

Company no: 04793659  
Charity no: 1098136



**Annual Report and Consolidated Financial  
Statements**

**For the year ended 31 July 2022**

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## **DIRECTORS AND ADVISERS**

**Directors in place for the year to 31 July 2022 and up to the date of signing the financial statements:**

Ms N Ahmed	Right Revd R Hudson-Wilkin (Senior Independent Governor)
Mrs S Appleby	Sir W I R Johnston (Deputy Pro-Chancellor) (resigned 31 July 2022)
Ms J Armitt (Pro-Chancellor from 1 August 2021)	Mrs P Jones
Mr D Bichener	Lady A Newey (from 1 August 2022)
Mr S Brown (resigned 31 July 2022)	Mr C Stevens
Mr S Carey	Revd R Stevenson
Professor G Dewhurst	Mr J Stockwell (from 1 August 2022)
Dr A Eyden	Professor R Thirunamachandran (Vice-Chancellor and Principal)
Mr P Fletcher (resigned 18 January 2022)	Professor J Wood (from 1 April 2022)
Dr K Fox	
Mrs J Harding	<b>Clerk to the Governing Body and University Solicitor</b>
Mr R Higgins	Ms A Sear

### **Independent Auditor**

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

### **Internal Auditor**

KPMG LLP  
15 Canada Square  
Canary Wharf  
London  
E14 5GL

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

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

### **Principal Bankers**

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

**Registered Company and Charity number**  
04793659 registered in England and Wales  
Registered charity number 1098136

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

## VICE CHANCELLOR'S INTRODUCTION

I am pleased to introduce the financial statements for Canterbury Christ Church University for the academic year 2021/22. These statements include the statutory reports that set out the financial performance of the University. They also provide an opportunity for us to reflect on the achievements and challenges over the same period.

*As we emerge from the global pandemic that has affected all aspects of public and private life, I am pleased that Canterbury Christ Church University remains in a strong position to seize new opportunities, while recognising that the sector will continue to face challenges in the years ahead. These have been some of the most difficult years that we have known in the Higher Education sector and it is a testament to the hard work of our students, colleagues and industry partners that we emerge from it stronger than when we entered, and with energy, positivity and a new sense of community to fuel our efforts in the coming months.*

We are proud, this year, to celebrate our Diamond Jubilee. I am proud that, in the six decades since we started as a small teacher training college, we have grown into a multi-disciplinary, international institution with over 20,000 students and an ever-expanding academic offer – and we still continue to serve the region and the needs of its workforce.

This year, we have been recognised for that continued impact. The 2022 Graduate Outcomes survey shows that Canterbury Christ Church University is ranked third in the UK for graduates in employment. Results from the Research Excellence Framework (REF) showed that Canterbury Christ Church University has more than doubled the proportion of world-leading research we have produced since the last REF in 2014. Research England's second Knowledge Exchange Framework (KEF) new findings show Canterbury Christ Church University is in the top 20% of universities for working with the public and third sectors, and in the top 40% of universities in several other key areas, including local and regional regeneration.

We have held a packed programme of events and initiatives to celebrate our Diamond Jubilee, including the launch of our Academy for Sustainable Futures, which was created to enable the University to make a step-change in its drive towards educating, advocating, and influencing our collective sustainable futures.

Despite the challenging economic climate, the University has emerged from the pandemic in a stronger financial position and we have seen significant growth in our income. Largely, this has been driven by an increase in student numbers and greater tuition fee income, and we are pleased to see our thriving, dynamic campuses in Canterbury, Medway and Tunbridge Wells come back to life with the return of our community.

We have also seen an increase in our international student numbers and have launched a new partnership with the Global Banking School, which has significantly strengthened our portfolio offering Business and Tourism Management, and Accounting and Financial Management courses. I am proud that, at home and abroad, we remain a strong choice for students who seek to choose a modern, dynamic university that delivers high quality education.

This continued growth in income has allowed us to further grow our ambition. We are hugely proud to have opened our new £65 million Verena Holmes building which locates engineers, scientists, doctors and healthcare students together in an inspirational learning environment, with industry-standard, hi-tech facilities on every floor. We are realising our strategic ambition and seeing increasing numbers of STEM students and courses on offer, as well as the continued success of our medical programmes through the Kent and Medway Medical School. This transformation of our North Holmes Road campus continues as part of our longer-term Estates Masterplan. We have also been able to invest in cutting-edge IT provision to strengthen our digital learning offer, and in further staff to support and add to the contributions of those who have already made such an impact and worked so hard during the pandemic.

This year has been particularly special for our University. In 2022, we marked our Diamond Jubilee, reflecting on our 60-year history, celebrating our vibrant community and all we have achieved together, and looking forward to all that we might become.

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

When Canterbury Christ Church University was founded in 1962, we were a small teacher training college with just 75 students. In the six decades since, we have developed into an institution serving over 20,000 students with a mission to pursue excellence in teaching, research and enterprise with a global impact. Our locations now include our original site in Canterbury, campuses in Medway and Tunbridge Wells, and we are present throughout the UK and beyond through our partner institutions.

All throughout 2022, we have been celebrating our Diamond Jubilee and created a year to remember. A packed programme of events and projects has helped us honour our history and look to our future, engaging the entirety of our diverse community - our current and future students, alumni, staff, governors, businesses, the local community, stakeholders, and partners across the world.

Our Diamond Jubilee year has also been the perfect time to start work on the next stage of our history, as we create our new Vision for 2030, fuelled by optimism. We are developing a Strategic Framework that will take Canterbury Christ Church University from 2023 to 2030, which will be inclusive, sustainable, innovative and collaborative.

Through a series of workshops held over the year, governors, colleagues, students, alumni, and stakeholders have come together to shape how we will need to adapt and find new ways of delivering education, research and enterprise to maintain a successful future. We have also set out how we will continue to make a real and lasting difference in terms of community, climate change, and sustainability.

In presenting the financial results for the 2021/2022 year, I want to again thank all members of the Canterbury Christ Church Community (staff, students, governors, alumni, partners and stakeholders) for how we have all worked together to achieve an outturn that will underpin the delivery of the new Vision for 2030.

A handwritten signature in black ink, appearing to read 'Rame' followed by a stylized, flowing surname.

Professor R Thirunamachandran

Vice-Chancellor and Principal

## THE STRATEGIC REPORT

### Directors' Report

The disclosure requirements for the Directors' report can be found in the Strategic Report on pages 5 to 19 and form part of this report by cross reference. I present this report on behalf of all named directors (see page 1) in order to meet the requirements of the Companies Act 2006.

### Scope of Financial Statements

The Financial Statements for the year ended 31 July 2022 have been prepared to comply with the Statement of Recommended Practice (SORP) Accounting for Further and Higher Education and applicable accounting standards in the UK and in line with regulatory advice in the form of the Accounts Direction from the Office for Students (OfS 2019.41). The University is based in the UK and operates as both a company registered in England and Wales and a registered charity.

### Subsidiary Company

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

### Activities and Objectives

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

### Mission

Inspired by its Church of England foundation, the University's mission is to pursue excellence in higher education: transforming individuals, creating and disseminating knowledge, enriching communities and building a sustainable future.

The University has a strategic framework to provide measurable objectives to help achieve the mission and put shared values into practice. The framework was developed following a process of consultation led by the Vice-Chancellor and the senior management team. This involved engagement with staff and students from across the University as well as external partners. A simple one page framework was established that sets out what the University wants to achieve over the next five years. The four strategic aims are clearly identified in the framework and underpinned by a set of strategies and cross cutting themes. The framework guides the achievement of the University's ambitions; and the plan's aims and objectives also inform schools and departmental business plans and the personal objectives of all colleagues within the University. The four strategic aims were updated in 2019 and reflect the aims that continue through to 2022:

- To provide our diverse student body with a high quality, holistic student experience in relation to learning, the wider experience of the university in developing global citizens.
- To maintain and enhance a high quality, broadly based academic portfolio which builds on and further develops areas of the University strength and potential including in relation to partnerships.
- To extend our research, enterprise and scholarship of practice to grow its contribution to intellectual, social, economic and cultural prosperity locally, regionally, nationally and internationally.
- To ensure effective, efficient, innovative and sustainable use of the institution's resources to enable our people to deliver the University's strategic goals across all our locations.

## THE STRATEGIC REPORT (CONTINUED)

A new strategic plan Vision 2030 is being developed and will be launched in January 2023.

### Financial Strategy

During the 2021/2022 year, the University's financial strategy continued to support improvements to the facilities on the Canterbury campus, including the curriculum areas of medicine, engineering and the creative industries.

The particular aims within the financial strategy are:-

- Over the longer term to generate surpluses which maintain cash inflows sufficient to enable delivery of the University's strategic objectives and provide institutional sustainability.
- To maintain liquidity and borrowing at sustainable levels.
- To grow and diversify income streams.
- To ensure value for money in all University activities.
- To ensure that the consideration and evaluation of risk is undertaken as part of the institution's business planning.
- To maintain effective treasury management.

These aims are underpinned by objectives over the medium term to ensure that the University remains financially sustainable and is well positioned for further expansion over the coming years.

### Summary Results for the Year

The consolidated results for the University for the year ended 31 July 2022 are summarised, as follows:

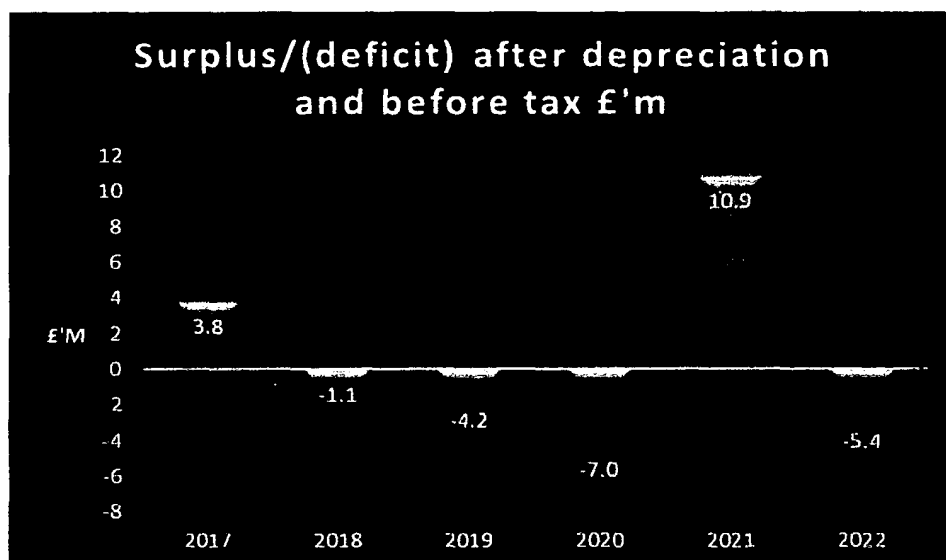
	2022 £'000	2021 £'000
Income	185,834	152,126
Expenditure	191,206	141,196
(Deficit)/surplus before Profit/(Loss) on disposal of assets and impairment	(5,372)	10,930

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

- An increase in total income of 22% from £152.126m to £185.834m
- An increase in expenditure of 35% to £191.206m
- A charge for the year of £10.289m (2021: £7.832m) for notional interest and staff service costs within the Local Government Pension Scheme (LGPS)
- Capital additions of £8.046m (2021: £10.681m)
- An LGPS pensions deficit of £5.953m, reducing by £70.276m from £76.229m.

## THE STRATEGIC REPORT (CONTINUED)

The University returned a reported deficit of (£5.372m), representing -2.89% of total income. This is compared to the surplus/(deficit) reported in previous years, as follows:



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

### University Only

	2022	2021
	£'000	£'000
(Deficit)/surplus reported per Financial Statements for the year	(5,372)	8,827
Release of deferred capital grants, received in prior years	-	(20,007)
USS pension provision movement	793	(4)
LGPS and USS pension interest charges	1,187	1,057
LGPS charges in excess of employer contribution	9,107	6,775
Adjusted surplus/(deficit)	5,715	(3,352)

The adjusted surplus of £5.715m represents 3.08% of total income.

### Pension Reserve

The University contributes to the Local Government Pension Scheme (LGPS) on behalf of all eligible staff who have elected to join the scheme. This pension fund is a defined benefit scheme and as its assets and liabilities can be separately identified by the scheme's actuary, these are reported within the financial statements. The University's share of the deficit in the scheme decreased by £70.276m to £5.953m as per Note 23 (2021: increased by £8.385m to £76.229m). The pension reserve is shown separately in the Balance Sheet (Statement of Financial Position). This reflects the level at which the scheme assets fail to cover the present value of liabilities.



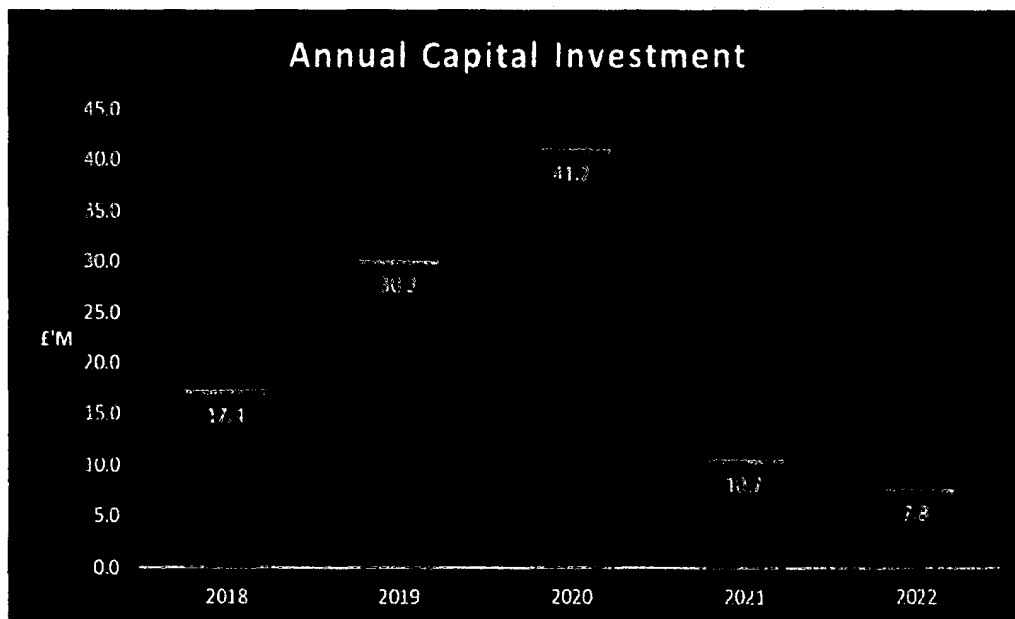
## THE STRATEGIC REPORT (CONTINUED)

### Student Numbers

The University reported 20,050 students registered in the annual return, a marked increase when compared to the prior year. The University works with a number of significant partners in the UK and overseas to deliver collaborative provision in addition to offering undergraduate and post graduate courses at the campus sites of Canterbury, Medway and Tunbridge Wells to home and International students.

### Capital Projects

The University has a 10 year capital investment plan which specifies the necessary developments in buildings, technology and other capital schemes. This plan supports the overall Estates and IT Strategies which include further improvements to student facilities, IT systems and infrastructure. All proposals and schemes are carefully considered and monitored to maximise any community impact and to support environmental sustainability initiatives. The investment plan is set in the context of the strategic plan to enhance significantly and improve the quality of facilities for the University's students as well as supporting new technologies, enabling further growth and expansion of the institution's provision of education. In 2021/2022 the University invested a total of £7.807m in capital assets. Of this £3.515m was invested in software and systems developments, including the implementation of the new student records database, which went live for registering students for the 2022/2023 academic year, and the introduction of a Comprehensive Research Management system. A further £1.252m was invested in IT equipment and infrastructure and £2.460m in classroom facilities and equipment to enhance the student experience.



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

## THE STRATEGIC REPORT (CONTINUED)

### Payment of Creditors

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

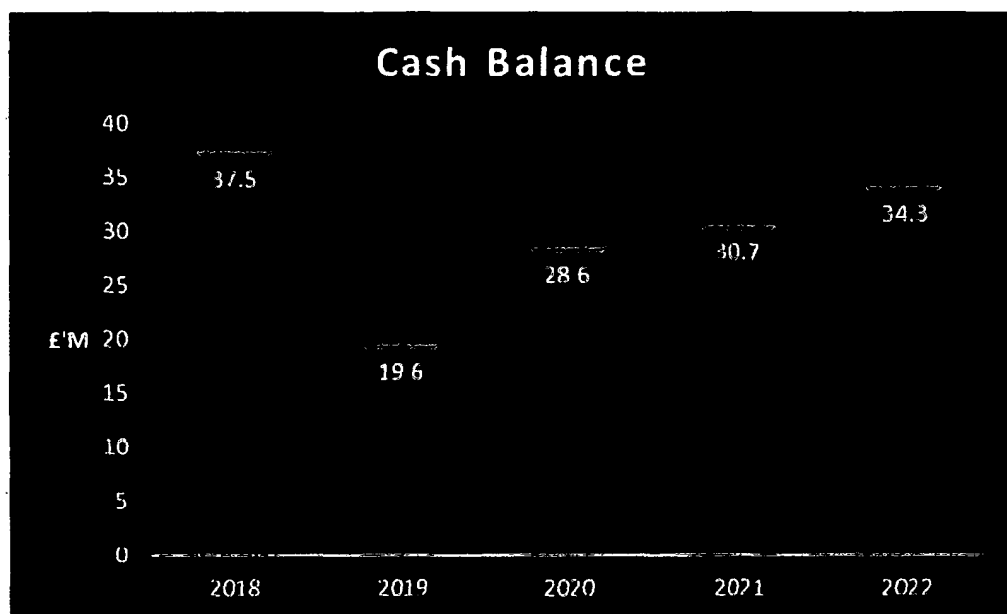
<https://www.gov.uk/check-when-businesses-pay-invoices>

In the year 2021/2022 the University met the target to pay valid and undisputed invoices within 30 days for 63% of all invoices received (2021: 64%).

### Cash Flow

Canterbury Christ Church University has continued to maintain appropriate cash balances generated through operations to support the significant capital investment.

The cash position increased by £3.63m at the end of the year (2021: £2.1m increase). The net cash from operating activities and reserves has been used to fund the ongoing capital investment in equipment and facilities for students.

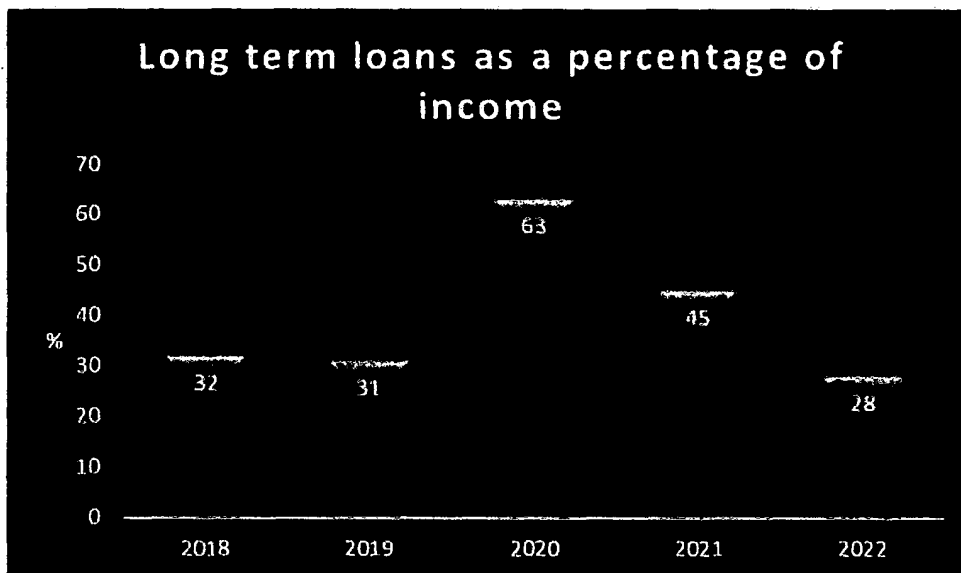


### Long Term Loans as a Percentage of Income

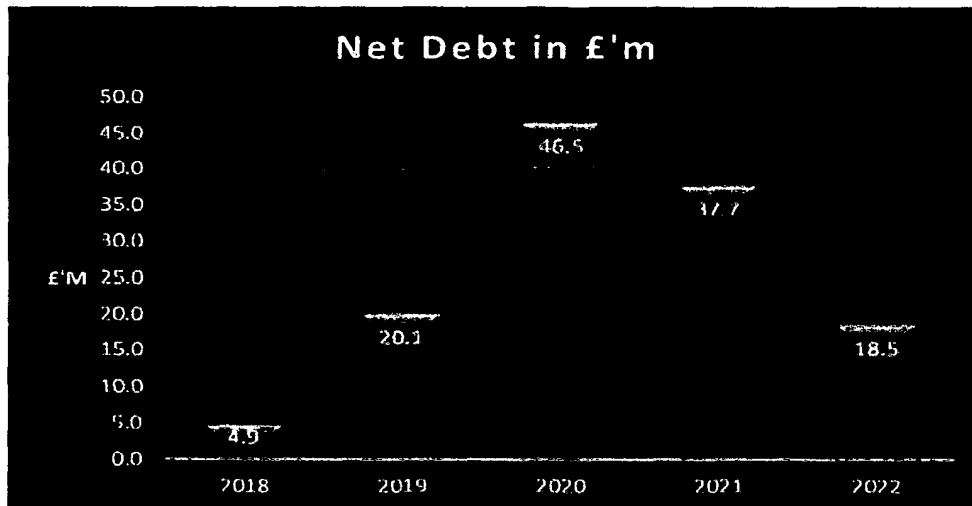
The University anticipates the need to manage its loan financing arrangements in a careful and measured manner, recognising that conditions can change substantially over the period of a long term loan. The Governing Body requires that interest rate exposure is managed by means of a combination of variable and fixed rate borrowing. The Revolving Credit Facility (RCF) from Lloyds and NatWest banks was accessed during the year to help with cash liquidity, and repaid when no longer required. At the end of the financial year total funds drawn from this facility was £21m, (2021: £34m drawn). The RCF converts to a long term loan, with capital repayments commencing in May 2023. The balance of undrawn funds on the facility remains a commitment at the year end, with non-utilisation charges being incurred.

## THE STRATEGIC REPORT (CONTINUED)

The level of long term borrowing has reduced in the year, from £68.424m in 2021 to £52.803m in 2022. After the year end, in August 2022, the University repaid a further £10m to the RCF, taking the balance drawn to £11m. At the end of October the full balance was repaid, leaving a nil amount drawn.



Net debt represents the total outstanding debt as at the year end, minus cash held at the bank. The decrease in net debt in 2022 represents an increase in cash held and the repayment of loan finance in year.



### Disabled Employees

Applications for employment by disabled persons are always fully considered, bearing in mind the abilities of the applicant concerned. In the event of members of staff becoming disabled, every effort is made to ensure that their employment with the University continues, and that appropriate training is arranged. It is the policy

## **THE STRATEGIC REPORT (CONTINUED)**

of the institution that the training, career development and promotion of disabled persons should, as far as possible, be identical to that of other employees.

### **Post Balance Sheet Events - CPI assumption – Pensions reporting**

Pension Increase Orders are used to set the level of pension increases with effect from 1 April of each year, with reference to the change in CPI inflation over the 12 months to the previous order, which was announced in October. This was 10.1%, which is considerably higher than the CPI assumption set by employers as at 31 July 2022. Although Pension Increase orders have always been set with reference to the September CPI for the last 10 years and the September RPI for the preceding 20 years, they are not automatically set and they are only known with absolute certainty when the Pension Increase Order is enacted by Parliament, which is usually in April of the following year. Similarly, the likely level of the forthcoming Pension Increase Order 2023 was not known at 31 July. Consequently, no adjustment has been made to recognise the possible 2023 Pension Increase Order within the CPI assumption.

### **Post Balance Sheet Events – Petros works contract**

The University will be entering into a contract for the refurbishment of the Petros buildings in Canterbury that will ensure the cladding and insulation of the five blocks of student residencies are upgraded. This is an investment of £9m that is reported as a provision in 2021/2022 that will be utilised for a work programme expected to commence in January 2023.

### **Section 172 Statement**

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

### **Employee Engagement**

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

The Closing the Gap initiative has provided an opportunity for staff to explore how learning and teaching strategies, professional practice and research intersect in efforts to build a more racially inclusive University. The initiative has a specific focus on inclusivity of the student experience for first year students, particularly black students. In August 2020 the Closing the Gap event launched the new Closing our Gap: Strategic Framework. This framework is an important communication tool for tracking and monitoring progress. The framework outlines the University-wide commitment to creating a racially diverse and inclusive learning and working environment, reducing the attainment gap and creating a sustainable future for all. In taking this framework forward the University recognises the need to take an institutional approach towards tackling racial inequalities at Canterbury Christ Church and the wider community. The framework was developed through consultations with staff and students across the institution and incorporates the Learning and Teaching Strategy, Access and Participation Plan commitments and best practice across the sector. Throughout 2021/2022 the University

## THE STRATEGIC REPORT (CONTINUED)

continued to support the Closing Our Gap strategic commitments with a series of development workshops for staff.

The University has engaged with staff and made use of feedback to inform decisions in the year. In April 2022 the staff experience survey was launched. This survey is being used to provide a better understanding of staff experience of working at the University, what is working well and where improvements can be made, both as an institution and at a local level. The results of the survey were shared in July 2022, with a live Q & A event being held for all staff being led by the Vice Chancellor and the Director of HR & OD. The results of the survey are being used to inform key University projects and priorities.

In 2022 the Deputy Vice Chancellor, Professor Alison Honour led a series of 'Vision 2030' consultation workshops involving more than 500 colleagues from across the University as well as students, stakeholders, governors and alumni to develop the new strategic framework for 2023-30. Through this process of consultation the University is identifying how it will need to adapt and find new ways of delivering education, research and enterprise to maintain a successful future. This includes setting out how we will continue to make a real and lasting difference in terms of community, climate change and sustainability.

The new strategic plan is being approved by Governors on 29 November 2022, and will be implemented from January 2023.

### **Business Relationships - Partners and Suppliers**

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

During 2021/2022 a number of significant supplier contracts have been awarded and renewed through open and negotiated tender procedures. To streamline the process both for the University and the supplier, the use of established procurement frameworks was adopted where possible. The University has invested in additional resources for the Procurement team, who work within the Finance Directorate, appreciating the value for money that a professional procurement approach can bring to the Institution.

The development and maintenance of strategic collaborative partnerships continues to be a focus for the University. This year, we launched a major new partnership with the Global Banking School (GBS). This partnership allows students outside of Kent to study a four-year Business and Tourism Management degree with Foundation Year, which is validated by Canterbury Christ Church. GBS delivers industry-focused courses across seven campuses in London, Manchester, Birmingham, and Leeds, helping us to collaboratively increase access to Higher Education across the UK, as well as delivering more opportunities through education to transform lives. This partnership has also significantly strengthened the University's portfolio, offering programmes in Business and Tourism Management, and Accounting and Financial Management, both of which had multiple intakes throughout 2021/22.

### **Society and Community**

Serving the local community is a high priority for the University. As part of its commitment to supporting the local educational community the University signed the School Governor Champion Charter in 2021, pledging its support to champion the role of school governor and support staff members and students to become governors in local schools. The governance programme is part of the Inspiring Governance Initiative that provides a unique opportunity to shape the lives of young people at school by ensuring all children have the best start in life, with equal opportunity to succeed. This provides University staff with the opportunity to develop their personal and professional skills through challenging senior leaders, approving budgets and setting the strategic ambition and vision of schools. The University recognises the personal commitment this takes from staff who give up their time to support their local school or college and offers paid leave to help with this commitment.

## THE STRATEGIC REPORT (CONTINUED)

In support of the wider community the University has been providing practical support to the Ukraine and the Ukraine people.

Canterbury Christ Church University hosted an event run by 'Canterbury for Ukraine'. This was attended by over 200 community members, including VIPs, city dignitaries, the general public and a wide range of charities and volunteer organisations that have been welcoming Ukrainians coming to the area to escape the war. The event provided an opportunity to find out more about the support available and helped to bring the community together.

This year, Canterbury Christ Church University officially twinned with Open International University of Human Development (OUHD) in Kyiv. We joined over 70 UK universities in partnership with Ukrainian universities, facilitating the sharing of resources and support in a collective gesture of solidarity and reciprocity to help Ukrainian institutions, staff and students. The UK-Ukrainian Universities Twinning Project was initiated by Universities UK International (UUKi), in partnership with the Cormack Consultancy Group in May 2022 to match UK universities with a Ukrainian counterpart. The intention is to offer support to academics, students and university leaders in Ukraine during the conflict and more importantly to facilitate long-term collaboration between UK and Ukrainian institutions, to support their recovery and rebuild for a sustainable future.

### Environment

The environment is a key factor in the future sustainability of the University. The University's mission, values and strategic commitments show a connection to ourselves, each other and the environment, on different scales from the local to the global. As a strong civic University, the institution recognises it has a responsibility to keep looking outwards and help influence and advocate for a just society. Universities are in a strong position to shape a hopeful future in uncertain times. The University is doing all it can to ensure the education, research and wider services it provides are contributing positively to the world. Providing an environment where equality, diversity and inclusivity thrives, and in which students are supported to become global citizens, is so important to the work of the University. However, this is a journey in which the University is still learning and adapting

One of the aims of the University is to tackle the awarding gap and promote racial equity in Higher Education, recognising the unique experiences of students that undertake placements during their time at the University. The University has partnered with the University of Brighton to gain a deeper insight into the experiences of Black, Asian, Mixed Heritage and Minority Ethnic students undertaking practice placements. The Bridging the Gap to Leadership project aims to raise awareness, enhance the experience for students and provide leadership development opportunities for students in this group. This will help to build an inclusive and diverse workforce and improve the practice placement experience for students.

In considering the wider environment the University acknowledges the risk presented by climate change and this is recognised in the compliance section of the University's risk appetite.

This year, the University hit a deeply important milestone in our sustainability journey, with the launch of our new Academy for Sustainable Futures. The Academy is based on ten years of pioneering work in sustainability and has been created to enable the University to make a step-change in our drive towards educating, advocating, and influencing our collective sustainable futures. In responding to the climate crisis, the Academy will drive forward the academic elements of the strategy, leveraging the University's wider influence and public duty.

In response to the declaration of a carbon emergency in 2022 the University has responded with a strategy of three parts. The first part determines the University's responsibilities, including: to educate the next generation of climate advocates; to provide evidence to inform interventions, policies and systems changes; to reduce its own carbon consumption; and to model behaviours as a regional anchor institution.

## THE STRATEGIC REPORT (CONTINUED)

The second part of the strategy looks at what has been achieved to date. This includes progress in developing education, research and advocacy through the futures initiative and the national and international recognition for continuous institutional improvement through the Green Gown Awards.

The third part of the strategy sets out plans for establishing a benchmark base line, setting targets and taking forward to implementation. It addresses six areas:

- Procurement, including construction and refurbishment;
- Staff and student commuting;
- Utilities (electricity, gas & water);
- Vehicle fuel and waste; business;
- Travel; and
- Education, Research and Advocacy.

As part of the University's commitment to reduce its operational carbon emissions to net zero and to assist staff and students in supporting this endeavour, the University offers certified Carbon Literacy Training. This is part of the carbon literacy project which was established by the Carbon Literacy Trust. The training provides an understanding of:

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

### Carbon Reporting

Canterbury Christ Church University (CCCU) is committed to responsible energy management and sustainability, which it practices throughout the organisation, wherever it is cost effective to do so.

CCCU demonstrates its commitment and the role it has to play in reducing greenhouse gas emissions through the University's Strategic Framework 2015-2022, which has sustainability at its heart. CCCU has developed a dedicated "Framework for Sustainability", which includes energy management and emission reduction with a

low carbon 2030 vision. The organisation has achieved and maintained ISO14001 accreditation for its Environmental Management System (EMS) with a platinum Eco Campus award.

During the last 12 months, as part of its masterplan, the University has rationalised its estate with the disposal of several buildings, including the sale of the Broadstairs campus (7,132m<sup>2</sup>) in May 2022, following the site's closure in 2018 and the surrendering of the lease on Rochester House in April 2022 (4,781 m<sup>2</sup>). This provided office accommodation for the University's professional services teams and the University's major data centre. This was possible due to staff adopting a hybrid working model, with replacement office accommodation being provided on the North Holmes Road campus, in spaces vacated by academic departments when they moved to the new Verena Holmes building in 2020.

The move of IT services into the cloud allowed the organisation to reduce from two onsite data centres to one. The University also reduced its student accommodation in August 2021 with the exit from Rigby Court (2,107 m<sup>2</sup>). Overall the University estate has reduced by approximately 11.5%, following periods of expansion during the previous two years.

From 1 October 2019 the University changed its purchasing strategy for electricity, switching from a conventional fuel mix to 100% renewable sources, from Ofgem accredited onshore wind farms. This supply has

## **THE STRATEGIC REPORT (CONTINUED)**

continued throughout 2021/2022. Energy continues to be purchased through an energy consortium, ensuring the University procures its energy at competitive rates in challenging market conditions. During the year energy consumption has increased slightly, even taking into consideration the disposal of properties. The Verena Holmes building continues to be a significant user of energy as the building's chillers are now operational, having had equipment noise now resolved. There is a need for this building to operate some plant on a 24/7 basis, to conform to ventilation requirements for the anatomy and science laboratory areas. The building benefits from substantial sub metering and energy consumption continues to be monitored.

During the year the University was able to implement the following energy efficiencies across the organisation to ensure that energy consumption and associated emissions are reduced:

- Estates rationalisation, moving out of old, inefficient buildings, following the construction of new facilities in Daphne Oram and Verena Holmes;
- Continuing the upgrade to fluorescent lighting to LED, with lighting control sensors when equipment is replaced or areas are refurbished;
- Water consumption has been targeted in the year, with Automated Meter Reading (AMR) technology being fitted to incoming water meters where practical. Using this data the consumption can be monitored and where increases are recorded it is investigated to ensure water losses from leaks or overflows are minimised;
- Ensuring that the Building Management Systems (BMS) operating times match building occupancy patterns, whilst ensuring ventilation conforms to guidelines for the campus to be COVID secure;
- Further expanded and developed carbon counters, which are displayed in major buildings demonstrating monthly emissions and comparison with the previous 12 month period; and,
- Continued replacement of staff desktop tower PCs to more energy efficient laptops, which also allow for more flexible working locations.



## THE STRATEGIC REPORT (CONTINUED)

### SECR Annual Report Statement 2022

Energy Consumption		2022 (Current Year)	2021 (Previous Year)	2019 (Previous Year)	Variance
Scope 1: Combustion of fuel and operation of facilities	Natural Gas (kWh)	11,456,272	12,867,103	11,288,589	2%
	Direct Transport (Company Vehicles) (kWh)	92,464	87,263	160,586	-42%
	LPG (kWh)	14,711	0	0	
	Refrigerant (kg)	32.6	0	0	
	<b>Total Scope 1 Energy (kWh)</b>	<b>11,531,446</b>	<b>12,954,366</b>	<b>11,449,175</b>	<b>1%</b>
Scope 2: Electricity purchased	Total Electricity (kWh)	10,357,476	9,226,065	10,987,640	-3%
	Electricity Generated				
	Solar PV on site generation (kWh)	23,174	44,629	0	
Scope 3: Indirect Transport	Employee/personal or hire cars for Business use (kWh)	264,237	58,010	1,288,748	-79%
<b>Total Scope 1, 2 and 3 Energy Consumption (kWh)</b>		<b>12,053,161</b>	<b>12,338,441</b>	<b>13,735,563</b>	<b>-5%</b>

Emissions Assessment		2022	2021	2019	Variance
Scope 1: Combustion of fuel and operation of facilities	Natural Gas (tCO <sub>2</sub> e)	2,093	2,357	2,075	1%
	Direct Transport (tCO <sub>2</sub> e)	22	21	39	-43%
	LPG (tCO <sub>2</sub> e)	3	0	0	
	Refrigerant (tCO <sub>2</sub> e)	68.9	0	0	
	<b>Total Scope 1 (tCO<sub>2</sub>e)</b>	<b>2,117</b>	<b>2,378</b>	<b>2,114</b>	<b>1%</b>
Scope 2: Electricity purchased and heat and steam generated	Location Based (LB) (tCO <sub>2</sub> e)	2,005	1,959	2,734	-27%
	Market Based (MAB) (tCO <sub>2</sub> e)	0	537	4,071	-100%
Scope 3: Indirect Transport	Employee/personal or hire cars for Business use (tCO <sub>2</sub> e)	67	14	330	-80%
Location Based	<b>Total Scope 1, 2 and 3 Emissions (tCO<sub>2</sub>e)</b>	<b>2,050</b>	<b>2,510</b>	<b>3,175</b>	<b>15%</b>
Market Based	<b>Total Scope 1, 2 and 3 Emissions (tCO<sub>2</sub>e)</b>	<b>2,050</b>	<b>2,573</b>	<b>3,505</b>	<b>-5%</b>

Intensity Metric Assessment		2022	2021	2019	Variance
Intensity Ratio 1	CO <sub>2</sub> e/Bn Revenue	22.9	29	41	-44%
Intensity Ratio 2	CO <sub>2</sub> e/m <sup>2</sup> GFA	0.03	0.03	0.04	-22%
Intensity Ratio 3	CO <sub>2</sub> e/FTS Students	0.23	0.35	0.5	-50%

\* Please note the Indirect transport of the business mileage covered using employee/private/hire cars were included as part of direct transport for 2021 and 2019. This type of transport is now identified as part of scope 3 emissions and hence Direct transport for Company owned vehicles and Indirect transport for Employee/private/hire cars are reported under scope 1 and scope 3 respectively.

### Emissions Sources

This report includes UK energy use, and the associated GHG emissions, that relate to:

- Activities for which the Canterbury Christ Church University is responsible involving the combustion of gas, or consumption of fuel for the purposes of transport; and
- The purchase of electricity by the company for its own use, including for the purpose of transport.

### Emissions Factors

A wide range of published carbon emission factors are publicly available. DEFRA emission factors have been used for all emission sources as this provides the most comprehensive list of factors available. They allow an activity to be converted into carbon dioxide equivalent (CO<sub>2</sub>e). Market based emissions factors have been sourced from each relevant supplier.

## THE STRATEGIC REPORT (CONTINUED)

### Methodology

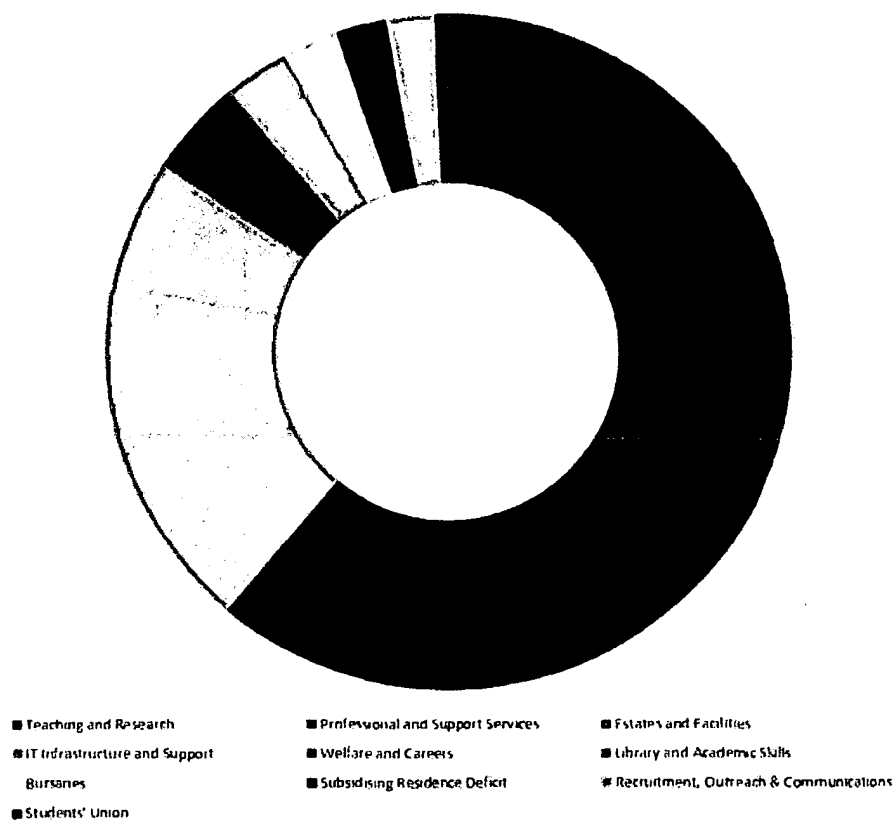
The footprint is calculated in accordance with the Greenhouse Gas (GHG) Protocol and Environmental Reporting Guidelines: Including streamlined energy and carbon reporting guidance.

### Value for Money (VfM)

Value for money is important in the context of the tuition fees received from students and how these are utilised within the institution. The following chart of Undergraduate Fees demonstrates how these funds were applied in 2020/2021 based upon the Transparent Approach to Costing (TRAC) methodology data for that particular year.

The report is presented retrospectively for 2020/2021 as this is the latest data available from the TRAC return.

**How the 2020/2021 Undergraduate Fee was used at Canterbury Christ Church University:**



## THE STRATEGIC REPORT (CONTINUED)

The Total undergraduate fee of £9,250 represents the following:

£3,730	Teaching and Research
£1,930	Professional and Support Services
£1,550	Estates and Facilities
£590	IT Infrastructure and Support
£440	Welfare and Careers
£280	Library and Academic Skills
£240	Bursaries
£220	Subsidising Student Accommodation
£210	Recruitment, Outreach & Communications
£60	Students' Union

The above is a representation of how the 2020/2021 Undergraduate fee was used by the University and the relative percentages are as follows:

- **40% Teaching and Research.** This includes lectures, technicians, course admin, course materials etc.
- **21% Professional and Support Services.** This will include student registration & records, Human Resources, Finance, VC's Office etc.
- **17% Estates and Facilities.** This covers building running costs, maintenance, light & heat, security etc.
- **6% IT Infrastructure and Support.** Mobile computing, software, subscriptions etc. will be included here.
- **5% Welfare and Careers.** This covers, Counselling, Chaplaincy, Sports Centre and Careers.
- **3% Library and Academic Skills.** This includes books, periodicals, electronic subscriptions.
- **3% Bursaries.** This represents fee reductions for eligible students.
- **2% Student Recruitment, Outreach & Communications.** School and College engagement, widening participation, recruitment activity etc.
- **2% Subsidising Residence Deficit.** The Residences provision made a fully absorbed deficit in 2020/2021.
- **1% Students' Union.** This is the grant to support the ongoing provision of the Students' Union.

### Principal risks and uncertainties

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

The system of internal control is based on an ongoing process designed to identify the principal risks to the achievement of strategic policies, aims and objectives; to evaluate the nature and extent of those risks; and to manage them efficiently, effectively and economically. This process has been in place for the year ended 31 July

## **THE STRATEGIC REPORT (CONTINUED)**

2022 and up to the date of approval of the financial statements and accords with the requirements of the Office for Students.

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

Whilst a prudent approach has been adopted to financial planning, the University considers that there are key risks to its financial health and sustainability which are also likely to be experienced in other institutions across the sector.

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

- The impact of rises in inflation and interest rates on a range of expenses, including utilities. Actions taken include the development of financial forecasts to include modelling of rates to identify the potential risks and securing fixed contracts where possible.
- The potential risk relating to lost income if there is a re-introduction of social distancing measures and possible further lock down requirements. Actions taken to address this include building flexibility into the budget to support any further enhanced cleaning and hygiene measures.
- The potential loss of income from lower levels of student recruitment. This would place pressure on pay and non pay budgets.
- The continued competitive environment for Higher Education.
- Uncertainty over government policy with regard to the setting of maximum tuition fees and access to student loan funding.
- Pressure on pensions costs from increasing employer's contribution rates. This is factored into pay budgets and forecasts.

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

### **Going Concern**

The strong performance in year is creating a stable base for future years. The University has a call on the Revolving Credit Facility until April 2023, at which time the balance drawn will convert to a term loan. The University's forecasts demonstrate that it will fully meet the bank's covenants that were agreed as part of the credit arrangements with the banks.

The financial forecast through to July 2023 show an improving position, and this is the base for the forecasts through to 2027/28, which confirm a strong financial position. The forecasts will formally be shared with the Office for Students (OfS) in January 2023 following Governing Body approval in line with the funding body's requirements.

These forecasts provide confidence to the Governing Body over the financial sustainability of the University and confirm the University remains a going concern throughout 2022/2023 and for the foreseeable future.

### **Directors' Indemnities**

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

## THE STRATEGIC REPORT (CONTINUED)

### Disclosure of Information to the Auditor

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

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

The University seeks to retain a level of reserves to support its financial sustainability and in accordance with its strategic plan, the policy is reviewed in each academic term. The reserves position is maintained through the achievement of surpluses in line with the institution's key performance indicators. The pensions' liability reserve, whilst recognised in the balance sheet, represents a longer-term liability which does not materially impact upon the short to medium term policy for the maintenance of a general reserve.

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

The table below shows the consolidated performance indicators for the year ended 31 July 2022, compared to actual outturn for the previous year. Targets for each of these KPIs are prepared and reported to management based on the approved annual budget. As part of the mid-year forecasting process, the financial position is reviewed, and a revised budget is produced in year. The target KPIs are amended to reflect the revised budget position to be reported through to the end of the year.

Key Performance Indicators – actual outturn	2022	2021
Reported (Deficit)/surplus as a % of income	(2.89)	7.18
Adjusted Surplus/(deficit) as a % of income	3.08	(2.2)
Unrestricted reserve as a % of total income	67.29	32.5
External borrowing as a % of total income	28.41	44.9
Current asset/(current liability) ratio	1.06	1.1
Net liquidity days	68	84

The reported deficit for the year ended 31 July 2022 reflects the adjustments for accounting adjustments for the pensions' provisions and liabilities. The operational outturn/adjusted surplus for the University for the year ended 31 July 2022 was £5.715m.

Unrestricted reserves are reported net of the LGPS pensions liability. A decrease in the liability of £70.276m has increased the level of unrestricted reserves as a percentage of income.

External borrowing reduced in year with the repayment of long term loan capital and a reduction in the amount drawn from the Revolving Credit Facility (RCF). The amount drawn from the RCF at the year end was £21m, compared to £34m drawn at the end of the prior year, 2021.

Net liquidity days are reported as being 68 days, reducing just a little from the previous year, confirming the University has a sufficient level of cash held to meet outgoing expenses.

## THE STRATEGIC REPORT (CONTINUED)

The KPIs are included in the monthly financial reports and are monitored and reviewed by the Senior Management Team. They are also considered and assessed by the Finance and Resources committee as part of the review of financial performance. The University's operating performance has remained within the parameters of the approved KPIs.

### Financial Risk Management

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

### Outlook

This year there has been much to celebrate, and build on for the future. The results from the Research Excellence Framework (REF) showed that Canterbury Christ Church University has more than doubled the proportion of world-leading research we have produced since the last REF in 2014. We have also more than quadrupled the world-leading impacts and benefits that our research provides for people's lives.

We are incredibly proud of all of our students and graduates who are making such a positive contribution to our communities. We embed employability into our courses and across the University from the day our students start their education journey with us. Through our partnerships with industry and local businesses, we will continue to ensure that our courses are relevant to industry needs, and support students to become high-skilled graduates that will aid economic growth regionally, nationally and internationally.

As the sun sets on our Diamond Jubilee year, we enter an exciting new dawn for the University in 2023, as we prepare to launch our new strategic framework – Vision 2030. Over the course of the year, we have engaged extensively with our students, staff and industry partners to develop a bold and ambitious new strategy for the next seven years.



Professor R Thirunamachandran  
Vice Chancellor, Principal and Director  
Date: 29 November 2022

## PUBLIC BENEFIT STATEMENT

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

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

The University's Strategic Framework 2015 to 2022 (<https://cccu.canterbury.ac.uk/strategic-framework/docs/framework-refresh/Strategic-Framework-2015-2022.pdf>) sets out its mission, purpose and vision:

### ***Our mission***

*Inspired by our Church of England foundation, the University's mission is to pursue excellence in higher education: transforming individuals, creating knowledge, enriching communities and building a sustainable future.*

### ***Our purpose***

*We are strongly committed to transforming individuals, creating knowledge, enriching communities and building a successful and sustainable future for the South East region and beyond.*

*We want to do more than provide our students with a high-quality education and excellent student experience. We also want to work in partnership with our students to ensure they become enterprising, professional graduates with an understanding of the challenges facing society and our world, and have the skills, commitment and personal qualities needed to help address them.*

### ***Our vision***

*We will be recognised as a leader in education, research and enterprise that supports the South East region's growth and economy, building on our heritage as a globally connected, dynamic and innovative University, delivering an excellent and inclusive experience that provides enterprising, professional graduates.*

The University's mission, purpose and vision are underpinned by four strategic aims:

**Student Experience** – to provide our diverse student body with high-quality holistic student experiences in relation to learning and the wider experience of university in developing global citizens.

**Education** - to maintain and enhance a high-quality, broadly based academic portfolio which builds on and further develops areas of University strength and potential including in relation to partnerships.

**Research and Enterprise** - to extend our research, enterprise and scholarship of practice to grow its contribution to intellectual, social, economic, and cultural prosperity locally, regionally, nationally and internationally.

**Enabling Services** - to ensure effective, efficient, innovative and sustainable use of the institution's resources to enable our people deliver the University's strategic goals across all our locations.

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

Each aim has strategic objectives:

The Strategic Framework is underpinned by a set of clearly defined goals and supported by key strategies:

- People Strategy
- Finance Strategy
- Estate and Facilities Strategy
- Information Technology Strategy
- Learning and Teaching Strategy and
- Strategic Plan for Research and Enterprise.

The enabling strategies, along with the Strategic Framework goals, inform the business plans of departments and schools across the University. To demonstrate progress towards the achievement of the University's strategic aims, a set of KPIs has been established.

Illustrations of how the University has fulfilled its charitable public benefit purposes in 2021/22 include:

- The University celebrated its Diamond Jubilee with a series of events, including public lectures, a festival of Heritage, Creativity and Culture and a Service of Thanksgiving at Canterbury Cathedral.
- The University offered two Scholarships to celebrate its Diamond Jubilee, the 'Diamond Jubilee Academic Excellence Scholarship 2023' and the 'Diamond Jubilee Academic Scholarship 2023'.
- The University launched its Academy for Sustainable Futures underpinned by four key themes: Community, Education, Research and Environment.
- 20,050 registered undergraduate and postgraduate students.
- Kent and Medway Medical School welcomed their second year intake of 127 registered students.
- The University is ranked third in the UK for graduates in employment. The new Graduate Outcomes survey also revealed that:
  - 88% of Canterbury Christ Church graduates were in employment 15 months after completing their studies - 8 % higher than the sector average of 80%
  - 76% of UK, full-time Canterbury Christ Church undergraduate leavers who were in employment went into high-skilled employment 15 months after completing their studies - 5 % higher than the national average (71%).
- The Research Excellence Framework 2021 saw the University's ranking increase by 6 places. 61.2% of Research and 84.3% of Impact is rated World Leading or Internationally Excellent. The 'world-leading' and 'internationally excellent' impacts of our research benefitted multiple millions of people:
  - 1.1 million young people became newly physically active
  - 1.3 million young people benefitted from new curricula in Church of England schools.
  - 1.5 million healthcare professionals benefitted from new clinical guidelines and training
  - 1.7 million babies aged 0-2 received better and more developmental care
- Supported new guidance for firearms control throughout England; new legislation to combat organ trafficking in Uganda; and the worldwide inclusion of athletes with intellectual Disabilities in the Paralympic Games and other elite global sporting competitions.



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

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

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

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

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

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

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

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

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

The Governing Body has taken reasonable steps to:

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

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

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

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

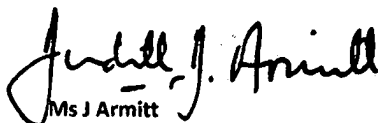
**STATEMENT OF PRIMARY RESPONSIBILITIES OF THE UNIVERSITY'S GOVERNING BODY  
(CONTINUED)**

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

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

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

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



Ms J Armitt

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

**Date: 29 November 2022**

## STATEMENT OF CORPORATE GOVERNANCE

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

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

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

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

The Governing Body is mandated to consist of not fewer than 18 persons, the majority of whom are to be independent Governors. The maximum number of Company Members is 19. It includes four nominative governors being members of the Church of England of whom: (i) one is appointed by the Archbishop of Canterbury; (ii) one is appointed by the Diocesan Boards of Education of Canterbury and Rochester dioceses acting jointly (iii) one is appointed by the Archbishops' Council of the Church of England (iv) one is the Bishop of Dover or their nominee; one is the Vice-Chancellor and Principal; three staff governors: the three being respectively a member of the Academic Board nominated by that Academic Board together with a member of the teaching staff of the University and a member of the support staff of the University; one student governor, being the elected President of the Students' Union, ex-officio, and not more than nine co-opted governors, at least six of whom are to be members of the Church of England. In terms of co-opted governors, the Governing Body is mandated to seek to ensure that different University, county and regional interests are reflected in its membership.

The Governing Body has been chaired by Ms J Armitt, the Pro-Chancellor, since 1 August 2021.

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

The main responsibilities of Governing Body are:

1. to determine the educational character and mission of the University including the approval of the University's Strategic Plan and the setting of KPIs;
2. to approve annual estimates of income and expenditure;
3. to ensure the solvency of the institution and the safeguarding of its assets;
4. to appoint or dismiss the Vice-Chancellor, the Clerk to the Governing Body, the Chaplain and such other senior posts designated by the Governing Body;
5. to ensure that there are suitable arrangements for monitoring the Vice-Chancellor's performance;
6. to vary or revoke of the Instrument or Articles of Government (subject to provisions within those documents regarding the Archbishops' Council);
7. to ensure compliance with Company and Charity law;
8. to approve annual financial statements upon external audit;
9. to approve the constitution of the student body (Students' Union) and receive audited accounts of the student body; and
10. to review its own effectiveness and performance and that of its committees formally every four years, and annually on a 'light touch' basis.

## STATEMENT OF CORPORATE GOVERNANCE (CONTINUED)

The Governing Body normally meets four times per year. In 2021/2022 one additional Governing Body meeting was held. Additionally, the following governor visits took place: visit of Learning and Teaching Enhancement, and Library and Learning Resources. The third Governor visit was delayed until 2023 to facilitate a Governor and Senior Management Team discussion around Vision 2030 – the new Strategic Plan for 2023-30. Governor visits enable governors to be fully briefed on the University's activities, meeting with students and staff.

The Academic Board, a committee of the Governing Body, chaired by the Vice-Chancellor, is responsible for all aspects of the academic work of the University and can establish such committees as are necessary. Each committee is chaired by a senior member of staff and faculties are represented on all committees. Subject to the requirements of validating and accrediting bodies, the Academic Board is responsible for: general issues relating to the research, scholarship, teaching and courses at the University; the appointment of internal and external examiners; assessment and examination policies and procedures; the curriculum; academic standards and course validation; the procedures for the award of qualifications and honorary academic titles; the procedure for the suspension or expulsion of students for academic reasons; for considering the development of the University's academic activities; and for advising on such other matters as the Governing Body or the Vice-Chancellor and Principal may refer it.

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

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

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

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

The Chairs' Committee membership consists of:

- Pro-Chancellor of the University (Chair of the Governing Body) – Ms J Armit (Archbishop of Canterbury's appointee) (from 1 August 2021)
- Chair of the Audit Committee - Mr P Fletcher (Independent)(retired 18 January 2022), Mr C Stevens (Independent) (from 1 February 2022 to 30 September 2022) and Lady A Newey (Independent) (from 1 October 2022)
- Chair of F&R Committee - Sir W I R Johnston (Independent) (from 1 August 2021 to 31 July 2022) and Mr C Stevens (Independent) (from 1 October 2022)
- Chair of the Remuneration Committee and Deputy Pro-Chancellor of the University (Vice Chair of the Governing Body) – Sir W I R Johnston (Independent) (retired 31 July 2022) and Ms N Ahmed (Independent) (from 1 August 2022)
- Vice-Chancellor and Chair of the Academic Board – Professor R Thirunamachandran (Vice-Chancellor)
- One co-option if vacancies exist because individual members fulfil multiple roles.

The Chairs' Committee normally meets three times in each academic year. In 2021/22 the Chairs' Committee met on three occasions.

## STATEMENT OF CORPORATE GOVERNANCE (CONTINUED)

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

The Finance and Resources Committee membership consists of:

- Chair of the Finance and Resources Committee – Sir W I R Johnston (Independent) (to 31 July 2022) and Mr Clive Stevens (Independent) (from 1 October 2022)
- Student Governor – Mr D Bichener
- Mr S Brown (Independent) (to 31 July 2022)
- Ms J Harding (Independent)
- Mr Clive Stevens (Independent) (from 1 August 2021 to 31 January 2022)
- Revd R Stevenson (Independent)
- Vice-Chancellor – Professor R Thirunamachandran (Vice-Chancellor)

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

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

The Audit Committee membership consists of:

- Chair of the Audit Committee – Mr P Fletcher (Independent) (retired 18 January 2022), Mr C Stevens (Independent) (from 1 February 2022 to 30 September 2022) and Lady A Newey (Independent) (from 1 October 2022)
- Ms S Appleby (Independent)
- Mrs P Jones (Archbishops' Council of the Church of England appointee)
- Mr Stephen Carey
- Lady A Newey (Independent) (from 1 August 2022 to 30 September 2022)
- Mr J Stockwell (Independent) (from 1 August 2022)

And Co-opted members:

- Mr Ranil Perera (from 1 August 2021 to 31 May 2022)
- Mr Q Roper
- Mr S Sutton (retired 31 July 2022)

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

The Right Revd R Hudson-Wilkin was appointed Senior Independent Governor on 1 August 2022.

## STATEMENT OF CORPORATE GOVERNANCE (CONTINUED)

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

Remuneration Committee membership consists of:

- Chair of the Remuneration Committee – Sir W I R Johnston (Independent) (retired 31 July 2022) and Ms N Ahmed (Independent) (from 1 August 2022)
- Pro-Chancellor of the University – Ms J Armitt
- Ms N Ahmed (Independent)
- Professor J Wood (Independent) (from 1 August 2022)

And co-opted member:

- Lord Alastair Colgrain (Independent Assessor)

The Remuneration Committee normally meets once in each academic year.

A Governance Effectiveness Review undertaken by the University's Internal auditor in 2020 returned an opinion of 'significant assurance with minor improvement opportunities'. Upon initial registration, the OfS was satisfied that the University met the general ongoing condition of registration E2, in that the University has in place adequate and effective management and governance arrangements to operate in accordance with its governing documents; deliver public interest governance principles; provide and fully deliver advertised higher education courses and continue to comply with all conditions of its registration. A review of the University's Articles of Association incorporating the Instrument and Articles of Government was undertaken by the Governing Body in 2020/21. The Governing Body formally approved the updated Articles on 23 September 2021 following approval by the Charity Commission. Changes included clarification of objects and powers, the appointment of a Senior Independent Governor and Staff Governor and Student Governor representation on committees. The Governing Body then published a new scheme of delegation and associated documents.

The Governing Body updated its Governor Appointment Policy in 2020/21 to include a skills-based method of recruitment and consolidate recruitment requirements across the categories of membership of the Governing Body. The appointment of three new Independent Governors took place in 2021/2022 in accordance with the updated Governor Appointment Policy.

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

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

- Memorandum and Articles
- Schedule of Delegation
- Governing Body Structure
- Register of Interests
- Terms of Reference
- Annual financial statements
- Governing Body Minutes
- Publication Scheme
- Whistleblowing Policy.

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

## STATEMENT OF CORPORATE GOVERNANCE (CONTINUED)

- Meeting at least four times each academic year to determine strategy;
- Reviewing an annual report on teaching quality and standards (from the Academic Board) and then signs off the Annual Quality Assessment Assurance Statement as part of its suite of annual returns
- Receiving an annual report and assurance from the University Solicitor regarding the University's compliance with OfS initial and ongoing general conditions of registration;
- Receiving updates from the Audit Committee concerning internal control, and strategic risk management;
- Oversight by the Audit Committee of the University's risk management framework and a high-level strategic risk register fully aligned to the University's strategic goals set out in the University's 2015-2022 strategic framework;
- Regular reviews by the Audit Committee of Internal Audit reports, which include an independent opinion on the adequacy and effectiveness of the University's systems of governance, risk management and internal control, together with improvement recommendations;
- Monitoring of institutional KPIs (governor sub-set); and
- Reviewing post-investment lesson learning reviews in respect of major investment projects undertaken by the University.

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

The Financial Regulations were approved by the Finance and Resources Committee on 9 November 2022. The Financial Regulations are subordinate to the University's Articles and to any restrictions contained in terms of conditions of funding and the audit code of practice. The purpose of The Financial Regulations is to provide control over the totality of the University's resources and provide assurance in respect of a., and b., above. Compliance with The Financial Regulations is mandatory. Breaches are notified to the Governing Body via the Audit Committee. This statement covers the reporting period from 1 August 2021 to the date of signing and approving the financial statements on 29 November 2022.



## **MODERN SLAVERY AND HUMAN TRAFFICKING**

The University is committed to ensuring that slavery and human trafficking is not taking place in its supply chain in line with the Modern Slavery Act 2015. As the University is a values based institution, it condemns morally bad practices and expects all of its business partners to live up to and adhere to the principles set out in the anti-slavery legislation. The actions taken by the University in this financial year to meet the objectives include:

- Oversight of the management of risks of modern slavery and human trafficking in the supply chain is provided by a nominated senior manager, the Pro Vice Chancellor (Research and Enterprise), as part of his role of chair of the Sustainability Strategic Management Group (SSMG).
- The University has now agreed and set two Key Performance Indicators as follows:
- KPI 1 - The University has set the target of 100% of the staff who are managing high risk categories of contracts will receive training on identifying and addressing Modern Slavery in supply chains.
- KPI 2 – The University has set the target of 100% of all suppliers who have been classified as providing high risk goods or services will have completed a Modern Slavery due diligence questionnaire.
- An implementation plan for the KPIs has been put in place, with seven steps to be achieved. Progress the plan is being managed by the Procurement team. As at the end of the financial year, 31 July 2022, the Procurement team were able to confirm three of the seven steps in the plan had been completed and good progress was being made on the fourth step.

### **The action taken to implement the KPIs includes:**

- A total of 42 contracts were identified and rated as high risk, based on the Higher Education Procurement Academy ratings.
- The HEPA Modern Slavery e-learning module to be made available to all relevant staff and the staff who manage contracts are being made aware of the need to complete this training. Risk assessments of contracts will be undertaken once the relevant managers have completed their training.
- The University is developing a Modern Slavery questionnaire to be issued to suppliers and contract managers are being advised on next steps in this process.
- The Sustainability Strategic Management Committee is responsible for the ongoing monitoring of the KPIs.

### **Other actions taken by the University include:**

- The questions relating to Modern Slavery and Human Trafficking are included in the tender/due diligence process when contracting for services or goods identified as being high risk areas. In year this included the tender for laptop and desktop computers.
- A policy review is continuing, and modifications are being made to ensure that all relevant University policies identify how they support compliance with the Modern Slavery Act. As deemed necessary all policies will support practices of safeguarding and raise the awareness of the indicators of Modern Slavery and Human Trafficking.
- Training and development in the application of all of the University's staff policies is in place and is monitored by the Human Resources and Organisational Development Department.
- The University continues to use pre-negotiated framework agreements put in place by the Southern Universities Purchasing Committee (SUPC) for many of the significant tender exercises. SUPC is affiliated with the Electronic Watch to ensure compliance with labour rights and safety standards in the supply chain. This is particularly relevant for the high risk areas such as the supply of IT equipment and consumables.

## MODERN SLAVERY AND HUMAN TRAFFICKING (CONTINUED)

- ***The SUPC have released a statement:*** *"The SUPC is committed to acquiring goods and services for its members without causing harm to others. Affiliating to Electronics Watch is an important step forward, and will allow the SUPC to have eyes and ears on the ground in producer regions to ensure rights violations are detected and properly addressed."*
- The University's Governance and Legal Services team reviews draft contractual terms and conditions prior to commitment to ensure provision is made relating to Modern Slavery Act compliance.
- The University's Modern Slavery and Human Trafficking Statement has support of the full Governing Body, and is presented for approval at the Governing Body meeting on 29 November 2022.

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

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

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

## STATEMENT OF INTERNAL CONTROL

The Governing Body has responsibility for maintaining a sound system of internal control that supports the achievement of policies, aims and objectives, while safeguarding the public and other funds and assets for which they are responsible, in accordance with the responsibilities assigned to the Governing Body in the University's Instrument and Articles of Governance and the Terms and Conditions of Funding for Higher Education Institutions from the OfS.

The system of internal control is designed to manage rather than eliminate the risk of failure to achieve policies, aims and objectives; it can therefore only provide reasonable and not absolute assurance of effectiveness.

The system of internal control is based on an ongoing process designed to identify the principal risks to the achievement of policies, aims and objectives; to evaluate the nature and extent of those risks; and to manage them efficiently, effectively and economically. This process has been in place for the year ended 31 July 2022 and up to the date of approval of the Strategic Report and Financial Statements and accords with the OfS and Turnbull guidance.

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

The following processes have been established:

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

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

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

The University has appointed Internal Auditors, who operate to standards defined in the OfS Terms and Conditions of Funding for Higher Education Institutions, Audit Code of Practice. The Internal Auditors submit regular reports which include their independent opinion on the adequacy and effectiveness of the system of internal control, together with recommendations for improvement.

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

There were no significant control weaknesses in the year.

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

### **Report on the audit of the financial statements**

#### **Opinion**

We have audited the financial statements of Canterbury Christ Church University ('the University') and its subsidiary ('the Group') for the year ended 31 July 2022 which comprise the Consolidated and University Statement of Comprehensive Income and Expenditure, the Consolidated and University Statement of Changes in Reserves, the Consolidated and University Statement of Financial Position, the Consolidated Cash Flow Statement and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 "The Financial Reporting Standard Applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the Group's and University's affairs as at 31 July 2022 and of the Group's and University's income and expenditure, gains and losses, changes in reserves and cash flows for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- have been prepared in accordance with the requirements of the Statement of Recommended Practice – Accounting for Further and Higher Education; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

#### **Basis for opinion**

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

#### **Conclusions relating to going concern**

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

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

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

#### **Other information**

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

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise

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

appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

**Responsibilities of Directors**

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

In preparing the financial statements, the directors are responsible for assessing the Group and University's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate all or part of the University Group or to cease operations, or have no realistic alternative but to do so.

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

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

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

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

Based on our understanding of the University Group and its operations, we considered that non-compliance with the following laws and regulations might have a material effect on the financial statements: OFS requirements, UK tax legislation, pensions legislation, employment regulation and health and safety regulation, anti-bribery, corruption and fraud, money laundering and non-compliance with implementation of government support schemes relating to COVID-19.

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

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

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

We also considered those laws and regulations that have a direct effect on the preparation of the financial statements, such as pensions legislation, the OfS Accounts Direction and the Companies Act 2006

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

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

- Making enquiries of the directors and management on whether they had knowledge of any actual, suspected or alleged fraud;
- Gaining an understanding of the internal controls established to mitigate risks related to fraud;
- Discussing amongst the engagement team the risks of fraud; and
- Addressing the risks of fraud through management override of controls by performing journal entry testing.

There are inherent limitations in the audit procedures described above and the primary responsibility for the prevention and detection of irregularities including fraud rests with management. As with any audit, there remained a risk of non-detection of irregularities, as these may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal controls.

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

### **Other Required Reporting**

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the strategic report and the directors' report for the financial period for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report have been prepared in accordance with applicable legal requirements.

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

In our opinion, in all material respects:

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

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

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

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

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

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

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

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

This report is made solely to the University's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the University's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the group and University and the University's members, as a body, for our audit work, for this report, or for the opinions we have formed.



**Signed:**

**DRA Bott (Senior Statutory Auditor)  
for and on behalf of Mazars LLP  
Chartered Accountants and Statutory Auditor  
90 Victoria Street, Bristol BS1 6DP**

**Date: 5 December 2022**



## **STATEMENT OF PRINCIPAL ACCOUNTING POLICIES**

### **1. Basis of Preparation**

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

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

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

### **2. Critical Judgements**

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

#### **2.1 Capital and Research Grants Received**

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

### **3. Estimates**

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

#### **3.1 Local Government Pension**

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost for pensions include the discount rate. Any changes in these assumptions as disclosed in note 23 will impact on the carrying value of the pension liability. Furthermore a rolled forward approach which projects results from the latest full actuarial valuation performed as at 31 March 2019 has been used by the actuary in valuing the pensions liability as at 31 July 2022. Any differences between these figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

### **4. Basis of Consolidation**

The consolidated financial statements include the University and its subsidiary company for the financial year to 31 July 2022. Intra-group transactions are eliminated on consolidation. The consolidated financial statements

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

do not include the income and expenditure of the Students' Union as the University does not exert control or dominant influence over policy decisions of the Union.

### **5. Recognition of Income**

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

### **6. Grants**

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

### **7. Agency Arrangements**

Funds the Institution receives and disperses as a paying agent on behalf of a funding body are excluded from the income and expenditure of the University where the University is exposed to minimal risk or enjoys minimal economic benefit related to the transaction.

### **8. Foreign Currencies**

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

### **9. Operating Leases**

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

### **10. Intangible Assets**

The development cost to the University of software assets is capitalised as an intangible asset when the asset comes into full use. Software in development is held in the asset register until complete and fully in use. The value of the asset is stated at historic cost less accumulated amortisation charges, with amortisation being charged on a straight line basis from the month that the asset is fully developed. Significant intangible assets with a value of £200,000 or more are amortised over 10 years and lower value assets of less than £200,000 are amortised over five years. The costs relating to the development of the medical programme are capitalised as an intangible asset. Development costs accrue from the date at which the contract was entered into, and are capitalised when the asset comes into use, and will be amortised when the benefits are realised on a straight-line basis over five years.

## STATEMENT OF PRINCIPAL ACCOUNTING POLICIES (CONTINUED)

### 11. Tangible Assets

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

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

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

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

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

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

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

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

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

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

### 12. Assets held for resale

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

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

### **13. Stock**

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

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

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

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

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

### **16. Taxation Status**

The University is a registered charity within the meaning of Part 3 of the Charities Act 2011 and as such is a charity within the meaning of Section 506 of the Income and Corporation Tax Act 1988. It is therefore a charity within meaning of Para 1 of schedule 6 to Finance Act 2010 and accordingly, the University is potentially exempt from taxation in respect of income or capital gains received within categories covered by Sections 478-488 of the Corporation Taxes Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992 to the extent that such income or gains are applied to exclusively charitable purposes.

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

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

### **17. Pension Schemes**

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

## STATEMENT OF PRINCIPAL ACCOUNTING POLICIES (CONTINUED)

For defined benefit schemes the amounts charged to the operating surplus are the costs arising from employee services rendered during the period and the cost of the plan introductions, benefit changes, settlements and curtailments. They are included as part of staff costs. The net interest cost on the net defined benefit liability is charged to profit or loss and included within finance costs. Re-measurement comprising actuarial gains and losses and the return on scheme assets (excluding amounts included in net interest on the net defined benefit liability) are recognised immediately in other comprehensive income.

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

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

The University is able to identify its share of assets and liabilities of the LGPS. The movement in the defined benefit liability of this scheme, when adjusted for payments into and out of the plan, is charged to the Statement of Comprehensive Income. This cost is the aggregation of changes in the defined benefit obligation and changes in plan assets. To identify this liability the assets of the LGPS are valued using bid values.

LGPS liabilities are measured using the projected unit method and discounted at the current rate of return on a high quality corporate bond of equivalent term and currency to the liability. The increase in the present value of the liabilities of the scheme expected to arise from employee service in the period is charged to Operating Expenses, Note 8.

The difference between the fair value of the University's share of the assets held in the LGPS defined benefit pension scheme and the scheme's liabilities measured on an actuarial basis using the projected unit method are recognised in the University's Balance Sheet as a pension scheme asset or liability, as appropriate. The carrying value of any resulting pension scheme asset is restricted to the extent that the University is able to recover the surplus through reduced contributions in the future or through funds from the scheme. Actuarial gains and losses, and movements to the defined benefit pension scheme's assets or liabilities arising from a change in actuarial assumptions are charged to the Statement of Comprehensive Income in accordance with FRS 102.

### 18. Investments

Endowment asset investments are held as cash.

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

- Expendable endowments - the donor has specified a particular objective other than the purchase or construction of tangible fixed assets, and the Institution can convert the donated sum into income.
- Restricted permanent endowments - the donor has specified that the fund is to be permanently invested to generate an income stream to be applied to a particular objective.

### 19. Financial Instruments

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

Financial assets and financial liabilities are recognised when the Group becomes a party to the contractual provisions of the instrument. Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the Group after deducting all of its liabilities.

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

All financial assets and liabilities are initially measured at transaction price (including transaction costs), except for those financial assets classified as at fair value through profit or loss, which are initially measured at fair value (which is normally the transaction price excluding transaction costs), unless the arrangement constitutes a financing transaction. If an arrangement constitutes a financing transaction, the financial asset or financial liability is measured at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

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

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

### **20. Investment in Subsidiaries**

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

### **21. Reserves**

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

The following reserves are maintained:

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

**Consolidated and University Statement of Comprehensive Income and Expenditure**  
**For the Year Ended 31 July 2022**

	Notes	Consolidated		University	
		2022	2021	2022	2021
		£'000	£'000	£'000	£'000
<b>Income</b>					
Tuition fees and education contracts	1	151,422	104,169	151,422	104,169
Funding body grants	2	13,986	31,928	13,986	31,928
Research grants and contracts	3	1,939	2,093	1,939	2,093
Other income	4	18,485	13,925	18,342	13,840
Investment income	5	2	11	2	11
<b>Total income</b>		<b>185,834</b>	<b>152,126</b>	<b>185,691</b>	<b>152,041</b>
<b>Expenditure</b>					
Staff costs	6	79,457	75,187	79,384	75,106
Interest and other finance costs	7	2,523	2,218	2,523	2,218
Other operating expenses		100,780	55,683	100,738	55,639
Depreciation and Amortisation	9 & 11	8,446	8,108	8,446	8,108
<b>Total Expenditure</b>	<b>8</b>	<b>191,206</b>	<b>141,196</b>	<b>191,091</b>	<b>141,071</b>
<b>(Deficit)/Surplus for the year before loss on disposal of fixed assets</b>		<b>(5,372)</b>	<b>10,930</b>	<b>(5,400)</b>	<b>10,970</b>
<b>Impairment of Fixed Assets</b>		<b>-</b>	<b>(2,095)</b>	<b>-</b>	<b>(2,095)</b>
<b>Profit/(Loss) on disposal of fixed assets</b>		<b>365</b>	<b>(48)</b>	<b>365</b>	<b>(48)</b>
<b>(Deficit)/Surplus for the year</b>		<b>(5,007)</b>	<b>8,787</b>	<b>(5,035)</b>	<b>8,827</b>
Endowment comprehensive income for the year	17	85	142	85	142
Actuarial gain /(loss) in respect of pension schemes	23	80,564	(557)	80,564	(557)
<b>Total comprehensive Surplus for the year</b>		<b>75,642</b>	<b>8,372</b>	<b>75,614</b>	<b>8,412</b>
<b>Represented by:</b>					
Endowment comprehensive income for the year	17	85	142	85	142
Unrestricted comprehensive gain/(loss) for the year		75,557	8,230	75,529	8,270
<b>Surplus for the year attributable to the University</b>		<b>75,642</b>	<b>8,372</b>	<b>75,614</b>	<b>8,412</b>

**Consolidated and University Statement of Changes in Reserves  
For the Year Ended 31 July 2022**

Consolidated	Income and expenditure account			Total
	<i>Endowment</i>	<i>Restricted</i>	<i>Unrestricted</i>	
	£'000	£'000	£'000	£'000
Balance at 1 August 2020	257	39	40,782	41,078
Deficit from the income and expenditure statement	-	-	8,787	8,787
Other comprehensive income	142	-	(558)	(416)
<b>Total comprehensive income for the year</b>	<b>142</b>	<b>-</b>	<b>8,229</b>	<b>8,371</b>
<b>Balance at 31 July 2021</b>	<b>399</b>	<b>39</b>	<b>49,011</b>	<b>49,449</b>
 Balance at 1 August 2021	 399	 39	 49,011	 49,449
Deficit from the income and expenditure statement	-	-	(5,007)	(5,007)
Other comprehensive income	84	1	80,564	80,649
<b>Total comprehensive income for the year</b>	<b>84</b>	<b>1</b>	<b>75,557</b>	<b>75,642</b>
<b>Balance at 31 July 2022</b>	<b>483</b>	<b>40</b>	<b>124,568</b>	<b>125,091</b>
 University	 	 	 	 
	<i>Endowment</i>	<i>Restricted</i>	<i>Unrestricted</i>	Total
	£'000	£'000	£'000	£'000
Balance at 1 August 2020	257	39	40,797	41,093
Deficit from the income and expenditure statement	-	-	8,827	8,827
Other comprehensive income	142	-	(559)	(417)
<b>Total comprehensive income for the year</b>	<b>142</b>	<b>-</b>	<b>8,268</b>	<b>8,410</b>
<b>Balance at 31 July 2021</b>	<b>399</b>	<b>39</b>	<b>49,065</b>	<b>49,503</b>
 Balance at 1 August 2021	 399	 39	 49,065	 49,503
Deficit from the income and expenditure statement	-	-	(5,035)	(5,035)
Other comprehensive income	84	1	80,564	80,649
<b>Total comprehensive income for the year</b>	<b>84</b>	<b>1</b>	<b>75,529</b>	<b>75,614</b>
<b>Balance at 31 July 2022</b>	<b>483</b>	<b>40</b>	<b>124,594</b>	<b>125,117</b>



**Consolidated and University Statement of Financial Position**  
**As at 31 July 2022**

		2022	2021	2022	2021
	Notes	As at 31 July Consolidated £'000	£'000	As at 31 July University £'000	£'000
<b>Non-current assets</b>					
Tangible assets	9	169,897	173,213	169,897	173,213
Assets held for resale	9a	2,217	6,903	2,217	6,903
Investments	10			450	450
Intangible assets	11	16,013	13,046	16,013	13,046
		<u>188,127</u>	<u>193,162</u>	<u>188,577</u>	<u>193,612</u>
<b>Current assets</b>					
Stock		241	226	241	226
Trade and other receivables	12	69,468	24,396	69,478	24,387
Cash and cash equivalents	18	34,323	30,693	34,040	30,384
		<u>104,032</u>	<u>55,315</u>	<u>103,759</u>	<u>54,997</u>
Less: Creditors: amounts falling due within one year	13	( 98,430)	( 50,461)	( 98,581)	( 50,539)
<b>Net current assets</b>		<u>5,602</u>	<u>4,854</u>	<u>5,178</u>	<u>4,458</u>
<b>Total assets less current liabilities</b>		<u>193,729</u>	<u>198,016</u>	<u>193,755</u>	<u>198,070</u>
Creditors: amounts falling due after more than one year	14	( 50,190)	( 65,803)	( 50,190)	( 65,803)
<b>Provisions</b>					
Pension liability LGPS	23	( 5,953)	( 76,229)	( 5,953)	( 76,229)
Other provisions	16	( 12,495)	( 6,535)	( 12,495)	( 6,535)
<b>Total net assets</b>		<u>125,091</u>	<u>49,449</u>	<u>125,117</u>	<u>49,503</u>
<b>Restricted Reserves</b>					
Income and expenditure reserve - endowment reserve	17	40	39	40	39
<b>Unrestricted Reserves</b>					
Income and expenditure reserve - endowment reserve	17	483	399	483	399
Income and expenditure - Local Government Pension Scheme reserve		( 5,953)	( 76,229)	( 5,953)	( 76,229)
Income and expenditure reserve - unrestricted includes pension		<u>130,521</u>	<u>125,240</u>	<u>130,547</u>	<u>125,294</u>
		<u>125,051</u>	<u>49,410</u>	<u>125,077</u>	<u>49,464</u>
<b>Total Funds</b>		<u>125,091</u>	<u>49,449</u>	<u>125,117</u>	<u>49,503</u>

The Financial Statements on pages 40 to 72 were approved and authorised for issue by the Governing Body on 29 November 2022 and signed on its behalf by:



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

  
Ms J Armit  
Pro Chancellor (Chair of the Governing Body)

## Consolidated Cash Flow Statement For the Year ended 31 July 2022

	Notes	Year ended 31 July 2022	Year ended 31 July 2021
		£'000	£'000
<b>Cash flow from operating activities</b>			
Surplus/(Deficit) for the year		( 5,007)	8,787
<b>Adjustment for non-cash items</b>			
Depreciation and amortisation	9/11	8,446	8,108
Impairment charge		-	2,095
Decrease/(increase) in stock		( 15)	56
(Increase)/decrease in debtors	12	( 45,072)	( 13,787)
Increase/(decrease) in creditors	13	47,244	19,311
Increase/(decrease) in other provisions	16	5,960	3,558
Pension charges	23	10,289	7,969
<b>Adjustment for investing or financing activities</b>			
Investment income	5	( 2)	( 11)
Interest payable	7	1,336	1,161
Endowment income	17	( 123)	( 173)
Donations		( 5)	( 203)
Loss/(profit) on the sale of tangible assets	9	( 365)	48
Capital Grant income	2	( 1,936)	( 21,060)
<b>Net cash inflow from operating activities</b>		<u>20,750</u>	<u>15,858</u>
<b>Cash flows from investing activities</b>			
Proceeds from sales of fixed assets	9	4,999	-
Investment income	5	2	11
Payments made to acquire tangible and intangible assets	9/11	( 7,816)	( 10,681)
Payments from endowment assets	17	( 38)	( 31)
Capital grant receipts	2/14	2,562	4,400
<b>Net cash (outflow) from investing activities</b>		<u>( 291)</u>	<u>( 6,301)</u>
<b>Cash flows from financing activities</b>			
Interest paid	7	( 1,336)	( 1,161)
Endowment cash received	17	123	173
Donations received		5	203
New unsecured loans	14	( 13,000)	( 4,000)
Repayments of amounts borrowed	15	( 2,621)	( 2,632)
<b>Net cash (outflow) from financing activities</b>		<u>( 16,829)</u>	<u>( 7,417)</u>
<b>Increase in cash and cash equivalents in the year</b>		<u>3,630</u>	<u>2,140</u>
Cash and cash equivalents at beginning of the year	18	30,693	28,553
Cash and cash equivalents at end of the year	18	34,323	30,693

Strategic Report and Financial Statements for the year ended 31 July 2022

## Notes to the Financial Statements

### Consolidated & University

#### 1. TUITION FEES AND EDUCATIONAL CONTRACTS

	2022	2021
Notes	£'000	£'000
Full-time home and European students	137,571	92,670
Full-time Students Overseas	5,733	3,223
Part-time Students	4,799	5,115
Total fees paid by or on behalf of individual students	<u>148,103</u>	<u>101,008</u>
Education contracts	3,319	3,161
Total	<u>151,422</u>	<u>104,169</u>

### Consolidated & University

#### 2. FUNDING BODY GRANTS

	2022	2021
	£'000	£'000
<b>Recurrent grant</b>		
OfS Office for Students	5,899	5,080
Other Bodies Research England	2,690	2,630
Other Bodies Education and Skills Funding Agency	2,433	1,849
<b>Total recurrent grants</b>	<u>11,022</u>	<u>9,559</u>
<b>Specific grants</b>		
OfS DHSC	16	92
OfS Catalyst Fund	-	120
OfS Challenge Competitions	141	145
Other Bodies Global Challenges Research Fund	-	79
Other Bodies Higher Education Innovation Fund	694	612
Other Bodies QR Strategic Priorities Fund 2019-20	50	50
QR Participatory Research	20	-
Other Bodies DfE	107	211
<b>Total specific grants</b>	<u>1,028</u>	<u>1,309</u>
<b>Capital grant received and recognised in the year</b>		
SELEP	896	10,620
<b>OfS - Capital</b>	<b>828</b>	<b>6,540</b>
OfS - Teaching Capital Investment Fund	30	944
OfS - Research Capital Investment Fund	81	83
HEE - Kent and Medway Medical School	101	301
Other - Kent and Medway Medical School	-	1,546
Other - Pears	-	1,026
<b>Total capital grants</b>	<u>1,936</u>	<u>21,060</u>
<b>Total</b>	<u>13,986</u>	<u>31,928</u>

## Notes to the Financial Statements (continued)

	Consolidated & University	
<b>3. RESEARCH GRANTS AND CONTRACTS</b>	<b>2022</b>	<b>2021</b>
	<b>£'000</b>	<b>£'000</b>
Research Councils	119	171
Research Charities	242	372
Government UK & Overseas	740	881
Industry Commerce Public	81	129
Other grants and contracts	757	540
	<u>1,939</u>	<u>2,093</u>

	Consolidated	
<b>4. OTHER OPERATING INCOME</b>	<b>2022</b>	<b>2021</b>
	<b>£'000</b>	<b>£'000</b>
Residences, catering and conferences	7,773	6,588
Other income generating activities	10,375	6858
Other operating income	337	479
	<u>18,485</u>	<u>13,925</u>

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

	Consolidated & University	
<b>5. INVESTMENT INCOME</b>	<b>2022</b>	<b>2021</b>
	<b>£'000</b>	<b>£'000</b>
Bank interest receivable	2	11
	<u>2</u>	<u>11</u>

## Notes to the Financial Statements (continued)

### 6. STAFF COSTS

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

	2022 Number	Consolidated 2021 Number
Academic Staff	617	573
Professional Service Staff	720	678
Academic Support Staff	225	229
<b>Total</b>	<b><u>1,562</u></b>	<b><u>1,480</u></b>
	<b>2022 £'000</b>	<b>2021 £'000</b>
<b>Staff costs</b>		
Wages and salaries	62,055	59,771
Social security costs	6,038	5,100
Other pension costs	11,364	10,316
<b>Total</b>	<b><u>79,457</u></b>	<b><u>75,187</u></b>

The other pension costs represents the total value of contributions due in the year to TPS, USS and LGPS. An additional cost of £9,107k (2021: £6,775k) is recognised within other operating expenses relating to the balance between the contributions due to the LGPS and the actuarially calculated service cost. The total expense recognised for the year can be seen within note 23.

Included in Wages and salaries and other pension costs are severance payments of £246,220 for 21 members of staff (2021: £936,013 for 67 members of staff). The University has in place a redundancy policy that is applied for all instances of restructuring that may generate a redundancy situation. Although every effort is taken to minimise the risk of redundancy, where redundancies are unavoidable, the University will endeavour to handle them fairly, consistently, empathetically and with dignity. The policy defines the measures that will be taken to ensure this, through providing meaningful information, and consulting and involving employees and recognised trade unions regarding proposals for organisational change.

#### Key management personnel

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the University. Staff costs includes compensation paid to key management personnel. Compensation consists of salary and benefits, including any employer's pension contribution. The Key Management Personnel in the University are members of the Senior Management Team. In 2021/2022 there were two senior post holders who retired from the University, and therefore, both the previous and current post holders are reported for the same year. As a result of this there were 15 individuals for whom costs are included, covering 13 management roles (2021: 13).

In the previous year 2020/2021, the members of the Senior Management Team (SMT) took a voluntary reduction in salary to support the University during the challenges presented as a result of the COVID-19 pandemic. The impact of the SMT returning to full remuneration in 2021/2022 is reflected in the reporting of pay for the Vice Chancellor, key management personnel and the number of staff in receipt of benefits exceeding £100,000.

	2022 £'000	2021 £'000
Key management personnel compensation	<b><u>1,676</u></b>	<b><u>1,331</u></b>

## Notes to the Financial Statements (continued)

### 6. STAFF COSTS (CONTINUED)

#### Higher paid staff

Salary Range	2022 Number	2021 Number
£100,000 to £104,999	1	-
£105,000 to £109,999	2	1
£110,000 to £114,999	1	-
£115,000 to £119,999	-	-
£120,000 to £124,999	1	-
£125,000 to £129,999	1	-
£130,000 to £134,999	1	-
£140,000 to £144,999	-	1
£150,000 to £154,999	1	-
	<u>8</u>	<u>2</u>

The emoluments paid to the five members of the Governing Body (2021: 5) and their accrued benefits under defined benefits pension schemes are shown below:

	2022 £'000	2021 £'000
Salaries	425	396
Employer's pension contributions	47	37
Total	<u>472</u>	<u>433</u>

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

	2022 £'000	2021 £'000
Salary	271	265
Voluntary reduction in salary	-	(29)
Employer's pension contributions	15	5
Total emoluments of the Vice-Chancellor	<u>286</u>	<u>241</u>

In 2020/21 the Vice Chancellor volunteered to take a pay reduction in response to the challenges placed on the University in the face of the COVID-19 pandemic. This is reflected in the disclosure of a lower level of salary for 2021 when compared to 2022.

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

The Vice Chancellor has enhanced opt out membership of the USS Pension Scheme, and therefore, the contribution made by the University to the scheme on his behalf is at the significantly lower contribution rate of 6.3%. The enhanced opt out rate of contribution was increased by the USS in March 2022 from 2% to 6.3%.

The pay ratio of the Vice Chancellor's total emoluments as a ratio to the median of the total emoluments for all staff is 8.1:1 (2021: 8.0:1). The pay ratio of the Vice Chancellor's basic salary as a ratio to the median of the basic salary of all staff is 7.9:1 (2021: 7.8:1). These calculations are on a full time equivalent basis for all staff employed by the University whose payroll charges are included in the real time information report to HM Revenue and Customs. The ratio has slightly increased year on year as, unlike the Vice-Chancellor and other higher paid employees, the majority of University staff did not have a pay reduction in 2020/21.

## Notes to the Financial Statements (continued)

### 6. STAFF COSTS (CONTINUED)

#### Directors' Emoluments

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

The remuneration of the Vice-Chancellor is based on an annual appraisal against objectives carried out by the Pro-Chancellor. Any annual increase in the Vice-Chancellor's pay is based on a senior salary framework, which was approved by the Remuneration Committee in 2014 and applies equally to all members of the Senior Management Team. The framework is based on a 3-point scale for assessment and performance – exceptional, excellent and requiring improvement. The pay increase for an 'excellent' rating is pegged to the annual national pay award for all staff (1.5% in 2020/21). Where an exceptional rating has been achieved the pay increase is normally an additional 1%.

Based upon the Vice-Chancellor's performance in 2020/21, the committee agreed with the Pro-Chancellor's assessment that this represented exceptional performance and accordingly a pay increase of 2.5% was approved by the committee. In support of this assessment, the committee noted the exceptional leadership of the Vice-Chancellor through a very challenging financial period and the successful delivery of key strategic objectives with the completion of the construction of the Verena Holmes Building within budget, the establishment of the new Kent & Medway Medical School in its first year of operation and the enhanced level of submissions to the Research Excellence Framework in both quantity and quality terms.

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

The Vice-Chancellor's authentic leadership steered the University through the financial challenges of 2020/21 with the agreement of voluntary pay reductions for all of the Senior Management Team, along with short time working arrangements and associated pay reductions for more senior staff. Working with the Trade Unions and staff, through these measures, significant numbers of redundancies were avoided and it was pleasing that the University's performance was such that these arrangements were able to end five months before the financial year end.

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

The Vice-Chancellor has been in post at Canterbury Christ Church University since 2013 and is held in considerable esteem across the Higher Education sector following many years of experience gained in senior roles within the Higher Education Funding Council and universities. The Governing Body is pleased to recognise the Vice-Chancellor's exceptional knowledge and skills as he continues to lead the University through the current uncertain times facing the country and the Higher Education sector.

## Notes to the Financial Statements (continued)

### 7. INTEREST PAYABLE AND OTHER FINANCE COSTS

	Consolidated & University	
	2022	2021
	£'000	£'000
Bank loans not wholly repayable within five years	1,336	1,161
Net charge on pension schemes	1,187	1,057
Total	<u>2,523</u>	<u>2,218</u>

### 8. ANALYSIS OF TOTAL EXPENDITURE BY ACTIVITY

	Consolidated	
	2022	2021
	£'000	£'000
Academic departments	110,426	66,489
Academic services departments	5,362	4,981
Administration and central services	31,390	28,319
Premises	17,612	17,791
Residences, catering and conferences	11,824	9,724
Research grants and contracts	2,470	2,133
Other expenses	1,144	1,433
Depreciation	8,446	8,108
Interest payable and other finance costs	2,532	2,218
	<u>191,206</u>	<u>141,196</u>

	Consolidated	
	2022	2021
	£'000	£'000
Other operating expenses include:		
Fees payable for auditing of the financial statements of the parent company	39	39
Fees payable for auditing the subsidiary company	4	4
Other fees payable to the group auditor - grant and pension assurance review	4	4
Operating lease rentals - land and buildings	6,903	7,744
Operating lease rentals - equipment	<u>171</u>	<u>144</u>

### 8a ACCESS AND PARTICIPATION

	2022	2021
	£'000	£'000
Access Investment (i)	854	720
Financial Support	3,265	2,680
Disability Support (i)	1,364	1,016
Research and Evaluation	8	8
	<u>5,491</u>	<u>4,424</u>

(i) £1,452k of these costs are included in the staff cost figures included in the financial statements, note 6, (2021: £1,356k).

The published Access and Participation plan is available on: <https://www.canterbury.ac.uk/outreach/docs/Access-and-Participation-Plan-20-25.pdf>



## Notes to the Financial Statements (continued)

### 9. TANGIBLE ASSETS

#### Consolidated and University

	Freehold Land and Buildings	Assets under Construction	Fixtures, Fittings and Equipment	Plant and Machinery	Total
	£'000	£'000	£'000	£'000	£'000
<b>Cost and deemed cost for land and buildings</b>					
At 1 August 2021	182,587	2,098	30,803	7,460	222,948
Additions	-	4,405	-	-	4,405
Assets coming into use	86	(3,442)	2,799	557	-
Disposals	(3,702)	-	(700)	-	(4,402)
<b>At 31 July 2022</b>	<b>178,971</b>	<b>3,061</b>	<b>32,902</b>	<b>8,017</b>	<b>222,951</b>
<b>Accumulated depreciation and impairment losses</b>					
At 1 August 2021					
Depreciation	(25,516)	-	(19,479)	(4,740)	(49,735)
Impairment	(1,605)	-	-	-	(1,605)
Charge for the year - Depreciation	(4,396)	-	(2,795)	(515)	(7,706)
Disposals - Depreciation	2,218	-	693	-	2,911
Impairment	3,081	-	-	-	3,081
<b>At 31 July 2022</b>	<b>(26,218)</b>	<b>-</b>	<b>(21,581)</b>	<b>(5,255)</b>	<b>(53,054)</b>
<b>Net book value</b>					
<b>At 31 July 2022</b>	<b>152,753</b>	<b>3,061</b>	<b>11,322</b>	<b>2,762</b>	<b>169,897</b>
At 31 July 2021	157,071	2,098	11,324	2,720	173,213
<b>Financed by capital grant:</b>					
<b>At 31 July 2022</b>	<b>-</b>	<b>-</b>	<b>1,936</b>	<b>-</b>	<b>1,936</b>
At 31 July 2021	20,090	-	970	-	21,060

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

#### Heritage Assets

Heritage assets held by the University consists of artwork and assets of cultural interest displayed in the University's campuses held in perpetuity. The total estimated value of the assets as determined in April 2021 is £169,550 (February 2020: £171,400). The recognition value of all items is based on the insurance replacement cost. The heritage assets are not depreciated as their individual value, other than for insurance purposes, is not known. These asset values are not included in the tangible asset note.

There were no tangible assets held by the subsidiary company.

## Notes to the Financial Statements (continued)

### 9a TANGIBLE ASSETS HELD FOR RESALE

		Consolidated and University Freehold Land and Buildings	Total
		2022 £'000	2022 £'000
<b>Cost</b>			
	As at 31 July 2021	10,378	10,378
	Disposals	(7,760)	(7,760)
	Check	<u>2,618</u>	<u>2,618</u>
<b>Accumulated depreciation and impairment losses</b>			
	As at 1 August 2021 -		
	Depreciation	(1,513)	(1,513)
	Impairment losses	(1,962)	(1,962)
	Depreciation charge for the year	(139)	(139)
	Disposals - depreciation	1,251	1,251
	Disposals - impairment	1,962	1,962
	<b>As at 31 July 2022</b>	<u><b>(401)</b></u>	<u><b>(401)</b></u>
<b>Carrying value</b>			
	<b>At 31 July 2022</b>	<u><b>2,217</b></u>	<u><b>2,217</b></u>
	<b>At 31 July 2021</b>	<u><b>6,903</b></u>	<u><b>6,903</b></u>

The University held two major assets, Hall Place and the campus buildings at Broadstairs for disposal. The impairment review in 2020 of these properties led to an impairment charge of £1.472m to bring the carrying value to reflect the lower of expected resale value and net book value, in line with the accounting policy for assets held for resale. At the end of the financial year 2021 a further review was carried out and a reduction of the carrying value of the Broadstairs properties was required, leading to an impairment charge of £490k. The sale of the property in Broadstairs completed in May 2022 and the sale of Hall Place completed after the year end in August 2022.

## Notes to the Financial Statements (continued)

### 10. FIXED ASSET INVESTMENTS

	Shares / Capital Contribution	Loans	Total
	£'000	£'000	£'000
	450	-	450
At 1 August 2021 and 31 July 2022	<u>450</u>	<u>-</u>	<u>450</u>

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

The subsidiary company Medco (CCCU) Limited had been dormant from July 2012. The company was reactivated and started trading as an agency for temporary staff from 1 February 2015. The results of the subsidiary company have been consolidated with the parent company's statements. The registered address of the subsidiary company is the same as the parent, Rochester House, St George's Place, Canterbury, Kent, CT1 1UT.

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

## Notes to the Financial Statements (continued)

### 11. INTANGIBLE ASSETS

#### Consolidated and University

	Assets in development £'000	Software £'000	Total £'000
<b>At 1 August 2021</b>	10,677	3,023	13,700
Additions	3,568	-	3,568
Assets coming into use	( 1,463)	1,463	-
<b>At 31 July 2022</b>	<b>12,782</b>	<b>4,486</b>	<b>17,268</b>
<b>Amortisation</b>			
At 1 August 2021	-	654	654
Charge for the year	-	601	601
<b>At 31 July 2022</b>	<b>-</b>	<b>1,255</b>	<b>1,255</b>
<b>Net book value</b>			
<b>At 31 July 2022</b>	<b>12,782</b>	<b>3,231</b>	<b>16,013</b>
<b>At 31 July 2021</b>	<b>10,677</b>	<b>2,369</b>	<b>13,046</b>

Intangible assets include the software assets that are being developed and the development cost of the Medical School programme.

## Notes to the Financial Statements (continued)

### 12. TRADE DEBTORS AND OTHER RECEIVABLES

	Consolidated		University	
	2022	2021	2022	2021
	£'000	£'000	£'000	£'000
Trade debtors	57,886	18,874	57,886	18,865
Prepayments and accrued income	11,582	5,522	11,558	5,522
Amount owed by subsidiary company	-	-	34	-
	<u>69,468</u>	<u>24,396</u>	<u>69,478</u>	<u>24,387</u>

The level of student debt owed at the end of the year has increased by £40m due to the intake of partnership students.

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

	Consolidated		University	
	2022	2021	2022	2021
	£'000	£'000	£'000	£'000
Bank loans	2,613	2,621	2,613	2,621
Trade creditors	18,204	13,839	18,204	13,839
Amount owed to subsidiary company	-	-	213	132
Taxation and social security	2,983	2,967	2,983	2,967
Accruals and deferred income	74,630	31,034	74,568	30,980
Deferred Capital Grants	-	-	-	-
	<u>98,430</u>	<u>50,461</u>	<u>98,581</u>	<u>50,539</u>

Amounts owed to the subsidiary company and amounts owed by the parent company are unsecured, interest free and repayable 30 days from the date of invoice. The bank loans relate to the capital repayment of loan finance to support the campus redevelopment, the purchase of the prison and student accommodation in Broadstairs. Loans are secured on assets of the University and the loan agreement restricts further borrowing and indebtedness.

As at 31 July 2022 the University has a creditor of monies owed to the University of Kent of £1,232,165 (2021: a creditor of £15,011 was reported).

## Notes to the Financial Statements (continued)

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

	Consolidated		University	
	2022	2021	2022	2021
	£'000	£'000	£'000	£'000
Secured loans	29,190	31,803	29,190	31,803
Revolving Credit Facility	21,000	34,000	21,000	34,000
	<u>50,190</u>	<u>65,803</u>	<u>50,190</u>	<u>65,803</u>

The Revolving Credit Facility is loan finance provided jointly by Lloyds and NatWest banks. The credit facility converts to long term finance, with repayment of loan capital due to commence in April 2023.

The loans held with Lloyds Bank have been secured over the freehold land and buildings included in Tangible fixed assets in note 9.

### 15 BORROWINGS

Lender	Purpose of Loan	Original amount borrowed £'000	Term (Years)	Maturity Date	Interest rate (%)	Amount owed as at 31 July 2022 £'000	Amount owed as at 31 July 2021 £'000
Lloyds Bank	Thanet Campus Development	4,250	23	Dec 2024	1.50	479	670
Lloyds Bank	Thanet Accommodation Development	2,850	30	Dec 2033	1.50	1,059	1,148
Lloyds Bank	Canterbury Campus Development	8,750	26	Sep 2034	5.34	6,479	6,837
Lloyds Bank	Canterbury Campus Development 1	5,000	25	Dec 2034	2.74	3,125	3,375
Lloyds Bank	Canterbury Campus Development 2	17,250	25	Dec 2034	1.50	11,010	11,862
Lloyds Bank	Canterbury Campus Development 3	5,000	25	Dec 2034	4.06	3,125	3,375
Lloyds Bank	Acquisition of former prison	10,000	19	Dec 2033	2.88	6,479	7,042
Lloyds Bank	Revolving Credit Facility (50%)	17,000	10	Apr 2033	3.25	10,500	17,000
Natwest	Revolving Credit Facility (50%)	17,000	10	Apr 2033	3.25	10,500	17,000
Salix Finance	Carbon Saving measures - interest free loan	168	4	Feb 2022	0.00	-	34
Salix Finance	Carbon Saving measures - interest free loan	123	4	Apr 2023	0.00	25	49
Salix Finance	Carbon Saving measures - interest free loan	56	4	May 2024	0.00	22	32
Total						<u>52,803</u>	<u>68,424</u>

In April 2018 the University entered into a financing through a Revolving Credit Facility jointly with Lloyds Bank and Natwest to further support the Estates Master Plan for the second phase. The total credit agreement is for £47,000,000 for five years with the option to convert to a term loan on completion of the building programme. There is a non-utilisation charge whilst the funds remain committed but undrawn of 0.6%. The utilisation costs are expensed to the Statement of Comprehensive Income.

## Notes to the Financial Statements (continued)

### 15. BORROWINGS (CONTINUED)

	Consolidated and University	
	2022	2021
	£'000	£'000
<b>Bank loans and overdrafts</b>		
Bank loans and overdrafts are repayable as follows:		
In one year or less	2,613	2,621
Between one year and two years	2,609	2,613
Between two and five years	7,479	7,597
In five years or more	40,102	55,593
<b>Total</b>	<b>52,803</b>	<b>68,424</b>

### 16. PROVISIONS FOR LIABILITIES

	Consolidated and University	
	2022	2021
	£'000	£'000
Dilapidation provision at the start of the year	2,442	1,400
Additions in year	44	1,042
Released	( 653)	-
<b>At 31 July</b>	<b>1,833</b>	<b>2,442</b>

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

	2022	2021
	£'000	£'000
<b>Other Provisions</b>		
Provisions at the start of the year	4,093	1,577
Additions in year	7,069	2,516
Released	( 500)	-
<b>Provision at the end of the year</b>	<b>10,662</b>	<b>4,093</b>

Provision is made for the return of unused funding from prior years and an estimate of the net pension liability from the pension costs of the Universities Superannuation Scheme.

## Notes to the Financial Statements (continued)

### 17. ENDOWMENTS

	Consolidated and University		2022	2021
	Expendable	Restricted Permanent	Total	Total
	£'000	£'000	£'000	£'000
<b>Opening balance at 1 August 2021</b>				
Capital	399	39	<b>438</b>	296
<b>Movement for the year to date</b>				
New Endowments	122	-	<b>122</b>	173
Interest	-	1	<b>1</b>	-
Expenditure	(38)	-	<b>(38)</b>	(31)
	<u>84</u>	<u>1</u>	<u><b>85</b></u>	<u>142</u>
<b>Closing balance at 31 July 2022</b>	<u><b>483</b></u>	<u><b>40</b></u>	<u><b>523</b></u>	<u><b>438</b></u>
<b>Represented by:</b>				
Capital	483	40	<b>523</b>	438
The above amounts are represented by cash balances				
<b>Representing:</b>				
Specific donations	1	-	<b>1</b>	2
Scholarships and bursaries	184	3	<b>187</b>	187
Prize funds	298	37	<b>335</b>	249
	<u><b>483</b></u>	<u><b>40</b></u>	<u><b>523</b></u>	<u><b>438</b></u>



## Notes to the Financial Statements (continued)

### 18. CASH AND CASH EQUIVALENTS

University	At 1st August 2021 £'000	Cash Flows £'000	At 31st July 2022 £'000
Balance at bank	29,940	3,591	33,531
Cash & cash equivalents - endowment assets	444	65	509
	<u>30,384</u>	<u>3,656</u>	<u>34,040</u>

Consolidated	At 1st August 2021 £'000	Cash Flows £'000	At 31st July 2022 £'000
Balance at bank - University	29,940	3,591	33,531
Balance at bank - Medco (CCCU) Limited	309	(26)	283
Cash & cash equivalents - endowment assets	444	65	509
	<u>30,693</u>	<u>3,630</u>	<u>34,323</u>

### 19. CONTINGENT LIABILITIES

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

## Notes to the Financial Statements (continued)

### 20. LEASE OBLIGATIONS AND OTHER COMMITMENTS

At 31 July 2022, Canterbury Christ Church University had annual commitments under non-cancellable operating leases as follows:

	Land and Buildings £'000	Plant and Machinery £'000	Total £'000	31 July 2021 £'000
<b>Paid during the year</b>	<b>4,372</b>	<b>2,166</b>	<b>6,538</b>	<b>6,844</b>
<b>Future minimum lease payments due:</b>				
Not later than 1 year	4,361	1,961	6,322	6,222
Later than 1 year and not later than 5 years	16,683	7,138	23,821	26,931
Later than 5 years	48,282	21,499	69,781	66,720
<b>Total lease payments due</b>	<b>69,326</b>	<b>30,598</b>	<b>99,924</b>	<b>99,873</b>

The University had outstanding financial commitments in the form of open purchase orders with a total value of £8,450,123 at the year end (2021: £7,418,293). These orders do not form part of the above lease commitments.

Other commitments consist of long term arrangements for the use of Polo Farm facilities by the University for a term of 65 years.

<b>Future minimum payments due:</b>	<b>2022 £'000</b>	<b>2021 £'000</b>
Not later than 1 year	328	317
Later than 1 year and not later than 5 years	1,311	1,266
Later than 5 years	17,177	16,904
	<b>18,816</b>	<b>18,487</b>

### 21. RELATED PARTY DISCLOSURES

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

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

### 22. EVENTS AFTER THE REPORTING PERIOD

#### CPI assumption – Pensions reporting

Pension Increase Orders are used to set the level of pension increases with effect from 1 April of each year, with reference to the change in CPI inflation over the 12 months to the previous September, which was announced in October. This was 10.1% and was considerably higher than the CPI assumption set by employers as at 31 July 2022. Although Pension Increase orders have always been set with reference to the September CPI for the last 10 years and the September RPI for the preceding 20 years, they are not automatically set and they are only known with absolute certainty when the Pension Increase Order is enacted by Parliament, which is usually in April of the following year. Similarly, the likely level of the forthcoming Pension Increase Order 2023 was not known at 31 July. Consequently, no adjustment has been made to recognise the possible 2023 Pension Increase Order within the CPI assumption.

#### Petros works contract

The University will be entering into a contract for the refurbishment of the Petros buildings in Canterbury that will ensure the cladding and insulation of the five blocks of student residencies are upgraded. This is an investment of £9m that is reported as a provision in 2021/2022 that will be utilised for a work programmed expected to commence in early 2023.

## Notes to the Financial Statements (continued)

### 23. PENSION SCHEMES

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

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

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

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

	2022 £000	2021 £000
Contribution to TPS	6,663	6,099
Contribution to LGPS	4,360	3,942
Contribution to USS	341	275
	<b>11,364</b>	<b>10,316</b>
Percentage employers contributions to TPS as at the year end	23.68%	23.68%
Percentage employers contributions to LGPS as at the year end	17.50%	17.50%
Percentage employers contributions to USS as at the year end	21.60%	21.10%

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

	TPS 31/03/16	LGPS 31/03/19	USS 31/03/20
Latest actuarial valuations			
<b>Actuarial Method</b>	<b>Prospective benefits</b>	<b>Projected Unit</b>	<b>Projected Unit</b>
Discount rate	5.30%	4.70%	gilts +2.75% to + 1.0%
Salary scale increases per annum	4.20%	3.60%	CPI 2.1% pa
Pension increases per annum	2.00%	2.60%	CPI up to 2.5%
Market value of assets at date of last valuation	-	£6.218m	£66,500m
Nominal market value of assets at date of the last valuation	£196,100m	£6.193m	-
Proportion of members accrued benefits covered by the actuarial value of assets	90%	98%	82%

## Notes to the Financial Statements (continued)

### 23. PENSION SCHEMES (CONTINUED)

The most recent valuation of Kent's Local Government Pension Scheme at 31 March 2019 records a deficit of £129m, equivalent to a funding level of assets to liabilities of 98%.

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

The latest Universities' Superannuation Scheme valuation at 31 March 2018 indicated that the scheme had a shortfall or deficit of £3.6 billion. In the valuation report for 31 March 2020 the deficit had increased to £14.1bn, equivalent to a funding level of assets to liabilities of 82%.

#### Teachers' Pensions Scheme

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

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

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

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

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

## Notes to the Financial Statements (continued)

### 23. Pension Schemes (continued)

#### Universities Superannuation Scheme

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

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

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

#### Local Government Pension Scheme

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

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

Under the definitions set out in FRS 102 the LGPS is a multi-employer defined benefit pension scheme. In the case of the LGPS, the actuary of the scheme has identified Canterbury Christ Church University's share of its assets and liabilities as at 31 July 2022.

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

The significant assumptions used by the actuary for FRS 102 for the LGPS at 31 July 2022 were:

	2022	2021
	% pa	% pa
Inflation / Pension increase	2.75	2.60
Rate of increase in salaries	3.25	3.10
Discount rate for liabilities	3.40	1.60

It is accepted there is a potential financial impact to the choice of assumptions applied. The University has considered the assumptions for the year in comparison to assumptions applied by other institutions and selected those within the mid range of the sector.

## Notes to the Financial Statements (continued)

### 23. PENSION SCHEMES (CONTINUED)

The post retirement mortality tables adopted are the S3A tables. These base tables are projected using the CMI 2021 model. The S3PA tables provide for a multiplier of 110% for both males and females. The base tables are projected with a long term rate of improvement of 1.25% p.a., a smoothing parameter of 7.0, and an initial parameter of 0.0%. The weighting parameter for both 2020 and 2021 is 5%.

The assumed life expectations from age 65 are:

	Males	Females
Current Pensioners	21.0 years	23.5 years
Future Pensioners	22.3 years	24.9 years

#### Sensitivity analysis

	£'000	£'000	£'000
<b>Adjustment to discount rate</b>	<b>+0.1%</b>	<b>0.0%</b>	<b>-0.1%</b>
Present value of total obligation	152,453	156,142	159,924
Projected service cost	6,812	7,087	7,372
<b>Adjustment to long term salary increase</b>	<b>+0.1%</b>	<b>0.0%</b>	<b>-0.1%</b>
Present value of total obligation	156,452	156,142	152,733
Projected service cost	7,092	7,082	6,810
<b>Adjustment to pension increases and deferred revaluation</b>	<b>+0.1%</b>	<b>0.0%</b>	<b>-0.1%</b>
Present value of total obligation	159,634	156,142	152,733
Projected service cost	7,373	7,087	6,810
<b>Adjustment to life expectancy assumptions</b>	<b>+0.1%</b>	<b>0.0%</b>	<b>-0.1%</b>
Present value of total obligation	161,745	156,142	150,737
Projected service cost	7,378	7,087	6,807

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

	Value at 31 July 2022 £'000	Value at 31 July 2021 £'000
Equities	97,517	96,090
Gilts	861	938
Bonds	19,977	20,573
Property	18,079	15,387
Cash	2,798	4,383
Absolute return fund	10,957	10,373
	<b>150,189</b>	<b>147,744</b>
	Value at 31 July 2022 £'000	Value at 31 July 2021 £'000
<b>Total market value of assets</b>	<b>150,189</b>	<b>147,744</b>
Present value of scheme liabilities	(156,132)	(223,962)
Present value of unfunded liabilities	(10)	(11)
<b>Deficit in the scheme – net pension liability</b>	<b>(5,953)</b>	<b>(76,229)</b>

## Notes to the Financial Statements (continued)

### 23. PENSION SCHEMES (CONTINUED)

	2022	2021
	£'000	£'000
<b>Reconciliation of Defined Benefit Obligation</b>		
Opening Defined Benefit Obligation	223,973	193,260
Current Service Cost	13,680	10,743
Interest Cost	3,575	3,086
Change in financial assumptions	( 80,860)	23,657
Change in demographic assumptions*	( 4,101)	(2,385)
Contributions by Members	1,846	1,510
Losses on curtailments	221	43
Estimated Unfunded Benefits Paid	(1)	(1)
Estimated Benefits Paid (net of transfers in)	(3,129)	(2,359)
Experience (gain)/loss on defined benefit obligation	939	(3,581)
<b>Closing Defined Benefit Obligation</b>	<b>156,143</b>	<b>223,973</b>

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

	2022	2021
	£'000	£'000
<b>Reconciliation of Fair Value of Employer Assets</b>		
Opening Fair Value of Employer Assets	147,744	125,416
Interest on assets	2,393	2,033
Return on assets less interest	(3,458)	17,134
Administration expenses	(85)	(89)
Contributions by the Employer	4,879	4,100
Contributions by Members	1,846	1,510
Other Actuarial gains	-	-
Estimated Benefits Paid including unfunded benefits	(3,130)	(2,360)
<b>Closing Fair Value of Employer Assets</b>	<b>150,189</b>	<b>147,744</b>

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

	2022	2021
	£'000	£'000
<b>Analysis of the amount shown in the balance sheet for LGPS:</b>		
Scheme assets	150,189	147,744
Scheme liabilities	(156,143)	(223,973)
<b>Deficit in the scheme – net pension liability recorded within pensions provisions</b>	<b>(5,954)</b>	<b>(76,229)</b>
Current service cost including curtailments	13,901	10,786
Admin charge	85	89
<b>Total operating charge:</b>	<b>13,986</b>	<b>10,875</b>
<b>Analysis of the amount charged to interest payable for LGPS</b>		
Interest cost	1,182	1,053
<b>Net charge to other finance income</b>	<b>1,182</b>	<b>1,053</b>

**Total profit and loss charge before deduction for tax**

**Analysis of other comprehensive income for LGPS:**

Gain on assets	(3,458)	17,134
Other actuarial gains/(losses) on assets	-	-
Changes to demographic assumptions	4,101	2,385
Financial assumption changes	80,860	(23,657)
Experience gain/(loss) on defined benefit obligation	(939)	3,581
<b>Total other comprehensive income before deduction for tax</b>	<b>80,564</b>	<b>(557)</b>

## Notes to the Financial Statements (continued)

### 24. FINANCIAL INSTRUMENTS

Consolidated	2022 £'000	2021 £'000
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#### Financial Assets

Financial Instruments are debt instruments  
measured at amortised cost

Cash and cash equivalents	34,323	30,693
Trade and other debtors	58,567	19,627
	<u>92,890</u>	<u>50,320</u>

#### Financial Liabilities

Financial liabilities measured at amortised cost

Loans	52,803	68,424
Trade creditors	18,201	13,664
Other creditors	74,630	31,034
	<u>145,634</u>	<u>113,122</u>

University	2022 £'000	2021 £'000
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#### Financial Assets

Financial Instruments are debt instruments  
measured at amortised cost

Cash and cash equivalents	34,040	30,384
Trade and other debtors	58,567	19,617
	<u>92,607</u>	<u>50,001</u>

#### Financial Liabilities

Financial liabilities measured at amortised cost

Loans	52,803	68,424
Trade creditors	18,201	13,664
Other creditors	74,781	31,112
	<u>145,785</u>	<u>113,200</u>



## Notes to the Financial Statements (continued)

### 25. STUDENT SUPPORT FUNDS

	2022 Total £'000	2021 Total £'000
<b>DfE Bursaries</b>		
Funding Council grants	2,079	5,487
Balance brought forward from previous years	262	169
Disbursed to students	(1,950)	(5,394)
	<u>391</u>	<u>262</u>
<b>HEKSS Paramedic Bursaries</b>		
Funding Council grants	2	37
Balance brought forward from previous years	(20)	(21)
Travel expenses paid to students	20	-
Disbursed to students	(2)	(36)
	<u>-</u>	<u>(20)</u>