

# Annual Review and Financial Statements

For the year ended 31 July 2024



**WARWICK**  
THE UNIVERSITY OF WARWICK





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## Chair's foreword

As I begin my final year as Chair of Council I particularly want to thank all the University's staff and students for their contribution to another outstanding year. The University of Warwick continues to go from strength to strength. It remains firmly in the top ten of UK universities. It is financially secure despite the financial pressures on the university sector as a whole. It continues to invest in the future to ensure that we continue to offer the highest quality education to our students and to conduct world leading research, which changes the world for the better.

I reported last year that through 2022/23 Council had been engaged in the review of the University's Strategy. This past year the refreshed Strategy, Warwick 2030 – Reshape, Refresh, Renew, was launched. It describes the remarkable progress since the original strategy was launched in 2018, not least in the development of our campus and in attaining TEF Gold in the 2023 national Teaching Excellence Framework. It also puts renewed emphasis, which I very much welcome, on sustainability in research, education and campus operations.

The Strategy was launched alongside the University's Values and Behaviours. These were developed with the staff and students of the university and are a powerful shared statement of how we want our Warwick community to be and to behave. Going forward and further; thinking freely; thriving on difference; creating connections; sharing opportunities: these are the values we want everyone working and studying at Warwick to espouse and champion. They are particularly relevant at a time of international tensions and conflict, when it is more important than ever that, as a community, we support each other and show tolerance and respect for different views and perspectives.



**Sir David Normington, GCB**  
Chair of Council

Turning to some of the specific achievements of the year I will highlight just a few of the many. First we approved an updated Education and Student Experience Strategy this year. This builds on the University's outstanding TEF outcome and our Institutional Teaching and Learning Review held in 2023. It is designed to ensure that the University continues to offer its students an outstanding experience during their time at Warwick with renewed emphasis on equality and inclusion across all aspects of the Strategy. We are proud of the progress made but know that we must continue our efforts to remain ahead.

Secondly, the University has continued to develop structures to give staff and student researchers the best support possible. One example is the recently launched Impact Academy which has been developed through the year to provide researchers with expert advice and guidance on how to translate their research into real-world change. I was delighted to attend the Research Celebration and Awards Event in April which recognised the achievements of the University's researchers and the amazing efforts of those whose work underpins their successes.

Thirdly, the University is a diverse, international community and building a strong global network of partners with whom we can advance educational and research excellence is core to its updated International Strategy, approved by Council this year. A prime example of Warwick's global leadership is the launch of the Marco Polo International Programme, established with 36 partners worldwide to explore the importance and impact of cultural interaction, engagement and discovery. Our base in Venice, relocated to the Palazzo Giustinian Lolini in 2023, provides an ideal focal point for staff and students to make connections and further their scholarship in the home city of the merchant and explorer.

Fourthly, we have put a new focus in 2023/4 on innovation, particularly in developing regional partnerships and looking at how we can contribute to regional and national economic growth. We have great plans for developing our Innovation campus in Stratford. The University has also signed a Statement of Intent with the Mayor of the West Midlands and Solihull Metropolitan Borough Council setting out how partnership working will maximise investment at Arden Cross, benefiting from the building of HS2. This represents our commitment to support the delivery of a HealthTech campus in the region, bringing together the public, private and academic sectors to design and bring new health technology to the market.



**10<sup>th</sup>** in the UK      **69<sup>th</sup>** in the world

QS World University Rankings 2025

Fifthly, I reported last year that the Council had agreed two major capital developments of our science and social sciences estate, the biggest investment in research and teaching facilities ever made by the University. I am glad to report that work has already begun on the first phase of our new science and engineering building, while detailed plans are well advanced for social sciences, including a new business school. These are essential investments, to keep Warwick University as one of the world's leading research and teaching institutions well into the 2030s.

Finally, I am glad to say that Warwick continues to manage its finances with prudence and skill. Although there are considerable financial challenges for the sector currently, the University has once again managed its financial outcomes successfully in 2023/24. It remains in a strong position to continue to invest in its future and the Council congratulates all those involved for their work in getting us to this point.

In the coming year the University of Warwick will celebrate its 60th Anniversary. We are looking forward to shining a light on its many successes and the people who have made it the remarkable institution it is today. It will also be a year of change. We will shortly appoint a new Chancellor and say goodbye to Baroness (Cathy) Ashton, who has so brilliantly represented the University over the last 8 years. I will also stand down in July 2025 after 14 years on Council and eight as Chair. It has been the privilege of my life to be associated with this great University, to play a part in its continued growth and development and hopefully to help lay the foundations for a great future. I particularly wish my successor, Neil Sachdev, all the very best for his time as Chair of Council. I know he will be an outstanding Chair.

Thank you to the wonderful Council members, University leaders and staff and superb support team for making my life as Chair as smooth and enjoyable as possible; and particular thanks to Stuart Croft, the Vice Chancellor, who is an exemplary leader of the University and with whom it has been a complete joy to work in partnership over the last ten years. I look forward to cheering on the University from my retirement and celebrating many future successes.

# 86%

**of students**  
would recommend  
Warwick as a place  
to study

*(National Student Survey 2024)*

Shortlisted  
**University of  
the Year 2025**

The Times, Sunday Times  
and Daily Mail

# 6<sup>th</sup>

**most targeted  
university in the UK**  
by the UK's top 100  
Graduate Employers

*(The Graduate Market in 2024, High Fliers Research Ltd.)*

# 20%

**reduction achieved**  
in our Scope 1  
carbon emissions

*(Movement between 2022/2023  
and 2023/2024 reporting years)*

# Financial Highlights

FOR THE YEAR ENDED 31 JULY 2024

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME	2023/24 £ million	2022/23 £ million	Change
Tuition fees and educational contracts	459.6	453.8	1.3%
Funding body grants	74.1	74.4	(0.4%)
Research grants and contracts	146.5	144.1	1.7%
Other income	151.1	148.5	1.8%
Investment income	24.1	14.6	65.1%
Donations and endowments	4.6	4.0	15.0%
<b>Total income</b>	<b>860.0</b>	<b>839.4</b>	2.5%
<b>Surplus for the financial year excluding USS pension provision movement</b>	<b>46.8</b>	<b>73.5</b>	(36.3%)
<b>Surplus for the financial year</b>	<b>298.0</b>	<b>105.0</b>	183.8%

CONSOLIDATED STATEMENT OF FINANCIAL POSITION	2024 £ million	2023 £ million	
Fixed assets	828.8	840.5	
Investments	92.2	117.2	
Pension asset	9.5	12.1	
Net current assets	225.0	156.7	
	1,155.5	1,126.5	
Long term creditors and provisions	(384.1)	(644.9)	
<b>Total net assets</b>	<b>771.4</b>	<b>481.6</b>	60.2%

	2023/24 £ million	2022/23 £ million	
<b>CAPITAL EXPENDITURE IN THE YEAR</b>	<b>44.9</b>	<b>45.5</b>	(1.3%)
<b>NET CASH INFLOW FROM OPERATING ACTIVITIES</b>	<b>52.3</b>	<b>83.8</b>	(37.6%)

OTHER KEY STATISTICS	2023/24 Number	2022/23 Number	
Full Time Students:-			
Home undergraduates	12,672	12,227	3.6%
Home postgraduates	2,222	2,216	0.3%
Overseas (incl EU) undergraduates	4,944	5,406	(8.5%)
Overseas (incl EU) postgraduates	5,405	5,175	4.4%
Total number of students (Full Time Equivalent)	27,044	27,293	(0.9%)
Total staff numbers (Full Time Equivalent)	7,358	6,897	6.7%

# Public Benefit Statement

## Introduction

We provide public benefit principally by pursuing our core objects, as set out in our Charter: ‘the advancement of learning and knowledge by teaching and research and the provision of University education’.

Members of the University Council, as charity trustees, have complied with their responsibility to have due regard to the Charity Commission’s guidance on public benefit in exercising their powers and duties.

Our strategy, *Pointing the Way Ahead*, was relaunched in 2023/24 to articulate our purpose, that of making the world a better place, and how we intend to do that in the coming decade. It is underpinned by a commitment to our duty to the public interest through the impact of our teaching and research and a core set of values which express our expectations of how we behave as individuals and an institution. The University Council and Senate have continued to seek assurance that our education, research and knowledge generation are at the forefront of excellence in national and international agendas. They are committed to working in partnership with students and staff to maintain and further enhance the distinctiveness of education and research at Warwick.







## Teaching and Learning

The University's Warwick Scholars programme brings together support in advance of applying to university, alongside a contextual approach to admissions. There is also financial support should the student join the University, including a bursary and a 50 per cent discount on their fees. There are currently around 300 students on the programme, with future growth planned. There is good evidence that the scheme is working to support entry to Warwick, as nearly half of those involved in the scheme eventually study here, with an even higher proportion progressing to higher education overall. Outcomes at the end of the degree are also positive, with a higher proportion of Warwick Scholars receiving a First or 2.1 compared with the sector average for students from those backgrounds.

The University's commitment to nurturing future educators who are well-prepared and passionate about their careers was recognised by an Ofsted report earlier this year. The Centre for Teacher Education (CTE) was awarded an 'Outstanding' Ofsted grade when it was assessed in June 2024, and it received a glowing report, highlighting the exceptional quality of training and support provided to its teacher trainees.

This year, the University also unveiled a brand new £4.2 million clinical anatomy and clinical skills facility - set to train the medics of the future. The Clinical Education Hub at Beehive offers state-of-the-art, purpose-designed spaces for clinical anatomy and clinical skills education, and will provide essential learning opportunities for medical students, clinical practitioners, surgeons, and allied healthcare professionals.

More than 900 students volunteer through the Warwick Volunteers programme, which supports our students to participate actively in the communities around campus and where they live. Utilising the skills, energy and enthusiasm of our volunteers, the scheme aims to make a difference to communities in Coventry and Warwickshire by having a positive impact on their social, educational and environmental wellbeing, in particular by addressing disadvantage and exclusion.



The Warwick Award recognises the transferable skills students develop through co-curricular and extra-curricular activities they are involved in during their time at Warwick in addition to the skills embedded within their academic programmes. Students achieving the Award have done so by reflecting on skills they have learnt and practised across their diverse experiences with reference to Warwick's Core Skills Framework, around which the Award is designed. Giving students the opportunity to develop skills that will improve employability after graduation, it is fast becoming the jewel in the crown in our offer to students interested in furthering their development beyond their academic programme. There are high levels of engagement across the University, with more than 9,000 student participants and over 1,000 certificates issued. In November 2023, the scheme received external recognition from a nomination in the 'Nurturing Employability' category at the QS Reimagine Education awards.



The National Student Survey (NSS) seeks the views of final-year undergraduate students across the UK every year. At Warwick, this year's results are positive overall, with 86 per cent of students saying that they would recommend Warwick as a place to study - a 3.6 per cent increase from 2023. Warwick has scored above the sector benchmark in six of the seven question groupings (Teaching, Learning Opportunities, Academic Support, Organisation and Management, Learning Resources, and Student Voice), and ranks in the top five in the Russell Group across all question themes. We are delighted to see that, overall, our students continue to have a positive learning experience and would recommend Warwick to future students.

Looking to students who have now become alumni, this year's Graduate Outcomes data shows Warwick's excellent track record of supporting students into employment after they graduate, contributed to by the wide range of extra- and co-curricular opportunities provided at the University. Initial analysis of the results for our 2021/22 graduating cohort shows that 83 per cent of full-time first-degree graduates are in graduate-level work or further study 15 months after completing their course.

For postgraduates, the figures are also very positive, at 93 per cent for those completing postgraduate taught programmes, and 94 per cent for postgraduate research. (Source: derived from the Graduate Outcomes Survey of 2021/22 graduates). In the Times & Sunday Times University League Table 2025 published in September 2024, Warwick ranks **11th in the sector** and **8th in the Russell Group** based on the 'Graduate Prospects' score. In the Guardian's University Guide 2025 published in September 2024, Warwick ranks **joint 10th in the sector** and **joint 8th in the Russell Group** for the 'Career after 15 months' score.





## Research

We undertake internationally-leading, impactful, and provocative research at Warwick. The quality and originality of our research, and the dedication of our researchers, define our community. Together, we have helped to improve lives locally, nationally and internationally. Research is central to all that we do at Warwick and marks us out as world-class.

The University's updated Research Strategy sets out how we will continue to explore new ways to create a better world and share our knowledge. This will be delivered through six strategic research priorities focused on building disciplinary and interdisciplinary excellence with real-world impact, developing research culture, communications and partnerships, while keeping innovation and sustainability at the heart of everything we do.

In the Science, Engineering and Medicine faculty, our groundbreaking research showcases the transformative power of interdisciplinary collaboration in addressing global sustainability challenges. By training the next generation in computational modelling to understand the behaviour of heterogeneous materials for the high-value manufacturing and automotive industries, developing sustainable alternatives to plastics, and development of power devices for the automotive and energy sectors in semiconductor research, Warwick is poised the UK to lead in the transition to net-zero. Research in development of a 'digital telescope' promises unprecedented insights into the night sky through continuous imagery, enabling detection of astrophysical events in real time, such as supernova and merging of black holes. Our research has also made significant contributions towards a psychiatry commission on youth mental health which will impact policy and practice across the world to improve youth mental health care.

In the Faculty of Social Sciences, our researchers are shaping policies that facilitate ethical and sustainable energy transitions while mitigating social and economic consequences for workers and communities. Elsewhere, our academics are developing interventions to address demotivation and improve wellbeing among English as a Foreign Language (EFL) teachers around the world.

Our Social Sciences faculty academics have also advised governments across the world on how to adapt to a new age of "big data" and the fast-changing world of intelligence.



In the Faculty of Arts, our research is highlighting the importance of arts and culture in our past and present, from examining what coins and tokens can tell us about the ancient world, to recognising and preserving twentieth century architecture, through to providing evidence for policymakers on funding levels for the arts today.

Our researchers have shone a light on topics as diverse as building resilience and agency through Caribbean art heritage in the UK, through to using literature to understand and improve wellbeing in older age

In 2023, we launched the National Centre for Research Culture (NCRC), the first of its kind in the UK, to improve research culture in higher education, offering a hub for networking, knowledge curation, training, and innovative research. The Centre has since held two International Research Culture Conferences, one in September 2023 (400 participants across 14 different countries), and one in September 2024 (500 participants across 24 different countries). It has launched a national research culture enablers network, aimed at all colleagues committed to improving research culture and interested in partnering with others to achieve greater results, with over 200 active members representing over 64 institutions. The NCRC has also launched a monthly online conversation series, engaging with a variety of research professionals across the sector.

We renewed our commitment to interdisciplinary research by launching the Interdisciplinary Research Spotlights. This new initiative aims to foster a vibrant interdisciplinary research culture and support Warwick's research excellence in six areas of global challenges: Behaviour, Business and Manufacturing, Digital, Health, Society and Culture, and Sustainability.

## Inclusion

We continue to work towards our Social Inclusion Strategy - to remove the economic, social and cultural barriers that prevent people from working, studying and succeeding at Warwick. We have made progress towards our key performance indicators (KPIs), increasing the number of female professors and decreasing the ethnicity pay gap in the past 12 months, and we are delighted to renew our Athena Swan Silver Award in recognition of our gender equity work.

A key focus in 2023/24 has been to support our people to embed inclusion at the heart of all decision-making. We refreshed our Dignity Principles Policy to reflect our commitment to creating a culture of inclusion aligned with our values. Conscious inclusion training has been developed to make sure teams feel equipped to develop an inclusive culture, and we rolled out bite-sized e-learning to all staff to support their own inclusive practice. In addition, new inclusive recruitment guidance provides support to hiring managers at all stages of the recruitment process.

We continue to develop our diverse talent through our Level 9 talent programme, and in 2023/24 we introduced EmpowerHer, a career development programme for ethnic minority women and their managers. The programme's primary aim is to equip aspiring leaders with the knowledge and abilities needed to effectively address the unique challenges they face as they progress in predominantly non-diverse environments. At the same time, the programme equips managers to become catalysts for change, helping them understand and confront systemic practices and personal behaviours that can perpetuate disadvantages for minority groups. 24 aspiring leaders and their managers took part in the programme in 2023/24. We are committed to continue developing programmes that support underrepresented groups and promote diversity at all levels.



## Innovation

Innovation and entrepreneurship has been in Warwick's lifeblood since we were founded, almost sixty years ago. Long renowned for expertise in the STEM fields, our recent commitment to expanding and improving our offering in the Arts demonstrates our determination to innovate in every field.

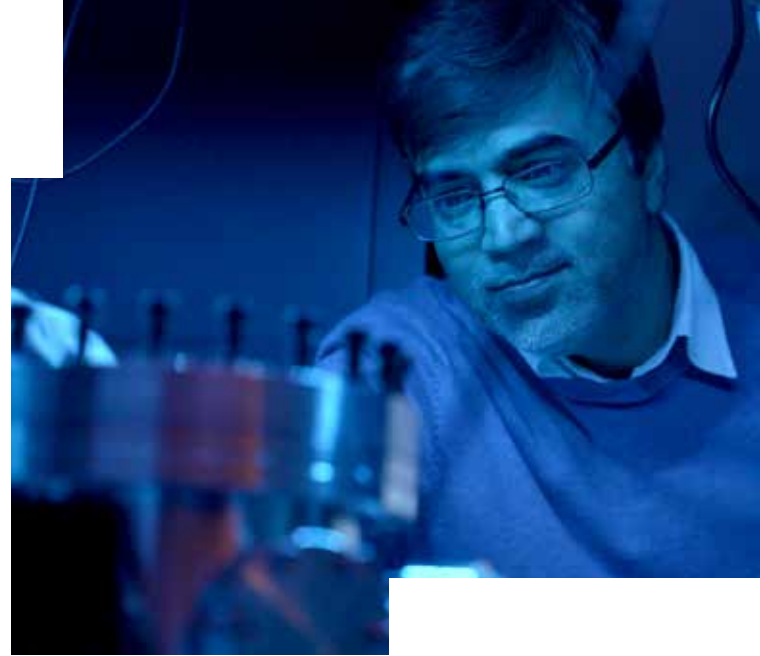
Our Innovation District is a large, open innovation ecosystem that stretches from University Hospital Coventry and Warwickshire, through Leamington to Wellesbourne.

We connect, convene and co-create, bringing together academics, businesses, founders and investors to start, scale and pivot businesses. We help students gain the opportunity to experiment with creative and critical thinking. Our passion is to see our region, and our country, prosper.

We have been ranked as one of the top institutions in the country for numbers of spin-out companies, with almost 50 businesses founded since 2011, collectively raising over £200m. In 2023-24 the university had 32 active spin-outs in its portfolio.

Our Warwick Enterprise programme continues at pace, helping to support our entrepreneurial students in making their ambitions a reality. Warwick Enterprise offers advice and support for budding innovators, as well as dozens of events and drop-in sessions across the year, providing inspiration and enterprise education to students through over 10,000 touchpoints in the last academic year. With opportunities for students to explore their ideas, develop their skills and seek funding options, Warwick Enterprise is leading the way in setting up our students as successful and innovative entrepreneurs.

Meanwhile, innovation continues across the University. Identified as one of the UK's top 50 mobility changemakers (Zag Daily), Principle Engineer James Black leads the Clean Transport Accelerator programme, a collaboration between NatWest and WMG. The programme aims to help businesses find new ways of bringing sustainable transport solutions to market while providing coaching and mentoring opportunities.



Warwick is proud of the innovators among both our students and staff. Alumni such as Woody Lello are leading the way, with innovative start-ups such as Truss, which is working with companies like Depop and Selfridges to use artificial intelligence (AI) to transform the second-hand fashion industry.

Meanwhile, our staff are supported to pursue their innovation visions, with start-ups like Medherant. This company, founded based on research by our Chemistry department, is set to transform menopause healthcare through groundbreaking testosterone replacement patches developed in the last year.



## Sustainability

Warwick is committed to playing its part in tackling the climate and nature emergencies. Building on our existing research and education programmes, and our connections to industry and society, we are focusing on The Way to Sustainable - taking on the challenge of realising the real-life implications of creating a sustainable future, and the practical challenges of getting there.

The impact of our approach to University energy supply can be seen in the reduction of our Scope 1 and 2 carbon emissions (on pX); reductions achieved through reducing the operation of gas-fired combined heat and power plants and continued efforts in improving the energy performance of campus buildings. We also continue to purchase 100% of our campus grid electricity from renewable sources.

We are designing our new buildings in a way that ensures they are not reliant on direct combustion of fossil fuels for heating, and actively investigating low carbon heat sources to replace existing gas-fired systems. We installed enough solar panels in 23/24 to boost our solar PV generation by circa 50%; these panels will become operational in early 24/25 when all final checks are complete. In 2023/24, we planted more than 500 trees, 250 metres of hedgerow and 5,000 square metres of wildflower meadows. We also undertook more than ten wildlife surveys, created eight bug hotels and achieved the Gold Hedgehog Friendly Campus award.





## Regional Leadership

Our mission is to be a catalyst for positive change in our region. By collaborating with our communities, partners, and key industries, we strive to build a fairer and better world for everyone.

Warwick generates over £1.15 billion for the local economy through direct spending with local firms, thanks to the money spent locally by our students, and the productivity and output growth we help generate in local businesses.

We are directly supporting major growth industries and creating new insights through our innovative education and research activities. We also work in partnership with regional business and industry, developing projects to support emerging and early-stage businesses. An example of this is the previously mentioned NatWest Clean Transport Accelerator, which works towards achieving the UK's net zero ambitions.

Our Creative Futures programme is the gateway between the University of Warwick and the region's creative cluster. We have delivered impact through various programmes and initiatives, including a creative industries network, a start-up incubator, digital skills programmes, and a state-of-the-art Esports Centre on campus. Since launching in September 2020, the Creative Futures incubator has helped 40 businesses, seeing investments of over £2 million, creating hundreds of industry contacts and fostering a stronger regional network.

Warwick has provided numerous opportunities for young people in the West Midlands, through our work with regional schools, outreach programmes, our partnership with University College Birmingham (UCB), and our gateways into higher education for adults. Our partnership with IntoUniversity has celebrated five years and has supported more than 4,000 local young people into higher education. Alongside regional employers, we are also delivering a range of degree apprenticeships, from Engineering and Digital Technologies to Health, Social Care, Business and Administration.

We launched the Warwick Institute for Engagement in 2021. The Institute continues to support engagement with public and community audiences in a range of ways, including three new festival programmes representing the diverse range of subjects studied and researched at the University. We are continuing to build long-lasting relationships with Cheylesmore Community Centre, CV Life (Coventry Museums), Foleshill Community Centre, and Grapevine. In the past year, Warwick Institute for Engagement has engaged with a total of 15,000 people in person and 1,000 online through its events programme, involving work by 127 staff and 226 students.

Warwick support our local communities through student volunteering and student societies. Activities such as the Canley Parade and the award-nominated Playing Out in Canley project, run by Warwick Arts Centre, have involved community groups in our local neighbourhood in Coventry.



# Carbon Emissions

	2023/24	2022/23
<b>Energy consumption used to calculate emissions (kWh)</b>		
Gas <sup>1</sup>	130,703,169	163,068,678
Grid Electricity	46,911,650	34,955,223
Petrol and Diesel	531,282	435,167
LPG for heating	44,963	38,753
	<b>178,191,064</b>	<b>198,497,821</b>
<b>Scope 1 emissions (tCO<sub>2</sub>e)</b>		
Gas	23,906	29,830
Petrol and Diesel	126	104
LPG	10	8
Refrigerant gases <sup>2</sup>	231	357
	<b>24,273</b>	<b>30,299</b>
<b>Location Based Scope 2 emissions (tCO<sub>2</sub>e)</b>		
Grid Electricity	9,713	7,238
	<b>33,986</b>	<b>37,537</b>
<b>Total Location Based Scope 1 and 2 emissions from University activities (tCO<sub>2</sub>e)</b>		
	<b>33,986</b>	<b>37,537</b>
Less: Scope 2 emissions re electricity procured from accredited renewable sources (tCO <sub>2</sub> e)	(9,487)	(6,843)
	<b>24,499</b>	<b>30,694</b>
<b>Total Market Based Scope 1 and 2 emissions from University activities (tCO<sub>2</sub>e)</b>		
	<b>24,499</b>	<b>30,694</b>
Less: estimated carbon capture sequestration on campus	(322)	(181)
	<b>24,177</b>	<b>30,513</b>
<b>Net Market Based Scope 1 and 2 emissions created by University activities (tCO<sub>2</sub>e), including gas burned in energy centres for supplying heat and electricity to 3rd parties<sup>4</sup></b>		
	<b>24,177</b>	<b>30,513</b>
Less: scope 1 emissions arising from gas burnt in in energy centres for the supply of heat and electricity to third parties. Associated emissions (tCO <sub>2</sub> e)	(1,129)	(1,520)
	<b>23,048</b>	<b>28,993</b>
<b>Net Market Based Scope 1 and 2 emissions created by University activities (tCO<sub>2</sub>e), excluding gas burned in energy centres for supplying heat and electricity to 3rd parties</b>		
	<b>23,048</b>	<b>28,993</b>
<sup>1</sup> Gas energy consumption includes gas burnt in energy centres for the supply of heat and electricity to third parties. Energy consumed for this purpose (kWh)	6,174,680	8,311,476
<b>Intensity ratios<sup>4</sup></b>		
tCO <sub>2</sub> e/student FTE	0.89	1.12
tCO <sub>2</sub> e/research £'000	0.17	0.21
tCO <sub>2</sub> e/staff FTE	3.29	4.42

<sup>2</sup> Refrigerant gases included for 2023/24. 2022/23 comparatives have been amended to reflect the new presentation.

<sup>3</sup> Scope 1 emissions include those arising from gas burnt in in energy centres for the supply of heat and electricity to third parties.

<sup>4</sup> Ratios calculated using Net Market Based Scope 1 and 2 emissions created by University activities (tCO<sub>2</sub>e) including gas burned in energy centres for supplying heat and electricity to 3rd parties.

## Basis of calculation

Whilst the disclosure of emissions is currently voluntary for the Higher Education sector, the University believes it is good practice to disclose its emissions. This disclosure has been prepared to align with the 2019 HM Government Reporting Guidelines and the GHG Protocol Corporate Accounting and Reporting Standard.

Energy consumption is mostly taken from meter readings. Where no meter readings are available, industry body benchmarks have been applied (e.g. consumption per building floor area). The related carbon emissions are then determined by using 2023 and 2024 Conversion Factors published by the UK Government for greenhouse gas reporting ([www.gov.uk/government/collections/government-conversion-factors-for-company-reporting](http://www.gov.uk/government/collections/government-conversion-factors-for-company-reporting)).

Location-based scope 1 and 2 emissions are reported gross and also net of emissions relating to electricity procured from accredited renewable sources. Only certified energy suppliers with 100% renewable fuel mix which are passed through to customers are reflected in this adjustment, with emissions from other electricity supply being reflected in line with UK grid average emissions. Where the University procures electricity directly it now uses solely 100% renewable sources.

This disclosure reflects University group activities and excludes all emissions from third parties operating in University buildings. This follows the methodology of the 2019 HM Environmental Reporting Guidelines to report on units within the organisation's financial and operational boundaries.

An estimate of total CO<sub>2</sub>e sequestered on campus by the University's trees is provided based on an updated methodology, accounting for tree number, maturity and species. The University will continue to grow its carbon offset potential through an ongoing tree planting programme and other natural asset initiatives on University grounds, in 23/24 more than 500 trees, 250 metres of hedgerows and over 5,000 square metres of wildflowers were planted.

## Intensity Ratios

The chosen intensity measurement ratios are net Scope 1 & 2 carbon dioxide equivalent emissions in metric tonnes (tCO<sub>2</sub>e) per student FTE, per £'000 of research income and per staff FTE, reflecting the combination of teaching, research and supporting activities that the University undertakes; all measurements show a positive year on year reduction.

## Movement between 22/23 and 23/24

Total location-based scope 1 and 2 emissions from University activities reduced by 9.5% between the reporting years due to a mix of factors. A reduction in gas consumption contributed to an overall reduction in Scope 1 emissions of 19.9% and was a result of reduced utilisation of the University's substantial gas fired combined heat and power (CHP) installations (37.6% year on year reduction in electrical output) and a reduction in gas consumed for heating through improvements in building heating management and milder weather<sup>1</sup>.

Higher grid electricity consumption was recorded following a reduction in onsite CHP electricity generation and an increase in total electrical demand. The overall increase in location-based Scope 2 emissions was, however, more than offset by savings in Scope 1 emissions.

Most petrol and diesel consumption relates to grounds maintenance, portering, shuttle buses, and agricultural vehicles at the Wellesbourne campus. Combined petrol and diesel related Scope 1 carbon emissions represent less than 1% of total University Scope 1 emissions, these increased by 21.9% between the reporting years. This increase arises from increased grounds and garden activities during this reporting year.

Total Market Based Scope 1 and 2 emissions from University activities, including gas burned in energy centres for supplying heat and electricity to 3rd parties, decreased by 20.2% between the reporting years principally due to reductions in gas consumption. The University continues to procure electricity from certificated renewable sources and is committed to renewable purchases for all future electricity contracts.

<sup>1</sup> Heating degree days decreased from 1,943 in 2022/23 to 1,818 in 2023/24.

Leakage of refrigerant gases from Estates managed assets have been reported for the first time this year and 2022/23 comparatives have been amended to reflect the updated presentation. Release of these gases has a direct effect on global warming. Also known as fugitive emissions, they contribute to the University's Scope 1 total. In 23/24, we recorded leakage equivalent to 231 tCO<sub>2</sub>e of emissions.

**University climate emergency statement, measures taken to improve energy efficiency and reduce emissions.**

In 2019 the University announced its target to reach net zero carbon from our direct emissions (scope 1 and 2) and the energy we buy by 2030.

Continuous efforts to reduce energy use by adjusting heating, cooling and ventilation set points in line with our energy policy have shown to be effective in reducing thermal energy demands. In August 2023 gas fired combined heat and power engines in the Main Energy Centre were turned off, operating as emergency backup generators only with significant impact on Scope 1 carbon emissions; from August 2024 operation of combined heat and power engines in Cryfield Energy centre is also being reduced.

Higher energy performance standards are in place for new builds alongside the requirement for zero carbon fuel sources. As noted above, all purchased grid electricity has been from renewable sources.

The University also continues to put in place initiatives to significantly reduce its emissions with the aim of achieving net zero carbon for both direct and indirect emissions (scope 1, 2 and 3) by 2050. New low carbon electricity sources are being installed on campus alongside detailed investigations into alternative, low carbon, heat sources. Ambitious embodied carbon targets are in place for new builds and the travel policy continues to encourage lower carbon travel. More information is available via the link [www.warwick.ac.uk/sustainability](http://www.warwick.ac.uk/sustainability).

The University has a Responsible Investment policy available via the link below <https://warwick.ac.uk/about/management-and-governance/ethical-assurance/investments>





# Corporate Governance Statement

## The University

1. The University has charitable status as one of the exempt charities listed in Schedule 3 to the Charities Act 2011. It is therefore exempt from certain requirements of that Act, including the need to register with the Charity Commission. The Office for Students (OfS) is the “principal regulator” for charity law purposes of those English universities which are exempt charities and the current regulatory framework has been in effect since 1 August 2019. The University’s legal status derives from a Royal Charter originally granted in March 1965. Its objects, powers and framework of governance are set out in the Charter and its supporting Statutes, which were modernised with effect from 13 February 2019, following a review of the University’s Governing Instruments in 2018/19.
2. The University conducts its business in accordance with the seven principles identified by the Committee on Standards in Public Life (selflessness, integrity, objectivity, accountability, openness, honesty and leadership) and with the guidance to universities that had been provided by the OfS and the Committee of University Chairs (CUC) in the Higher Education Code of Governance. A ‘fit and proper’ test for all members of the University Council has been adopted. The University is mindful of its charitable purpose and its strategy aims to encompass its public benefit role.

## The University Council

3. The University Council is the executive governing body, responsible for the finance, property, investments and general business of the University, and for setting the general strategic direction of the institution. It has a majority of members from outside the University (described as independent members), from whom the Chair, Vice-Chair and the Treasurer are drawn. Also included in its membership are representatives of the staff of the University and the student body. None of the independent members receive any payment, apart from the reimbursement of reasonable expenses, for the work that they do for the University.
4. The Terms of Reference for the University Council and each of its Committees are publicly available on the University’s website ([www.warwick.ac.uk/services/gov/committees](http://www.warwick.ac.uk/services/gov/committees)), as well as a diagrammatic representation of the University’s Committee structures ([www.warwick.ac.uk/services/gov/committees/diagram](http://www.warwick.ac.uk/services/gov/committees/diagram)).

The University makes redacted minutes of each University Council meeting publicly available via its website, alongside the full agenda ([www.warwick.ac.uk/services/gov/committees/council/minutes](http://www.warwick.ac.uk/services/gov/committees/council/minutes)). Papers that are not confidential are readily available from the Modern Records Centre ([www.warwick.ac.uk/services/library/mrc](http://www.warwick.ac.uk/services/library/mrc)). The Scheme of Delegation, which is reviewed and presented to the University Council annually, with an in-depth review undertaken every five years, is also available on the University’s website ([www.warwick.ac.uk/services/gov/calendar/schemeofdelegation](http://www.warwick.ac.uk/services/gov/calendar/schemeofdelegation)).

5. The University Council has continued to work in conjunction with the Senate to monitor compliance with the OfS’s ongoing conditions of registration, any terms and conditions of funding, as well as any other relevant regulatory responsibilities. The University Council will receive information explicitly describing the ways in which the organisation has complied with these terms and conditions, at the same time as it receives information required for submission for the OfS’s Annual Accountability Return.
6. The University Council approves its Code of Practice on Corporate Governance and Statement of Primary Responsibilities annually. A copy of the Code of Practice on Corporate Governance can be obtained from the University’s website. The Responsibilities of the University Council are set out on pages 29 to 30 of these accounts.
7. The University Council normally meets formally at least five times each academic year. The University Council is supported by a number of sub-committees, as outlined in its Code of Practice on Corporate Governance. Reports from each sub-committee, as well as from the Senate, inform the work of the University Council.
8. During the financial year ending 31 July 2024 (and continuing except where indicated), the following individuals were members of the University Council: D Normington (Chair), L Ainsworth, Y Akinola, J Bajwa, B Claire, S Clark (as Students’ Union Vice-President, Democracy and Development from 1 August 2023 to 31 July 2024), Professor S Croft (Vice-Chancellor and President), Professor D Davies, Professor E Flynn (Provost), J Furse, K Holden (from 1 January 2024), R Hyde, Professor N-A Lawrence, Professor A Lockett (to 31 July 2024), Professor M Newton, J Nickalls (Vice-Chair), S Parr (from 1 January 2024), A Penfold, M Prabhu, N Sachdev (Treasurer), W Snow (from 1 January 2024), and A Taylor (as Students’ Union President from 1 August 2023 to 31 July 2024).

For the subsequent period, 1 August 2024 onwards, to the approval of these financial statements (and beyond): M Amjad (as Students' Union Vice-President, Education from 1 August 2024), Professor T Lockley (from 1 August 2024), E Nihal (as Students' Union President from 1 August 2024).

9. The University maintains a Register of Interests of members of the University Council which may be consulted by arrangement with the Secretary to Council. The Register of Interests was made available on the University website from November 2023. All members of the University Council, and sub-committees, are requested to declare any conflicts of interest in relation to the agenda of each meeting.
10. The Secretary to Council plays a key role in the operation and conduct of Council business and provides advice to the Chair of Council on all matters of procedure and in respect of any matters where conflict potential or real, may occur. All members of the governing body have access to the services of the Council Secretariat.

### **The Audit and Risk Committee**

11. There is ongoing oversight of risk management, control and governance by the Council's Audit and Risk Committee (A&RC), which seeks assurance from a number of sources, including: the University's Internal Audit function; the University's external auditors; reports from external funding and quality assurance bodies; reports from the Risk and Resilience team; management representations, and deep dive reviews of areas of particular significance. Since October 2023 the A&RC approves the process of producing the Transparent Approach to Costing (TRAC) returns to the OfS, on behalf of the University Council. The Chair of the A&RC reports to the University Council at every meeting.

### **Finances and Public Funds**

12. Under the terms and conditions of OfS funding, the University Council is responsible for the University's use of public funds. Acting on behalf of the University Council, the Vice-Chancellor and President, as the Accountable Officer, has overall responsibility for ensuring that all public funds are properly used and the University achieves value for money. The Vice-Chancellor and President is supported in this regard by the members of the University Executive Board, who manage various related processes and systems.

13. The University's system of internal controls and governance structures ensure regularity and propriety in the use of funds, including all public funds, via the following.

#### 14. Processes:

- a) As detailed in the Statement of Internal Control, the University Council is responsible for maintaining a sound system of internal control that safeguards the public and other funds and assets for which it has responsibility.

- b) The University maintains a comprehensive suite of Financial Regulations and Procedures, giving control over the totality of the University's resources and providing an appropriate financial regulatory framework which ensures that resources are used with due regard to propriety, regularity and value for money, in the context of the achievement of the University's strategic plan. Anyone with a contractual relationship with the University (including all employees and honorary staff) is required to abide by the Financial Regulations and Procedures.

- c) The University is required to adhere to key funder rules, in addition to the requirements of its own Financial Regulations and Procedures, and operates various controls to do this.

- d) The University's Internal Audit function provides assurance to management and the A&RC. Internal Audit makes recommendations for improvement in key management processes. It particularly aims to ensure that key risks are being appropriately managed, including those in relation to the use of funds and value for money.

#### 15. Reporting and Planning:

- a) The University produces departmental financial reports throughout the year, as part of quarterly financial performance reporting for the University as a whole, enabling departmental heads and the University Executive team to understand and manage the financial position.

- b) Financial performance and updated forecasts are provided to the University Executive Board (UEB) and the Finance and General Purposes Committee (FGPC). The Group Finance Director and the Chair of the FGPC report at each University Council meeting on matters that the FGPC has discussed since the last Council meeting, and on anything that requires Council approval or note.

c) The University Council annually approves the financial statements providing the out-turn for the year ended 31 July and the Financial Plan covering future years, as required by the OfS. The Financial Plan supports the University in delivery of its strategy whilst protecting its future financial viability and sustainability.

d) The University has in place an Access and Participation Plan, approved by the OfS.

#### 16. Committees:

The following Committees support the University Council in various financial aspects:

a) The University Council has delegated responsibility for the close monitoring of finances to the FGPC. The role of the FGPC includes:

i. Advising and making recommendations to the University Council regarding the financial management of the University within the context of the University Financial Plan. This includes monitoring the implementation of the University's financial strategy and Financial Plan; overseeing the University's strategic financial planning recommending to the Council the University's annual capital and revenue budget and financial plan, and approving release of resources in line with budget and plan; monitoring of financial performance against budget; review and approval of the University's financial regulations and procedures.

ii. Monitoring the economy, efficiency and effectiveness of the deployment of the University's resources, liaising with the A&RC as appropriate.

Since October 2023, the role of the FGPC includes the alignment and utilisation of resources to achieve the University's strategic objectives.

b) Since October 2023, the Financial Plan Committee (FPC), a sub-committee of the University Executive Board, has responsibility for detailed review of the Financial Plan, including the authority to approve new expenditure up to defined limits.

c) Since October 2023, the A&RC approves the process of producing the TRAC returns to the OfS (see para 11) and the TRAC Steering Group approves the TRAC returns themselves.

#### The Remuneration Committee

17. The University Council has delegated the following authority to the Remuneration Committee:

a) The determination of the remuneration of senior members of the University staff whom it is deemed appropriate, including but not exclusive to:

- Vice-Chancellor and President;
- Provost;
- Registrar;
- Pro-Vice-Chancellors;
- Vice-Presidents;
- Group Finance Director;
- Commercial Director;
- Chief Information and Transformation Officer;
- Chief Communications and Marketing Officer;
- Secretary to Council;
- Executive Dean of Warwick Business School;
- Executive Dean of Warwick Medical School;
- Initial appointment of staff where proposed salary is above £200,000 and
- Any other senior role which has a significant influence over reward policy.

b) The determination of the level of severance pay to be awarded to those members of staff whose salary exceeds £100,000.

The University Council appoints members of the Remuneration Committee who have expertise in leadership and/or senior remuneration in other sectors. The constitution of the Remuneration Committee during 2023/24 was as follows: an Independent member of Council (Chair) (James Furse, from 1 January), Chair of the Council, Treasurer, three independent members appointed by the Council, with expertise in leadership and/or senior remuneration in other sectors, of whom a minimum of one will be a serving independent member of the Council (Louise Ainsworth, Anne-Marie Headley, Lea Paterson). The Remuneration Committee meets four times each year. It reports annually to the Council on the work of the Committee, including decisions taken under delegated authority. The Remuneration Committee exercises its delegated authority on behalf of the University Council within an agreed remuneration policy framework.





Any matters in relation to remuneration or severance pay that do not fall within the approved remuneration policy framework or the delegated authority of the Committee are referred to the University Council for approval.

In proposing and applying the framework, the Remuneration Committee had regard to 'Guidance on decisions taken about severance payments in HEIs' published by the CUC, as required by the OfS. The framework for University Senior Remuneration 2023/24 was approved by the University and was published online during the year. The framework for University Senior Remuneration 2024/25 was also approved by the University Council and is published online: [www.warwick.ac.uk/services/gov/committees/rc/rcframework](http://www.warwick.ac.uk/services/gov/committees/rc/rcframework). In addition, the Remuneration Committee approves annually the operating framework within which the Vice-Chancellor shall exercise their authority to determine senior remuneration, and receives an annual report on the work of the University Executive Board on remuneration matters. The constitution and terms of reference of the Remuneration Committee are available in the Code of Practice on Corporate Governance. In terms of all recruitment to the University, we provide a welcoming and inclusive working and learning environment, recognising and respecting all individuals' differences. We therefore welcome applications from people who identify with any of the Protected Characteristics, such as race/ethnicity, disability, sexual orientation, or gender identity/expression.

### The Senate

18. The Senate is the academic authority of the University and draws its membership entirely from the staff and the students of the institution. Its role is to direct and regulate the teaching and research work of the University. Whilst the University Council and the Senate have clearly defined functions and responsibilities, there is active consultation and interaction between the two bodies.

### The Vice-Chancellor

19. The principal academic and administrative officer of the University is the Vice-Chancellor and President who has a general responsibility to the University Council for maintaining and promoting the efficiency and good order of the University. Under the Regulatory Framework for Higher Education in England between the University and the OfS, the Vice-Chancellor and President is the Accountable Officer of the University and in that capacity can be summoned to appear before the Public Accounts Committee of the House of Commons.

20. As Chief Academic and Administrative Officer of the University, the Vice-Chancellor and President exercises considerable influence upon the development and implementation of institutional strategy, the identification and planning of new developments and the shaping of the institutional ethos. The Vice-Chancellor and President is supported by the University Executive Board.

### Other

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

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

## Statement of Internal Control

The Council is responsible for maintaining a sound system of internal control which identifies and manages risk linked to the achievement of the aims and objectives of the University, and the efficacy of its policies, whilst safeguarding the public and other funds and assets for which it has responsibility.

A system of control is designed to identify, evaluate and mitigate risk to a reasonable level rather than to eliminate all risk, and therefore can only provide reasonable and not absolute assurance of effectiveness.

Key elements of the system of internal control, which are designed to discharge the responsibilities set out above, include the following:

- Approval of University strategy by the Council, whose membership includes a majority of external members, together with academic, professional services and student representation.
- Monitoring the performance of the University through the annual consideration by the Council and other relevant Committees of Key Performance Indicators and Transformational Milestones.
- An annual and forward looking operating and capital planning process that combines top-down and bottom-up input and is subject to challenge and scrutiny via a range of appropriately informed Committees.
- Quarterly monitoring of financial performance and updates to forecast out-turns.
- Clearly defined requirements for control of expenditure, including the appointment of staff, investment and borrowings, together with comprehensive Financial Regulations and Procedures.
- An Internal Audit function that undertakes investigative work to identify any areas of weakness in compliance with University policies, procedures and internal controls, primarily based on an agreed audit plan, but also in response to the identification of emerging risks or in response to actual issues.
- A central repository of institutional compliance obligations.
- An institutional Compliance & Assurance Framework, designed to provide consistency in institutional compliance management across different areas, and reduce the risk of non-compliance through documenting and ensuring effective compliance

processes, training, controls, reporting and remediation.

The Audit and Risk Committee, whose membership is entirely external, plays a key role in providing the Council with objective assurance that its system of internal control is effective. The Audit and Risk Committee provides reports to the Council at each of its meetings, in addition to providing its formal opinions on the adequacy and effectiveness of Warwick's arrangements for risk management, control and governance, economy, efficiency and effectiveness and the management and quality assurance of data submitted to the Student Loans Company, the Office for Students (OfS) and other bodies in its Annual Report to the Council.

- The Audit and Risk Committee provides challenge on operational, financial and risk matters coming before it and, where appropriate, monitors agreed actions to ensure that changes and recommendations are duly implemented.
- The Audit and Risk Committee receives regular reports from the Head of Internal Audit that provide an overview of internal control matters (in the main as set out in the agreed Internal Audit Plan), including an opinion on the adequacy and effectiveness of the University's systems of internal control, together with recommendations for improvements. The work and conclusions of Internal Audit provide the primary source of evidence for the Audit and Risk Committee's opinion on the adequacy and effectiveness of the University's internal control arrangements and subsequent improvements that may be required.
- Additionally, the Audit and Risk Committee considers an annual report from the Head of Internal Audit that provides and evidences an opinion on the adequacy and effectiveness of the University arrangements for economy, efficiency and value for money as well as risk management, control and governance, in addition to a report summarising the data management and returns assurance processes.
- Representatives from the University's External Auditors attend the meetings of the Audit and Risk Committee, providing various reports on developments in the sector, as well as their External Audit Strategy and Planning Memorandum annually in May, and their Management Letter relating to the Financial Accounts for the year annually in November. The Management Letter provides the Committee with assurance as to the effectiveness of the University's controls in preparing the Financial Accounts, and compliance with accounting and regulatory guidance.

- The Audit and Risk Committee meets on, at minimum, an annual basis with Internal Audit as well as External Audit without University management being present.
- The Audit and Risk Committee also receives periodic reports on the management of the University's significant risks and on specific areas of internal control.

The Audit and Risk Committee has oversight of the University's risk management strategy and policy on behalf of the Council.

- The University operates a system of risk management designed to identify the significant risks to the achievement of the University's strategy, to evaluate the nature and extent of those risks and to manage them effectively.
- The Council holds ultimate responsibility for ensuring the effective and efficient management of institutional risk. The Council monitors formally the institutional risk profile twice a year and is ultimately responsible for the University's key risks. A broader sector-wide discussion is held by the Council on an annual basis.
- The Senate maintains an oversight of all academic risks facing the institution. The Senate undertakes strategic planning activities in relation to academic risk identification.
- The University Executive Board (UEB) has responsibility for the oversight of risks associated with the University Strategy, as well as monitoring key institutional financial and strategic/capital project risks. It has the oversight of resource prioritisation in a risk/opportunity context. It undertakes regular strategic planning activities in relation to strategic risk identification.
- The Academic Strategy Committee, Professional Services Group meeting, and Campus and Commercial Services Group consider departmental risk assessments, maintain oversight of key department risks throughout the year, and escalate those that could have significant institutional impact.
- The Risk and Resilience Team support the UEB through reviewing risks from across the institution to ensure effective identification and escalation of risks to UEB for potential inclusion on the Strategic Risk Register.
- The Audit and Risk Committee meets on, at minimum, an annual basis with the Head of Risk And Resilience without University management being present.
- The Audit and Risk Committee receives regular reports on the management of the University's

significant risks and on specific areas of internal control.

- The Audit and Risk Committee has received detailed reports from the Chief Information Security Officer related to follow-up actions from the Information Commissioner's Office (ICO) audit, the Data Protection Officer related to the monitoring of data breaches and Freedom of Information Requests, the Secretary to Council on Whistleblowing enquiries.
- Heads of Department and individual risk owners, with support from the Risk and Resilience team, are responsible for the consideration and dynamic management of risk within their remit.
- The University recognises the need to identify, understand and manage the risks inherent in the changing operating environment, and in developing strategies in response, and therefore consideration of risk is explicit in the development and implementation of strategy, and is required as part of any business case and as part of the management of institutional projects.

### Risk Management

The University has a Risk Management Policy which is approved by the Council. The policy sets out the approach to risk management and is a guide for individuals and committees whose responsibilities include some or all of the elements of risk management or oversight. Full details of the Risk Management Policy that has been active through 2023/24 are available below

[www.warwick.ac.uk/services/gov/riskmanagement/risk\\_management\\_policy.pdf](http://www.warwick.ac.uk/services/gov/riskmanagement/risk_management_policy.pdf)

All senior managers and heads of departments are required to implement the Risk Management Policy and ensure colleagues are appropriately equipped to manage risk within their responsibilities. The policy was updated and approved in 2022 to reflect changes to risk management processes that are being implemented across the University, including references to risk appetite statements.

Risk management operates across all levels of the University, from daily departmental activities and management of projects, to formal bodies charged with institutional governance, decision-making and institutional strategy-setting. Irrespective of the level at which risk management is operating, the definition of risk used by the University is: 'The combination of the probability of an event and its consequence impacting upon the achievement of agreed objectives. Consequences can range from positive to negative'. The

definition of risk management used by the University is: 'The process by which uncertainty is quantified (where possible), assessed, recorded and managed in order to enable innovation and support good, well-informed decision-making at all levels of the institution'.

Risk Management at the University adheres to five guiding principles. Risk management should be:

- **Proportionate** to the level of risk with the institution
- **Aligned** with other business activities
- **Comprehensive**, systematic and structured
- **Embedded** within the business processes of the institution
- **Dynamic** and responsive to emerging and changing risks.

The University has a Risk Management Framework and illustrates the coordination of the risk management activities that take place across all parts of the University. It shows how assurance is provided to the University Executive Board and the Council that the process of identification, management and reporting of risks is taking place effectively at all levels.

The Council is ultimately accountable for ensuring that effective risk management is undertaken by the University. The Council must be kept informed of the University's total risk portfolio when reaching its decisions as well as receiving appropriate assurance as to the effectiveness of the processes in place to monitor and assess the University's risks. The Council has delegated to the Audit and Risk Committee the responsibility for concluding on the adequacy and effectiveness of the processes in place for the management of risk. In forming its judgement on an annual basis, the Audit and Risk Committee takes into account the work of the Internal Audit function. Internal Audit undertakes an annual assessment of the institution's overall risk management by assessing the adequacy and effectiveness of local risk management processes as part of their programme of audits. The Risk Management Framework is included within the planning process, which results in either a full review or a review of specific elements of the framework guided by the level of change taking place. The Council formally considers the strategic risk register as part of its annual programme of business. The Council included a KPI for risk management in 2022 and this continues to be reviewed alongside the University's strategic KPIs.

This statement relates to the period covered by these financial statements, and the period up to the date of approval of these audited financial statements. The system of internal control has operated as intended and there were no significant control failures during the period. The University continues to strengthen its control over its arrangements for data security and compliance in the light of the external environment.



## Statement of Primary Responsibilities of the Council

This Statement is based on the Model Statement contained in the Higher Education (HE) Code of Governance published by the Chairs of University Committees (CUC) in September 2020, adapted to reflect the powers and responsibilities that the Council of the University of Warwick derives from the University Statutes.

The Council is the governing body of the University and its members are the trustees in relation to the University's status as an exempt charity. Subject to the powers of the Senate as provided for in the University Statutes, it has ultimate responsibility for the affairs of the University. It is responsible for reviewing the work of the University and taking such steps as it thinks proper for the purpose of advancing the interests of the University, maintaining its efficiency, encouraging teaching, the pursuit of learning and the prosecution of research and providing for the recreation and wellbeing of students.

Consistent with the University's constitution, the primary responsibilities of the University Council are as follows:

1. To enable the University to achieve and develop its mission and primary objectives of learning, teaching and research.
2. To approve and keep under review the University's long-term academic and strategic plans, including key performance indicators, and ensuring that these meet the interests of the University's stakeholders and beneficiaries, especially staff, students and alumni.
3. To ensure that processes are in place to monitor and evaluate the performance and effectiveness of the University against its plans and approved key performance indicators. Where possible and appropriate, these shall be benchmarked against other comparable institutions.
4. To delegate authority to the Vice-Chancellor and President for the effective academic, corporate, financial, estate and human resource management of the University.
5. To establish and keep under regular review the policies, procedures and limits within such management functions as shall be undertaken by and under the authority of the Vice-Chancellor and President.
6. To ensure the establishment and monitoring of systems of control and accountability, including transparent financial and operational controls and risk assessment, value for money arrangements and clear procedures for handling internal grievances and for managing conflicts of interest.
7. To establish processes to monitor and evaluate the performance and effectiveness of the Council and the University's systems of governance and decision-making.
8. To conduct its business in accordance with best practice in higher education corporate governance, with the principles of public life drawn up by the Committee on Standards in Public Life, and with due regard to the Charity Commission's guidance on public benefit.
9. To safeguard the good name and values of the University and to be responsible for the ethical governance of the University.
10. To appoint the Vice-Chancellor and President as Chief Academic and Administrative Officer of the University and the Office for Students' Accountable Officer and to put in place suitable arrangements for monitoring their performance.
11. To appoint the Secretary to the Council and to ensure that, if the person appointed has managerial responsibilities in the institution, there is an appropriate separation in the lines of accountability.
12. To be the employing authority for all staff in the University and to be accountable for ensuring that an appropriate human resources strategy is established for the University.
13. Subject to the powers of the Senate, to be the principal financial and business authority of the University, to ensure that proper books of account are kept and, to approve the University's annual budget and financial statements and to have overall responsibility for the University's assets, property and physical estate. The Council has to ensure that the going concern basis is appropriate for the preparation of the financial statements and to be satisfied that they give a true and fair view. The Council is required to prepare financial statements in accordance with the University Statutes, the Statement of Recommended Practice: Accounting for Further and Higher Education Institutions and other relevant accounting standards, as well as the Accounts Direction issued by the Office for Students.

14. To be the University's legal authority and to ensure that systems are in place for meeting all the University's legal obligations, including those arising from contracts and other legal commitments made in the University's name.
15. To receive assurance that adequate provision has been made for the general welfare of students.
16. To act as trustee for any property, legacy, endowment, bequest or gift in support of the work and welfare of the University.
17. To determine regulations for the custody and use of the common seal of the University.
18. To be responsible for effective planning, ongoing control, monitoring and review of the University's health and safety management procedures.
19. To approve changes to University Statutes and to ensure that the University's constitution is followed at all times and that appropriate advice is available to enable this to happen.
20. To promote the University's values and behaviours, and a culture which supports inclusivity and diversity across the University.
21. In partnership with the Senate, to maintain and protect the principles of academic freedom and freedom of speech legislation.
22. To ensure that all students and staff have opportunities to engage with the governance and management of the University by operating in an open, honest and accountable manner and allowing for a range of perspectives to have influence.



## Fundraising Statement

The University is required by the Charities (Protection and Social Investment) Act 2016 to report on fundraising activities.

The University is registered with the Fundraising Regulator, the independent regulator of charitable fundraising in England, Wales, and Northern Ireland, and operates in line with the Code of Fundraising Practice.

All fundraising activities are carried out by the Development and Alumni Engagement (DAE) office on behalf of the University. The University's Council has delegated authority to the Fundraising Ethics Committee (FEC) to oversee the institution's Policy on the Solicitation and Acceptance of Gifts.

DAE employs a team of internal fundraisers, as well as student telephone fundraisers. The university does not employ external fundraisers or commercial operators for fundraising purposes. We raise donations through a variety of means, including face-to-face meetings, corporate philanthropy, applications to charitable trusts, and the use of postal, email and telephone campaigns.

The University provides regular opportunities for alumni to support us, while ensuring that any fundraising approach protects people from unreasonable intrusion or feeling under undue pressure. We offer everyone the opportunity to opt out of some, or all, fundraising approaches. These preferences are recorded on the central database and implemented in all communications.

All fundraising activities are monitored through strict internal University procedures and recorded on a central database, which is managed in accordance with data protection legislation. We ensure our staff are trained and informed on all relevant regulations and follow best practice through annual Performance Development Reviews.

Of over 173,000 alumni contacted, we received 4 complaints about our fundraising activities during the year 2023-24.



## Responsible Investment

Our investments are managed in line with our Responsible Investment Policy -available at [https://warwick.ac.uk/services/finance/corporate\\_information](https://warwick.ac.uk/services/finance/corporate_information) ensuring that investment decisions are made responsibly and with integrity.

The Office for Students mandates that all registered Higher Education providers are required to be financially sustainable. Sustainability in all aspects (financial, social and environmental) is a priority of the University as outlined in the 'Excellence with Purpose' Strategy and detailed further in the 'Way to Sustainable' Strategy, which is underpinned by a commitment to support the achievement of the UN Sustainable Development Goals. The policy upholds this ethos by including Environmental, Social and Governance (ESG) factors in the investment approach.

The University asserts that Environmental, Social and Governance (ESG) factors have a material impact on investment risk and that good stewardship can create and preserve value for the longer term.

Investment decisions that incorporate socially responsible and ethical considerations should also reflect the Charity Commission's guidance that trustees prioritise the charity's best interests, balancing financial returns with other factors relevant to the charity's purpose.

Our investment portfolios are invested in Cazenove's Charity Sustainable Multi-Asset Fund. The Fund has a responsible investment policy which applies investment restrictions on companies involved in certain sectors or activities in line with the University's policy.

The University is committed to advancing and safeguarding the highest academic and ethical standards in all its research activities. The nature of any funding we are offered is carefully considered from an ethical perspective. We promote and monitor compliance with the highest standards of research ethics as embodied in UK regulation and practice.





# Financial Review

## Introduction

The University has delivered another excellent financial performance for the year, despite facing a very challenging environment. We are pleased to report an underlying surplus of £46.8m (£73.5m in 2022/23) – the overall reported surplus after adjusting for USS pension movements was £298.0m (surplus of £105m in 2022/23).

This positive result was largely driven by sound performance in our student recruitment. The University remains a highly popular destination for both home and international students, buoyed by continuing impressive rankings in league tables. Warwick maintained its strong position of 69th globally in the 2025 QS World University Rankings and ranked among the top 10 institutions in the Guardian University Guide 2025. The University has also excelled in the latest Knowledge Exchange Framework (KEF) assessment, surpassing the sector average in several key areas of knowledge exchange and last year was awarded gold in the Teaching Excellence Framework (TEF), coupled with high ranking in the Research Excellence Framework. This underscores its sustained strength across key performance areas including teaching quality, research environment, international outlook, and industry collaboration and illustrates why Warwick remains so popular with students.

Income from research grants and contracts also continued to grow, achieving £146.5m, up from £144.1m in the previous year. However, the going was harder in respect of commercial income with retail activities in particular suffering the changed spending patterns, lower footfall and impact from the cost-of-living crisis reducing spending at campus outlets. Additionally, the Warwick Employment Group saw a downturn following the contraction of job adverts across the education sector. The financial result has benefited from the impact of increasing interest rates (with investment income being £9.5m higher than the prior year), whilst interest payable on loans was not adversely affected as our borrowings are either at fixed rates or have hedging in place.

Late 2023 saw the positive announcement regarding the USS pension scheme valuation. The scheme turned from a deficit position to surplus position resulting in a significant reduction in contribution rates, helping to mitigate other cost rises. This also resulted in a positive adjustment to surplus for 2023/24 of £251.2m.

Rising prices have hit the University's expenditure, although total expenditure was lower than planned because of slower staff recruitment and associated lags in project expenditure. Whilst such budget underspends boost surplus levels in the short term, the University strives to ensure that any barriers to the achievement of its operational goals are removed so that projects can progress.

These constant uncertainties of both favourable and adverse movements underline the ongoing financial uncertainty within the sector but Warwick continues to remain in a good position to weather these fluctuations and this year's financial outcome further strengthens our underpinning foundation.

As we move forward, sustained inflation will continue to have a braking effect on financial performance, despite the Government's recent announcement of inflation-linked home tuition fee increases for the 2025/26 year. We look forward to continuing to work with Government on the long term sustainability of our sector and seeking to ensure our sector continues to be world leading in Research and academic outcomes. The impact of inflation on construction costs also creates risk for the University in view of its large capital programme.

## Financial Performance

The University is pleased to report another robust financial performance, with a surplus of £298m (including the USS pension adjustment) and cash generated from operating activities of £52.3m. This adds to the foundations from previous years for our ambitious future capital plans that will transform the campus with the development of a science precinct and a new social sciences quarter. This development (Connect Programmes) will harness our power in research, education and innovation across Social Sciences and STEM (science, technology, engineering and mathematics), strengthen collaboration and foster interdisciplinary working, ensuring we have a University that is facing into the future with the right facilities to enable better research and learning.

Results over the last few years have fluctuated significantly with the large movements on the Universities Superannuation Scheme (USS) pension liability:

Financial Year	Positive (Adverse) Impact on Surplus
2021/22	£ (178m)
2022/23	£ 32m
2023/24	£ 251m

Excluding the impact of the movements on the USS pension provision, the underlying financial performance for the year is a surplus of £46.8m compared with an underlying surplus of £73.5m in 2022/23. The USS pension adjustment is a non-cash movement and does not impact the University's day to day operations. The underlying surplus for 2023/24 represents 5.4% of income (2022/23 - 8.8%), delivering in line with the University's targeted surplus of 5% to 7% of income per annum. Although the current year's surplus is lower than 2022/23, this is an excellent result given the static home undergraduate fees coupled with cost pressures from rising prices.

The University's total income has grown by £20.6m to £860.0m despite the home undergraduate fee continuing to remain at £9,250. This record level of income is primarily due to additional student fee income and interest received. Research grants and contracts income continues to grow achieving £146.5m, up from £144.1m in 2022/23, with strong performance from WMG reflecting its excellent relationships with industry partners, as demonstrated by WMG being one of the UK's High Value Manufacturing Catapult Centres.

Other income was £151.1m, up from £148.5m in 2022/23 building on the return to pre-pandemic levels of activity for our commercial group achieved last year. The University's income has also benefitted from rising interest rates with investment income of £24.1m up from £14.6m in 2022/23.

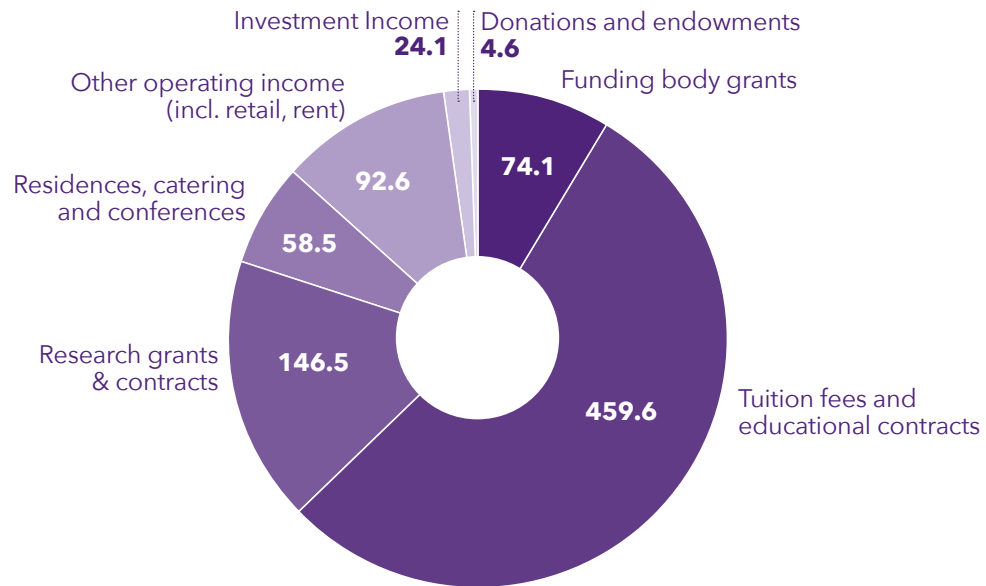
Staff costs are once again distorted by the impact of changes in the USS deficit provision, with reported staff costs of £214.5m compared with £398.1m in 2022/23. On a more comparable basis, by excluding the impact of the USS pension scheme adjustment, staff costs increased from £439.0m to £471.5m. The year-on-year movement reflects annual pay rises and increments, one off payments and increasing staff numbers. Staff costs when adjusted to exclude USS movements as a percentage of expenditure remained the same as last year at a constant at 57.5% above the target of 55%, with the University benefitting from lower employers' contributions to the USS from January 2024 onwards.

The University's total comprehensive income consists of the reported surplus or deficit, any actuarial movement on The University of Warwick Pension Scheme (UWPS) and the movement in the market value of financial instruments. This year's result is a surplus of £289.8m, but after removing the impact of the £251.2m USS movement, the adjusted surplus is £38.6m which compares with an adjusted surplus of £88.4m for 2022/23. The UWPS made an actuarial loss of £5m (2022/23: £7m loss). The actuarial loss is made up of £2m lower return on scheme assets than the discount rate together with £3m adverse movement due to changes in assumptions around inflation and salary changes. Market expectations over the speed of future changes in interest rates have resulted in an unfavourable movement to the valuation of the swaps used to hedge interest rates on our loan funding of £3.2m compared to a favourable movement of £21.9m in 2022/23. There is no cash impact from these changes and therefore do not affect the ongoing operations of the University. Excluding these items and the USS adjustment, the underlying surplus for the year is a healthy £46.8m (2022/23 £73.5m), matched with cash generation of £52.3m for future investment in the campus facilities.

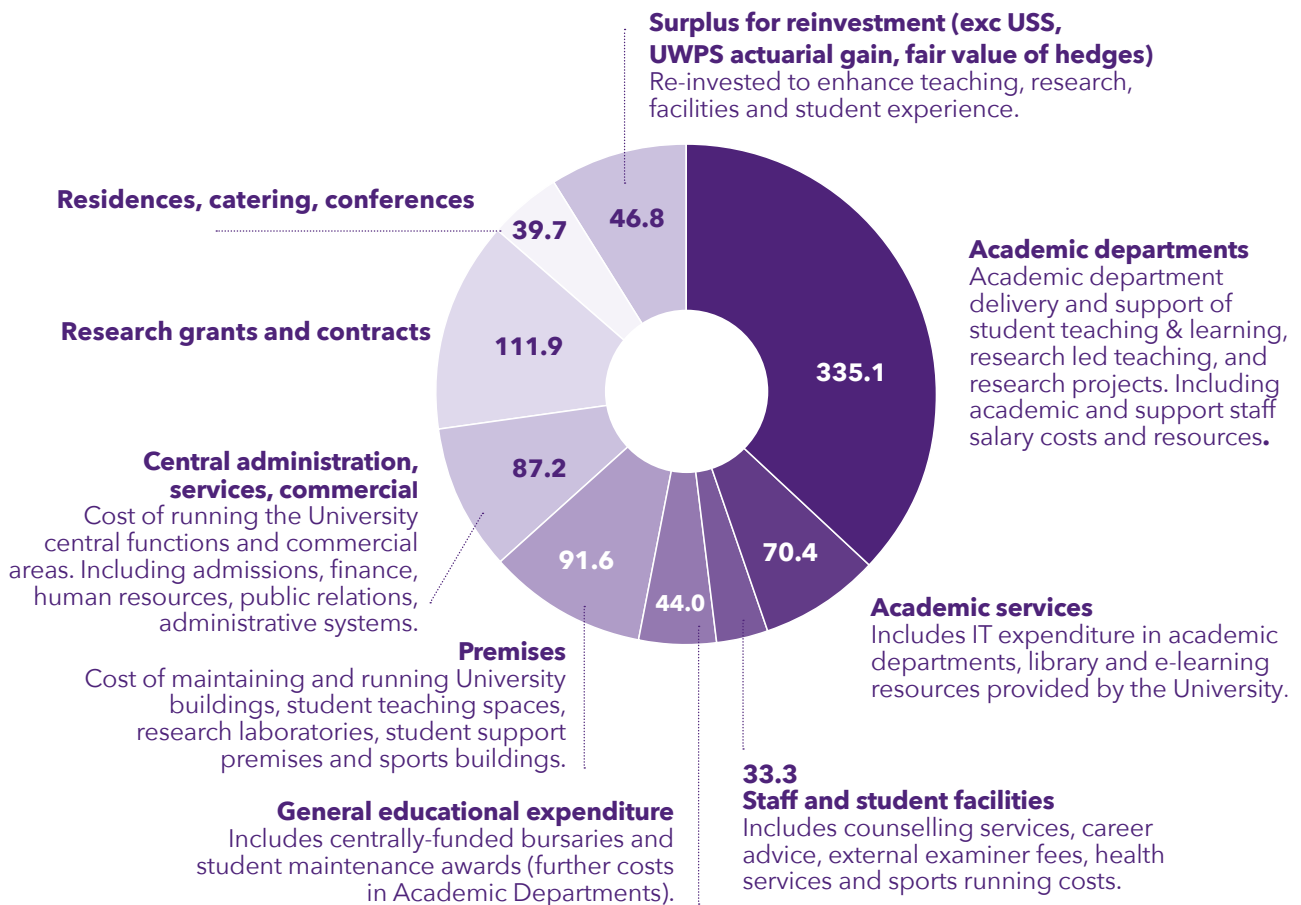
## Financial Position

The University's financial position has significantly strengthened with its Total Comprehensive Income and Expenditure of £289.8m for the year further enhancing its balance sheet and resulting in total net assets increasing to £771m from £482m. This is largely due to the release of the provision for the USS deficit contributions of £251m. In accordance with UK

## 2023/24 Income £860.0m (£m)



## 2023/24 Expenditure & Surplus (exc USS) £860.0m (£m)



accounting standards, the University had previously recognised its obligation to contribute towards the deficit recovery plan for the USS in the years up to and including 31 July 2023. The latest actuarial statement for the USS at 31 March 2023 showed a surplus on a technical provisions basis and the University was no longer required to make any deficit contributions so the provision has been released.

The University holds substantial cash balances ahead of the longer-term capital infrastructure investments on campus. In 2022/23, an initial investment of £100m was made into a medium-term corporate bond pool (split between current and non-current investments) to utilise alternative options for our cash holdings. By investing in corporate bonds, the University is looking to spread counterparty risk compared to holding deposits with bank and building societies, as well as improving returns. During the year, some of the bonds have matured to redemption and some have been re-classified as current assets as they approach their redemption date. Non-current assets (which also includes fixed assets and our investment portfolio) have fallen from £970m to £931m as at 31 July 2024 reflecting the maturity profile of the corporate bonds.

Compared with previous years, capital expenditure was relatively low at £45m resulting in fixed assets falling by £12m with depreciation exceeding the modest capital spend in the year. We are investing £700m in building state-of-the-art spaces for Social Sciences and STEM, our Connect Programmes. This will facilitate an expansion in interdisciplinary education and research opportunities, and support expansion of our purposeful collaboration and partnerships. This represents the largest single investment in campus facilities across Warwick's 60-year history. The University has moved forward with its ambitious plans with a start on site for the STEM Connect in the year and the design stage for the Social Sciences well progressed. These plans are possible due to the surpluses generated in this year and previous years resulting in the availability of cash and cash equivalent balances to fund these projects. The strong financial performance of Warwick has enabled the University to invest in its physical campus and for the future.

Trade and other receivables increased from £61m at July 2023 to £70m at the end of this year. This is driven by an increasing number of research sponsors paying in arrears, whereas in previous years funding for European and other research grants was largely paid at the start of the project. In addition, the increase in other trade receivables was primarily due to a high level of sales and invoicing in the last quarter of 2023/24.

Creditors falling due in less than one year increased by £11m from £235m to £246m due to higher accrued expenditure and new capital grants. The level of accruals increased year-on-year reflecting a higher level of activity in July 2024 by our Estates team over the quieter summer period and due to costs in relation to the ongoing review of professional services. The University recognises Government grants over the period to which they relate and new deferred capital grants recognised were higher than prior years' grants released as income to match with the depreciation on the associated assets. Creditors falling due after more than one year were lower at £381m as at July 2024 compared with £390m at July 2023 primarily reflecting the annual loan repayment. The fair value of the interest rates swaps liability increased during the year by £3.2m to £6.6m, due to market expectations over the future direction of interest rates. Deferred income and deferred capital grants continued to unwind in keeping with expectations and new grants were recognized in line with the assets they are funding. Loan balances reduced by the annual loan repayments of £7.5m and no further loan financing has been entered into by the University.

The pension provision from July 2023 of £251.2m relating entirely to the USS has been released due to the improvement in the Scheme which is no longer in deficit at its latest valuation at March 2023. Removing the pension deficit provision has further improved the University's balance sheet and the University will benefit from lower employer contributions to the USS in future years. Due to the strength of its balance sheet, Warwick is well positioned to meet fluctuations in its USS pension commitments should the position of the USS return to a deficit position.

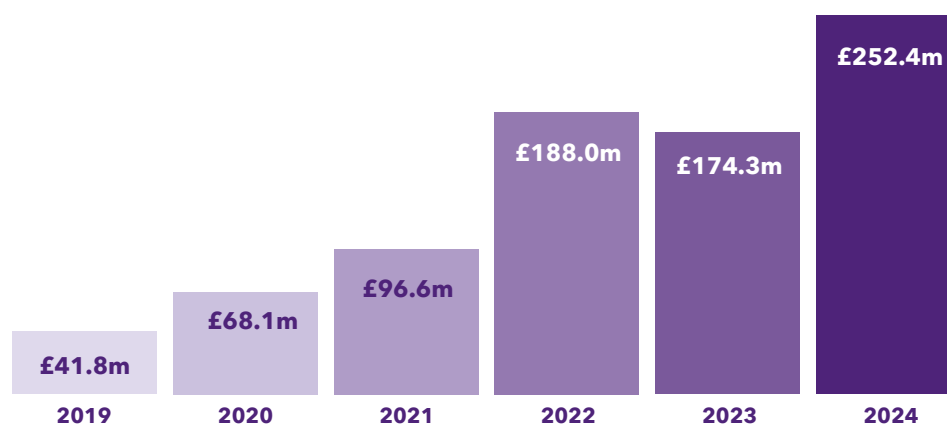
The pension asset relates to the defined benefit section of the University of Warwick Pension Scheme (UWPS), which has decreased by £2.6m to £9.5m over the course of the year. Whilst asset values have increased with returns and employer contributions exceeding benefits paid, the value of the scheme liabilities has increased due to the lower discount rate. The University continues to be in the contradictory position of reporting an accounting surplus yet being required to continue paying deficit contributions to the scheme. The accounting methodology for the financial statements adopts less prudent assumptions than those required for the triennial scheme valuation resulting in the ongoing deficit contributions.

## Liquidity and Borrowing

By 31 July 2024, the University had accumulated substantial holdings of cash, cash equivalents and current investments (which include short-term deposits and corporate bonds), totalling £399m due to strong financial performance over the last few years. These funds are earmarked for our Connect programmes, the transformational investment in our campus for STEM and Social Sciences. In addition, the bond portfolio included in non-current asset investments of £54m (bonds plus cash awaiting investment) is considered part of the University's accessible cash reserves as it can be liquidated quickly, bringing the total comparable assets to £453m (2023: £412m). Accessible cash reserves have increased by £41m after investment in the campus infrastructure, plant and equipment together with adding to the University's investment portfolio and the annual repayment of the loan financing. Outstanding loan balances reduced by £7.5m as a result of capital repayments in the year down to £146.5m and the University continues to comfortably meet its banking covenants. It is essential for the University to continue to generate sufficient cash balances from its operations to enable it to invest in both its capital infrastructure and other strategic priorities.

These strong cash and investment balances will enable the University to deliver on its plans for the enhanced academic facilities through the Connect programmes on campus as well as transforming our professional services to ensure we are future ready. The University is very much aware of the need to ensure it maintains an adequate level of working capital for day-to-day operations as well as cash to meet unforeseen circumstances, especially with our largest ever investment in the campus infrastructure for the £700m Connect programmes which will reduce these balances over the forthcoming years. For planning purposes, the Council has set a target of 50 days of expenditure as the minimum level of cash balances, which is in excess of the minimum cash requirement of 30 days set by the OfS and is a target we have comfortably met. This prudent financial planning will provide a cushion for the University so that it can meet the challenges of uncertain economic conditions with volatile prices and static home undergraduate fees. Based on this secure financial position, together with robust future financial forecasts and cash flow forecasts, which have been stress tested using severe but plausible downsides on key assumptions and the inclusion of appropriate contingency provisions, the University Council is satisfied that the accounts can be prepared on a going concern basis.

## Net Funds



### Net funds are comprised of the following:

	2019 £ million	2020 £ million	2021 £ million	2022 £ million	2023 £ million	2024 £ million
Short term deposits	81.5	25.0	49.0	161.8	162.2	<b>222.1</b>
Cash and cash equivalents	143.6	219.0	216.2	187.5	166.1	<b>176.8</b>
Unsecured loans	(183.3)	(175.9)	(168.6)	(161.3)	(154.0)	<b>(146.5)</b>
	<b>41.8</b>	<b>68.1</b>	<b>96.6</b>	<b>188.0</b>	<b>174.3</b>	<b>252.4</b>

The University's cash balances are invested across a range of approved financial institutions, principally in short-term deposit accounts of up to two years in length and to a maximum value of £60m per financial institution. The University's treasury management policy maintains at its core the principal aim of protecting the charitable assets of the University and, as such, cash balances are currently restricted to UK clearing banks, the larger UK building societies and UCITS regulated AAA rated Money Market Funds.

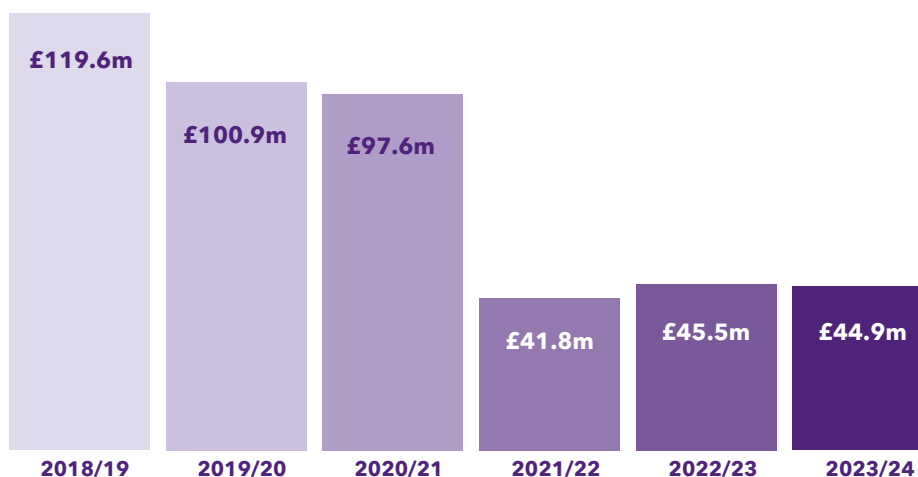
Whilst cash reserves are at relatively high levels, in order to diversify counterparty risk and improve returns an initial £100m was invested in a short-term bond fund last year, with the aim of protecting the short-term value of such investments so that funds are available for capital projects as they progress. These funds are being invested in bonds issued by supra-national or quasi-governmental organisations, being financially conservative bodies with a focus on promoting economic development and stability. It is the University's intention to hold the bonds to maturity, so the only risk to the capital value is if the Bond issuer becomes insolvent. The bonds have all been issued with high credit ratings, providing external validation of the creditworthiness of each issuer. The bonds are marked to market representing the fair value at the year end with gains of £4.3m recognised during the year. As the bonds reach maturity, some may be re-invested depending on cash flow requirements, resulting in a total bond portfolio of £104m at July 2024 split between non-current and current investments.

The University also maintains an investment portfolio, principally with a view to holding for the longer term, to produce the best sustainable returns and as an instrument for repaying bullet loan commitments. All cash and investment funds are held in accordance with the University's responsible investment policy, being invested in a sustainable multi-asset fund designed to have a positive impact on people and the planet by avoiding harm through ESG (Environmental Social Governance) integration and exclusions.

### Capital projects

This is the second year where capital expenditure has been relatively modest at nearly £45m, with £20.3m being funded by capital grants from the OfS, Research England and other research partners. Whilst more recent years have seen annual capital expenditure closer to £100m, the lower expenditure this year reflects the University's ongoing planning ahead of a decade of scheduled major investment with our Connect programmes for Social Sciences and STEM. Expenditure during 2023/24 includes the cost of initial planning and design phases of the Connect programmes as well as completion of the new anatomy and clinical skills unit, investment in IT equipment, enhancements to various teaching and learning environments and the acquisition of research equipment. Capital additions this year included £2.5m in respect of an investment property adjacent to the main University campus securing a rental income stream in the medium term with the potential for future development at the end of the lease agreement.

### Capital Expenditure



The University has completed a full review of its buildings on campus and undertaken works to mitigate the risks from the use of reinforced autoclaved aerated concrete (RAAC). Our future capital expenditure plans also support the ambitions of the University to achieve net zero carbon emissions by 2030 by more energy efficient buildings and investment in strategic initiatives such as the solar photo voltaic panel project which will renewably generate electricity on campus and help to mitigate utility cost fluctuations.

## Risks

Risk and risk management touches all areas across the University and as such requires an efficient and effective approach to deliver financial sustainability and to support the University's core functions and activities. Risk management is essential to ensure compliance with legal and regulatory requirements and for the effective management of the University. The Council has approved the Risk Management Policy which sets the framework for the monitoring and reporting of risks. The Council, supported by Audit and Risk Committee and other committees, keeps under regular review the strategic risks facing the University and the programmes which help to manage or mitigate these risks. The University Executive Board identifies emerging areas of risk and makes changes to the risk profiles on the Strategic Risk Register as required, supported by departmental risk assessments. Escalating risks that may have a significant institutional impact. The ongoing review of professional services at the University will also contribute towards mitigation of some of the risks faced by the University.

The following list illustrates some of the key areas currently on the University's risk register:

Key Risks	Mitigation
The need to maintain effective cyber security measures	Appropriate levels of investment in digital infrastructure and cyber security, maintaining a focus on assurance and compliance, with regular staff training and awareness updates
Failure to recruit, retain and develop staff of talent to deliver our strategy and underpinning operations.	Development of Reward Strategy. Implementation of recognition and reward schemes. Use of market supplements where required. Staff development through training programmes and other support measures.
University is unable to maintain financial sustainability and meet its ambitious targets, and so cannot deliver its strategy and maintain its high standards for teaching and research.	Approved Financial Strategy in place. Robust Financial Planning process including sensitivity analysis of key variables. Long term capital plan has been developed. Quarterly reporting on University Financial Performance. Monitoring of bank covenants to ensure compliance. Effective control environment with Financial Regulations and Procedures.
Failure to prioritise and support effective student recruitment (scale and diversity) and admissions processes affecting the diverse nature and financial position of the University.	Maintaining and developing overseas networks with other organisations, representatives and alumni communities. Marketing of competitive scholarship schemes. Strengthening recruitment to key courses. Identification and engagement with target schools in the UK.

Key Risks	Mitigation
Failure to support and invest in excellent teaching and learning negatively impacting the student experience and sector-leading student outcomes, with further impact on Warwick reputationally and financially.	Investment in excellent staff and facilities. Regular benchmarking of performance. Responsiveness to feedback including NSS. Effective review mechanisms including Institutional Teaching and Learning Review.
Reduction in the University's research funding envelope impacting the University's ability to maintain and deliver world class research and impact.	Growth of academic links and collaborative working relationships with overseas education partners and international businesses to improve performance and develop best practice.
The need to have a fully funded digital strategy and roadmap to effectively utilise digital capabilities and deliver our strategy.	Embed strategic change to ensure professional services are future ready. To create capacity in service and delivery functions to meet future needs and support the reputation of Warwick as a leading university.
Failure to meet energy and sustainability targets impacting on wider strategy and student recruitment	Investment in renewable sources of energy including solar photo voltaic panels. Establishment of Energy Action Group to fast-track the implementation of energy efficiency opportunities. New buildings are designed to BREEAM excellent standards. Obtaining external financial support for energy efficiency improvements. Engagement with the University community. STEM and Social Sciences Connect developments designed to be thermally efficient low energy buildings. New energy centre planned to deliver low carbon energy.
Failure to ensure legal and regulatory obligations are met.	Institutional Compliance & Assurance Framework established to provide consistency in compliance management. Professional teams in estates, legal and finance maintain oversight of key risk areas. Strong financial control environment with appropriate regulations and procedures. Three lines of defence in place including Internal Audit and Financial Assurance Team. Compulsory staff training where appropriate.
Failure to plan, invest and maintain the University's physical estate leading to a loss of facilities and impacting our ability to deliver research, education and student experience.	Robust Financial Planning process is in place, including a long term capital plan. Inclusion of contingencies in planning assumptions and break points in major projects provide the ability to adapt to emerging events.
The need to maintain a dynamic and robust wellbeing, safeguarding, student and staff support offering.	Professional leadership structure in place with qualified healthcare professionals in senior roles. Established pathways to services and case management systems.



## Future outlook

As the University reaches its landmark 60th anniversary in 2025, it prepares to celebrate through a forward-thinking, inclusive, anniversary programme to energise and animate its 2030 Strategy ambitions of being one of the world's exceptional universities, helping to transform our region, country and world for the collective good.

The next stages of strategy implementation include significant capital investment in both science and social science. The scale of investment will inevitably be financially stretching with both increased borrowing and lower cash levels being planned. The University continues to build contingencies into its planning assumptions and major projects include break points to ensure that the ability to flex with emerging events is maintained. Strong results in both the Research, Teaching and Knowledge Exchange Frameworks are strong indicators that the University is on course to deliver.

Sustained inflation is likely to remain a concern with its potential both to undermine surplus levels and increase construction costs. The impact of holding the regulated tuition fee for home undergraduate students at £9,250 for a number of years has increased the impact of inflation on university finances. Whilst the Government's recently announced inflationary increase in home tuition fees is welcome, this so far relates only to 2025/26 - future years remain uncertain - and comes when Universities, like all other employers, will need to find ways to pay for the increases in Employer's National Insurance announced in the Autumn Budget which adds approximately two per cent to the university's staff costs. A key source of income during these times will continue to be the recruitment of sufficient numbers of international students. Whilst Warwick remains in an excellent position to be a market leader in international student recruitment, geopolitical events could destabilise already uncertain markets. It will therefore remain important to continue to diversify the student intake whilst not adversely impacting home student numbers, to avoid over-reliance on specific geographic regions, and more generally diversify the University's income streams.

The full impact of the Government's manifesto in respect of Higher Education is yet to be felt, however we are delighted to see and hear of welcome signals and recognition that universities are central to important Government's missions. Nevertheless, there remains uncertainty around the longer-term funding model for home undergraduate education and with public finances already stretched finding a solution that appropriately funds the sector but is also acceptable to future student cohorts looks extremely challenging.

As always, Warwick seeks to retain control of its own destiny through a combination of maintaining, and enhancing, its excellent global reputation, effective investment in key assets that drive performance and/or generate financial returns and the delivery of sufficient surplus levels to fund future investment. The University is conducting a comprehensive review of systems, processes and the structure of Professional Services teams, to ensure it is future-ready. This year's strong financial performance further consolidates this approach and is key to the University being able to begin its ambitious investments in science and social science despite the future uncertainties.



**Nilesch (Neil) Sachdev MBE**

University Treasurer  
20 November 2024

# Independent Auditor's Report

## INDEPENDENT AUDITOR'S REPORT TO THE COUNCIL OF THE UNIVERSITY OF WARWICK REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

### Opinion

We have audited the financial statements of the University of Warwick ("the University") for the year ended 31 July 2024 which comprise the Consolidated and University Statement of Comprehensive Income, the Consolidated and University Statement of Changes in Reserves, the Consolidated and University Statement of Financial Position, the Consolidated Cash Flow Statement and related notes, including the Statement of Principal Accounting Policies.

In our opinion the financial statements:

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

### Basis for opinion

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

### Going concern

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

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

Our conclusions based on this work:

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

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

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

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

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

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

As required by auditing standards, and taking into account possible pressures to meet loan covenants and performance targets, we perform procedures to address the risk of management override of controls and the risk of fraudulent revenue recognition, in particular the risk that research grant income is inappropriately recognised due to either incorrect overhead recovery or non-compliance with terms and conditions of the grant, the risk that tuition fees for courses that run across the year end is inappropriately recognised and the risk that Group management may be in a position to make inappropriate accounting entries.

We did not identify any additional fraud risks.

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

We also performed procedures including:

- Identifying journal entries and other adjustments to test based on risk criteria and comparing the identified entries to supporting documentation. This included postings made to unexpected accounts including revenue, cash and borrowings and journals posted by senior finance staff.
- Assessing significant accounting estimates for bias.

**Identifying and responding to risks of material misstatement due to non-compliance with laws and regulations.**

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

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

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

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

Secondly, the Group is subject to many other laws and regulations where the consequences of non-compliance could have a material effect on amounts or disclosures in the financial statements, for instance through the imposition of fines or litigation or the need to include significant provisions. We identified the following areas as those most likely to have such an effect: compliance with the regulatory framework of the Office for Students, recognising the regulated nature of the Group's activities. Auditing standards limit the required audit procedures to identify non-compliance with these laws and regulations to enquiry of the directors and other management and inspection of regulatory and legal correspondence, if any. Therefore, if a breach of operational regulations is not disclosed to us or evident from relevant correspondence, an audit will not detect that breach.

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

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

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

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

### Other information

The Council is responsible for the other information, which comprises the Financial Highlights, the Financial Review, the Public Benefit Statement, the Carbon Emissions Statement, the Corporate Governance Statement, the Statement of Internal Control and the Indicators of Financial Health. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or any form of assurance conclusion thereon.

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

### Council responsibilities

As explained more fully in its statement set out on page 29, the Council is responsible for: the preparation of the financial statements and for being satisfied that they give a true and fair view; such internal control as it determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error; assessing the Group and parent University's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and using the going concern basis of accounting unless it either intends to liquidate the Group or the parent University or to cease operations, or has no realistic alternative but to do so.

### Auditor's responsibilities

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

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

### REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

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

In our opinion, in all material respects:

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

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

We are required by the Accounts Direction to report to you where the University has an access and participation plan that has been approved by the Office for Students' director of fair access and participation and the results of our audit work indicate that the Group's and the University's expenditure on access and participation activities for the financial year disclosed in note 11 has been materially misstated.

We are also required by the Accounts Direction to report to you where the results of our audit work indicate that the Group's and the University's grant and fee income, as disclosed in note 5 to the financial statements has been materially misstated.

We have nothing to report in these respects.

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

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

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

*Chartered Accountants,*  
One Snowhill,  
Snow Hill,  
Queensway,  
Birmingham,  
B4 6GH

## Financial Statements



# Consolidated and University statement of comprehensive income

## FOR THE YEAR ENDED 31 JULY 2024

	Note	Consolidated		University	
		2023/24 £ million	2022/23 £ million	2023/24 £ million	2022/23 £ million
<b>Income</b>					
Tuition fees and educational contracts	2	459.6	453.8	459.6	453.8
Funding body grants	3	74.1	74.4	74.1	74.4
Research grants and contracts	4	146.5	144.1	146.5	144.1
Other income	6	151.1	148.5	141.8	137.5
Investment income	7	24.1	14.6	24.0	14.5
Donations and endowments	8	4.6	4.0	4.5	3.9
<b>Total income</b>		<b>860.0</b>	<b>839.4</b>	<b>850.5</b>	<b>828.2</b>
<b>Expenditure</b>					
Staff costs	9	214.5	398.1	192.5	378.8
Other operating expenses		284.8	264.5	298.9	274.8
Depreciation	14	56.4	53.0	55.6	52.1
Interest and other finance costs	12	12.6	16.4	12.6	16.4
<b>Total expenditure</b>		<b>568.3</b>	<b>732.0</b>	<b>559.6</b>	<b>722.1</b>
<b>Surplus before other gains or losses</b>		<b>291.7</b>	<b>107.4</b>	<b>290.9</b>	<b>106.1</b>
Loss on disposal of non-current assets	13	(0.1)	(0.7)	(0.1)	(0.7)
Gain / (loss) on investments		6.4	(1.7)	6.0	(1.7)
<b>Surplus before tax</b>		<b>298.0</b>	<b>105.0</b>	<b>296.8</b>	<b>103.7</b>
Taxation		0.0	0.0	0.0	0.0
<b>Surplus for the year</b>		<b>298.0</b>	<b>105.0</b>	<b>296.8</b>	<b>103.7</b>
Actuarial (loss) / gain in respect of pension schemes	23	(5.0)	(7.0)	(5.0)	(7.0)
Change in fair value of hedging financial instruments	21	(3.2)	21.9	(3.2)	21.9
<b>TOTAL COMPREHENSIVE INCOME AND EXPENDITURE FOR THE YEAR</b>		<b>289.8</b>	<b>119.9</b>	<b>288.6</b>	<b>118.6</b>
<b>Represented by:</b>					
Endowment comprehensive income and expenditure for the year		1.0	(0.2)	0.6	(0.2)
Restricted comprehensive income for the year		0.4	0.3	0.4	0.3
Unrestricted comprehensive income and expenditure for the year		288.4	119.8	287.6	118.5
<b>Attributable to the University</b>		<b>289.8</b>	<b>119.9</b>	<b>288.6</b>	<b>118.6</b>

All items of income and expenditure relate to continuing activities.

The accompanying notes and policies on pages 51 to 93 form part of these financial statements.

## Consolidated and University statement of changes in reserves

FOR THE YEAR ENDED 31 JULY 2024

Consolidated	Income and expenditure account			Total
	Endowment £ million	Restricted £ million	Unrestricted £ million	£ million
<b>Balance at 1 August 2022</b>	12.8	0.0	348.9	361.7
(Deficit) / surplus from the income and expenditure statement	(0.2)	0.3	104.9	105.0
Other comprehensive income and expenditure	0.0	0.0	14.9	14.9
<b>Total comprehensive income and expenditure for the year</b>	<b>(0.2)</b>	<b>0.3</b>	<b>119.8</b>	<b>119.9</b>
<b>Balance at 1 August 2023</b>	<b>12.6</b>	<b>0.3</b>	<b>468.7</b>	<b>481.6</b>
Surplus from the income and expenditure statement	1.0	0.4	296.6	298.0
Other comprehensive income and expenditure	0.0	0.0	(8.2)	(8.2)
<b>Total comprehensive income and expenditure for the year</b>	<b>1.0</b>	<b>0.4</b>	<b>288.4</b>	<b>289.8</b>
<b>Balance at 31 July 2024</b>	<b>13.6</b>	<b>0.7</b>	<b>757.1</b>	<b>771.4</b>
<b>University</b>	<b>Income and expenditure account</b>			<b>Total</b>
	Endowment £ million	Restricted £ million	Unrestricted £ million	£ million
<b>Balance at 1 August 2022</b>	6.9	0.0	319.2	326.1
(Deficit) / surplus from the income and expenditure statement	(0.2)	0.3	103.6	103.7
Other comprehensive income and expenditure	0.0	0.0	14.9	14.9
<b>Total comprehensive income and expenditure for the year</b>	<b>(0.2)</b>	<b>0.3</b>	<b>118.5</b>	<b>118.6</b>
<b>Balance at 1 August 2023</b>	<b>6.7</b>	<b>0.3</b>	<b>437.7</b>	<b>444.7</b>
Surplus from the income and expenditure statement	0.6	0.4	295.8	296.8
Other comprehensive income and expenditure	0.0	0.0	(8.2)	(8.2)
<b>Total comprehensive income and expenditure for the year</b>	<b>0.6</b>	<b>0.4</b>	<b>287.6</b>	<b>288.6</b>
<b>Balance at 31 July 2024</b>	<b>7.3</b>	<b>0.7</b>	<b>725.3</b>	<b>733.3</b>



# Consolidated and University statement of financial position

FOR THE YEAR ENDED 31 JULY 2024

		Consolidated		University	
	Note	2024 £ million	2023 £ million	2024 £ million	2023 £ million
<b>Non-current assets</b>					
Fixed assets	14	828.8	840.5	823.6	829.9
Investments	15	92.2	117.2	93.5	118.9
Pension asset	23	9.5	12.1	9.5	12.1
		<b>930.5</b>	<b>969.8</b>	<b>926.6</b>	<b>960.9</b>
<b>Current assets</b>					
Stock	16	1.9	2.1	1.9	2.0
Trade and other receivables	17	69.9	61.0	78.0	71.4
Investments	18	222.1	162.2	222.1	162.2
Cash and cash equivalents		176.8	166.1	174.1	163.0
		<b>470.7</b>	<b>391.4</b>	<b>476.1</b>	<b>398.6</b>
Less: Creditors : Amounts falling due within one year	20	(245.7)	(234.7)	(285.3)	(269.9)
<b>Net current assets</b>		<b>225.0</b>	<b>156.7</b>	<b>190.8</b>	<b>128.7</b>
<b>Total assets less current liabilities</b>		<b>1,155.5</b>	<b>1,126.5</b>	<b>1,117.4</b>	<b>1,089.6</b>
Creditors : Amounts falling due after more than one year	21	(381.0)	(390.4)	(381.0)	(390.4)
<b>Provisions</b>					
Pension provisions	23	0.0	(251.2)	0.0	(251.2)
Other provisions	24	(3.1)	(3.3)	(3.1)	(3.3)
<b>TOTAL NET ASSETS</b>		<b>771.4</b>	<b>481.6</b>	<b>733.3</b>	<b>444.7</b>
<b>Restricted reserves</b>					
Income and expenditure reserve - endowment reserve	25	13.6	12.6	7.3	6.7
Income and expenditure reserve - restricted reserve	26	0.7	0.3	0.7	0.3
<b>Unrestricted reserves</b>					
Income and expenditure reserve - unrestricted		757.1	468.7	725.3	437.7
<b>TOTAL RESERVES</b>		<b>771.4</b>	<b>481.6</b>	<b>733.3</b>	<b>444.7</b>

The accompanying notes and policies on pages 51 to 93 form part of these financial statements.

The financial statements on pages 47 to 93 were approved by the Council on 20 November 2024, and signed on its behalf by:

Professor Stuart Croft, Vice-Chancellor and President

Nilesh (Neil) Sachdev, University Treasurer

## Consolidated cash flow statement

FOR THE YEAR ENDED 31 JULY 2024

	Note	2023/24 £ million	2022/23 £ million
<b>Cash flow from operating activities</b>			
Surplus for the year before and after tax		298.0	105.0
<b>Adjustment for non-cash items</b>			
Depreciation	14	56.4	53.0
(Gain) / loss on investments	15	(6.4)	1.7
Decrease / (increase) in stock	16	0.2	(1.0)
Transfer of fixed assets in the process of sale to stock	16	0.0	1.0
(Increase) / decrease in debtors	17	(8.9)	2.0
Increase / (decrease) in creditors	20 & 21	4.2	(12.6)
(Decrease) in pension provision	23	(253.6)	(33.6)
(Decrease) in other provisions	15 & 24	(0.2)	(4.1)
<b>Adjustment for investing or financing activities</b>			
Investment income	7	(24.1)	(14.6)
Interest payable	12	6.2	6.5
Endowment income	25	(1.0)	(0.7)
Loss on the sale of non-current assets	13	0.1	0.7
Capital grant income		(18.6)	(19.5)
<b>Net cash inflow from operating activities</b>		<b>52.3</b>	<b>83.8</b>
<b>Cash flows from investing activities</b>			
Capital grants receipts		20.3	25.5
Disposal of non-current asset investments		0.2	0.1
Disposal of current asset investments		15.3	0.0
Withdrawal of deposits		0.0	14.5
Investment income	7	24.1	14.6
Payments made to acquire fixed assets	14	(44.9)	(45.5)
New non-current asset investments	15	(9.2)	(86.4)
New current asset investments	18	(34.7)	(14.9)
		<b>(28.9)</b>	<b>(92.1)</b>
<b>Cash flows from financing activities</b>			
Interest paid	12	(6.2)	(6.5)
Endowment cash received	25	1.0	0.7
Repayments of amounts borrowed	22	(7.5)	(7.3)
		<b>(12.7)</b>	<b>(13.1)</b>
<b>Increase / (decrease) in cash and cash equivalents in the year</b>		<b>10.7</b>	<b>(21.4)</b>
Cash and cash equivalents at beginning of the year		166.1	187.5
Cash and cash equivalents at end of the year		176.8	166.1

The accompanying notes and policies on pages 51 to 93 form part of these financial statements.

# Notes to the accounts

## FOR THE YEAR ENDED 31 JULY 2024

### 1. PRINCIPAL ACCOUNTING POLICIES

#### 1. Basis of preparation

These financial statements have been prepared in accordance with United Kingdom Accounting Standards, including Financial Reporting Standard 102 (FRS 102) and the Statement of Recommended Practice (SORP): Accounting for Further and Higher Education (2019 edition). They have also been prepared in accordance with the Royal Charter, the Accounts Direction issued by the Office for Students (OfS), the Terms and conditions of funding for higher education institutions issued by the Office for Students and the Terms and conditions of Research England Grant.

The University is a public benefit entity and therefore has applied the relevant public benefit requirement of the applicable UK laws and accounting standards. The financial statements are prepared in accordance with the historical cost convention modified by the revaluation of derivative financial instruments.

The University meets the definition of a qualifying entity under FRS102 and has therefore taken advantage of the disclosure exemptions available to it in respect of its separate financial statements. Exemption has been taken in the parent university financial statements in respect of presentation of a cash flow statement.

#### 2. Going concern

The Group and parent University's activities, together with the factors likely to affect its future development, performance and position, are set out in the Financial Review which also describes the financial position of the Institution, its cash flows, liquidity position and borrowing facilities.

The financial statements have been prepared on a going concern basis which the University Council considers to be appropriate for the following reasons.

The Council prepare cash flow forecasts for a 5 year period. After reviewing the latest annual iteration of these forecasts the Council is of the opinion that, taking account of severe but plausible downsides, the Group and parent University will have sufficient funds to meet their liabilities as they fall due over the period of 12 months from the date of approval of the financial statements (the going concern assessment period).

The forecast assumptions and projections are prepared considering various risks and mitigations to the University, including the items set out in the Financial Review on pages 39 and 40. Sensitivity analysis is undertaken on future forecasts and used as a basis for the inclusion of planning contingencies against adverse impacts and further stress on our planning assumptions. Key potential downside risks to the forecasts include:

- Underachievement of student recruitment targets: mitigating activity includes significant investment in on-campus facilities in recent years and in the near future, with a view to enhancing the student experience. The University's position in the latest rankings again remains strong, coupled with TEF Gold status in all categories of the 2023 rankings, demonstrating the quality of the University's teaching offer and attractiveness to prospective students.
- Price inflation, in particular energy costs: the University actively manages its energy procurement and has its own on-site CHP facility providing power and heat across campus, as well as increasing its number of solar panels, enabling the University to manage its power needs in as cost effective a manner as possible. Rising costs nonetheless affect the University and continue to be taken into account as part of managing the overall cost base; the University has demonstrated its ability to manage its costs effectively during past periods of volatility, such as during the Covid pandemic and the recent period of higher inflation.

## Notes to the accounts continued

FOR THE YEAR ENDED 31 JULY 2024

- Despite the recently-announced increase of the home undergraduate tuition fee for 2025/26, the real value of this funding stream has been substantially reduced by inflation, following the fee remaining fixed at £9,250 since 2017, and recent years of inflation running higher than the Government's long term target. Institutions have increasingly looked to other income sources to plug the gap, most notably international student fee income. Increased competition for international students, in conjunction with more restrictive UK visa conditions, carries its own risks, especially if there is over-dependency on students from certain countries. Warwick's continuing strong reputation keeps it in a good position to optimize its recruitment of international students, maintaining high entry tariffs, and measures continue to be taken to rebalance the student portfolio to avoid it being weighted too heavily towards any particular country.

The University's forecasts maintain cash balances above a minimum of 50 days of expenditure (currently c.£110m). This target is in excess of the OfS guidance of a minimum cash balance of 30 days of spend (c£60m). The University's favourable financial performance and lower capital spend for the 2023-24 year has driven a better than anticipated cash position at 31 July 2024, providing a stronger base for the year ahead than was assumed in the forecasts.

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

### 3. Basis of consolidation

The consolidated financial statements include the financial statements of the University, its subsidiary undertakings, and the University of Warwick Foundation. Intra-group transactions are eliminated on consolidation.

The consolidated financial statements do not include those of Warwick Students' Union and subsidiaries of the Union, as these are separate organisations in which the University has no control or significant influence over policy decisions.

### 4. Income recognition

Income from the sale of goods or services is credited to the Consolidated Statement of Comprehensive Income when the goods or services are supplied to the external customers or the terms of the contract have been satisfied.

Fee income is stated gross of any expenditure which is not a discount and credited to the Consolidated Statement of Comprehensive Income over the period in which students are studying. Bursaries and scholarships are accounted for gross as expenditure and not deducted from income.

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

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

Other revenue grants and donations from non-government sources, including research grants from non-government sources, are recognised within the Consolidated Statement of Comprehensive Income when the University is entitled to the income and performance related conditions have been met. Income received in advance of performance related conditions being met is deferred on the Balance Sheet and released to the Consolidated Statement of Comprehensive Income in line with such conditions being met.

## Notes to the accounts continued

### FOR THE YEAR ENDED 31 JULY 2024

Income is retained within the restricted reserve until such time that it is utilised in line with such restrictions at which point the income is released to general reserves through a reserve transfer.

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

Donations with no restrictions are recorded within the Consolidated Statement of Comprehensive Income when the University is entitled to the income.

Donations and endowments with restrictions are classified as restricted reserves with additional disclosure provided within the notes to the accounts.

There are four main types of donations and endowments with restrictions:

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

Capital grants from non-government sources are recorded in income when the University is entitled to the income, subject to any performance related conditions being met.

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

The University operates a total return endowment investment management policy for permanent endowments. This allows for the spending of permanent endowment gains, both capital gains and dividend income, whilst preserving the real value of capital.

#### 5. Accounting for retirement benefits

##### *Universities Superannuation Scheme (USS)*

The University participates in the Universities Superannuation Scheme. The assets of the scheme are held in a separate trustee-administered fund. Because of the mutual nature of the scheme, the assets are not attributed to individual institutions and a scheme-wide contribution rate is set. The University is therefore exposed to actuarial risks associated with other institutions' employees and is unable to identify its share of the underlying assets and liabilities of the scheme on a consistent and reasonable basis. As required by Section 28 of FRS 102 "Employee benefits", the University therefore accounts for the scheme as if it were a defined contribution scheme. As a result, the amount charged to the profit and loss account represents the contributions payable to the scheme and the deficit recovery contributions payable under the scheme's Recovery Plan. Where a scheme valuation determines that the scheme is in deficit on a technical provisions basis (as was the case following the 2020 valuation), the trustee of the scheme must agree a Recovery Plan that determines how each employer within the scheme will fund an overall deficit. The institution recognises a liability for the contributions payable that arise from such an agreement (to the extent that they relate to a deficit) with related expenses being recognised through the income statement. Further disclosures relating to the deficit recovery liability can be found in note 31.

## Notes to the accounts continued

FOR THE YEAR ENDED 31 JULY 2024

*University of Warwick Pension Scheme (UWPS)*

The Defined Benefit (DB) section of the University's own scheme, an exempt approved pension scheme, provides retirement benefits (based on final pensionable salary), lump sum and spouse's death-in-service benefits. The scheme is set up under trust and the assets are held in a separate trustee-administered fund. The University's net obligation for the scheme is calculated in accordance with the advice of a qualified actuary using the projected unit credit method. The rules of the scheme permit any surplus existing after all benefits have been extinguished to be returned to the University. The DB section of the scheme was closed to new recruits on 1 April 2010.

From 1 April 2010 the University introduced a new Defined Contribution (DC) section to its own scheme, for those eligible members who are not members of the DB section. The DC section of the scheme is operated as a separate defined contribution pension scheme. Employer contributions to this section of the scheme are accounted for through the Consolidated Statement of Comprehensive Income at the time that payment to the external provider is accrued as due. A small number of staff remain in other pension schemes.

## 6. Employment benefits

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

## 7. Finance leases

Leases in which the University assumes substantially all the risks and rewards of ownership of the leased asset are classified as finance leases. Leased assets acquired by way of finance lease are stated at an amount equal to the lower of their fair value and the present value of the minimum lease payments at inception of the lease, less accumulated depreciation and less accumulated impairment losses.

## 8. Operating leases

Costs in respect of operating leases are charged on a straight-line basis over the lease term. Any lease premiums or incentives are spread over the minimum lease term.

## 9. Foreign currency

Transactions denominated in foreign currencies are recorded at the exchange rate at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are recorded at the closing rate of exchange ruling at the year end. The resulting exchange differences are recognised in the Consolidated Statement of Comprehensive Income.

## 10. Fixed assets

Fixed assets are stated at cost less accumulated depreciation and accumulated impairment losses. Where parts of a fixed asset have different useful lives, they are accounted for as separate items of fixed assets. Costs incurred in relation to land and buildings after initial purchase or construction are capitalised to the extent that they increase the expected future benefits to the University. No depreciation is charged on assets in the course of construction.

## Notes to the accounts continued

### FOR THE YEAR ENDED 31 JULY 2024

#### *Investment Properties*

Investment properties are land and buildings held for rental income and/or capital appreciation rather than for use in delivering services. Investment properties are measured initially at cost and subsequently at fair value with movements recognised in the Consolidated Statement of Comprehensive Income (SOC). Properties are not depreciated but are revalued or reviewed annually according to market conditions at each statement of financial position date.

#### *Land and buildings*

Land is not depreciated as it is considered to have an indefinite useful life. New buildings are depreciated in equal instalments over their expected useful lives of up to 50 years, car parks are depreciated over 35 years and laboratory and other major refurbishments over 10 to 20 years. Where an item of land and buildings comprises two or more major components with substantially different useful economic lives (UELs), each component is accounted for separately and depreciated over its individual UEL. Expenditure relating to subsequent replacement of components is capitalised as incurred. Where buildings are acquired with the aid of government and other specific grants they are capitalised and depreciated as above or over the life of the project if deemed more appropriate. The University has no inherited assets.

The Professor Lord Bhattacharyya Building, home to the National Automotive Innovation Centre (NAIC), has been built for the furtherance of the University's objectives while working closely with our industry partners. The primary aims of the NAIC with our partners are:

- to foster innovation in the British automotive industry;
- to connect academic research with leading manufacturers and attract the next generation of engineers;
- to create a collaborative environment that can encourage teamwork and innovation across disciplines;
- to be a showcase for forward thinking in British engineering and design.

It is a space for advanced research and learning, knowledge transfer and collaboration. The activities happening within the building are core to the main objectives and strategy of the University and as such, the building has been classified as a functional fixed asset within these financial statements.

A number of the Group's buildings are rented to third parties. This supports the transfer of University 'know-how' and research into industry, as well as providing accommodation for growing knowledge-based companies and as such are treated as tangible fixed assets and depreciated in line with group policy as above. These activities further support the University by helping to enhance its reputation, and promoting the University's strategic priorities, in particular Regional Leadership and Innovation.

#### *Equipment*

In the accounts of the University, equipment, including micro-computers and software, costing less than £25,000 per individual item or group of related items are written off in the year of acquisition. Capitalised equipment, other than certain information technology equipment, is stated at cost and depreciated over typical expected useful lives of 5 to 10 years; software licences and certain items of information technology equipment are depreciated over three years. Equipment bought for a specific research or other project is usually depreciated over five years, or the life of the project if more appropriate. All assets are depreciated on a straight line basis, with a full year's depreciation in the year of acquisition.

A review for impairment of a fixed asset is carried out if events or changes in circumstances indicate that the carrying value of an asset may not be recoverable.

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

#### *Borrowing costs*

Borrowing costs are recognised as an expense in the Consolidated Statement of Comprehensive Income in the period in which they are incurred.

## Notes to the accounts continued

FOR THE YEAR ENDED 31 JULY 2024

## 11. Investments

Investments in subsidiaries are carried at cost less impairment in the University's accounts. Current and managed funds investments are held at fair value with movements recognised in the Consolidated Statement of Income. Current investments includes cash deposits of 3 to 12 months in maturity from when the deposit was placed.

## 12. Stock

Stocks of raw materials and consumables include departmental stocks in science departments, supplies for the Estates Office and goods for resale in catering, bars and retail outlets and are valued at the lower of cost plus attributable overheads and estimated selling price less costs to complete and sell. Stocks of other consumable materials are written off to expenditure as incurred.

## 13. Cash and cash equivalents

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

Cash equivalents are short term, highly liquid investments that are readily convertible to known amounts of cash with insignificant risk of change in value. This includes cash deposits of up to 3 months in maturity from when the deposit was placed.

## 14. Provisions, contingent liabilities and contingent assets

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

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

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

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

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



## Notes to the accounts continued

### FOR THE YEAR ENDED 31 JULY 2024

#### 15. Taxation

The University is an exempt charity within the meaning of Part 3 of the Charities Act 2011. It is therefore a charity within the meaning of Para 1 of schedule 6 to the Finance Act 2010 and accordingly, the University is potentially exempt from taxation in respect of income or capital gains received within categories covered by section 478-488 of the Corporation Tax Act 2010 (CTA 2010) or section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied to exclusively charitable purposes. The University receives no similar exemption in respect of Value Added Tax. Irrecoverable VAT on expenditure is included in the costs of such expenditure. Any irrecoverable VAT allocated to fixed assets is included in their cost.

The University's subsidiaries and associated undertakings are liable to Corporation Tax in the same way as any other commercial organisation.

Deferred tax is provided in full on timing differences which result in an obligation at the balance sheet date to pay more tax, or a right to pay less tax, at a future date, at rates expected to apply when they crystallise based on current rates and law. Timing differences arise from the inclusion of items of income and expenditure in taxation computations in periods different from those in which they are included in financial statements. Deferred tax assets are more likely than not to be recovered. Deferred tax assets and liabilities are not discounted.

#### 16. Basic financial instruments

Trade and other receivables are recognised initially at transaction price less attributable transaction costs. Trade and other payables are recognised initially at transaction price plus attributable transaction costs.

#### 17. Derivatives

Derivatives (interest rate swaps) are held on the Balance Sheet at fair value with movements in fair value recorded in the Consolidated Statement of Income. The University has adopted and complied with the requirements of hedge accounting and as a result movements in fair value are recorded within Other Comprehensive Income. Any ineffective portion of the hedge is recognised immediately in income or expenditure.

The hedging gain or loss recognised in other comprehensive income is reclassified to income or expenditure when the hedged item is recognised in profit or loss or when the hedging relationship ends.

#### 18. Reserves

Reserves are allocated between restricted and unrestricted reserves. Restricted endowment reserves include balances which, through endowment to the University, are held as a permanently restricted fund as the University must hold the fund in perpetuity or as an expendable fund where the donor has designated a specific purpose and therefore the University is restricted in the use of these funds.

## Notes to the accounts continued

## FOR THE YEAR ENDED 31 JULY 2024

## 19. Key accounting estimates and judgements

In the application of the accounting policies, the University is required to make estimations and judgements that may have a significant impact on the amounts recognised. The estimates and associated judgements are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis.

## Income recognition:

As set out in more detail in policy 4, certain revenue grants and donations are recognised in the Consolidated Statement of Comprehensive Income and Expenditure when the University is entitled to the income and performance related conditions have been met. University management apply judgement in deferring income received for conditions not yet satisfied and accruing for income not yet received.

## Pension provisions – key actuarial assumptions:

The key actuarial assumptions used in the valuation of the Universities Superannuation Scheme (USS) and the University of Warwick Pension Scheme (UWPS) are set out in note 31 Pension Schemes.

At 31 July 2023, the University's balance sheet included a liability of £251.2m for future contributions payable under the deficit recovery agreement which was concluded on 30 September 2021, following the 2020 valuation when the scheme was in deficit. No deficit recovery plan was required from the 2023 valuation, because the scheme was in surplus. Changes to contribution rates were implemented from 1 January 2024 and from that date the institution was no longer required to make deficit recovery contributions. The remaining liability was released to the profit and loss account.

Details of the pension provisions are shown in notes 23 and 31.

## Depreciation and amortisation:

Depreciation and amortisation charges are calculated on a straight-line basis over the estimated useful economic lives of the related assets. The remaining useful economic lives of assets are periodically reviewed based on actual experience and expected future utilisation. Where management identifies a change in the life of an asset, it is treated as a change in accounting estimate and the accelerated depreciation is accounted for in the period of change and future periods.

## Recoverability of debtors:

A provision for bad and doubtful debts is calculated using a formula based on the age of the overdue debt. The formula is applied consistently each year but inevitably requires a degree of estimation. Specific provision is made for individual debts where recovery is believed to be uncertain and this requires an element of judgement.

## Holiday pay accrual:

The employee holiday pay accrual represents an estimate of holidays earned but not taken as at the balance sheet date of 31 July 2024. It is calculated from extracts of annual leave records from the University's HR systems, adjusted accordingly for management judgement for items specific to the current year. The holiday pay accrual totals £18.8m at 31 July 2024 (2022/23: £18.2m) and is included within Accruals in note 20.

# Notes to the accounts continued

FOR THE YEAR ENDED 31 JULY 2024

2. TUITION FEES AND EDUCATIONAL CONTRACTS	Consolidated		University	
	2023/24 £ million	2022/23 £ million	2023/24 £ million	2022/23 £ million
Accredited course fees from home/EU students	179.1	183.7	179.1	183.7
Accredited course fees from overseas students	258.5	249.3	258.5	249.3
International foundation programme fees	4.3	4.4	4.3	4.4
Non-accredited short course fees	4.5	3.9	4.5	3.9
Research Training Support Grants	13.0	12.1	13.0	12.1
Other fees	0.2	0.4	0.2	0.4
	<b>459.6</b>	<b>453.8</b>	<b>459.6</b>	<b>453.8</b>

3. FUNDING BODY GRANTS	Consolidated		University	
	2023/24 £ million	2022/23 £ million	2023/24 £ million	2022/23 £ million
<b>Recurrent grants:</b>				
Office for Students teaching grant	16.3	15.2	16.3	15.2
Research England research grant	40.2	43.9	40.2	43.9
<b>Specific grants:</b>				
HE Innovation Fund	5.8	6.0	5.8	6.0
Uni Connect, formerly National Collaborative Outreach	0.5	0.3	0.5	0.3
Other specific grants	4.0	2.7	4.0	2.7
<b>Capital grants released in year:</b>				
Buildings	4.7	4.6	4.7	4.6
Equipment	2.6	1.7	2.6	1.7
	<b>74.1</b>	<b>74.4</b>	<b>74.1</b>	<b>74.4</b>

4. RESEARCH GRANTS AND CONTRACTS	Consolidated		University	
	2023/24 £ million	2022/23 £ million	2023/24 £ million	2022/23 £ million
Research councils	53.0	50.3	53.0	50.3
Central government, local authorities and public corporations	54.1	56.8	54.1	56.8
UK charitable bodies	9.7	9.8	9.7	9.8
European Union	9.6	12.3	9.6	12.3
UK industry and commerce	8.7	9.2	8.7	9.2
Overseas	10.5	5.0	10.5	5.0
Others	0.9	0.7	0.9	0.7
	<b>146.5</b>	<b>144.1</b>	<b>146.5</b>	<b>144.1</b>

Income from research grants and contracts includes £10.0m in respect of capital grants released in the year (2022/23: £11.2m).

## Notes to the accounts continued

FOR THE YEAR ENDED 31 JULY 2024

**5. GRANT AND FEE INCOME**

	Consolidated		University	
	2023/24 £ million	2022/23 £ million	2023/24 £ million	2022/23 £ million
The source of grant and fee income included in notes 2 to 4 is as follows:				
Grant income from the Office for Students	17.4	16.1	17.4	16.1
Grant income from other bodies	203.2	202.4	203.2	202.4
Fee income for taught awards (exclusive of VAT)	418.1	414.8	418.1	414.8
Fee income for research awards (exclusive of VAT)	19.5	18.2	19.5	18.2
Fee income from non-qualifying courses (exclusive of VAT)	22.0	20.8	22.0	20.8
	<b>680.2</b>	<b>672.3</b>	<b>680.2</b>	<b>672.3</b>

**6. OTHER INCOME**

	Consolidated		University	
	2023/24 £ million	2022/23 £ million	2023/24 £ million	2022/23 £ million
Residences, catering and conferences	58.5	56.2	58.3	56.1
Other services rendered	5.0	2.7	5.0	2.7
Other capital grants	1.3	2.0	1.3	1.2
Retail operations	30.3	31.9	12.2	11.4
Post-experience centres	12.5	11.8	0.0	0.0
Other income	43.5	43.9	53.6	53.3
Covenant income	0.0	0.0	11.4	12.8
	<b>151.1</b>	<b>148.5</b>	<b>141.8</b>	<b>137.5</b>

Included within consolidated other income above is £1.3m (University £1.3m) of income from the Turing Scheme (2022/23: Consolidated £1.0m, University £1.0m). The Turing Scheme is the UK Government's scheme to provide funding for international opportunities in education and training across the world. This funding provides students with the chance to develop new skills, gain vital international experience and boost their employability.

**7. INVESTMENT INCOME**

	Consolidated		University	
	2023/24 £ million	2022/23 £ million	2023/24 £ million	2022/23 £ million
Net return on University of Warwick Pension Scheme assets (note 31)	0.7	0.6	0.7	0.6
Restricted permanent endowment investment income (note 25)	0.2	0.3	0.1	0.1
Restricted expendable endowment investment income (note 25)	0.2	0.1	0.1	0.1
Other investment income	23.0	13.6	23.1	13.7
	<b>24.1</b>	<b>14.6</b>	<b>24.0</b>	<b>14.5</b>

**8. DONATIONS AND ENDOWMENTS**

	Consolidated		University	
	2023/24 £ million	2022/23 £ million	2023/24 £ million	2022/23 £ million
New endowments	1.0	0.8	0.9	0.8
Donations with restrictions	0.9	0.6	0.9	0.6
Unrestricted donations	2.7	2.6	2.7	2.5
	<b>4.6</b>	<b>4.0</b>	<b>4.5</b>	<b>3.9</b>

# Notes to the accounts continued

FOR THE YEAR ENDED 31 JULY 2024

9. STAFF	Consolidated		University	
	2023/24 £ million	2022/23 £ million	2023/24 £ million	2022/23 £ million
Staff costs: Salaries and wages	379.6	345.8	359.6	328.4
Social Security costs	38.5	34.3	37.3	33.2
Other pension costs	53.4	58.9	52.6	58.1
	471.5	439.0	449.5	419.7
USS pension provision movement - staff costs	(257.0)	(40.9)	(257.0)	(40.9)
	<b>214.5</b>	<b>398.1</b>	<b>192.5</b>	<b>378.8</b>

	Consolidated	
	2023/24 Number	2022/23 Number
The number of full time equivalent staff, by area of activity, can be summarised as:		
Academic staff within academic departments	2,813	2,662
Other staff within academic departments	1,596	1,480
Academic services	572	593
Premises management and maintenance	593	562
Residences and catering	363	337
Other services and activities, including commercial operations	1,421	1,263
	<b>7,358</b>	<b>6,897</b>

Professor Stuart Croft is the Vice-Chancellor and President of the University and is its senior post-holder. The total costs of the University include payments to Professor Croft and benefits. These were as follows:

Professor Stuart Croft	2023/24 £000	2022/23 £000
Basic salary	339	326
Salary in lieu of pension	40	39
Other remuneration	0	1
Taxable benefit - accommodation	4	8
Taxable benefit - car	1	0
<b>Total emoluments (including taxable and non-taxable benefits-in-kind)</b>	<b>384</b>	<b>374</b>

The total emoluments of the Vice-Chancellor and President represent those from which the Vice-Chancellor benefits directly. The Vice-Chancellor and President does not accrue defined benefits in the University Superannuation Scheme but pays a contribution to maintain life and incapacity cover using the USS Enhanced opt out rule. Under this rule, employers are required to continue paying deficit contributions in respect of those staff that are "enhanced opt out" members, in accordance with the prevailing Schedule of Contributions determined by USS. Such payments by Warwick were £9k in 2023/24 (2022/23: £21k) and are excluded from the above table in both years as the Vice-Chancellor does not benefit from those payments.

## Notes to the accounts continued

FOR THE YEAR ENDED 31 JULY 2024

**9. STAFF - continued**

The Chair of Council conducts an annual review of the performance of the Vice-Chancellor and President against objectives, which are agreed at the start of the year. In advance of the review, the Chair seeks comments on the Vice-Chancellor's performance from all members of the University's Council, including the student representatives. The outcome is discussed at the Remuneration Committee and subsequently reported to the University Council. The Vice-Chancellor is not present at the Committee nor Council during the discussions regarding his performance.

The Vice-Chancellor's objectives for 2023 – 2024 focused on progressing key objectives in the University's refreshed 2030 strategy. The objectives laid particular emphasis on: developing the University Executive Board into a high performing team; ensuring Warwick Transformation programme remains on track to deliver significant operational benefits; moving the STEM and Social Sciences Connect programme forwards; and meeting the Financial Plan commitments, ensuring targets are met. There has been excellent progress on the core missions of education and research with particularly good progress in refreshing and resetting the education strategy. The Vice-Chancellor has personally led the advancement of the University's role in developing a compelling vision for innovation and putting Warwick at the centre of regional economic partnerships.

In reviewing the Vice-Chancellor's performance account is also taken of the key performance indicators agreed by Council and performance in national and international league tables. The University has retained its top 10 position in all the key UK league tables and was ranked 22nd in Europe, and 69th globally, in the QS World Rankings. The Vice-Chancellor remains committed to improving our international ranking position.

The Remuneration Committee agree that the Vice-Chancellor's leadership of the University remains very strong. The University continues to perform well in recruiting UK and international students and its financial performance is exceptional at a time when there are challenges across the wider sector. This is because competitiveness, education excellence and financial prudence have been at the top of the agenda over a number of years. Across 2023-24 there were also significant challenges to student communities across the world due to global events, and the Vice-Chancellor led on a number of initiatives to promote and maintain good campus relations whilst ensuring lawful freedom of speech and academic freedom.

The Remuneration Committee regularly reviews the Vice Chancellor's pay against remuneration in other Russell Group Universities, taking into consideration its top 10 position in the Guardian and Times league tables, the scale of the University's operations with an annual turnover in excess of £800m and using the latest findings from the 2024 survey of Vice-Chancellor's remuneration survey conducted by the Committee of University Chairs. The Vice-Chancellor's salary was slightly above median when compared to the salaries of other Vice-Chancellor's at Russell Group Universities. The University of Warwick's Vice-Chancellor has been in post since 2016 and is one of the longest serving Russell Group Vice-Chancellors. Since August 2017, his base salary has been increased in line with the percentage awarded nationally to university staff (there was no such award in August 2020) and he has accepted no performance awards since 2017. The Vice-Chancellor does not undertake any paid work outside the University.

## Notes to the accounts continued

### FOR THE YEAR ENDED 31 JULY 2024

#### 9. STAFF - continued

The relationship between the Vice-Chancellor and President's remuneration, expressed as a multiple of other employees is set out below, for both basic salary and total remuneration. Multiples are shown for three groupings: excluding "atypical" staff (primarily temporary and agency workers), including "atypical" staff, and including "atypical" staff other than the University's Unitemps staff.

	2023/24 Number	2022/23 Number
Basic salary as a multiple of median basic salary of staff - excluding atypicals	8.1	8.3
Total remuneration as a multiple of median total remuneration of staff - excluding atypicals	8.0	7.6
Basic salary as a multiple of median basic salary of staff - including atypicals	10.9	11.1
Total remuneration as a multiple of median total remuneration of staff - including atypicals	10.7	10.0
Basic salary as a multiple of median basic salary of staff - including atypicals but excluding Unitemps	8.9	8.8
Total remuneration as a multiple of median total remuneration of staff - including atypicals but excluding Unitemps	8.3	8.0

The Vice-Chancellor and President's total remuneration in the above calculation includes taxable and non-taxable benefits. As noted on page 61, the Total remuneration ratio excludes (in both years) the University's deficit contributions to the USS in respect of the Vice-Chancellor and President, as he is opted-out of the USS and does not benefit from those payments. The calculation of the ratio is affected by the University's decision to normally employ directly its staff in support and ancillary services roles, including in its commercial businesses. This means that many more lower paid staff are included in the calculation than would be the case in institutions which have outsourced these services or have less significant commercial businesses.

The ratio of the Vice-Chancellor and President's basic salary to the median academic salary is 6.2 (2022/23: 6.2).

## Notes to the accounts continued

FOR THE YEAR ENDED 31 JULY 2024

**9. STAFF - continued**

Basic salary of Higher Paid Staff.

The following number of staff (FTE) received basic salary (at the financial year end) in the following ranges:

	2023/24	2022/23
	FTE	FTE
£335,000 - £339,999	1.0	0.0
£325,000 - £329,999	0.0	1.0
£270,000 - £274,999	1.0	0.0
£265,000 - £269,999	0.0	0.6
£260,000 - £264,999	0.0	1.0
£255,000 - £259,999	0.5	0.0
£250,000 - £254,000	0.9	0.0
£245,000 - £249,999	1.0	1.3
£230,000 - £234,999	1.0	0.0
£225,000 - £229,999	1.9	1.0
£220,000 - £224,999	0.4	0.0
£215,000 - £219,999	3.6	2.0
£210,000 - £214,999	3.9	1.4
£205,000 - £209,999	3.2	2.6
£200,000 - £204,999	0.7	4.1
£195,000 - £199,999	5.9	3.0
£190,000 - £194,999	4.1	2.9
£185,000 - £189,999	1.9	3.2
£180,000 - £184,999	3.2	2.8
£175,000 - £179,999	9.5	2.9
£170,000 - £174,999	6.4	5.9
£165,000 - £169,999	5.8	3.6
£160,000 - £164,999	6.2	8.9
£155,000 - £159,999	6.1	7.0
£150,000 - £154,999	12.7	6.8
£145,000 - £149,999	9.3	9.7
£140,000 - £144,999	8.2	6.8
£135,000 - £139,999	14.0	15.5
£130,000 - £134,999	30.4	14.4
£125,000 - £129,999	19.9	16.5
£120,000 - £124,999	24.5	22.6
£115,000 - £119,999	23.5	24.9
£110,000 - £114,999	26.4	20.4
£105,000 - £109,999	33.0	32.6
£100,000 - £104,999	39.2	37.1

Excluded from the above list are staff who joined or left part-way through a year. Salary partly funded by another body is also excluded. Salary bands are stated on a full time equivalent basis.

£3,201k in compensation for loss of office and redundancy was paid to 218 employees at all salary levels, in addition to their emolument entitlement for the year. In 2022/23, 102 employees were paid £709k.

All severance payments including compensation for loss of office in respect of higher paid staff are approved by the University's Remuneration Committee. Amounts for compensation for loss of office and redundancy for all other staff are approved by University management in accordance with delegated authority.

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. Key management personnel for the University consist of the following senior officers: Vice-Chancellor and President, Provost, Registrar, Group Finance Director, Commercial Director, Pro-Vice Chancellors, Chief Information and Transformation Officer, Chief Communications and Marketing Officer and Secretary to Council. Compensation paid to key management personnel during the year (including any employer's pension contributions, social security costs and including compensation for loss of office payments, any benefits-in-kind and additional salary in lieu of pension contributions for certain staff) is disclosed below:

	2023/24	2022/23
	£000	£000
Key management personnel	2,807	2,625



# Notes to the accounts continued

## FOR THE YEAR ENDED 31 JULY 2024

### 9. STAFF - continued

As noted on page 61, the Total remuneration ratio excludes (in both years) the University's deficit contributions to the USS in respect of the Vice-Chancellor and President and other members of key management personnel where they are opted-out of the USS, and so do not benefit from those payments.

### 10. ANALYSIS OF EXPENDITURE BY ACTIVITY

	Consolidated		University	
	2023/24 Total £ million	2022/23 Total £ million	2023/24 Total £ million	2022/23 Total £ million
Academic departments	335.1	311.5	335.1	311.5
Research grants and contracts	111.9	113.8	111.9	113.8
<b>Total teaching and research</b>	<b>447.0</b>	<b>425.3</b>	<b>447.0</b>	<b>425.3</b>
Academic services	70.4	64.2	70.4	64.2
Central administration and services	58.5	42.2	59.3	42.4
General educational expenditure	44.0	42.3	43.9	42.4
Staff and student facilities	33.3	29.5	33.4	29.6
Premises	91.6	85.0	93.7	87.2
Residences, catering and conferences	39.7	39.1	39.7	38.9
Other services rendered	2.4	1.7	2.4	1.7
Retail operations	20.1	19.2	15.8	14.7
Post-experience centres	8.8	9.3	1.7	1.5
Other activities	3.7	5.7	3.5	5.6
USS pension provision movement	(251.2)	(31.5)	(251.2)	(31.4)
<b>Total per income and expenditure account</b>	<b>568.3</b>	<b>732.0</b>	<b>559.6</b>	<b>722.1</b>

#### Other operating expenses include:

	2023/24 £000	2022/23 £000
Auditor's remuneration for the University of Warwick Group (An amount of £150k (2022/23: £99k) relates to the Auditor's remuneration for the University)	157	146
Auditor's remuneration in respect of non-audit services appointed by the University	44	67
Grants to Warwick Students' Union	3,531	3,351

During the year the University made payments totalling £4,000 (rounded to the nearest £1,000) including reimbursement of expenses, on behalf of eleven independent members of the Council (2022/23: nine members claimed a combined total of £4,000). This does not represent the total expenses individuals incurred, only what they claimed from the University. Additionally, the University provides members (not by way of expenses on an individual basis) with food and accommodation for the activities they attend on the University's campus. Members of the University's Council are the University's Trustees. The University does not remunerate independent members of the University Council. Reasonable travel and subsistence expenses incurred in attending meetings relating to the work of the Council and associated charitable events in members' official capacity are reimbursed upon request, as supported by appropriate evidence of expenditure. The salaries of members of the staff of the University who serve on the Council do not include any element specific to their trusteeship, but are determined following an agreed process.

## Notes to the accounts continued

FOR THE YEAR ENDED 31 JULY 2024

11. ACCESS AND PARTICIPATION EXPENDITURE	Consolidated		University	
	2023/24 £ million	2022/23 £ million	2023/24 £ million	2022/23 £ million
Access investment	3.6	3.2	3.6	3.2
Financial support provided to students	7.5	8.2	7.5	8.2
Support for disabled students	1.0	0.9	1.0	0.9
Research and evaluation of access and participation activities	0.2	0.2	0.2	0.2
	<b>12.3</b>	<b>12.5</b>	<b>12.3</b>	<b>12.5</b>

£3.3m of these costs are already included in the overall staff costs figures included in note 9 (2022/23: £3.1m).

The University's published access and participation plan is available at [https://apis.officeforstudents.org.uk/accessplansdownloads/2024/TheUniversityOfWarwick\\_APP\\_2020-21\\_V1\\_10007163.pdf](https://apis.officeforstudents.org.uk/accessplansdownloads/2024/TheUniversityOfWarwick_APP_2020-21_V1_10007163.pdf)

The University has maintained investment on schemes which support and enable Access to Higher Education, through staff involvement across the University and ongoing specific projects. The Warwick Bursary continues to support those students most in need, although criteria (household income thresholds) for entry have capped the number of beneficiaries, thus reducing the overall expenditure on financial support. Continued investment in targeted collaborative activity and post 16 engagement, along with increased staff time on recruitment and support of eligible groups were key in the year. Research and Evaluation investment has been maintained as we continue to understand the impact and key successes of our commitments.

The second cohort of Warwick Scholars have graduated with positive student success, and student numbers continue to grow within agreed levels.

Disability support, including funding via the disabled students premium, is committed to the Success and Progression categories in the University's access and participation plan for 2023/24.

The University's access and participation plan is developed and governed by the Widening Participation Committee which seeks approval from the Academic Resourcing Committee (ARC) for additional investment requirements. The methodology for including expenditure in the respective categories maps to the delivery of the University's access and participation plan commitments.

Expenditure reported in this note is either:

- captured on separate cost codes for WP programmes, WP activity in academic departments and funding schemes; or
- an allocation of the cost of individual staff members time (including overheads) based upon estimates of time spent on relevant activities with eligible groups.

## Notes to the accounts continued

FOR THE YEAR ENDED 31 JULY 2024

### 12. INTEREST AND OTHER FINANCE COSTS

	Consolidated		University	
	2023/24 £ million	2022/23 £ million	2023/24 £ million	2022/23 £ million
Loan interest	6.2	6.5	6.2	6.5
Administration costs paid from scheme assets	0.6	0.5	0.6	0.5
Net charge on USS pension scheme	5.8	9.4	5.8	9.4
	<b>12.6</b>	<b>16.4</b>	<b>12.6</b>	<b>16.4</b>

The administration costs are in relation to the University of Warwick Pension Scheme (UWPS).

### 13. DISPOSAL OF NON-CURRENT ASSETS

	Consolidated		University	
	2023/24 £ million	2022/23 £ million	2023/24 £ million	2022/23 £ million
Profit on disposal of non-current investments	0.0	0.0	0.0	0.0
Loss on disposal of fixed assets	(0.1)	(0.7)	(0.1)	(0.7)
	<b>(0.1)</b>	<b>(0.7)</b>	<b>(0.1)</b>	<b>(0.7)</b>

## Notes to the accounts continued

FOR THE YEAR ENDED 31 JULY 2024

**14. FIXED ASSETS**

	Consolidated		University	
	2024 £ million	2023 £ million	2024 £ million	2023 £ million
Fixed assets comprise:				
Property, plant and equipment	826.3	840.5	821.1	829.9
Investment Property	2.5	0.0	2.5	0.0
	<b>828.8</b>	<b>840.5</b>	<b>823.6</b>	<b>829.9</b>

**14a. Property, plant and equipment  
CONSOLIDATED**

	Total £ million	Land & Buildings £ million	Fixtures, Fittings & Equipment £ million	Assets under the Course of Construction £ million
<b>Cost</b>				
At 1 August 2023	1,493.3	1,108.5	340.4	44.4
Additions at cost	42.4	0.7	20.2	21.5
Asset transfers	0.0	10.2	28.5	(38.7)
Write offs and disposals at cost	(5.4)	(2.0)	(3.4)	0.0
At 31 July 2024	1,530.3	1,117.4	385.7	27.2
<b>Depreciation</b>				
At 1 August 2023	652.8	370.9	281.9	0.0
Charge for the year	56.4	32.2	24.2	0.0
Eliminated on write offs and disposals	(5.2)	(1.9)	(3.3)	0.0
At 31 July 2024	704.0	401.2	302.8	0.0
<b>Net Book Value at 31 July 2024</b>	<b>826.3</b>	716.2	82.9	27.2
Net Book Value at 31 July 2023	<b>840.5</b>	737.6	58.5	44.4

**UNIVERSITY**

	Total £ million	Land & Buildings £ million	Fixtures, Fittings & Equipment £ million	Assets under the Course of Construction £ million
<b>Cost</b>				
At 1 August 2023	1,457.7	1,074.8	338.6	44.3
Additions at cost	46.9	5.1	20.2	21.6
Asset transfers	0.0	10.2	28.5	(38.7)
Write offs and disposals at cost	(5.4)	(2.0)	(3.4)	0.0
At 31 July 2024	1,499.2	1,088.1	383.9	27.2
<b>Depreciation</b>				
At 1 August 2023	627.8	347.8	280.0	0.0
Charge for the year	55.6	31.3	24.3	0.0
Eliminated on write offs and disposals	(5.3)	(2.0)	(3.3)	0.0
At 31 July 2024	678.1	377.1	301.0	0.0
<b>Net book value at 31 July 2024</b>	<b>821.1</b>	711.0	82.9	27.2
Net book value at 31 July 2023	<b>829.9</b>	727.0	58.6	44.3

## Notes to the accounts continued

### FOR THE YEAR ENDED 31 JULY 2024

#### 14. FIXED ASSETS - continued

##### 14b. Investment property

	Consolidated		University	
	2024 £ million	2023 £ million	2024 £ million	2023 £ million
Fair Value				
Balance at 1 August	0.0	0.0	0.0	0.0
Additions	2.5	0.0	2.5	0.0
Net movement recognised in the SOCI	0.0	0.0	0.0	0.0
<b>Balance at 31 July</b>	<b>2.5</b>	<b>0.0</b>	<b>2.5</b>	<b>0.0</b>

Investment property is valued at cost at 31 July 2024, following the purchase of the asset in January 2024. In subsequent years it is to be fair valued at each Statement of Financial Position date by an independent firm of chartered surveyors. Due to the acquisition taking place in the year, management do not consider there to be a material change in the investment property valuation and it has not been revalued at 31st July 2024.

## Notes to the accounts continued

FOR THE YEAR ENDED 31 JULY 2024

15. NON-CURRENT INVESTMENTS	Consolidated		University	
	2024 £ million	2023 £ million	2024 £ million	2023 £ million
Balance at 1 August	117.2	33.0	118.9	34.7
Net additions in the year	9.1	86.4	9.1	86.4
Increase / (decrease) in market value	6.4	(1.8)	6.0	(1.8)
Decrease in provision for diminution in value	0.0	(0.4)	0.0	(0.4)
Transfer to current asset investments	(40.5)	0.0	(40.5)	0.0
<b>Balance at 31 July</b>	<b>92.2</b>	<b>117.2</b>	<b>93.5</b>	<b>118.9</b>
Represented by:				
Group undertakings	0.0	0.0	6.9	6.9
Associated undertakings	1.1	1.1	0.0	0.0
Other equity investments	1.0	1.0	0.9	0.9
Short-term bonds	51.6	83.5	51.6	83.5
Cash held within managed funds	4.5	2.2	4.3	1.9
Bonds held within managed funds	4.5	3.8	3.8	3.2
Equity investments held within managed funds	26.2	21.5	22.6	18.4
Alternative investments held within managed funds	5.0	5.8	4.3	5.0
	93.9	118.9	94.4	119.8
Provision for diminution in value	(1.7)	(1.7)	(0.9)	(0.9)
	<b>92.2</b>	<b>117.2</b>	<b>93.5</b>	<b>118.9</b>

Associated undertakings include:

[University of Warwick Science Park Associates](#)

On 1 February 2012, the University acquired full ownership of the University of Warwick Science Park Limited and its associated undertakings including the University of Warwick Science Park Business Innovation Centre Limited (UWSP BIC) and University of Warwick Science Park Innovation Centre Limited (UWSP IC). From the date of acquisition, the Science Park was treated as a group investment at cost within the University's figures and is accounted for as a fully consolidated subsidiary within the group accounts (see note 29). UWSP BIC and UWSP IC are not consolidated into the results of the University nor the University of Warwick Science Park Limited on the grounds of materiality.

Other Equity Investments include:

[CVCP Properties plc](#)

50,766 ordinary shares of £1 each

[The Mercia Fund 1](#)

This is a limited partnership between the Universities of Birmingham and Warwick and the General Partner, Mercia Fund Management Limited. Warwick holds an investment of £0.2m in Mercia Fund 1.

[Midlands Mindforge Limited](#)

429 ordinary shares of £0.00001 each in Midlands Mindforge Limited, a patient capital investment company, partnering with seven other research-intensive universities in the Midlands. The University holds 21.4% of the issued share capital.

The University does not consider the entity to be an associate due to lack of substantial control and therefore it is not included in the consolidated results.

# Notes to the accounts continued

## FOR THE YEAR ENDED 31 JULY 2024

### 15. NON-CURRENT INVESTMENTS - continued

#### Investment in spin-out companies

The University holds a range of shareholdings in a number of spin-out companies, set up to maximise the return on intellectual property that is the result of the University's previous research activities. The University currently holds investments in 32 active spin-out companies, all of which are incorporated in Great Britain and registered in England. In total these spin-out companies employ 339 staff.

Further details of the University's investment in spin-out companies can be found at

<http://www2.warwick.ac.uk/services/ventures/spinout-companies/spin-out-companies-a-z-list/>.

The University provides for the investment in spin-out companies immediately upon acquisition and, whilst shareholdings vary in range, up to 55.0%, all spin-out investments are carried within the University's consolidated group accounts at nil value, given the uncertain nature of any valuation or return. The results of these companies are not being consolidated in the accounts on the basis of materiality. This will be reviewed on an annual basis.

### 16. STOCK

	Consolidated		University	
	2024 £ million	2023 £ million	2024 £ million	2023 £ million
Consumables and goods for resale	0.8	1.1	0.8	1.0
Other assets in the process of sale	1.1	1.0	1.1	1.0
	<b>1.9</b>	<b>2.1</b>	<b>1.9</b>	<b>2.0</b>

### 17. TRADE AND OTHER RECEIVABLES

	Consolidated		University	
	2024 £ million	2023 £ million	2024 £ million	2023 £ million
<b>Amounts falling due within one year:</b>				
Other trade receivables	21.5	19.8	18.9	17.0
Prepayments and accrued income	48.4	41.2	47.2	40.1
Amounts owed by group undertakings	0.0	0.0	11.9	14.3
	<b>69.9</b>	<b>61.0</b>	<b>78.0</b>	<b>71.4</b>

### 18. CURRENT INVESTMENTS

	Consolidated		University	
	2024 £ million	2023 £ million	2024 £ million	2023 £ million
Short-term deposits	171.9	147.3	171.9	147.3
Short-term bonds	50.2	14.9	50.2	14.9
	<b>222.1</b>	<b>162.2</b>	<b>222.1</b>	<b>162.2</b>

Short term deposits are held with banks and building societies operating in the London market and licensed by the Prudential Regulation Authority, with more than three months maturity on placement.

## Notes to the accounts continued

FOR THE YEAR ENDED 31 JULY 2024

## 19. CONSOLIDATED RECONCILIATION OF NET FUNDS

	Consolidated	University
	2023/24	2023/24
	£ million	£ million
Net funds at 1 August 2023	174.3	171.2
Movement in cash and cash equivalents	10.7	11.1
Movement in current investments	59.9	59.9
Movement in unsecured loans	7.5	7.5
Net funds at 31 July 2024	<b>252.4</b>	<b>249.7</b>
Change in net funds	<b>78.1</b>	<b>78.5</b>

	Consolidated		University	
	2024	2023	2024	2023
	£ million	£ million	£ million	£ million
Analysis of net funds				
<b>Cash and cash equivalents</b>	<b>176.8</b>	166.1	<b>174.1</b>	163.0
<b>Current investments</b>	<b>222.1</b>	162.2	<b>222.1</b>	162.2
<b>Borrowings: amounts falling due within one year</b>				
Unsecured loans	(7.4)	(7.3)	(7.4)	(7.3)
	(7.4)	(7.3)	(7.4)	(7.3)
<b>Borrowings: amounts falling due after more than one year</b>				
Unsecured loans	(139.1)	(146.7)	(139.1)	(146.7)
	(139.1)	(146.7)	(139.1)	(146.7)
Net funds	<b>252.4</b>	<b>174.3</b>	<b>249.7</b>	<b>171.2</b>



# Notes to the accounts continued

FOR THE YEAR ENDED 31 JULY 2024

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

	Consolidated		University	
	2024 £ million	2023 £ million	2024 £ million	2023 £ million
Unsecured loans (note 22)	7.4	7.3	7.4	7.3
Deferred income	121.9	123.2	118.7	119.9
Deferred capital grants	16.3	15.0	16.3	15.0
Trade payables	15.5	17.8	15.2	17.6
Social security and other taxation payable	12.4	12.0	11.3	11.1
Accruals	72.2	59.4	69.4	57.3
Amounts owed to group undertakings	0.0	0.0	47.0	41.7
	<b>245.7</b>	<b>234.7</b>	<b>285.3</b>	<b>269.9</b>

## 21. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	Consolidated		University	
	2024 £ million	2023 £ million	2024 £ million	2023 £ million
Derivatives	6.6	3.4	6.6	3.4
Unsecured loans (note 22)	139.1	146.7	139.1	146.7
Deferred income	64.0	69.4	64.0	69.4
Deferred capital grants	171.3	170.9	171.3	170.9
	<b>381.0</b>	<b>390.4</b>	<b>381.0</b>	<b>390.4</b>

The University holds derivative instruments (interest rate swaps) on its borrowings to convert its floating rate debt to fixed rate in order to hedge against the interest-rate rising. The fair value of the derivative instruments (hedging instruments) at 31 July 2024 was £6.6m (2022/23: £3.4m). The change in fair value of the hedging instruments during the financial year of £3.2m adverse (2022/23: £21.9m favourable) is shown within the Consolidated Statement of Comprehensive Income.

## 22. ANALYSIS OF UNSECURED LOANS

Amounts owing on unsecured loans as at 31 July 2024 fall due as follows:

	Consolidated		University	
	2024 £ million	2023 £ million	2024 £ million	2023 £ million
Due within one year or on demand (note 20)	7.4	7.3	7.4	7.3
Due between one and two years (note 21)	7.4	7.8	7.4	7.8
Due between two and five years (note 21)	22.1	21.9	22.1	21.9
Due in five years or more (note 21)	109.6	117.0	109.6	117.0
	<b>146.5</b>	<b>154.0</b>	<b>146.5</b>	<b>154.0</b>

## Notes to the accounts continued

FOR THE YEAR ENDED 31 JULY 2024

**22. ANALYSIS OF UNSECURED LOANS - continued**

The University takes professional advice on the hedging of interest rates on its borrowing, with a view to reducing the risk of unexpected finance costs. The University has entered into long term interest swap agreements which result in effectively fixed rate borrowing over the life of the loans.

## Bank loan arrangements for the University as at 31 July 2024:

Drawn facilities	Total original facility £ million	Outstanding 31 July 2024 £ million	Effective Interest rate
Amortising loan, drawn July 2007, repayable July 2037	40.0	17.0	5.37%
Bullet loan, drawn July 2008, repayable July 2037	10.0	10.0	4.82%
Bullet loan, drawn July 2009, repayable July 2037	5.0	5.0	4.92%
Bullet loan, drawn October 2010, repayable July 2037	15.0	15.0	4.92%
Bullet loan, drawn October 2010, repayable July 2037	10.0	10.0	4.84%
Amortising loan, drawn March 2012, March 2013 and December 2013, repayable December 2040	60.0	36.7	5.19%
Amortising loan, drawn August 2018, repayable July 2038	75.0	52.5	2.49%
	<b>215.0</b>	<b>146.2</b>	

The University has a negative pledge arrangement in respect of the bank loan facilities.

During the financial year the University also had the following borrowing arrangements in place:

A £0.5m loan received from HEFCE, as part of HEFCE's partnership with Salix Finance Ltd, specifically for the purpose of funding energy efficiency and low carbon technology. The loan is at a 0% rate of interest and is repayable in instalments to April 2029. £0.2m was repaid during the year.

# Notes to the accounts continued

## FOR THE YEAR ENDED 31 JULY 2024

### 23. PENSION PROVISIONS AND PENSION ASSET

	Consolidated	University
	£ million	£ million
Obligation to fund deficit on USS Pension (Note 31)		
Provision at 1 August 2023	251.2	251.2
Unwinding of discount factor	5.8	5.8
Deficit contributions paid	(7.1)	(7.1)
Decrease in provision in year	(249.9)	(249.9)
	(251.2)	(251.2)
Provision at 31 July 2024	<b>0.0</b>	<b>0.0</b>

	Consolidated	University
	£ million	£ million
Defined benefit obligations for University of Warwick Pension Scheme (UWPS) (Note 31)		
Asset at 1 August 2023	(12.1)	(12.1)
Net service cost contributions	(2.3)	(2.3)
Net return on assets	(0.7)	(0.7)
Administrative expenses	0.6	0.6
Actuarial loss	5.0	5.0
Asset at 31 July 2024	<b>(9.5)</b>	<b>(9.5)</b>
Total of above pension assets carried forward at 31 July 2024	<b>(9.5)</b>	<b>(9.5)</b>

### 24. OTHER PROVISIONS

	Consolidated	University
	£ million	£ million
Life Sciences restructuring provision		
At 1 August 2023	2.2	2.2
Utilised in year	(0.7)	(0.7)
At 31 July 2024	<b>1.5</b>	<b>1.5</b>
Other provisions		
At 1 August 2023	1.1	1.1
Additions in year	0.5	0.5
At 31 July 2024	<b>1.6</b>	<b>1.6</b>
Total of above provisions carried forward at 31 July 2024	<b>3.1</b>	<b>3.1</b>

Other provisions represents a provision of £1.6m arising from an assessed risk regarding funding received prior to 31 July 2024 that may be subject to clawback in future.

## Notes to the accounts continued

FOR THE YEAR ENDED 31 JULY 2024

## 25. ENDOWMENTS

## CONSOLIDATED

	Restricted Permanent		Restricted Expendable		2024	2023
Capital	Unapplied	Total	Total	Total	Total	
£ million	£ million	£ million	£ million	£ million	£ million	
As at 1 August	5.6	1.8	7.4	5.2	12.6	12.8
New endowments	0.2	0.0	0.2	0.8	1.0	0.7
Indexation	0.3	(0.3)	0.0	0.0	0.0	0.0
Investment income: dividends, interest	0.0	0.2	0.2	0.2	0.4	0.4
Reclassification to expendable	0.0	0.0	0.0	0.0	0.0	0.0
Change in market value of investments	0.0	0.5	0.5	0.1	0.6	0.0
Expenditure	0.0	(0.2)	(0.2)	(0.8)	(1.0)	(1.3)
<b>As at 31 July</b>	<b>6.1</b>	<b>2.0</b>	<b>8.1</b>	<b>5.5</b>	<b>13.6</b>	<b>12.6</b>

	Restricted Permanent		
Capital	Unapplied	Total	
£ million	£ million	£ million	
Represented by:			
Capital - Original gift	5.6	0.0	5.6
Capital - Indexation reserve	0.0	0.0	0.0
Unapplied return	0.0	1.8	1.8
<b>At at 1 August 2023</b>	<b>5.6</b>	<b>1.8</b>	<b>7.4</b>
Capital - Original gift	5.8	0.0	5.8
Capital - Indexation reserve	0.3	0.0	0.3
Unapplied return	0.0	2.0	2.0
<b>At at 31 July 2024</b>	<b>6.1</b>	<b>2.0</b>	<b>8.1</b>

	Restricted Permanent	Restricted Expendable	2024	2023
	Total	Total	Total	Total
	£ million	£ million	£ million	£ million
Analysis of endowment funds by type and purpose				
Chairs and lectureships	2.4	1.7	4.1	3.5
Scholarships and bursaries	3.5	1.7	5.2	5.1
Prize funds	2.0	0.2	2.2	2.0
General	0.2	1.6	1.8	1.7
Research support	0.0	0.3	0.3	0.3
<b>Total</b>	<b>8.1</b>	<b>5.5</b>	<b>13.6</b>	<b>12.6</b>

	Consolidated		University	
	2024	2023	2024	2023
	£ million	£ million	£ million	£ million
Analysis by asset				
Current and non-current asset investments	9.0	8.2	3.8	3.4
Cash and cash equivalents	4.6	4.4	3.5	3.3
<b>Total endowment asset investments</b>	<b>13.6</b>	<b>12.6</b>	<b>7.3</b>	<b>6.7</b>

# Notes to the accounts continued

## FOR THE YEAR ENDED 31 JULY 2024

### 25. ENDOWMENTS - continued

#### UNIVERSITY

	Restricted Permanent			Restricted	2024	2023
	Capital	Unapplied total return	Total	Expendable Total	Total	Total
	£ million	£ million	£ million	£ million	£ million	£ million
As at 1 August	3.2	0.7	3.9	2.8	6.7	6.9
New endowments	0.2	0.0	0.2	0.7	0.9	0.8
Indexation	0.3	(0.3)	0.0	0.0	0.0	0.0
Investment income: dividends, interest	0.0	0.1	0.1	0.1	0.2	0.2
Reclassification to expendable	0.0	0.0	0.0	0.0	0.0	0.0
Change in market value of investments	0.0	0.3	0.3	0.0	0.3	0.0
Expenditure	0.0	(0.1)	(0.1)	(0.7)	(0.8)	(1.2)
<b>As at 31 July</b>	<b>3.7</b>	<b>0.7</b>	<b>4.4</b>	<b>2.9</b>	<b>7.3</b>	<b>6.7</b>

Represented by:	Restricted Permanent		
	Original Gift	Unapplied total return	Total
	£ million	£ million	£ million
Capital - Original gift	3.2	0.0	3.2
Capital - Indexation reserve	0.0	0.0	0.0
Unapplied return	0.0	0.7	0.7
<b>At at 1 August 2023</b>	<b>3.2</b>	<b>0.7</b>	<b>3.9</b>
Capital - Original gift	3.4	0.0	3.4
Capital - Indexation reserve	0.3	0.0	0.3
Unapplied return	0.0	0.7	0.7
<b>At at 31 July 2024</b>	<b>3.7</b>	<b>0.7</b>	<b>4.4</b>

### 26. RESTRICTED RESERVES

#### CONSOLIDATED

	Donations	2024	2023
	£ million	Total £ million	Total £ million
As at 1 August	0.3	0.3	0.0
New donations	0.9	0.9	0.6
Expenditure	(0.5)	(0.5)	(0.3)
<b>As at 31 July</b>	<b>0.7</b>	<b>0.7</b>	<b>0.3</b>
Analysis of restricted funds by type and purpose			
Research support	0.7	0.7	0.3
<b>Total</b>	<b>0.7</b>	<b>0.7</b>	<b>0.3</b>

## Notes to the accounts continued

FOR THE YEAR ENDED 31 JULY 2024

## 26. RESTRICTED RESERVES - continued

## UNIVERSITY

	Donations	2024 Total	2023 Total
	£ million	£ million	£ million
As at 1 August	0.3	0.3	0.0
New donations	0.9	0.9	0.6
Expenditure	(0.5)	(0.5)	(0.3)
<b>As at 31 July</b>	<b>0.7</b>	<b>0.7</b>	<b>0.3</b>

## Analysis of restricted funds by type and purpose

Research support	0.7	0.7	0.3
<b>Total</b>	<b>0.7</b>	<b>0.7</b>	<b>0.3</b>

## 27. CAPITAL COMMITMENTS

	Consolidated		University	
	2024 £ million	2023 £ million	2024 £ million	2023 £ million
Commitments contracted at 31 July	26.3	18.9	26.3	18.9

## 28. LEASE OBLIGATIONS

	Consolidated		University	
	2024 £ million	2023 £ million	2024 £ million	2023 £ million
Operating lease commitments in respect of buildings and equipment on leases:				
Within one year	3.9	3.7	3.8	3.7
Between one and five years	14.7	13.7	14.6	13.7
Over five years	26.5	29.9	26.5	29.9
	<b>45.1</b>	<b>47.3</b>	<b>44.9</b>	<b>47.3</b>

# Notes to the accounts continued

FOR THE YEAR ENDED 31 JULY 2024

## 29. SUBSIDIARY COMPANIES AND ASSOCIATED BODIES

The University owns 100% of the issued share capital of the following companies which are registered in England and operating in the UK, unless dormant as stated:

	<u>No. of £1 Ordinary Shares</u>
Warwick University Training Limited	600,004
Warwick University Services Limited	125,000
Warwick University Enterprises Limited	170,000
Warwick Learning Limited	2,200
University of Warwick Science Park Limited	27,997
Research-TV Limited (Dormant)	3
Warwick Conferences Limited (Dormant)	2
The University of Warwick Press Limited (Dormant)	2
Jobs for the Academic Community Limited (Dormant)	1
World First Racing Limited (Dormant)	100
Warwick Ventures Limited (Dormant)	1
Warwick Innovation Network Limited (Dormant)	1
Warwick Event Solutions Limited (Dormant)	1
UWSP Connect Limited (Dormant)	1
HRI Limited (Dormant)	3
UPS Pension Trustee Limited (Dormant)	1
Horticulture Research International (Dormant)	Limited by guarantee

### [University of Warwick Foundation](#)

In addition, the consolidated accounts include the accounts of the University of Warwick Foundation, an exempt Charity. The Foundation is a linked charity as defined under paragraph 28 of the Charities Act 2011 and, as such more information is disclosed in respect of the Foundation at note 30 of these accounts.

### [WMG Academy for Young Engineers \(WMG Academy\)](#)

WMG Academy was formed on 6 February 2012 and is a private company, limited by guarantee and also an exempt charity where the University is one of three members. The University does not consider the entity to be an associate due to lack of substantial control and therefore is not included in the consolidated results. It operates two University Technical Colleges specialising in engineering.

### [Other Associated Bodies](#)

Due to the nature of its activities, the University is a member of, or holds other minor interests in, a number of other joint ventures and companies involved in academic related activities. The individual detail of these other holdings is not disclosed, nor consolidated into the accounts of the University, purely on the grounds of materiality.

## Notes to the accounts continued

FOR THE YEAR ENDED 31 JULY 2024

**30. CONNECTED CHARITABLE INSTITUTIONS**

The University is required to disclose details of connected charitable institutions, in order to allow for appropriate review by the Office for Students, which acts as principal regulator of the University of Warwick and its connected institutions, on behalf of the Charity Commission.

**University of Warwick Foundation**

It is the University's view that the University of Warwick Foundation is a connected institution to the University as defined under paragraph 28 of the Charities Act 2011 and, accordingly, further details are disclosed below.

The University of Warwick Foundation is an exempt charity, by virtue of Schedule 3 of the Charities Act 2011; the purposes of the Foundation are to:

- (a) hold endowments and other donations received for the development of the University of Warwick; and
- (b) provide funding for the development of buildings at the University of Warwick.

The activities of the Foundation, a financial summary of which is shown below, are consolidated into the University's group accounts, as described in note 29.

Consolidated results	2023/24	2022/23
	£ million	£ million
<b>Net assets</b>		
As at 1 August	33.9	33.4
Income	2.1	1.4
Expenditure	(1.1)	(0.9)
Gain on investments	0.4	0.0
	<b>35.3</b>	<b>33.9</b>

	Restricted Permanent			Restricted	2024	2023
	Capital	Unapplied	Total	Expendable	Total	Total
	£ million	£ million	£ million	£ million	£ million	£ million
As at 1 August	2.4	1.1	3.5	2.4	5.9	5.9
New endowments	0.0	0.0	0.0	0.0	0.0	0.0
Investment income: dividends, interest	0.0	0.1	0.1	0.1	0.2	0.1
Change in market value of investments	0.0	0.2	0.2	0.2	0.4	0.0
Expenditure	0.0	(0.1)	(0.1)	(0.1)	(0.2)	(0.1)
	<b>2.4</b>	<b>1.3</b>	<b>3.7</b>	<b>2.6</b>	<b>6.3</b>	<b>5.9</b>



# Notes to the accounts continued

## FOR THE YEAR ENDED 31 JULY 2024

### 31. PENSION SCHEMES

#### Universities Superannuation Scheme (USS)

The total net income to the Consolidated Statement of Comprehensive Income and Expenditure is £251.2m (2022/23: net income £31.5m) as shown in note 23. Deficit recovery contributions due within one year for the institution are £nil (prior year: £17.7m).

The University participates in the USS. With effect from 1 October 2016, the scheme changed from a defined benefit only scheme to a hybrid pension scheme, providing defined benefits (for all members) as well as defined contribution benefits. The assets of the scheme are held in a separate fund administered by the trustee, Universities Superannuation Scheme Limited. At 31 March 2024 USS had over 232,000 active members (2023: 223,000+) and the University had 5,870 active members participating in the scheme as at 31 July 2024 (2023: 5,542).

As at the year end the latest available complete actuarial valuation of the Retirement Income Builder section of the Scheme was at 31 March 2023 (the valuation date), which was carried out using the projected unit method.

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

The 2023 valuation was the seventh valuation for USS under the scheme-specific funding regime introduced by the Pensions Act 2004, which requires schemes to adopt a statutory funding objective, which is to have sufficient and appropriate assets to cover their technical provisions.

Actuarial valuation date	31 March 2023
Valuation method	Projected Unit
Value of scheme assets	£73.1bn
Value of technical provisions	£65.7bn
Net pension surplus	£7.4bn
Funding level from accrued benefits	111%

The key financial assumptions used in the 2023 valuation are described below. More detail is set out in the Statement of Funding Principles (<https://www.uss.co.uk/about-us/valuation-and-funding/statement-of-funding-principles>):

CPI assumption	3.0% p.a. (based on a long-term average expected level of CPI, broadly consistent with long-term market expectations), less 1.0% p.a. to 2030, reducing to 0.1% p.a. from 2030.	
Pension increases (subject to a floor of 0%)	Benefits with no cap: CPI assumption plus 3bps. Benefits subject to a "soft cap" of 5% (providing inflationary increases up to 5%, and half of any excess inflation over 5% up to a maximum of 10%): CPI assumption minus 3bps	
Discount rate (forward rates)	Fixed interest gilt yield curve plus:	Pre-retirement: 2.5% p.a. Post retirement: 0.9% p.a.

Defined benefit liability numbers for the scheme have been produced using the following assumptions\*:

\* FRS102 basis per USS Report and Accounts 2024 and 2023

	2024	2023
Discount rate	4.70%	4.60%
Pension increase assumption	3.00%	3.00%

The main demographic assumptions used relate to the mortality assumptions. These assumptions are based on analysis of the scheme's experience carried out as part of the 2023 actuarial valuation. Mortality is assumed to be in line with the Continuous Mortality Investigation's (CMI) tables: 101% of S2PMA "light" is used for males, and 95% of S3PFA for females. To allow for future improvements in mortality rates, the CMI 2021 projections with a smoothing parameter of 7.5, an initial addition of 0.4% p.a., 10% w2020 and w2021 parameters, and long term improvement rates of 1.8% pa for males and 1.6% pa for females were also adopted. The current life expectancies on retirement at age 65 are:

Males (females) currently aged 65:	23.7 (25.6) years
Males (females) currently aged 45:	25.4 (27.2) years

## Notes to the accounts continued

FOR THE YEAR ENDED 31 JULY 2024

**31. PENSION SCHEMES - continued**

The existing position (per USS Report and Accounts 2024 and 2023) is as follows:	2024	2023
Scheme assets	£74.8bn	£73.1bn
Total scheme liabilities	£75.0bn	£71.1bn
FRS 102 total scheme (deficit) / surplus	£(0.2)bn	£2.0bn
FRS 102 total funding level	100%	103%

Surpluses or deficits which arise at future valuations may impact on the University's future contribution commitment. A deficit may require additional funding in the form of higher contribution requirements, whereas a surplus could, perhaps, be used to similarly reduce contribution requirements. In accordance with the requirements of the SORP, the University currently recognises a provision for its obligation to fund past deficits arising within the USS. A deficit recovery plan was put in place as part of the 2020 actuarial valuation, which required employers to contribute 6.2% of salaries towards repairing the deficit over the period 1 April 2022 to 31 March 2024, at which point the rate was planned to increase to 6.3%. As set out in Note 1, no deficit recovery plan was required under the 2023 valuation because the scheme was in surplus on a technical provisions basis. The institution was no longer required to make deficit recovery contributions from 1 January 2024 and accordingly released the outstanding provision to the profit and loss account. The University has therefore provided £nil in the current year (2022/23: £251.2m).

# Notes to the accounts continued

## FOR THE YEAR ENDED 31 JULY 2024

### 31. PENSION SCHEMES - continued

#### University of Warwick Pension Scheme (UWPS)

As of 1 April 2010 the University introduced changes to the benefit structure for existing members of UWPS and introduced a new Defined Contribution Section (DCS) to the scheme for new hires from this date. The University closed the Defined Benefit Section (DBS) of the scheme to new hires from 1 April 2010, but continues to operate this DBS in the UK for eligible members at the point of closure and the following disclosure relates to this ongoing DBS. Under FRS 102, the current service costs arising from employee service for the current period (less contributions paid into the scheme), expected interest costs on the scheme liabilities and the expected rate of return on scheme assets are charged and credited to the Consolidated Statement of Comprehensive Income and Expenditure of the University. Other changes in the forecast scheme asset / liability recorded on the Balance Sheet, as a result of changes in assumptions, are also recorded in the Consolidated Statement of Comprehensive Income and Expenditure. The contributions are determined by an independent qualified actuary on the basis of triennial valuations using the projected unit method. This valuation has been updated to 31 July 2024 by a qualified independent actuary, for calculating FRS 102 accounting entries. The main results and assumptions of the most recently available full valuation figures of the UWPS are as follows:

Latest actuarial valuation date		31 March 2022
Valuation method		Projected Unit
Value of notional assets		£234.4m
Funding level from accrued benefits		95%
Discount rates per annum	- short term	2.50%
	- long term	1.95%
Salary scale increases per annum		3.85%
Pension increases per annum (subject to limited price indexation) *		3.00%

\* re pre 6 April 1997 benefits. Different increases are payable on other tranches of pension.

All assumptions have been derived with reference to the full gilt yield curve and implied inflation curve, from the Willis Towers Watson Investment Model. Detailed in the above table are the single equivalent financial assumptions. These represent the equivalent single assumptions which taken in isolation would produce the same liability figure as that derived from using the full curves for each respective financial assumption.

As at 31 July 2024 there were 274 members of staff actively contributing to the DBS of the scheme (2023: 296), with a further 1,717 staff being active members of the DCS (2023: 1,690).

Following the scheme's March 2022 actuarial valuation, the University will continue to maintain an overall flat contribution rate of £3.29m per annum into the DBS of the scheme, inclusive of deficit recovery contributions. With effect from 1 April 2023, the University's £3.29m per annum DBS contribution is made up of 27.7% ordinary annual contributions and the balance in deficit recovery contributions. From 1 June 2020 to 31 March 2023, the University's £3.29m per annum DBS contribution was made up of 25.6% ordinary annual contributions and the balance in deficit recovery contributions.

The DCS of the scheme, comprising of the Heritage Section (University of Warwick staff) and the Enterprise Section (Unitemps personnel engaged by Warwick Employment Group), is treated and accounted for as a normal and separate part of the University of Warwick Pension Scheme. The University took the decision to stop contributions to these sections with effect from 30 April 2024 and direct new contributions from 1 May 2024 to the Standard Life Master Trust. This followed a statutory 60-day consultation with affected staff. Separate arrangements are in place with another Master Trust to provide death in service life cover benefits for staff formerly in the Heritage Section of the Scheme.

The University's contributions to the Heritage section, were either 6%, 8% or 10% of pensionable salary, dependent upon the level of employee contributions chosen by the scheme member. The contributions to the Enterprise section were based on the statutory minimum basis. Contributions to both sections (and now the Master Trust) are recognised through expenditure in the Consolidated Statement of Comprehensive Income as paid over to the external scheme provider. The Trustee of UWPS approved the transfer of accrued DC assets to the Standard Life Master Trust and settlement took place in August 2024. There are no remaining DC liabilities remaining in UWPS.

## Notes to the accounts continued

FOR THE YEAR ENDED 31 JULY 2024

**31. PENSION SCHEMES - continued**

The major assumptions used by the actuary (in nominal terms) for the latest updates of the DBS of the scheme were:

	2024	2023	2022	2021	2020
Rate of increase in salaries	2.77%	2.78%	2.65%	2.55%	2.00%
Discount rate	4.95%	5.16%	3.35%	1.60%	1.45%
Inflation assumption (RPI)	3.28%	3.34%	3.35%	3.25%	2.90%
Inflation assumption (CPI) *	2.77%	2.80%	2.65%	2.55%	2.00%

\* CPI used for revaluation of deferred pensions where appropriate.

To develop the expected long-term rate of return on assets assumption, the University considered the current level of expected returns on risk free investments (government bonds), the historical level of risk premium associated with the other asset classes in which the portfolio is invested (including equities, property, liability driven investments (LDI), infrastructure, commodities and reinsurance) and the expectations for future returns on each asset class. The expected return for each asset class was then weighted based on the actual asset allocation to develop the expected long-term rate of return on assets assumption for the portfolio.

The current mortality assumptions include sufficient allowance for future improvements in mortality rates. The assumed life expectations on retirement at age 65 are:

	2024 Years	2023 Years	2022 Years	2021 Years	2020 Years
Male member aged 45	21.6	21.7	22.2	22.2	22.2
Female member aged 45	25.2	25.1	25.6	25.6	25.5
Male member aged 65	20.4	20.4	20.9	20.9	20.9
Female member aged 65	23.8	23.8	24.2	24.2	24.1

The assets in the Scheme were:

	2024 £ million	2023 £ million	2022 £ million	2021 £ million	2020 £ million
Value of assets					
- Equities	0.0	7.9	15.4	27.6	22.6
- Other growth assets	65.5	61.4	71.7	78.4	79.2
- Bonds and other	98.8	93.0	124.8	147.8	154.2
Total market value of assets	164.3	162.3	211.9	253.8	256.0
Value of liabilities	(154.8)	(150.2)	(194.9)	(249.4)	(247.4)
<b>Net pension surplus</b>	<b>9.5</b>	<b>12.1</b>	<b>17.0</b>	<b>4.4</b>	<b>8.6</b>

Analysis of movement in the market value of scheme assets

	2023/24 £ million	2022/23 £ million
Fair value of plan assets at beginning of the year	162.3	211.9
Expected rate of return on scheme assets *	8.3	7.0
Actuarial losses	(2.0)	(52.6)
Contribution paid by the employer	3.6	3.6
Contributions by scheme participants	0.1	0.1
Benefits paid	(7.4)	(7.2)
Administrative expenses paid from plan assets	(0.6)	(0.5)
Fair value of plan assets at end of the year	<b>164.3</b>	<b>162.3</b>

\* Non-investment expenses incurred in the year have been offset within the expected returns of assets

# Notes to the accounts continued

## FOR THE YEAR ENDED 31 JULY 2024

### 31. PENSION SCHEMES - continued

Analysis of movement in the present value of scheme liabilities	2023/24 £ million	2022/23 £ million
Benefit obligation at beginning of the year	150.2	194.9
Current service costs	1.3	1.6
Interest cost	7.6	6.4
Contributions by scheme participants	0.1	0.1
Actuarial gain	3.0	(45.6)
Benefits paid	(7.4)	(7.2)
	<b>154.8</b>	<b>150.2</b>

Analysis of amount recognised in Other Comprehensive Income	2023/24 £ million	2022/23 £ million
Actual gain / (loss) on scheme assets	6.3	(45.6)
Expected return on assets	(8.3)	(7.0)
Experience of gains and losses on liabilities	(1.5)	0.0
Changes in assumptions	(1.5)	45.6
	<b>(5.0)</b>	<b>(7.0)</b>

Summary of movement in net asset during the year	2023/24 £ million	2022/23 £ million
Current service cost	(1.3)	(1.6)
Contributions	3.6	3.6
Net return on assets	0.7	0.6
Administrative expenses	(0.6)	(0.5)
	<b>2.4</b>	<b>2.1</b>
Actuarial (loss) recognised in Other Comprehensive Income	(5.0)	(7.0)
Surplus in scheme at 1 August	12.1	17.0
	<b>9.5</b>	<b>12.1</b>

History of experience of gains and losses	2023/24 £ million	2022/23 £ million	2020/21 £ million	2019/20 £ million
Actual return less expected return on scheme assets	(2.0)	(52.6)	(42.6)	(2.7)
% of scheme assets:	(1.2%)	(32.4%)	(20.1%)	(1.1%)
Experience of gains and losses on liabilities	(1.5)	0.0	(6.9)	3.2
% of scheme liabilities:	(1.0%)	0.0%	(3.5%)	1.3%
Changes in assumptions	(1.5)	45.6	61.6	(5.1)
Total amount recognised in Total Comprehensive Income	(5.0)	(7.0)	12.1	(4.6)
% of scheme liabilities:	(3.2%)	(4.7%)	6.2%	(1.8%)

Sensitivity analysis: variation of assumptions would have the following potential impact on the UWPS pension asset at the year end of £9.5m. Discount rate 0.1% lower, pension asset £7.6m. Inflation rate (RPI) 0.1% higher, pension asset £8.6m. Inflation rate (CPI) 0.1% higher, pension asset £9.1m.

## Notes to the accounts continued

FOR THE YEAR ENDED 31 JULY 2024

**31. PENSION SCHEMES - continued****Pension cost for year**

Excluding salary sacrifice contributions on behalf of employees, the University's contribution and movement on provisioning in respect of costs to the various schemes for its own staff were:

	2023/24 £ million	2022/23 £ million
Universities Superannuation Scheme (USS)	48.7	54.2
University of Warwick Pension Scheme (UWPS) Defined Benefit Section	3.3	3.3
University of Warwick Pension Scheme (UWPS) Defined Contribution Section	2.8	2.7
Other schemes	0.9	0.7
	<hr/> 55.7	<hr/> 60.9
(Decrease) in pension provision for staff costs	(259.3)	(42.9)
	<hr/> <b>(203.6)</b>	<hr/> <b>18.0</b>

Due to the low value of contributions and small number of participants in defined benefit schemes other than the Universities Superannuation Scheme (USS) and the University's own scheme (UWPS), as shown above, no disclosures have been made on the grounds of materiality.

In addition to the amounts shown above are pension payments of £nil in relation to temporary staff (2022/23: £0.1m).

**Guaranteed Minimum Pension (GMP) benefits equalisation**

On 26 October 2018, the High Court handed down a judgment involving the Lloyds Banking Group's defined benefit pension schemes. The judgment concluded the schemes should be amended to equalise pension benefits for men and women in relation to guaranteed minimum pension benefits. The issues determined by the judgment arise in relation to many other defined benefit pension schemes. The University is working with the Trustee of The University of Warwick Pension Scheme to understand the extent to which the judgment crystallises additional liabilities for the scheme.

On 20 November 2020, the High Court ruled that pension schemes will need to revisit individual transfer payments made since 17 May 1990 to check if any additional value is due as a result of GMP equalisation. Based on the level of transfer payments, and the GMP equalisation reserve already including a small margin above the Scheme Actuary's central estimate, the University has chosen to retain the allowance adopted last year, estimated at 0.25% of the total pensions liability. The actual cost of GMP equalisation will be reflected after the benefits have been equalised.

For the University's other significant defined benefit scheme, the USS, the provision included within the financial statements at note 23 will only be impacted to the extent the change in benefits increases cash financing.

**Virgin Media Limited vs NTL Pension Trustees II Limited**

In June 2023, the High Court handed down a decision in the case of Virgin Media Limited v NTL Pension Trustees II Limited and others relating to the validity of certain historical pension changes due to the lack of actuarial confirmation required by law. In July 2024, the Court of Appeal dismissed the appeal brought by Virgin Media Ltd against aspects of the June 2023 decision. The conclusions reached by the court in this case may have implications for other UK defined benefit plans. The Trustee of the UWPS and its advisors are currently considering the implications of the case for the UWPS. The defined benefit obligation has been calculated on the basis of the pension benefits currently being administered, and at this stage the University does not consider it necessary to make any adjustments as a result of the Virgin Media case.

# Notes to the accounts continued

## FOR THE YEAR ENDED 31 JULY 2024

### 32. RELATED PARTIES

#### Members of Council

Due to the nature of the University's operations and the composition of the University's Council (being drawn from local, public and private sector organisations) it is inevitable that transactions will take place with organisations in which a member of Council may have an interest. All transactions involving organisations in which a member of Council may have an interest are conducted at arm's length and in accordance with the University's financial regulations and normal procurement procedures. Total expenses paid direct to members of the University's Council, who are also the University's Trustees, are shown in note 10. Further detail on The Council and its members is shown in the Corporate Governance Statement.

The President of the Union of Students and another student elected by the Union of Students are members of the University's Council. During the year ended July 2024, grant payments were made to the Warwick Students' Union for the value of £3.5m (2022/23: £3.4m), further grants of £0.3m (2022/23 £0.3m) were made to various societies of the Student's Union. Invoices were raised from the University for the value of £0.6m in respect of Utilities £0.2m, and other services provided including sports facilities and room hire £0.4m. (2022/23: £0.7m, Utilities £0.3m, Other £0.4m). There were balances of £14k and £59k (2022/23: £21k and £11k) outstanding in debtors and creditors at the year end.

#### University of Warwick Pension Scheme

The University of Warwick is the principal employer for University of Warwick Pension Scheme and therefore considers the University of Warwick Pension Scheme a related party. Disclosures in relation to the valuation of the UWPS are shown in note 31.

#### Spin-out companies

The University made no direct investments in spin-out companies during the year that totalled more than £50k.

The University supplies facilities, goods and services to a number of its spin-out companies, within which the University holds varying levels of share interest (see note 15). All of these goods and services are provided on an arm's length basis and the total value of sales to such individual companies, in excess of £100k for the reported financial year, is summarised below:

	2023/24 £ million	2022/23 £ million
Medherant Ltd	0.0	0.1
Nanosyrinx Ltd	0.3	0.2
CryoLogyx Ltd	0.0	0.1

In addition to the above, there are total sales of £0.2m and purchases of £0.05m, with year end balances of £0.05m and £nil outstanding in debtors and creditors, to all other spin outs not listed.

## Notes to the accounts continued

**FOR THE YEAR ENDED 31 JULY 2024**

### **33. HERITAGE ASSETS**

The University of Warwick is in possession of an art collection which is on view to staff, students and visitors who have access to the various buildings where the work is exhibited.

The collection displays a variety of media including paintings, prints, textiles and ceramics and there are also a number of sculptures exhibited in external locations across campus. The combined value of heritage assets is not considered to be material and is of too uncertain value to warrant separate disclosure within the financial statements.



# Notes to the accounts continued

## FOR THE YEAR ENDED 31 JULY 2024

### 34. CONSOLIDATED FIVE YEAR RESULTS

	2023/24	2022/23	2021/22	2020/21	2019/20
	£ million	£ million	£ million	£ million	£ million
<b>Income</b>					
Tuition fees and educational contracts	459.6	453.8	429.6	389.7	360.1
Funding body grants	74.1	74.4	68.7	66.8	66.4
Research grants and contracts	146.5	144.1	139.9	139.8	131.7
Other income	151.1	148.5	135.4	100.7	115.4
Investment income	24.1	14.6	2.0	1.0	2.6
Donations and endowments	4.6	4.0	3.4	5.7	3.7
<b>Total income</b>	<b>860.0</b>	<b>839.4</b>	<b>779.0</b>	<b>703.7</b>	<b>679.9</b>
<b>Expenditure</b>					
Staff costs	214.5	398.1	569.6	368.5	287.4
Other operating expenses	284.8	264.5	237.6	197.7	210.9
Depreciation	56.4	53.0	54.6	53.0	48.3
Interest and other finance costs	12.6	16.4	8.3	8.5	11.1
<b>Total expenditure</b>	<b>568.3</b>	<b>732.0</b>	<b>870.1</b>	<b>627.7</b>	<b>557.7</b>
<b>Surplus / (deficit) before other gains or losses</b>	<b>291.7</b>	<b>107.4</b>	<b>(91.1)</b>	<b>76.0</b>	<b>122.2</b>
Loss on disposal of non-current assets	(0.1)	(0.7)	(0.1)	(0.7)	(0.9)
Gain / (loss) on investments	6.4	(1.7)	(2.0)	4.0	(2.2)
Taxation	0.0	0.0	0.0	0.0	0.0
Actuarial (loss) / gain in respect of pension schemes	(5.0)	(7.0)	12.1	(4.6)	1.1
Change in fair value of hedging financial instruments	(3.2)	21.9	22.2	12.7	(7.7)
<b>Total comprehensive income and expenditure for the year</b>	<b>289.8</b>	<b>119.9</b>	<b>(58.9)</b>	<b>87.4</b>	<b>112.5</b>
<b>Assets</b>					
Fixed Assets	828.8	840.5	849.7	862.5	818.6
Investments	92.2	117.2	33.0	30.4	7.7
Pension asset	9.5	12.1	17.0	4.4	8.6
Current assets	470.7	391.4	413.4	321.6	294.5
<b>Liabilities</b>					
Creditors : Amounts falling due within one year	(245.7)	(234.7)	(241.7)	(238.5)	(215.8)
Creditors : Amounts falling due after more than one year	(381.0)	(390.4)	(419.2)	(452.4)	(470.1)
Other provisions	(3.1)	(3.3)	(7.8)	(3.0)	(3.1)
<b>Net assets, excluding pension provisions</b>	<b>771.4</b>	<b>732.8</b>	<b>644.4</b>	<b>525.0</b>	<b>440.4</b>
Pension provisions	0.0	(251.2)	(282.7)	(104.4)	(107.2)
<b>Net assets</b>	<b>771.4</b>	<b>481.6</b>	<b>361.7</b>	<b>420.6</b>	<b>333.2</b>
<b>Capital expenditure</b>					
Investment Property	2.5	0.0	0.0	0.0	0.0
Land and buildings	22.2	23.8	24.8	81.1	80.5
Fixtures, Fittings and Equipment	20.2	21.7	17.0	16.5	20.4
	<b>44.9</b>	<b>45.5</b>	<b>41.8</b>	<b>97.6</b>	<b>100.9</b>

## Notes to the accounts continued

FOR THE YEAR ENDED 31 JULY 2024

**35. FINANCIAL RESPONSIBILITY SUPPLEMENTAL SCHEDULE FOR THE U.S. DEPARTMENT OF EDUCATION**

In satisfaction of its obligations to facilitate students' access to US federal financial aid, the University is required, by the US Department of Education, to present the following Supplemental Schedule in a prescribed format.

The amounts presented within the schedules have been:

- prepared under the historical cost convention, subject to the revaluation of certain fixed assets;
- prepared using United Kingdom generally accepted accounting practice, in accordance with Financial Reporting Standard 102 (FRS 102) and the Statement of Recommended Practice: Accounting for Further and Higher Education (2019 edition);
- presented in pounds sterling.

The schedules set out how each amount disclosed has been extracted from the financial statements. As set out above, the accounting policies used in determining the amounts disclosed are not intended to and do not comply with the requirements of accounting principles generally accepted in the United States of America.

Figures include the impact of the movements in the USS pension provision - the surplus for the 2023/24 year (and so change in net assets) includes a credit of £251.2m (2022/23: credit £31.5m). This is a non-cash movement, with the significant movement in 2023/24 arising from the provision release following the USS scheme's 2023 valuation. The resulting surplus for the year reflected in the tables within this note is therefore not representative of the true underlying surplus and financial position of the University, and so the effect of the USS pension provision movement may need to be adjusted for if using this data to calculate ratios.

			£ million	£ million	
Financial statements ref		UK title			
		<b>Primary Reserve ratio</b>			
		<b>Adjusted Equity</b>			
SoFP, p49, line 19	Statement of Financial Position - Net assets without donor restrictions	Net assets without donor restrictions	Income and expenditure reserve - unrestricted	757.1	468.7
SoFP, p49, line 17, 18	Statement of Financial Position - Net assets with donor restrictions	Net assets with donor restrictions	Income and expenditure reserve - endowment, restricted reserve	14.3	12.9
Note 32, Page 94	Statement of Financial Position - Related party receivable and Related party note disclosure	Secured and unsecured related party receivable		0.1	0.0
Note 32, Page 94	Statement of Financial Position - Related party receivable and Related party note disclosure	Unsecured related party receivable		0.1	0.0
SoFP, p49, line 1	Statement of Financial Position - Property, plant and equipment - net (includes Construction in Progress)	Property, plant and equipment, net (incl construction in progress)	Fixed assets	828.8	840.5
n/a	Notes - Property, plant and equipment, net - pre-implementation	Property, plant and equipment, net - pre-implementation (less construction in progress)	Fixed assets net book value 31.7.2019, less depreciation and disposals, excluding Assets under the Course of Construction.	(498.8)	(526.5)
n/a	Notes - Property, plant and equipment, net - post-implementation with outstanding debt for original purchase	Property, plant and equipment, net - post-implementation (less construction in progress), with outstanding debt for original purchase	Fixed assets, less Assets under the Course of Construction (post 31.7.2019) - purchased with debt / Deferred Capital Grant	(80.6)	(64.0)

# Notes to the accounts continued

## FOR THE YEAR ENDED 31 JULY 2024

### 35. FINANCIAL RESPONSIBILITY SUPPLEMENTAL SCHEDULE FOR THE U.S. DEPARTMENT OF EDUCATION - continued

				2023/24	2022/23
				£ million	£ million
Financial statements ref			UK title		
n/a	Notes - Property, plant and equipment, net - post-implementation without outstanding debt for original purchase	Property, plant and equipment, net - post-implementation (less construction in progress), without outstanding debt for original purchase	Fixed assets, less Assets under the Course of Construction (post 31.7.2019) - not purchased with debt.	(222.2)	(205.6)
Note 14, col 4, line 13	Notes - Property, plant and equipment, construction in progress	Construction in progress	Assets under the Course of Construction	(27.2)	(44.4)
-	Statement of Financial Position - Lease right of use assets, net	Lease right of use asset, net		0.0	0.0
-	Notes - Lease right of use asset pre-implementation	Lease right of use asset - pre implementation		0.0	0.0
-	Notes - Lease right of use asset post-implementation	Lease right of use asset - post implementation		0.0	0.0
-	Statement of Financial Position - goodwill	Intangible assets		0.0	0.0
Note 23, line 6, 13	Statement of Financial Position - post employment and pension liabilities	Post-employment and pension liabilities	Pension provisions (net)	0.0	239.1
Note 20 lines 1, 3 & note 21 lines 2, 3, 4	Statement of Financial Position - notes payable and line of credit (current and long-term) and Line of Credit for Construction in progress	Long-term debt - for long-term purposes	Unsecured loans, plus Deferred Income > 1 year, Deferred Capital Grants <1 and >1 year	398.1	409.3
n/a	Statement of Financial Position - notes payable and line of credit (current and long-term) and Line of Credit for Construction in progress	Long-term debt - for long-term purposes pre-implementation	Unsecured loans, plus Deferred Income > 1 year, Deferred Capital Grants <1 and >1 year: to fund pre 31.7.2019 fixed assets (exc Assets under the Course of Construction at 31.7.23)	305.5	323.6
n/a	Statement of Financial Position - notes payable and line of credit for long term purposes (both current and long term) and line of credit for CIP	Long-term debt - for long-term purposes post-implementation	Unsecured loans, plus Deferred Income > 1 year, Deferred Capital Grants <1 and >1 year: to fund post 31.7.2019 fixed assets (exc Assets under the Course of Construction at 31.7.23)	80.7	64.0
n/a	Statement of Financial Position - notes payable and line of credit (both current and long term) and line of credit for Construction in progress	Line of credit for Construction in Progress	Unsecured loans, plus Deferred Income > 1 year, Deferred Capital Grants <1 and >1 year: to fund Assets under the Course of Construction at 31.7.23	11.9	21.6
-	Statement of Financial Position - lease right of use of asset liability	Lease right of use asset liability		0.0	0.0
-	Statement of Financial Position - lease right of use of asset liability - pre-implementation	Pre-implementation right of use leases		0.0	0.0

## Notes to the accounts continued

FOR THE YEAR ENDED 31 JULY 2024

## 35. FINANCIAL RESPONSIBILITY SUPPLEMENTAL SCHEDULE FOR THE U.S. DEPARTMENT OF EDUCATION - continued

Financial statements ref			UK title	2023/24	2022/23
				£ million	£ million
-	Statement of Financial Position - lease right of use of asset liability - post implementation	Post-implementation right of use leases		0.0	0.0
-	Statement of Financial Position - Annuities	Annuities with donor restrictions		0.0	0.0
SoFP, p49, line 17	Statement of Financial Position - Term Endowments	Term Endowments with donor restrictions	Income and expenditure reserve - endowment reserve	(13.6)	(12.6)
-	Statement of Financial Position - Life Income Funds	Life Income funds with donor restrictions		0.0	0.0
SoFP, p49, line 18	Statement of Financial Position - Perpetual Funds	Net assets with donor restrictions: restricted in perpetuity	Income and expenditure reserve - restricted reserve	(0.7)	(0.3)
		<b>Total Expenses and Losses</b>			
SOCI, p47, line 12	Statement of Activities - Total operating expenses, prior to adjustments	Total expenses without donor restrictions - taken directly from Statement of Activities	Total expenditure	568.3	732.0
SOCI, p47, lines 14 & 20	Statement of Activities - Non-operating (Investment return appropriated for spending), Investments net of annual spending gain / (loss), Other components of net periodic pension. Change in value of split interest agreements and Other gains / (losses). (Total from Statement of Activities prior to adjustments)	Non-Operating and Net investment (loss)	Loss / (gain) on disposal of non-current assets, Change in fair value of hedging financial instruments	3.3	(21.2)
SOCI, p47, line 15	Statement of Activities - (Investment return appropriated for spending), Investments net of annual spending gain / (loss)	Net investment losses	(Gain) / loss on investments	(6.4)	1.7
SOCI, p47, line 19	Statement of Activities - pension related changes other than periodic pension	Pension related changes other than net periodic costs - (gain) / loss	Actuarial loss / (gain) in respect of pension schemes	5.0	7.0

# Notes to the accounts continued

FOR THE YEAR ENDED 31 JULY 2024

## 35. FINANCIAL RESPONSIBILITY SUPPLEMENTAL SCHEDULE FOR THE U.S. DEPARTMENT OF EDUCATION - continued

				2023/24	2022/23
				£ million	£ million
Financial statements ref			UK title		
		<b>Equity Ratio</b>			
		<b>Modified Net Assets</b>			
SoFP, p49, line 19	Statement of Financial Position - Net Assets without donor restrictions	Net assets without donor restrictions	Income and expenditure reserve - unrestricted	757.1	468.7
SoFP, p49, line 17, 18	Statement of Financial Position - Net Assets with donor restrictions	Net assets with donor restrictions	Income and expenditure reserve - endowment, restricted reserve	14.3	12.9
-	Statement of Financial Position - Goodwill	Intangible assets		0.0	0.0
Note 32, Page 94	Statement of Financial Position - Related party receivable and related party note	Secured and Unsecured related party receivables		0.1	0.0
Note 32, Page 94	Statement of Financial Position - Related party receivable and related party note	Unsecured related party receivables		0.1	0.0
		<b>Modified Assets</b>			
SoFP, p49, lines 4 & 9	Statement of Financial Position - Total Assets	Total assets	Non-current assets plus Current assets	1,401.2	1,361.2
-	Notes - Statement of Financial Position - lease of use asset - pre-implementation	Lease right of use asset - pre-implementation		0.0	0.0
-	Statement of Financial Position - lease of use asset - liability pre-implementation	Pre-implementation right of use leases		0.0	0.0
-	Statement of Financial Position - goodwill	Intangible assets		0.0	0.0
Note 32, Page 94	Statement of Financial Position - Related party receivable and related party note	Secured and Unsecured related party receivable		0.1	0.0
Note 32, Page 94	Statement of Financial Position - Related party receivable and related party note	Unsecured related party receivables		0.1	0.0
		<b>Net Income Ratio</b>			
SOCI p47, line 24	Statement of Activities - change in net assets without donor restriction	Change in net assets without donor restriction	Unrestricted comprehensive income and expenditure for the year	288.4	119.8
SOCI p47, lines 7, 14, 15 (where >0) & 20	Statement of Activities (net assets released from restriction) total operating revenue and other additions and sale of fixed assets gains / (losses)	Total Revenues and Gains	Total income, plus Loss / (gain) on disposal of non-current assets, Gain on investments, Change in fair value of hedging financial instruments	863.1	860.6

## Related Parties - Spin Outs - Schedule for the U.S. Department of Education

The University holds investments in the following active spin outs, for which sales to and purchases from those companies, as well as balances outstanding in debtors and creditors at year end, are shown:

Company name	Registration number	2023/24	2023/24	At 31 July 2024	
		Sales £k	Purchases £k	Debtor £k	Creditor £k
4D Medicine Ltd	11598297	0	0	0	0
Advanced EPI Materials & Devices Ltd	09849789	13	7	3	0
Anvil Semiconductors Ltd	07300225	0	0	0	0
Augmented Insights Ltd	11647516	0	0	0	0
Biofidelity Ltd	11830661	0	0	0	0
Biotek	03796916	0	0	0	0
Clinvivo Ltd	08340814	0	0	0	0
Crowdfund Campus Ltd	09119767	0	0	0	0
Cryologyx Ltd	13078280	39	0	0	0
Cytecom Ltd	11263781	9	7	9	0
CytoSwim Ltd	11839509	0	0	0	0
Erebagen Ltd	12537588	2	25	0	0
Funding Invoice Ltd	09214218	0	0	0	0
Halcyon3D Ltd	13877014	14	0	0	0
Histofy Ltd	13732208	21	0	21	0
Kubos Semiconductors Ltd	11060386	6	0	0	0
Lightcast Discovery Ltd	11830666	0	0	0	0
Medherant Ltd	08973262	1	0	0	0
Nanosyrinx Ltd	11595354	280	0	0	0
OVO Biomanufacturing Ltd	12371825	0	0	0	0
Patchs Health Ltd	09108913	0	0	0	0
Q-Eye Sensors Ltd	10186714	0	0	0	0
Seev Technologies Ltd	14869957	0	5	0	0
Sevco 5023 Ltd	07133063	0	0	0	0
Sonemat Ltd	05521464	8	2	0	0
Sonic Driver Ltd	10659254	0	0	0	0
Sonotu Ltd	13942226	27	0	0	0
Stoli Catalysts Ltd	10303658	16	1	0	0
Tangent Reprofilng Ltd	06704572	0	0	0	0
Verdel Instruments Ltd	11447596	22	0	22	0
Warwick Acoustics Ltd	04451674	0	0	0	0
Warwick Dynamics Ltd *	04052260	0	0	0	0
Wastewater Fuels Ltd	13536737	9	8	4	0
		467	55	59	0

\* Not deemed a spin out for HESA HE-BCI census reporting as no licence or assignment of intellectual property was ultimately made.

All companies are incorporated and registered in England and Wales.

## Indicators of financial health

	2023/24	2022/23	2021/22	2020/21	2019/20
(a) Net cash flow as % of total income	6.1	10.0	16.0	17.4	13.3
(b) External borrowing as % of total income	17.0	18.3	20.7	24.0	25.9
(c) Total assets ÷ total liabilities	2.2	1.6	1.4	1.5	1.4
(d) Net liquidity / (total expenditure – depreciation) (days)	284	176	156	168	175
(e) Surplus / (deficit) as % of total income	33.9	12.8	(11.7)	10.8	18.0
(f) Unrestricted reserves as % of total income	88.0	55.8	44.8	57.9	47.3

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