged 65 (Female)	Non-pensioner currently aged 45 (Female)
At 31 July 2022	21.2	22.2	23.8	25.5
At 31 July 2021	21.4	22.5	24.0	25.7

Life expectancy is based on the fund's VitaCurves with improvements in line with the CMI 2021 model, with a 0% weighting of 2021 (and 2020) data, standard smoothing (Sk7), initial adjustment of 0.25% and a long-term rate of improvement of 1.5% per annum for both males and females. The assumptions used by the actuary are the best estimates chosen from a range of possible actuarial assumptions, which, due to the timescale covered, may not necessarily be borne out in practice.

### Scheme assets of LGPS

As noted in Note 22, based on the actuarial calculations, the LGPS had a surplus of £1,263k (2021: £77k) which has not been recognised in these financial statements. This is reflected below by reducing the assets of the scheme to £3,858k to give a nil provision and adjusting the actuarial gain in respect of pension schemes recognised in Other Comprehensive income.

The assets in the scheme were:

	Fair value as at 31 July 2022 £'000	31 July 2021 £'000
Equities / Return Seeking Funds	2,816	3,664
Corporate bonds	579	980
Property	309	361
Cash	154	155
<b>Total</b>	<u><b>3,858</b></u>	<u><b>5,160</b></u>

The scheme's assets, which are not intended to be realised in the short term and may be subject to significant change before they are realised, and the scheme's liabilities, which are derived from cash flow projections over long periods and thus inherently uncertain, were:

	At 31 July 2022 £'000	At 31 July 2021 £'000
<b>Analysis of the amount shown in the balance sheet for LGPS</b>		
Scheme assets	5,121	5,237
Scheme liabilities	(3,858)	(5,160)
Surplus not recognised	(1,263)	(77)
<b>Deficit in the scheme – recorded within pension provisions (note 22)</b>	<u><b>-</b></u>	<u><b>-</b></u>
Current service cost	11	27
<b>Total operating charge</b>	<u><b>11</b></u>	<u><b>27</b></u>
<b>Analysis of the amount charged to interest payable for LGPS</b>		
Interest income on net assets	(80)	(56)
Interest cost on defined benefit obligation	78	64
<b>Net charge to other finance income</b>	<u><b>(2)</b></u>	<u><b>8</b></u>
<b>Total profit and loss charge before deduction for tax</b>	<u><b>9</b></u>	<u><b>35</b></u>

## Notes to the Accounts For the year ended 31 July 2022

	At 31 July 2022 £'000	At 31 July 2021 £'000
<b>Analysis of other comprehensive income for LGPS:</b>		
Experience gain on assets	(1,264)	872
Experience loss on liabilities	(12)	69
Change in demographic assumptions	25	(60)
Change in financial assumptions	1,163	(238)
<b>Total other comprehensive income before deduction for tax</b>	<b>(88)</b>	<b>643</b>
	At 31 July 2022 £'000	At 31 July 2021 £'000
<b>Cumulative actuarial gains recognised as other comprehensive income for LGPS</b>		
Cumulative actuarial gains recognised at the start of the year	(1,024)	(381)
Cumulative actuarial gains recognised at the end of the year	936	1,024
<b>Analysis of movement in deficit for LGPS</b>		
<b>Deficit at beginning of year</b>	-	(715)
Contributions or benefits paid by the University	97	107
Current service cost	(11)	(27)
Past service cost	-	-
Other finance charges	2	(8)
<b>Deficit at end of year</b>	<b>-</b>	<b>-</b>
	At 31 July 2022 £'000	At 31 July 2021 £'000
<b>Analysis of movement in the present value of LGPS liabilities</b>		
<b>Present value of LGPS liabilities at the start of the year</b>	<b>5,160</b>	<b>5,044</b>
Current service cost	11	27
Interest cost	78	64
Actuarial loss	(1,176)	229
Contributions paid by scheme members	2	5
Actual benefit payments	(217)	(209)
<b>Present value of LGPS liabilities at the end of the year</b>	<b>3,858</b>	<b>5,160</b>
	At 31 July 2022 £'000	At 31 July 2021 £'000
<b>Analysis of movement in the fair value of scheme assets</b>		
<b>Fair value of assets at the start of the year</b>	<b>5,160</b>	<b>4,329</b>
Expected return on assets	80	56
Actuarial gain on assets	(1,264)	872
Actual contributions paid by University	97	107
Contributions paid by scheme members	2	5
Actual benefit payments	(217)	(209)
<b>Fair value of scheme assets at the end of the year</b>	<b>3,858</b>	<b>5,160</b>

## Notes to the Accounts For the year ended 31 July 2022

LGPS assets do not include any of the University's own financial instruments, or any property occupied by the University.

	Year to 31 July 2022 £'000	Year to 31 July 2021 £'000
<b>Actual return on Scheme assets</b>		
Expected return on assets	80	56
Actuarial gain on assets	(1,264)	872
Actual return on Scheme assets before administration expenses	(1,184)	928
Administration expenses	-	-
<b>Actual return on Scheme assets before administration expenses</b>	<b>(1,184)</b>	<b>928</b>

The University expects to contribute in the region of £95k to the scheme in the next year through deficit contributions and on-going service costs.

### (vi) National Health Service Pension Scheme (NHSPS)

The University also participates in the NHSPS which is contracted out of the State Second Pension (S2P). The notional assets of NHSPS are assessed by the Government Actuary and the benefits are underwritten by the Government.

The NHS Pension Scheme is a defined benefit public service pension scheme, which operates on a pay-as-you-go basis. A new reformed scheme was introduced on 1 April 2015 that calculates pension benefits based on career average earnings. Transitional arrangements permit individuals who on 1 April 2012 were within ten years of normal pension age to continue participating in the old 'final salary' NHS Pension Scheme arrangements (the 1995 and 2008 sections).

An HM Treasury pension scheme valuation for funding purposes was carried out as at March 2012. The Scheme Regulations have been changed to allow contribution rates to be set by the Secretary of State for Health, with the consent of HM Treasury, and consideration of the advice of the Scheme Actuary and appropriate employee and employer representatives as deemed appropriate.

The contribution rate payable by the University during the year to 31 March 2022 was equal to 14.30% (plus a 0.08% scheme administration levy) (2021 - 14.30% plus 0.08%) of the total pensionable salaries in accordance with the conclusion of the Government Actuary's report on the scheme, and the University contributed £436k (2021:£414k).

## 33. Access and Participation Plan

Access and Participation Plans ("APPs") set out how a higher education provider will improve equality of opportunity in higher education. If providers want to charge higher level tuition fees, their plans must be approved by the OfS's Director for Fair Access and Participation

The Keele APP articulates our ongoing commitment to improving equality of opportunity for underrepresented groups to access, succeed in and progress from higher education. We are committed to enabling social mobility through education, aiming to widen participation, raise attainment, contribute to a strong regional skills base and bridge gaps in retention, progression and success. Our latest Plan incorporates contributions from colleagues across our university community. Keele has an approved APP to 2024/25. The APP for Keele can be accessed on either the OfS website or the Keele website on:

[www.keele.ac.uk/access-plan](http://www.keele.ac.uk/access-plan)

Expenditure incurred during the year on the APP in the four sectors identified by the OfS was:

	At 31 July 2022 £'000	At 31 July 2021 £'000
Access investment	1,855	2,076
Financial support provided to students	2,102	2,782
Support for disabled students	1,669	1,258
Research and evaluation related to access and participation activities	261	311
<b>Total access and participation expenditure</b>	<b>5,887</b>	<b>6,427</b>

Included within the above expenditure is £2,535k (2021: £2,763k) of staff costs that are also included in Note 8 "Staff costs".

## Notes to the Accounts For the year ended 31 July 2022

### Variance to submitted 2021 / 22 APP

Overall, the actual spend in 2021/22 and 2020/21 is the same, with the exception of one-off additional OfS hardship funding in 2020/21 of £480k which facilitated an additional £539k of bursaries and equipment spend to support students.

The actual access expenditure is £655k above the planned expenditure in the 2021/22 APP but £221k below the 2020/21 spend. The lower spend in 2021/22 is due to lower pay spend across the University Faculties and Directorates allocated to access support, albeit this remains significantly higher than the submitted plan.

Spend on financial support is £323k below the planned level from the 2021/22 APP and £680k below the 2020/21 spend. The lower than planned level in 2021/22 is primarily due to a more focused approach to bursaries and hardship funding in the year. The lower than prior year level is due to the additional one-off OfS hardship spend in 2020/21 of £539k.

Expenditure on support for disabled students has increased compared to 2020/21 by £411k, however there was no category in the APP submitted plan for this. This is due to additional Student Services spend on counselling and mental health, disability and dyslexia support alongside targeted initiatives led by IDS and KIITE.

Expenditure on research & evaluation is £151k above the planned level from the 2021/22 APP but £50k below the 2020/21 spend. The lower spend in this year compared to 2020/21 relates to lower non-pay spend in IDS (this was higher than expected in 2020/21), albeit that overall, this along with staffing resource was higher than the submitted plan.



# Council Members *and* Professional Partners

The following were members of Council for the period from 1 August 2021 to the date the Financial Statements were *approved* (unless noted):

## Council Members

### Members Ex-Officio

#### The Pro-Chancellor

Dame Jo Williams  
(until 31 August 2022)

Michael Farrar, MBE  
(from 1 September 2022)

#### The Deputy Pro-Chancellors

Richard Barnes

Sally Bucknell

Richard Callaway

#### The Vice-Chancellor

Professor Trevor McMillan, OBE

#### The Treasurer

David Hall

#### The Deputy Vice-Chancellor & Provost

Professor Mark Ormerod

### Members of University Staff

Emma Colley

Professor Lisa Dikomitis  
(until 31 December 2021)

Professor Masi Noor

Dr Shalini Sharma

Dr Abigail Rutter  
(from 1 January 2022)

Lay Members appointed by the Council:

Ruth Bagley

Tracy Bullock

David Brown

Jane Burns

Michael Farrar, MBE  
(from 7 March 2022 until 31 August 2022)

Tim Forman  
(from 1 September 2022)

### Lay Members appointed by the Council (cont)

Hifsa Haroon-Iqbal, OBE

Peter Harris (until 9 August 2021)

Sajid Hashmi (until 30 August 2021)

Manali Lukha

Andrew Macleod (from 1 September 2021)

Sherree Schaefer

Dr Lesley Thompson, MBE

### Student Representatives

Holly Brooks  
(from 20 May 2021 until 30 June 2022)

Elisia Narbett  
(from 1 July 2021 to 14 September 2021)

Atieme Ogbolosingha  
(from 15 September 2021 to 21 November 2021)

Sarah Hammond  
(from 22 November 2021 to 30 June 2022)

Jade Cioffi  
(from 1 July 2022)

Abdelrhman Rayis  
(from 1 July 2022)

### In attendance

Dr Mark Bacon,  
Chief Operating Officer

Paul Buttery, Director of Finance  
(until 30 September 2021)

Stephen Avery,  
Chief Financial Officer  
(from 1 October 2021 to 11 November 2022)

Helen Simpson,  
Interim Chief Financial Officer  
(from 9 January 2023)

Rachel Adams,  
Director of HR  
(until 31 October 2021)

Frances Hewison,  
Chief People Officer (from 1 November 2021)

Clare Stevenson,  
Secretary to Council

## Professional Partners

### External Auditors

KPMG LLP  
1 St Peters Square, Manchester M2 3AE

### Bankers

National Westminster Bank  
High Street, Newcastle-under-Lyme  
Staffordshire ST5 1PP

### Internal Auditors

UNIAC  
Oxford Road, Manchester M1 7ED

## University Status

The University of Keele (trading as Keele University) was established by Act of Parliament and the granting of a Royal Charter in 1962. Prior to this, the University was founded as the University College of North Staffordshire in 1949. The University is a charity, but it is not a "Registered Charity". Instead, it holds charity status as one of the exempt charities listed in Schedule 2 of the Charities Act 1993 (An exempt charity is exempt from certain requirements, notably the need to register with the Charity Commission). The University preserves its exempt status under the Charities Act 2011 and the Office for Students (OfS) is the University's principal regulator. Although the University is not a company, it has a Companies House registration number of RC000655 as a Company Incorporated by Royal Charter in England and Wales. Royal Charter companies are not obliged to register any documents with Companies House.





[keele.ac.uk/statementofaccounts](https://www.keele.ac.uk/statementofaccounts)