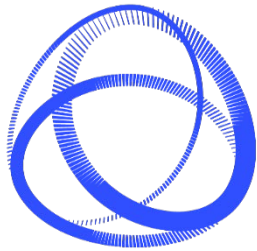


**Company no: 04793659**  
**Charity no: 1098136**



**Canterbury  
Christ Church  
University**

**Annual Report and Consolidated Financial  
Statements**

**For the year ended 31 July 2024**

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## DIRECTORS AND ADVISERS

**Directors in place for the year to 31 July 2024 and up to the date of signing the financial statements:**

Ms N Ahmed  
Ms S Appleby  
Ms J Armitt (Pro-Chancellor)  
Revd Dr J Arnold (from 1 August 2024)  
Mr S Carey (resigned 31 July 2024)  
Professor A G Dewhurst  
Dr A Eyden  
Dr K Fox (resigned 31 July 2024)  
Mr A Ghega (Student Union President appointed 27 September 2024)  
Ms J Harding  
Mr R Higgins

Right Revd R Hudson-Wilkin  
Mrs P Jones  
Miss A Lundy (resigned 9 February 2024)  
Lady A Newey  
Dr R Rogers (from 1 August 2024)  
Mr C Stevens  
Revd R Stevenson  
Mr J Stockwell  
Professor R Thirunamachandran (Vice-Chancellor and Principal)  
Professor J Wood

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

Ms A Sear

### **Independent Auditor**

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

### **Internal Auditor**

KPMG LLP  
15 Canada Square  
Canary Wharf  
London  
E14 5GL

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

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

### **Principal Bankers**

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

### **Registered company number**

04793659 registered in England and Wales

### **National Westminster Bank PLC**

9th Floor  
250 Bishopsgate  
London  
EC2M 4AA

### **Registered charity number**

1098136

## VICE CHANCELLOR'S INTRODUCTION

I am pleased to introduce the financial statements for Canterbury Christ Church University for the academic year 2023/2024. These statements include the statutory reports that set out the financial performance of the University. They also provide an opportunity for us to reflect on the achievements and challenges over the same period.

The external context for higher education remains challenging. Despite this, the University remains committed to the ambitions set out in Vision 2030. As can be seen from these Financial Statements, we are in a relatively strong financial position. The careful stewardship of the budget has enabled us to deliver an operating surplus of £3.6m.

Our focus remains on our core objectives of education and the student experience, and research and enterprise. There have been many successes in these areas. We now have over 37,000 students across three different campuses and studying with key collaborative partners in the UK and overseas. Diversifying our offer to students from across the globe has continued to be a key success and supported our financial sustainability.

We have broadened our course offering and we continue to meet the emerging needs of the region, supplying the workforce with a talented pipeline of graduates in health, education, arts and humanities, social sciences and law, as well as newer areas such as engineering, medicine and digital arts. The employability record of our students places us as 13th in the country amongst larger universities.

We have also increased opportunities to widen participation and much needed diverse representation across a range of careers. We are proud to support our most vulnerable students, including those with care experience as we focus on making higher education more accessible.

The student voice is central to the continuous improvement of the student experience. In the 2024 National Student Survey (NSS) the University improved across all seven question themes for our directly taught courses. Our overall positivity score of 80.1% has improved by 2.3% when compared to the prior year. This is a reflection of the work of colleagues who have a continued commitment to supporting students and delivering an excellent experience at our University. This is underpinned by our Silver rating in the Teaching Excellence Framework (TEF).

To support the Students' Union in their ambition to be in the heart of university life, we were pleased to provide premises at the North Holmes Road campus for a new Students' Union hub. The hub is a new centre that allows the union to connect with more students and host a range of activities, with dedicated space for students to study, socialise and relax. Following a student vote, the new space has been named the Mary Seacole building, honouring the remarkable British-Jamaican nurse who made a huge impact during the Crimean War, and whose legacy of outstanding achievement and public service aligns perfectly with our values and mission.

We continue to build on the strong performance in the 2021 Research Excellence Framework (REF). Working with business, the public and third sectors is an important part of our Research and Enterprise Strategy. In the most recent Knowledge Exchange Framework (KEF 4) the University was ranked within the top 20% of UK universities for 2 areas – research partnerships and community engagement- as well in the top 40% of UK universities in three other areas.

One of the key themes at the heart of our strategic framework, Vision 2030 is the implementation of 'Shaping Sustainable Futures'. I was extremely proud to see our University being ranked as a 'Gold Tier' university in the annual UK study of the sector's sustainability credentials. We were also ranked in the top third of UK universities in the People and Planet league table.

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

In presenting the financial results for the 2023/24 year, I would like to thank all members of the Canterbury Christ Church community including our staff, students, governors, alumni, partners and stakeholders for their continued support and engagement.

Professor R Thirunamachandran

Vice-Chancellor and Principal

# THE STRATEGIC REPORT

## Directors' Report

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

## Scope of Financial Statements

The Financial Statements for the year ended 31 July 2024 have been prepared to comply with the Statement of Recommended Practice (SORP) Accounting for Further and Higher Education and applicable accounting standards in the UK and in line with regulatory advice in the form of the Accounts Direction from the Office for Students (OfS 2019.41). The University is based in the UK and operates as both a company registered in England and Wales and a registered charity.

## Subsidiary Company

The University holds an investment in a subsidiary company, Medco (CCCU) Limited. This is a company registered in England and Wales which operates under a franchise arrangement with Warwick University Enterprises Limited. The subsidiary company is in a VAT group with the parent company. The subsidiary company's results have been consolidated with the parent company in these financial statements. The Directors' report and the Strategic report refers to the University as a company and registered charity, and where applicable applies to the subsidiary company. The reports do not include partner institutions, as these are separate reporting entities.

## Activities and Objectives

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

## Mission

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

## Vision 2030

Our new Vision has been developed with people at its heart and will drive and shape our University over the next seven years. In consultation with staff, students and key stakeholders throughout the year, we have set out our mission, values and aims to help guide us towards a more innovative and sustainable future. Our values are to be sustainable and ethical, to be innovative and courageous, to be compassionate and inclusive and to be collaborative and creative. The strategic framework has four clear strategic aims:

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

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

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

## THE STRATEGIC REPORT (CONTINUED)

### Financial Strategy

During the 2023/24 year, the University's financial strategy was based on seven key principles, in line with the Vision 2030 strategic objectives:

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

The objectives of the financial strategy are:

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

### Key Performance Indicators

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

- A surplus calculated through EBITDA as a % of income of at least 5% in any one year.
- A ratio of staff costs to total income of less than 60% (after discounting income received for activity which is 100% delivered through partners).
- Minimum year end cash holdings do not fall below an equivalent of 60 cash days and maintenance of working capital throughout the year at a level in excess of £10m, in line with the Treasury Policy updated in 2024 and approved by the Finance and Resources Committee.

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

### Summary Results for the Year

The consolidated results for the University for the year ended 31 July 2024 are summarised, as follows:

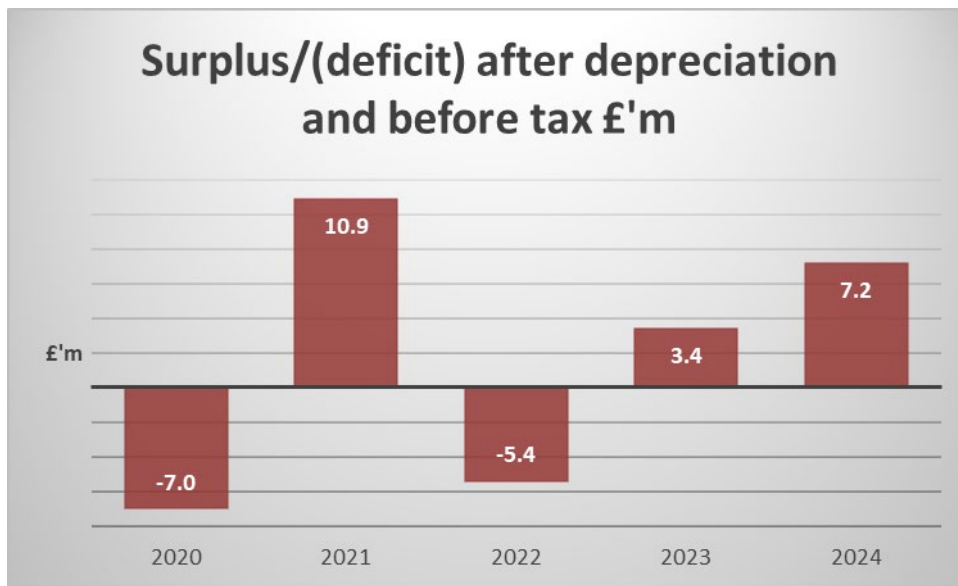
	<b>2024</b> <b>£'000</b>	2023 £'000
Income	<b>319,115</b>	263,808
Expenditure	<b>311,870</b>	260,420
Surplus before Profit/(Loss) on disposal of assets and impairment	<b>7,245</b>	3,388

## THE STRATEGIC REPORT (CONTINUED)

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

- An increase in total income of 21% from £263.808m to £319.115m.
- An increase in expenditure of 20% to £311.870m.
- A credit for the year of (£2.195m) for notional interest and staff service costs within the Local Government Pension Scheme (LGPS) (2023 a debit charge of £3.928m).
- Capital additions of £7.226m (2023: £8.328m).
- An LGPS pensions surplus that is not recognised as an asset by the University of £35.238m (2023: a surplus of £30.118m) leading to movement on the SOCI of £2.195m for the year.

The University returned a reported surplus of £7.245m, representing 2.27% of total income. This is compared to the surplus or deficit reported in previous years, as follows:



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

The table below summarises the adjustments to reconcile the operating surplus to an adjusted surplus which provides an indicator of year on year performance which is not affected by any fluctuations in non cash pension charges.

### Consolidated results

	2024	2023
	£'000	£'000
Operating surplus reported per Financial Statements for the year excluding (profit)/loss on sale of fixed assets	7,245	3,388
USS pension provision movement	(1,318)	(133)
LGPS and USS pension interest charges, net	(1,677)	156
LGPS charges in excess of employer contribution	(489)	3,817
Adjusted surplus	<u>3,761</u>	<u>7,228</u>

The adjusted surplus of £3.761m represents 1.18% of total income.



## THE STRATEGIC REPORT (CONTINUED)

### Pension Reserve

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

An actuarial gain on the LGPS pensions scheme of £2.195m is reported in the Statement of Comprehensive Income. The scheme generated a surplus of funds of £35.238m for the year, as asset values exceeded liabilities. The surplus was not reported in the Balance Sheet (Statement of Financial Performance) as the asset ceiling was applied and the surplus is not recognised as an asset of the University.

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

### Student Numbers

The University reported 38,000 students registered in the annual return, an increase when compared to the prior year (2023: 27,000).

These numbers include students studying for Canterbury Christ Church University awarded degrees at our partner institutions. The University works with a number of significant partners in the UK and overseas to deliver collaborative provision in addition to offering undergraduate and post graduate courses at the campus sites of Canterbury, Medway and Tunbridge Wells to home students and international students either studying in the UK or in their home country.

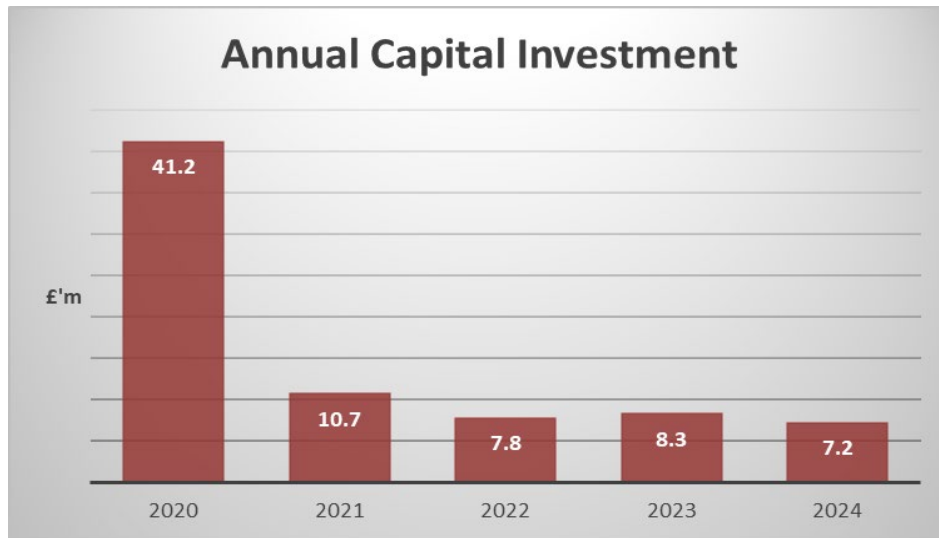
### Capital Projects

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

In 2023/2024 the University invested a total of £7.226m in capital assets, part funded from capital grants of £0.355m. Of the total expenditure on capital projects a total of £3.251m was invested in software and systems developments. This included further enhancement to the student records database which went live for the registering of students for the 2022/2023 academic year and the continued development of the Curriculum Management Tool. A further £1.643m was invested in IT equipment and infrastructure and £0.450m in classroom facilities and equipment to enhance the student experience. The balance of £1.879m was used to make improvements to the estate and to invest in plant and machinery to service the buildings.

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

## THE STRATEGIC REPORT (CONTINUED)



### Payment of Creditors

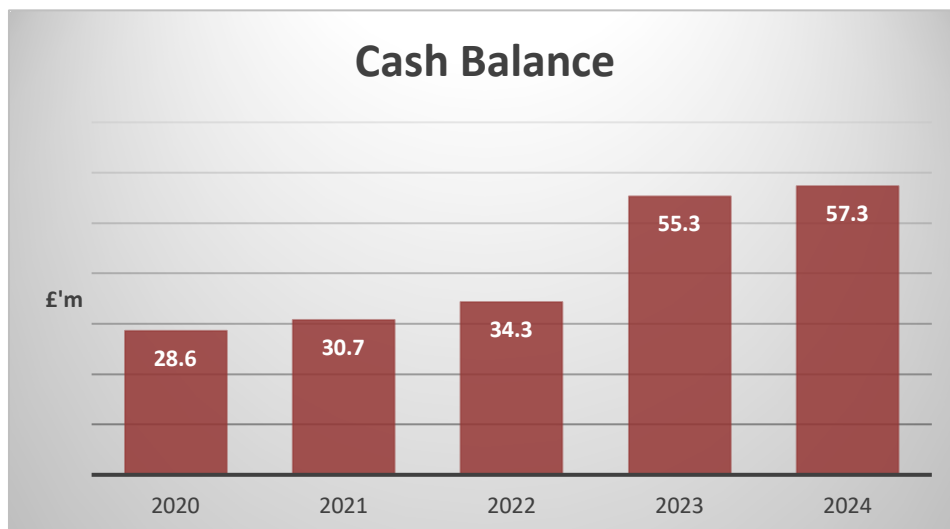
The payment policy of the University is that payments are made in accordance with those terms and conditions agreed between the institution and its suppliers. Where no specific conditions exist, suppliers are paid within 30 days of the receipt of invoice. The payment performance of the University is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

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

In the year 2023/2024 the University met the target to pay valid and undisputed invoices within 30 days for 89% of all invoices received (2022: 79%).

### Cash Flow

Canterbury Christ Church University has continued to maintain appropriate cash balances generated through operations to support revenue payment commitments and capital investment in facilities and equipment for students. The cash position increased by £2m at the end of the year (2023: £21m increase).

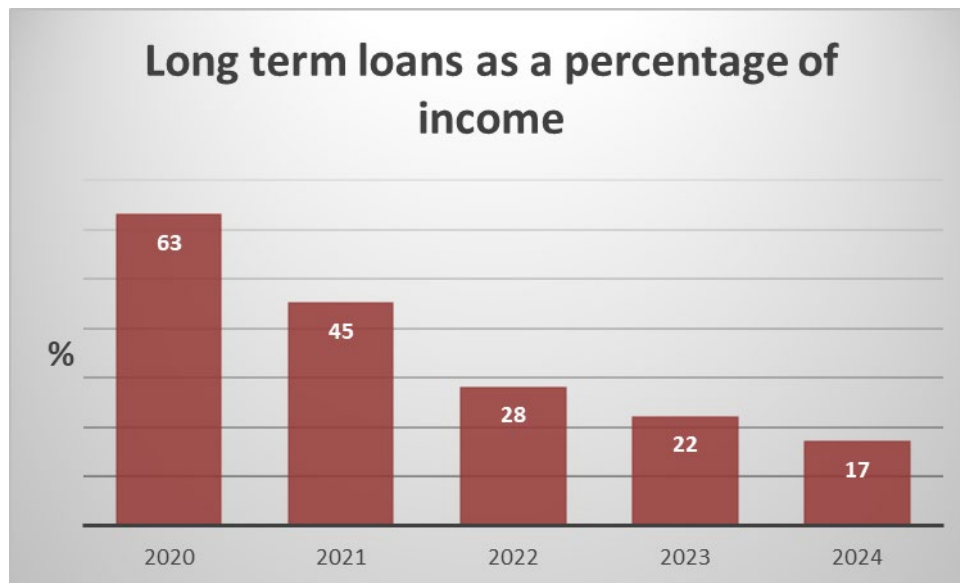


## THE STRATEGIC REPORT (CONTINUED)

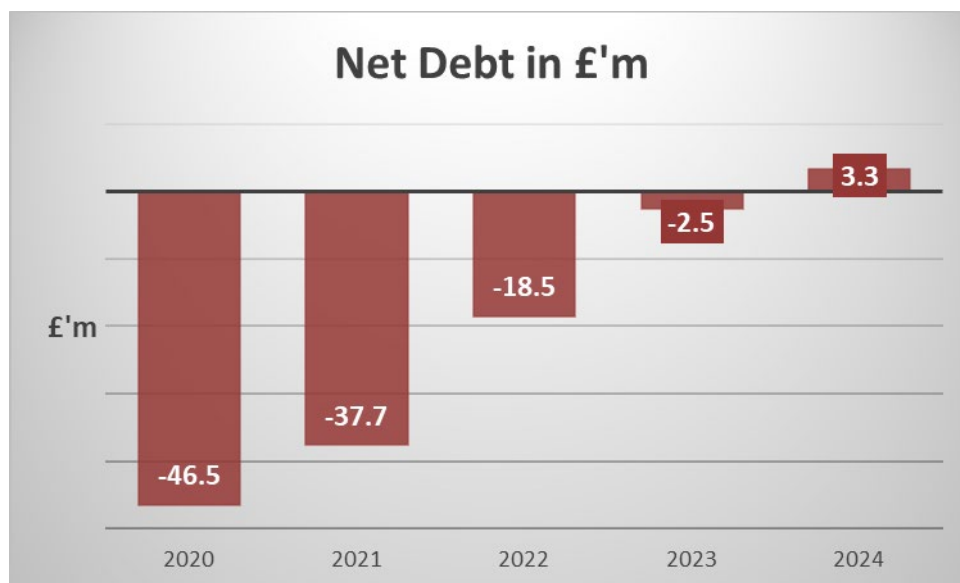
### Long Term Loans as a Percentage of Income

The University anticipates the need to manage its loan financing arrangements in a careful and measured manner, recognising that conditions can change substantially over the period of a long-term loan. The Governing Body requires that interest rate exposure is managed by means of a combination of variable and fixed rate borrowing. The % balance of fixed to variable interest rate loan finance reported on the balance sheet at the 31 July 2024 was 18%.

Total income for the year increased by 21%, in part as a result of the growth in tuition fee from partnership activity and an increase in interest earned on short term deposit balances. The impact of growth in total income is a decrease in the rate of long-term loan finance held as a percentage of income from 22% to 17%.



Net debt represents the total outstanding debt as at the year end, minus cash held at the bank. The decrease in net debt in 2024 reflects the increase in cash held at the year end.



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

### **Equity and Inclusion, including Disabled Employees**

The University recognises that building a diverse workforce is fundamental to achieving a truly inclusive work and learning environment and welcomes applications from all sections of the community.

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

The University is a Stonewall Diversity Champion, Disability Confident Employer, Athena SWAN award holder and a signatory for the Armed Forces Covenant.

### **Events after the reporting period**

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

### **Section 172 Statement**

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

### **Employee Engagement**

The Governors and Management place considerable value on the involvement of its employees in decision making as the University considers the employees' interests as key to the success of the organisation. Therefore, the Articles of the University require the Governing Body includes three elected staff governors. The University also recognises three trades unions – Universities and Colleges Union (UCU), UNITE and UNISON – who represent employees. The University undertakes to keep the staff informed on all matters affecting them, and the various factors affecting the performance of the institution and its subsidiary company. This is achieved through formal and informal meetings, the sharing of the staff newsletter, the 'In Touch' magazine and by publishing the annual financial statements on the University's website. Employee representatives are consulted regularly on a wide range of matters affecting their current and future interests.

As part of the University's commitment to engaging with staff there have been two pulse surveys undertaken each year since 2022. The most recent pulse survey completed in May 2024. The results from the survey informed the launch of the Continuous Improvement Programme. This included the development of skills of staff in the University in creating a Continuous Improvement Community of Practice. It was these practitioners who delivered improvement projects to address issues identified with processes and working practices.

Feedback from the staff surveys also led to an external benchmarking exercise of workload tariffs and updates to the Academic Workload Framework. Further to the implementation of the revised guidance there were refinements made to the Workload Allocation Management System to support the use of the system in 2024/2025.

## THE STRATEGIC REPORT (CONTINUED)

### Business Relationships - Partners and Suppliers

The University recognises the strategic importance of working with suppliers, many of whom are local businesses, to provide a range of services and goods to support the delivery of high-class education. To support this business relationship, the University engages with suppliers to consider improvements to the contracting, ordering, goods receipting and payment processes. During 2023/2024 a number of significant supplier contracts have been awarded and renewed through open and negotiated tender procedures. To streamline the process both for the University and the supplier, the use of established procurement frameworks is adopted where possible.

The development and maintenance of strategic collaborative partnerships continues to be a focus for the University. During the year the University continued to work with the Global Banking School, the London School of Commerce, the Elizabeth School of London, UK Management College and the Stratford College London to provide business-focused courses in regions across the nation. This helps to collaboratively increase access to Higher Education across the UK, as well as delivering more opportunities through education to transform lives. These partnerships have significantly strengthened the University's portfolio, offering programmes in the areas of Management of Business, Tourism, Marketing, Accounting and Financial Management, with multiple intakes throughout 2023/2024 and the introduction of a new course in June 2024, the Certificate in Higher Education in Business studies.

### Society and Community

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

The STEM Hub, based at the University, provides schools and colleges in the south east with free and impartial advice and guidance on STEM activities and careers, enabling young people to make informed choices about their future. The STEM Hub delivered the STEM Community Celebration at the Memorial Gardens in Crawley in June 2024. This was attended by more than 4,000 children, parents and grandparents who enjoyed a spectacular day celebrating Science, Technology, Engineering and Maths. Support was provided to the event by local employers from various STEM industries, as well as many local businesses and organisations. There were over 65 different STEM experiences offered to allow people to engage with a new experience of science.

In June 2024 the Interdisciplinary Research Network held its annual conference that brought together local community groups, organisations and services with the researchers from the University. The focus of the conference was to address local challenges in building just, fair and sustainable. The event aimed to help to match external groups, organisations and businesses with the University's researchers to seed new projects and collaborations. Sessions on the day included Water Provisions and Firefighting presented by Kent Fire and Rescue Service and the Food Bank Movement presented by Canterbury Food Bank.

In October 2023 the University continued support of the National Care Leaver Week, seeing this as an opportunity to shine a light on the University's proud record of supporting care experienced students into higher education and in particular to the CCCU community. Facing numerous significant challenges in their life means that care leavers are more likely end up in prison than go to university in England. Canterbury Christ Church University is consistently in the top five higher institutions for welcoming the highest number of new care leavers with 50-70 entrants per year. The University has well established links to the Local Authority Virtual Schools in Kent and Medway and charities including Young Lives Foundation and the Kent Refugee Action Network. Alongside our collaborative partners at the Universities of Kent, UCA and Greenwich we deliver targeted outreach to children in care. The support for young people and their carers includes the online HE insight sessions 'Opening Doors' designed to upskill Foster Carers to support their young person's journey to university. In support of this, the University identifies defined targets to increase the number of Care Leavers progressing to university as part of the Access and Participation Plan.

## THE STRATEGIC REPORT (CONTINUED)

The University is proud to be a signatory of the Care Leaver Covenant, with further commitments to support Care Leaver students and the wider care-experienced community, and is an active member the National Network for the Education of Care Leavers (NNECL).

### Environment

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

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

In recognition of our commitment to the environment the University has been awarded Gold Tier status by the U Switch Green University report. The report stated: "it's positive to see that all of these universities in the Gold Tier have green workshops and eco-friendly initiatives in place."

Our aims to protect our environment include:

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

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

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

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

## THE STRATEGIC REPORT (CONTINUED)

### Carbon Reporting

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

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

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

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

### Emission Performance

The University completes an annual review of energy performance and the amount of direct transportation incurred each year as part of the Streamlined Energy and Carbon Reporting (SECR) process.

In 2023/2024 electricity consumption was 11% less than in the baseline year (2019/2020). The consumption of gas for the same reporting period when compared to the baseline year had reduced by 13%.

The report confirms the direct transportation consumption has reduced by 52% in comparison to the baseline year.

These measures indicate that the hybrid working patterns adopted by staff since 2020 have had a positive impact on both consumption of energy and travelling patterns. This is supported by the estimate of Scope 1 Emissions originating from Direct Transport, Natural Gas, LPG and Refrigerants, all of which are reported to be 14% lower than reported for the baseline year.

The Scope 2 Emissions from indirect sources, including the purchase of electricity, steam, heat or cooling have also seen a marked reduction in usage. The Scope 2 Emissions are reported as being 28% lower than the baseline year.

The Scope 3 Emissions from vehicles owned by employees or hired for employees for business purposes has reduced significantly in 2023/2024 when compared to the baseline year, a reduction of 75%.

The travel patterns of staff has changed post pandemic, with more meetings and conferences being attended on line rather than in person, saving travel time and expense and emissions.

## THE STRATEGIC REPORT (CONTINUED)

### Streamlined Energy and Carbon Reporting (SECR) Annual Statement 2024

Energy Consumption		2023/24	2022/23	2019/20	Variance
Scope 1: Combustion of fuel and operation of facilities.	Natural Gas (kWh)	9,841,557	12,159,328	11,288,589	-13%
	Direct Transport Company Cars (kWh)	77,295	85,005	160,586	-52%
	LPG (kWh)	8,372	7,731	0	
	Refrigerants (kg)	1	37	0	
	<b>Total Scope 1 Energy (kWh) exc Refrigerants</b>	<b>9,927,225</b>	<b>12,252,064</b>	<b>11,449,174</b>	<b>-13%</b>
Scope 2: Electricity purchased.	Total Electricity (kWh)	9,545,628	10,355,744	10,697,640	-11%
Scope 3 : Indirect Transport	Employee owned Vehicles (kwh)	329,509	399,280	1,288,748	-74%
<b>Total Scope 1 ,2 and 3 Energy Consumption (kWh)</b>		<b>19,802,362</b>	<b>23,007,088</b>	<b>23,435,563</b>	<b>-15.5%</b>

Emissions Assessment		2023/24	2022/23	2019/20	Variance
Scope 1: Combustion of fuel and operation of facilities.	Natural Gas (tCO <sub>2</sub> e)	1,800	2,189	2,075	-13%
	Direct Transport (tCO <sub>2</sub> e)	18	20	39	-53%
	LPG (tCO <sub>2</sub> e)	1.8	1.7	0.0	0.0
	Refrigerants (tCO <sub>2</sub> e)	2.3	59.2	0.0	0.0
	<b>Total Scope 1 -tCO<sub>2</sub>e</b>	<b>1,822.5</b>	<b>2,270</b>	<b>2,</b>	<b>-14%</b>
Scope 2: Electricity purchased and heat and steam generated.	Location Based (LB) (tCO <sub>2</sub> e)	1,976	2,144	2,734	-28%
	*Market Based (MB) (tCO <sub>2</sub> e)	301.67	374.9	4,071	-93%
Scope 3 : Indirect transport	Employee owned Vehicles (tCO <sub>2</sub> e)	83	101	330	-75%
	Location Based <b>Total Scope 1, 2 and 3 Emissions (tCO<sub>2</sub>e)</b>	<b>3,882</b>	<b>4,515</b>	<b>5,179</b>	<b>-25.03%</b>
	Market Based <b>Total Scope 1, 2 and 3 Emissions (tCO<sub>2</sub>e)</b>	<b>2,208</b>	<b>2,746</b>	<b>6,516</b>	<b>-66%</b>

On-Site Generation of Electricity - Solar PV		2023/24	2022/23	2021/22	2020/21	2019/20
Electricity Generated	kwh	21,884	39,232	23,174	44,629	0
Generated Electricity consumed	kwh	21,884	39,232	23,174	44,629	0
Generated electricity exported to Grid	kwh	0	0	0	0	0

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

From 1 October 2019 the University changed its purchasing strategy for electricity switching from a conventional fuel mix to 100% renewable from Ofgem accredited onshore wind farms. There was a significant increase in the price of Renewable Energy Guarantees of Origin (REGO) certified sources of renewable electrical energy. Despite this the University continued to purchase their electrical supply from a REGO certified source. The University purchases energy through an energy consortium, ensuring that it procures its energy at competitive rates in challenging market conditions.

#### Value for Money (VfM)

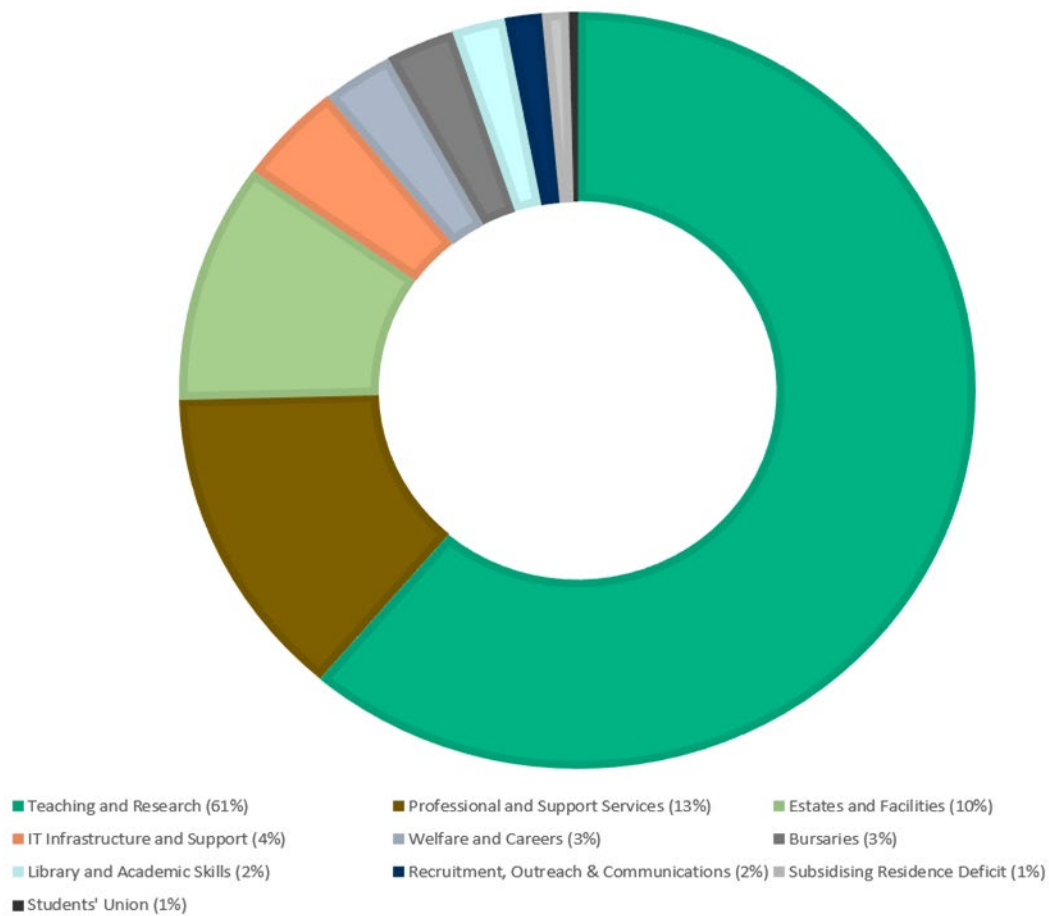
Value for money is important in the context of the tuition fees received from students and how these are utilised within the institution. The following chart of Undergraduate Fees demonstrates how these funds were applied in 2022/23 based upon the Transparent Approach to Costing (TRAC) methodology data for that particular year. The report that is produced in January 2024 is presented retrospectively for 2022/23, as this is the latest data available from the TRAC return.



## THE STRATEGIC REPORT (CONTINUED)

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

£5,660	Teaching and Research
£1,240	Professional and Support Services
£950	Estates and Facilities
£400	IT Infrastructure and Support
£270	Welfare and Careers
£260	Bursaries
£200	Library and Academic Skills
£140	Recruitment, Outreach & Communications
£100	Subsidising Student Accommodation
£30	Students' Union



The above is a representation of how the 2022-23 Undergraduate fee was used by the University and the relative percentages are as follows:

- **61% Teaching and Research** - lectures, technicians, course administration, course materials etc.
- **13% Professional and Support Services** - student registration & records, human resources, finance, VC's Office etc.
- **10% Estates and Facilities** - building running costs, maintenance, light & heat, security etc.
- **4% IT Infrastructure and Support** - computing, software, subscriptions etc.
- **3% Welfare and Careers**- Counselling, Chaplaincy, Sports Centre and Careers.

## THE STRATEGIC REPORT (CONTINUED)

- **3% Bursaries** – support and fee reductions for eligible students.
- **2% Recruitment, Outreach & Communications** - school and college engagement, widening participation, recruitment activity etc.
- **2% Library and Academic Skills** -books, periodicals, electronic subscriptions
- **1% Subsidising Residence & Catering Deficit** - This activity has a net expenditure.
- **1% Students' Union** - grant to support the ongoing provision of the Students' Union.

### Risk Management

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

The system of internal control is based on an ongoing process designed to identify the principal risks to the achievement of strategic policies, aims and objectives; to evaluate the nature and extent of those risks; and to manage them efficiently, effectively and economically. This process has been in place for the year ended 31 July 2024 and up to the date of approval of the financial statements and accords with the requirements of the Office for Students.

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

The main risk areas and actions being taken to mitigate them contained in the University's High-level Risk Register, as follows:

- **Failure to maintain a financially sustainable offer for directly delivered programmes.**

Actions to mitigate include:

- the review of financial forecasts, including performance indicators and covenants;
- review of the academic portfolio;
- development of course performance plans;
- review of student:staff ratios;
- development of financial reporting at course or module level; and,
- embedding of the new Academic Framework review.

- **Failure to monitor, prepare and manage changes in the political and funding landscape for Higher Education.**

Actions to mitigate include:

- continued membership of Universities UK and MillionPlus in order to continue to make the case for investment in higher education including maintenance support for students;
- monitor implementation of the Government's HE manifesto commitments; and,
- consideration of the Government's legislation on Lifelong Learning Entitlement as part of the Academic Framework.

- **Failure to recruit full time Home Undergraduate and Postgraduate students.**

Actions to mitigate include:

- enhanced marketing of courses; increased schools and colleges liaison;

## THE STRATEGIC REPORT (CONTINUED)

- review of the Academic Portfolio and Academic Framework to create a more attractive offering with a focus on employability;
  - improve admissions process
  - monitoring UCAS application; and,
  - DATA HE market share analysis reports reviewed for market insights.
- **Ineffective management of partnerships, including the risk of major change in partnership activity and compliance implications of partnership working.**

Actions to mitigate include:

- central management of all UK based partnerships through a well-resourced unit;
- external review of partnerships by the University's internal auditors;
- annual monitoring of partnerships through the Partnership Oversight Sub-Committee;
- continuous monitoring through the Partner Strategic Group and the Partner Operational Group meetings;
- regular monitoring reports of individual partnerships; and,
- developed contingency plans, detailing options appraisals for teach out if required;

These risks have been taken into consideration in the University's modelling of future years' forecasts and contingency arrangements are included within the institution's plans to review and redesign services and reduce costs. Taking forward these measures will reduce the impact of these risks so that they do not compromise the longer-term sustainability of the University.

### Going Concern

The University's financial forecasts for the next two years continue to show a surplus position and meet the year end bank covenants. The longer term forecasts are dependent upon clarification of the UK Government's review of funding of the Higher Education sector more generally.

For the medium term however, the University is able to meet in full its financial commitments.

The Governing Body have reviewed the financial forecasts through to 2028/29; whilst recognising the uncertainty over funding beyond 2025/26, the Board remains assured that the University continues to be a going concern.

### Directors' Indemnities

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

### Disclosure of Information to the Auditor

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

## THE STRATEGIC REPORT (CONTINUED)

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

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

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

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

The table below shows the consolidated performance indicators for the year ended 31 July 2024, compared to actual outturn for the previous year. Targets for each of these KPIs are prepared and reported to management based on the approved annual budget. As part of the mid-year forecasting process, the financial position is reviewed, and a revised budget is produced in year. The target KPIs are amended to reflect the revised budget position to be reported through to the end of the year.

Key Performance Indicators – actual outturn	2024	2023
Operating surplus/(deficit) as a % of income	2.27	1.28
Adjusted surplus as a % of income	1.18	2.74
Unrestricted reserves as a % of total income	44.87	53.37
External borrowing as a % of total income	16.93	21.92
Current asset/(current liability) ratio	1.09	1.13
Net liquidity days	69	81
EBITDA as a % of total income	5.48	6.83
Net Cash inflow/outflow as a % of income based on net cash inflow from operating activities	5.09	8.23

The reported surplus for the year ended 31 July 2024 reflects adjustments for the accounting treatment under FRS 102 of pensions' provisions and liabilities.

The operational outturn/adjusted surplus for the University for the year ended 31 July 2024 was £3.761m.

Unrestricted reserves are reported net of the LGPS pensions liability, when the asset values exceed the liability the net asset or surplus on the scheme is not recognised by the University and will not be included in the University's reserves.

External borrowing decreased in year with capital repayments being made to reduce the principal amount of loans. The overall position reflecting repayment of loan capital is a balance at 31 July 2024 of £54.041m (2023: £57.837m).

Net liquidity days are reported as being 69 days, which is a reduction compared to the prior year of 81 days. The balance of cash and cash equivalents held at the year end was £2.034m more in 2024 than 2023, however, expenditure had increased year on year, reflecting payments to collaborative partnerships, impacting on the calculation of net liquidity days. Throughout the year the University has maintained sufficient funds to meet all commitments in line with the treasury management policy approved by the Finance and Resources Committee.

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

## THE STRATEGIC REPORT (CONTINUED)

### Financial Risk Management

The University recognises that all treasury management activities involve risk and potential reward. The University's policy on borrowing is to minimise cost while maintaining the stability of its financial position by sound debt management techniques. The objective for lending purposes is to achieve the best possible return while minimising risk.

The Chief Finance and Operating Officer has the authority to implement the University's strategy for depositing surplus funds and managing the cash flow of the University. In exercising these powers, he has regard to the perceived credit risk associated with the approved organisations with which funds may be deposited or invested; also the effect of possible changes in interest rates on the cost of borrowing and the return from investing and the need to maintain adequate liquid funds to meet the University's obligations.

### Outlook

The University continues to face the challenge of a fixed rate of tuition fee for UK students undertaking undergraduate courses restricting income in the context of rising inflation for pay and non-pay costs.

There are new challenges facing our University and other universities in the sector. There has been a reduction in the number of Home and Overseas Full Time Undergraduate students registering to study in higher education which impacts future income expectations. In addition, universities are facing higher employment costs including an increase in the Teachers' Pension Scheme employer contributions from April 2024 from 23.68% to 28.68%, a rise of approximately 20% in the actual cost of providing the pension for academic staff.

In the light of these financial challenges, the University has introduced a Transformational Change Programme with four strands to review and redesign all areas of the University. The four strands are:

- Removal of Faculty Structure and Consolidation of Schools
- Student and Academic Service Redesign
- Research and Enterprise Services Review and Redesign
- Corporate Services Review and Redesign

Despite these challenges we remain committed to delivering our Vision 2030 strategy with compassion, and by working collaboratively with the involvement of our staff, students and stakeholders.

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

**Date:**

## **PUBLIC BENEFIT STATEMENT**

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

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

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

### **Our mission**

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

### **Our values**

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

### **Strategic aims**

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

### **Cross-cutting themes**

Sustainability  
Partnerships  
Compassion  
Inclusivity  
Wellbeing  
Global

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

- We had 38,000 registered undergraduate and postgraduate students studying in the UK.
- Nearly two-thirds of our graduates are in highly skilled graduate-level employment 15 months after completing their studies, 5 percentage points higher than the national average, as per the HESA Graduate Outcomes 2023 report.
- The University successfully recruited 108 students into the third cohort of the KMMS Medical School and looking ahead has a new cohort of 104 students starting for the 2024/2025 academic year.
- The University worked with 72 Kent and Medway health care providers in 363 locations.
- We supported over 50 partner schools and colleges in Kent and Medway.

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

- We had 15,000 health and care graduates.
- We are in the top 25 universities for increasing social mobility.
- We were ranked in the top 20% of higher education institutions for community engagement and research partnerships in the recent Government's Knowledge Exchange Framework (KEF 4)
- We were ranked in the top third of higher education institutions for sustainability and the environment in the 'People and Planet' League table.

Illustrations of how the University has fulfilled its charitable public benefit purposes in 2023/24 include:

- We held our first Futures Day in May 2024 – an exciting new event held on Campus and Online over a 36 hour period. Over 362 donors helped to raise £14,414 that has been applied to supporting students through the cost of living crisis.
- We are part of the Police Education Consortium (PEC) along with three other universities, Middlesex University, University of Cumbria and University of Portsmouth who work collaboratively to deliver transformational police education. The PEC has won the title of 'Best Apprenticeship in Public Sector' award at the Apprenticeship Guide Awards 2024.
- One of our Senior Lecturers in the School of Nursing, May Chen, has won a prestigious the RCN Foundation Impact Award 2024 in recognition of the positive influence her research had upon the wellbeing of student nurses.
- We continue to support Pride Canterbury in celebrating the LGBTQIA+ community. The Pride Canterbury event was held on 8-9 June 2024 and there was strong representation from the University in the parade. We also supported Medway Pride, with a stall being provided at the festival celebrations.
- We welcomed the return of the annual Medieval Mayhem pageant to Canterbury in July 2024. In support of the event the University hosted a series of free, fun and entertaining events for the local community, including a medieval encampment to provide a living history display. There was a selection of table top and PC based games designed by the University's Games Design students and a demonstration of medieval music provided by the University's Master of Music, Gareth Balch.
- Alpine's Rac(H)er Programme hosted a test and training camp in June 2024 in collaboration with the University's Sports Lab. The camp was a continuation of the driver's development provided as part of their participation in the programme. The collaboration included the BWT Alpine F1 team. The sports lab provided a series of tailored test and training workshops for four young drivers.
- The University supported the next generation of voters with students from secondary schools from across Canterbury and the surrounding area taking part in a democratic debate hosted by the University's Politics and International Relations programme. Nearly 80 students came together to discuss the topics that mattered to them, ahead of the general election.
- The University supported the development of women leaders by being part of the South East Action Learning Programme. Women leaders in the University were given the opportunity to connect with leaders in universities across London and the South East. During a six month programme they were given the space to explore challenges and ambitions in a facilitated way.

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

- The University held the annual Alumni Awards event, welcoming more than 100 graduates and guests to recognise those who make a difference, inspiring change and making a positive impact on the community. The winners this year ranged from Alumni who champion the importance of the transformative impact of education, to those who served in the nursing profession as carers during the COVID 19 pandemic.
- The School of Engineering, Technology and Design worked in collaboration with Tensei, a company that specialises in designing and producing innovative plant fibre materials, to investigate and research their latest sustainable material. This was a social values programme project funded by a Growing Kent & Medway grant.
- The School of Teacher Education achieve two notable successes in the year. The School achieved the highest possible rating of its International Qualified Teacher Status (iQTS) provision. The School also successfully completed the Department for Education (DfE) accreditation process to deliver Initial Teacher Education in the 2024/2025 year.



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

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

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

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

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

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

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

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

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

The Governing Body has taken reasonable steps to:

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

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

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

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

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

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

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

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

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

**Ms J Armitt**

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

**Date: 26 November 2024**

## STATEMENT OF CORPORATE GOVERNANCE

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

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

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

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

The Governing Body shall consist of a majority of independent Governors and when complete, normally consists of not fewer than 18 persons.

The maximum number of Company Members is 19. It includes four nominative governors being members of the Church of England of whom: (i) one is appointed by the Archbishop of Canterbury; (ii) one is appointed by the Diocesan Boards of Education of Canterbury and Rochester dioceses acting jointly (iii) one is appointed by the Archbishops' Council of the Church of England (iv) one is the Bishop of Dover or their nominee; one is the Vice-Chancellor and Principal; three staff governors: the three being respectively a member of the Academic Board nominated by that Academic Board together with a member of the academic staff of the University and a member of the professional services staff of the University; one student governor, being the elected President of the Students' Union, ex-officio, and not more than nine co-opted governors, at least six of whom are to be members of the Church of England.

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

The Governing Body is chaired by Ms J Armit, the Pro-Chancellor since 1 August 2021. Since 1 August 2023 Mr C Stevens has held the role of the Deputy Pro-Chancellor of the Governing Body. The role of Senior Independent Governor is held by the Right Reverend Bishop R Hudson-Wilkin.

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

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

## STATEMENT OF CORPORATE GOVERNANCE (CONTINUED)

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

The Governing Body normally meets four times per year. Three further 'all governor' briefing sessions were held. Additionally, governor visits enable governors to be fully briefed on the University's activities, meeting with students and staff. In 2023/24, the following governor visits took place: visit of the Medway Campus facilities, the Graduate Futures department, Academy of Sustainable Futures and the School of Creative Arts and Industries.

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

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

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

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

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

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

The Chairs' Committee membership consists of:

- Pro-Chancellor of the University (Chair of the Governing Body) Ms J Armitt (Archbishop of Canterbury's appointee)
- Chair of the Audit Committee – Lady A Newey (Independent)

## STATEMENT OF CORPORATE GOVERNANCE (CONTINUED)

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

The Chairs' Committee normally meets three times in each academic year. In 2023/24 the Chairs' Committee met on three occasions.

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

The Finance and Resources Committee membership consists of:

- Chair of the Finance and Resources Committee – Mr C Stevens (Independent)
- Student Governor – Miss A Lundy (to 9 February 2024)
- Professor G Dewhurst (Independent)
- Ms J Harding (Independent)
- Revd R Stevenson (Independent)
- Vice-Chancellor – Professor R Thirunamachandran (Vice-Chancellor)

The Finance and Resources Committee normally meets three times in each academic year. In 2023/24 the Finance and Resources Committee met on three occasions.

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

The Audit Committee membership consists of:

- Chair of the Audit Committee – Lady A Newey (Independent)
- Ms S Appleby (Independent)
- Mrs P Jones (Archbishops' Council of the Church of England appointee)
- Mr J Stockwell (Independent)

And Co-opted members:

- Mr D Crush (from 1 August 2023)
- Mr G Ward (from 1 August 2023)

## STATEMENT OF CORPORATE GOVERNANCE (CONTINUED)

The Audit Committee normally meets four times in each academic year. In 2023/24 the Audit Committee met on four occasions.

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

Remuneration Committee membership consists of:

- Chair of the Remuneration Committee – Ms N Ahmed (Independent)
- Pro-Chancellor of the University – Ms J Armitt
- Professor J Wood (Independent)
- Student Governor – Ms A Lundy (to 9 February 2024)

And Co-opted member:

- Lord A Colgrain (Independent Assessor).

The Remuneration Committee normally meets once in each academic year.

A Governance Effectiveness Review undertaken by the SUMS Consultancy in 2023/24 concluded that the standard of governance at the University is “good”. A number of recommendations were set out in SUMS’ report, for the Governing Body to consider as potential areas for further enhancing the University’s governance effectiveness.

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

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

- Memorandum and Articles
- Schedule of Delegation
- Governing Body Structure
- Governor Appointment Policy
- Register of Interests
- Terms of Reference
- Annual Financial Statements
- Governing Body and Committee Minutes
- FOI Publication Scheme
- Whistleblowing Policy
- Fit and Proper Persons Policy.

The Governing Body updated its Governor Appointment Policy, and the Audit Committee approved an update to the University’s Whistleblowing (‘Speak Up’) Policy in 2023/24. The University refreshed its FOI Publication Scheme in 2023/24.

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

- Meeting at least four times each academic year to determine strategy;
- Receiving and approving, on an annual basis, the ‘Report on Maintenance of Academic Standards and the Management and Enhancement of the Quality of the Student Experience’ (from the Academic Board) as well as the annual ‘Degree Outcomes Statement’;

## STATEMENT OF CORPORATE GOVERNANCE (CONTINUED)

- Receiving and approving, on an annual basis, a compliance statement on 'Research and Enterprise Integrity'.
- Receiving an annual report and assurance from the University Solicitor regarding the University's compliance with OfS initial and ongoing general conditions of registration;
- Receiving updates from the Audit Committee concerning internal control, and strategic risk management;
- Oversight by the Audit Committee of the University's risk management framework and a high-level strategic risk register fully aligned to the University's strategic goals set out in the University's Vision 2030 Strategic Framework;
- Regular reviews by the Audit Committee of Internal Audit reports, which include an independent opinion on the adequacy and effectiveness of the University's systems of governance, risk management and internal control, together with improvement recommendations;
- Monitoring of institutional KPIs (governor sub-set); and
- Reviewing post-investment lesson learning reviews in respect of major investment projects undertaken by the University.

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

The various elements of the University's Financial Regulations were approved by the Finance and Resources Committee at its meetings on 8 November 2023, 6 March 2024 and 5 June 2024. The Financial Regulations are subordinate to the University's Articles and to any restrictions contained in terms of conditions of funding and the audit code of practice.

The purpose of the Financial Regulations is to provide control over the totality of the University's resources and provide assurance in respect of a., and b., above. Compliance with the Financial Regulations is mandatory. Breaches are notified to the Governing Body via the Audit Committee. This statement covers the reporting period from 1 August 2023 to the date of signing and approving the financial statements on 26 November 2024.



## **MODERN SLAVERY AND HUMAN TRAFFICKING**

The University is committed to ensuring that slavery and human trafficking is not occurring in its supply chain, in line with the Modern Slavery Act 2015. As a values-based institution, the University condemns any form of labour exploitation or human trafficking and expects all its suppliers and business partners to adhere to the principles set out in the Modern Slavery Act. Oversight of the management of risks of modern slavery and human trafficking in the supply chain is provided by a nominated senior manager, the Chief Finance and Operating Officer. The University's Modern Slavery and Human Trafficking Statement has the support of the full Governing Body and was approved by the Governing Body at its meeting on 26th November 2024.

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

### **Procurement Activity**

In the 2023-24 financial year the University has awarded twelve major supply contracts, three of which were deemed to be potentially those that may be at high risk of modern slavery activities. All successful suppliers were asked to confirm that they had arrangements in place to manage the risk of slavery in their supply chain. The University is further developing its processes in 2024/25 to ensure that bidders for such contracts will be required to complete a further in-depth assessment of the checks that they have in place to detect cases of modern slavery and forced labour.

### **Sustainability Tool**

This year the University has implemented a new supply chain sustainability monitoring tool. This will allow for the monitoring of the sustainability impacts of University suppliers which have registered, including modern slavery risks. This is an important development as it provides a more systematic approach to supply chain monitoring and management and facilitates collaboration across the higher education sector.

In the first year of operation, the tool has enabled the 134 suppliers who have self-certified that they are a supplier to CCCU with the following outcomes:

- 60 are legally obliged to publish a modern slavery statement and have done so
- 2 are legally obliged to publish a modern slavery statement and have not yet done so
- 36 are not obliged to publish a modern slavery statement but have done so anyway
- 36 are not obliged to publish a statement and have not done so

The tool also captures information about incidents of modern slavery, staff training, risk analysis and reporting mechanisms. This data will be used to increase the number of suppliers that use the tool (prioritising suppliers of high-risk goods or services) and to encourage companies to improve their arrangements for managing modern slavery risks.

### **Operational Control Procedure**

As part of its Environmental Management System (EMS) the University maintains a series of 'operational control procedures' that document the steps taken to ensure that the institution's sustainability obligations are appropriately managed. The previous arrangements which involved two separate procedures for the management of modern slavery risks and sustainable procurement have now been combined which has enabled more effective processes for the embedding of modern slavery checks within the procurement supply chain.

### **Procurement Partners**

The University uses pre-negotiated 'framework agreements' to award many of its contracts. Most of these are awarded and managed by the Southern Universities Purchasing Consortium (SUPC) which embeds responsible procurement into all of its activities.

## **MODERN SLAVERY AND HUMAN TRAFFICKING (CONTINUED)**

Suppliers in higher-risk spend categories are asked by SUPC to commit to the Base Code of the Ethical Trading Initiative (ETI). SUPC will work to persuade suppliers in high-risk spend categories to support these initiatives. The ETI Base Code is founded on the conventions of the International Labour Organisation (ILO) and is an internationally recognised code of labour practice.

SUPC (and other regional universities purchasing consortia with whom we work) are also affiliated with the Electronic Watch to ensure compliance with labour rights and safety standards in the technology & computing supply chain. This is particularly relevant for the supply of IT equipment which is classed as a high-risk industry.

SUPC is committed to acquiring goods and services for its members without causing harm to others. Affiliating with Electronics Watch is an important step towards achieving this aim, as it provides a mechanism for universities across Europe to monitor their electronics supply chains effectively.

## STATEMENT OF INTERNAL CONTROL

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

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

The system of internal control is based on an ongoing process designed to identify the principal risks to the achievement of policies, aims and objectives; to evaluate the nature and extent of those risks; and to manage them efficiently, effectively and economically. This process has been in place for the year ended 31 July 2024 and up to the date of approval of the Strategic Report and Financial Statements and accords with the OfS and Turnbull guidance.

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

The following processes have been established:

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

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

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

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

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

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

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

## Opinion

We have audited the financial statements of Canterbury Christ Church University ('the University') and its subsidiary ('the Group') for the year ended 31 July 2024 which comprise the Consolidated and University Statement of Comprehensive Income and Expenditure, the Consolidated and University Statement of Changes in Reserves, the Consolidated and University Statement of Financial Position, the Consolidated Cash Flow Statement and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 "The Financial Reporting Standard Applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the Group's and University's affairs as at 31 July 2024 and of the Group's and University's income and expenditure, gains and losses, changes in reserves and cash flows for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- have been prepared in accordance with the requirements of the Statement of Recommended Practice – Accounting for Further and Higher Education; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

## Basis for opinion

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

## Conclusions relating to going concern

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

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

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

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

### **Other information**

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

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of

the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

### **Responsibilities of Directors**

As explained more fully in the Statement of Responsibilities of the Directors set out on page 24, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

### **Other Required Reporting**

Opinions on other matters prescribed by the Companies Act 2006

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

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

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

In our opinion, in all material respects:

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

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

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

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

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

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

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



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

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

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

**Signed:**

**Nicola Wakefield (Senior Statutory Auditor)  
for and on behalf of:**

**Forvis Mazars LLP  
Chartered Accountants and Statutory Auditor  
6 Sutton Plaza,  
Sutton Court Road,  
Sutton Surrey,  
SM1 4FS**

**Date:**

# STATEMENT OF PRINCIPAL ACCOUNTING POLICIES

## 1. Basis of Preparation

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

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

The financial statements have been prepared on a going concern basis informed by the University's future financial forecasts, taking into account possible changes in performance. In arriving at its assessment the Governing Body has reviewed the financial forecasts and is satisfied that the University has sufficient facilities to continue operating at its current level.

## 2. Critical Judgements

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

### 2.1 Income Recognition - Capital and Research Grants Received

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

### 2.2 Income Recognition – Deposit Interest

The income generated from short term deposits of cash and cash equivalents is seen to be part of the operating cash flow of the University as it is derived from short term investment of liquid cash and cash equivalents. The income is reported as investment income in the Statement of Comprehensive Income, however, the appropriate treatment of this income in the Cash Flow Statement is to include it in the operational surplus/(deficit). This is a change to previous reporting of interest earned from cash deposits in the Cash Flow Statement, where it had been included in investment activities. The change was deemed necessary as the University does not hold any long-term investments and to include the income as being part of investing activities could be misleading as the income is sourced from liquid cash from operational activities. In previous years the amount of interest was insignificant, and the reporting treatment only became relevant when the amount of interest earned increased to a material level in the year ended 31 July 2023. This change affects the Cash Flow Statement report and has no impact on the Statement of Comprehensive Income, the Statement of Financial Position or on the level of reported reserves. The comparatives for 2023 in the Consolidated Cash Flow Statement have been amended to reflect this change.

### 2.3 Universities Superannuation Scheme

FRS 102 makes the distinction between a group plan and a multi-employer scheme. A group plan consists of a collection of entities under common control typically with a sponsoring employer.

## STATEMENT OF PRINCIPAL ACCOUNTING POLICIES (CONTINUED)

A multi-employer scheme is a scheme for entities not under common control and represents (typically) an industry-wide scheme such as Universities Superannuation Scheme. The accounting for a multi-employer scheme where the employer has entered into an agreement with the scheme that determines how the employer will fund a deficit results in the recognition of a liability for the contributions payable that arise from the agreement (to the extent that they relate to the deficit) with the resulting expense charged through the profit or loss account in accordance with section 28 of FRS 102. The directors are satisfied that Universities Superannuation Scheme meets the definition of a multi-employer scheme and will therefore recognise the discounted fair value of the contractual contributions under the recovery plan if this is in existence at the date of approving the financial statements.

### 2.4 Depreciation

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

### 3. Accounting Estimates

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

#### 3.1 Local Government Pension Scheme

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

#### 3.2 Bad Debt Provision

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

#### 3.3 Provision for Dilapidations

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

### 4. Basis of Consolidation

The consolidated financial statements include the University and its subsidiary company for the financial year to 31 July 2024. Intra-group transactions are eliminated on consolidation. The consolidated financial statements do not include the income and expenditure of the Students' Union as the University does not exert control or dominant influence over policy decisions of the Union.

### 5. Recognition of Income

Income is measured at the fair value of the consideration received or receivable and represents amounts receivable for services provided in the normal course of business, net of discounts and VAT

## STATEMENT OF PRINCIPAL ACCOUNTING POLICIES (CONTINUED)

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

Income generated as interest earned on short term deposits of cash and cash equivalents is recognised as investment income in the Statement of Comprehensive Income.

In the past interest earned on liquid funds had been reported in the Cash Flow Statement as part of the University's investment activities, which given that the University does not hold any income generating investments did not seem to be an appropriate treatment. Due to the very short-term nature of the deposits and cash held at the bank on which the interest is earned it seems more appropriate to recognise this as part of the University's operating activities. Therefore, the income will now be included in the Cash Flow Statement as part of the surplus/(deficit) reported for the year.

### 6. Grants

Revenue-based grants from Government, the Office for Students (OfS), the Department for Education (DfE) and HEKSS trusts are passed through the Income and Expenditure Account when the conditions

relating to the grant have been satisfied (see 5, Recognition of Income above). Grants or other contributions from Government and other bodies are accounted for using the performance model and are recognised in the financial statements when the conditions for their receipt have been complied with and there is reasonable assurance that the grant or contribution will be received.

### 7. Agency Arrangements

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

### 8. Foreign Currencies

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

### 9. Operating Leases

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

### 10. Intangible Assets

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

Significant intangible assets with a value of £200,000 or more are amortised over 10 years and lower value assets of less than £200,000 are amortised over five years. The costs relating to the development of the medical programme are capitalised as an intangible asset. Development costs accrue from the

## STATEMENT OF PRINCIPAL ACCOUNTING POLICIES (CONTINUED)

date at which the contract was entered into, and are capitalised when the asset comes into use, and will be amortised when the benefits are realised on a straight-line basis over five years.

### 11. Tangible Assets

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

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

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

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

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

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

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

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

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

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

### 12. Assets held for resale

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

## STATEMENT OF PRINCIPAL ACCOUNTING POLICIES (CONTINUED)

### 13. Stock

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

### 14. Cash and Cash Equivalents

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

### 15. Maintenance of Premises

The University has a long-term rolling maintenance plan which forms the basis of the ongoing maintenance of the estate. The cost of routine corrective maintenance is charged to the income and expenditure account as incurred. A provision for dilapidation is made where the lease agreement

requires the University to return the property to the landlord in a specified state. A provision is made for the estimated costs of the dilapidation spread over the period of tenancy. Any increase or decrease in this provision is charged to the Statement of Comprehensive Income.

### 16. Taxation Status

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

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

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

### 17. Pension Schemes

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

## STATEMENT OF PRINCIPAL ACCOUNTING POLICIES (CONTINUED)

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

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

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

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

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

### 18. Investments

Endowment asset investments are held as cash.

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

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

### 19. Financial Instruments

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

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

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

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

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

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

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

### **21. Reserves**

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

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



## Consolidated and University Statement of Comprehensive Income and Expenditure For the Year Ended 31 July 2024

	Notes	Consolidated		University	
		2024 £'000	2023 £'000	2024 £'000	2023 £'000
<b>Income</b>					
Tuition fees and education contracts	1	<b>277,704</b>	224,103	<b>277,704</b>	224,103
Funding body grants	2	<b>18,918</b>	18,023	<b>18,918</b>	18,023
Research grants and contracts	3	<b>1,102</b>	1,715	<b>1,102</b>	1,715
Other income	4	<b>17,038</b>	18,715	<b>16,870</b>	18,575
Investment income	5	<b>4,353</b>	1,252	<b>4,335</b>	1,243
<b>Total income</b>		<b>319,115</b>	263,808	<b>318,929</b>	263,659
<b>Expenditure</b>					
Staff costs	6	<b>98,036</b>	88,509	<b>97,936</b>	88,405
Interest and other finance costs	7	<b>3,582</b>	2,658	<b>3,582</b>	2,658
Other operating expenses	8	<b>199,713</b>	159,353	<b>199,683</b>	159,351
Depreciation and Amortisation	9 & 11	<b>10,539</b>	9,900	<b>10,539</b>	9,900
<b>Total Expenditure</b>	8	<b>311,870</b>	260,420	<b>311,740</b>	260,314
<b>Surplus/(Deficit) for the year before loss on disposal of fixed assets</b>		<b>7,245</b>	3,388	<b>7,189</b>	3,345
<b>(Loss)/Profit on disposal of fixed assets</b>		-	(146)	-	(146)
<b>Surplus/(Deficit) for the year</b>		<b>7,245</b>	3,242	<b>7,189</b>	3,199
Endowment comprehensive income for the year	17	<b>2</b>	(30)	<b>2</b>	(30)
Actuarial (loss)/gain in respect of pension scheme	23	<b>(2,195)</b>	9,880	<b>(2,195)</b>	9,880
<b>Total comprehensive surplus for the year</b>		<b>5,052</b>	13,092	<b>4,996</b>	13,049
Represented by:					
Endowment comprehensive income/(losses) for the year	17	<b>2</b>	(30)	<b>2</b>	(30)
Unrestricted comprehensive gain for the year		<b>5,050</b>	13,122	<b>4,994</b>	13,079
<b>Surplus for the year attributable to the University</b>		<b>5,052</b>	13,092	<b>4,996</b>	13,049

## Consolidated and University Statement of Changes in Reserves For the Year Ended 31 July 2024

Consolidated	Income and expenditure account			Total
	<i>Endowment</i>	<i>Restricted</i>	<i>Unrestricted</i>	
	£'000	£'000	£'000	£'000
<b>Balance at 1 August 2022</b>	<b>483</b>	<b>40</b>	<b>124,568</b>	<b>125,091</b>
Surplus from the income and expenditure statement	-	-	3,242	3,242
Other comprehensive income	(25)	(5)	9,880	9,850
<b>Total comprehensive income for the year</b>	<b>(25)</b>	<b>(5)</b>	<b>13,122</b>	<b>13,092</b>
<b>Balance at 31 July 2023</b>	<b>458</b>	<b>35</b>	<b>137,690</b>	<b>138,183</b>
<b>Balance at 1 August 2023</b>	<b>458</b>	<b>35</b>	<b>137,690</b>	<b>138,183</b>
Surplus from the income and expenditure statement	-	-	7,245	7,245
Other comprehensive income	-	2	(2,195)	(2,193)
<b>Total comprehensive income for the year</b>	<b>-</b>	<b>2</b>	<b>5,050</b>	<b>5,052</b>
<b>Balance at 31 July 2024</b>	<b>458</b>	<b>37</b>	<b>142,740</b>	<b>143,235</b>

University	Income and expenditure account			Total
	<i>Expendable</i>	<i>Restricted</i>	<i>Unrestricted</i>	
	£'000	£'000	£'000	£'000
<b>Balance at 1 August 2022</b>	<b>483</b>	<b>40</b>	<b>124,594</b>	<b>125,117</b>
Surplus from the income and expenditure statement	-	-	3,199	3,199
Other comprehensive income	(25)	(3)	9,880	9,852
<b>Total comprehensive income for the year</b>	<b>(25)</b>	<b>(3)</b>	<b>13,079</b>	<b>13,051</b>
<b>Balance at 31 July 2023</b>	<b>458</b>	<b>37</b>	<b>137,673</b>	<b>138,168</b>
<b>Balance at 1 August 2023</b>	<b>458</b>	<b>37</b>	<b>137,673</b>	<b>138,168</b>
Surplus from the income and expenditure statement	-	-	7,189	7,189
Other comprehensive income	-	2	(2,195)	(2,193)
<b>Total comprehensive income for the year</b>	<b>-</b>	<b>2</b>	<b>4,994</b>	<b>4,996</b>
<b>Balance at 31 July 2024</b>	<b>458</b>	<b>39</b>	<b>142,667</b>	<b>143,164</b>

## Consolidated and University Statement of Financial Position As at 31 July 2024

	Notes	As at 31 July Consolidated		As at 31 July University	
		2024 £'000	2023 £'000	2024 £'000	2023 £'000
<b>Non-current assets</b>					
Tangible assets	9	162,863	167,356	162,863	167,356
Investments	10	-	-	450	450
Intangible assets	11	18,136	16,956	18,136	16,956
		<u>180,999</u>	<u>184,312</u>	<u>181,449</u>	<u>184,762</u>
<b>Current assets</b>					
Stock		249	239	249	239
Trade and other receivables	12	143,855	104,597	143,881	104,674
Cash and cash equivalents	18	57,346	55,312	56,956	55,086
		<u>201,450</u>	<u>160,148</u>	<u>201,086</u>	<u>159,999</u>
Less: Creditors: amounts falling due within one year	13	( 184,854)	( 141,192)	( 185,011)	( 141,508)
<b>Net current assets</b>		<u>16,596</u>	<u>18,956</u>	<u>16,075</u>	<u>18,491</u>
<b>Total assets less current liabilities</b>		<u>197,595</u>	<u>203,268</u>	<u>197,524</u>	<u>203,253</u>
Creditors: amounts falling due after more than one year	14	( 50,328)	( 54,041)	( 50,328)	( 54,041)
<b>Provisions</b>					
Pension liability LGPS	23	-	-	-	-
Other provisions	16	( 4,032)	( 11,044)	( 4,032)	( 11,044)
<b>Total net assets</b>		<u>143,235</u>	<u>138,183</u>	<u>143,164</u>	<u>138,168</u>
<b>Restricted Reserves</b>					
Income and expenditure reserve - endowment reserve	17	37	35	37	35
<b>Unrestricted Reserves</b>					
Income and expenditure reserve - endowment reserve	17	458	458	458	458
Income and expenditure - Local Government Pension Scheme reserve		-	-	-	-
Income and expenditure reserve - unrestricted includes pension		142,740	137,690	142,669	137,675
		<u>143,198</u>	<u>138,148</u>	<u>143,127</u>	<u>138,133</u>
<b>Total Funds</b>		<u>143,235</u>	<u>138,183</u>	<u>143,164</u>	<u>138,168</u>

The Financial Statements on pages 44 to 76 were approved and authorised for issue by the Governing Body on 26 November 2024 and signed on its behalf by:

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

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

## Consolidated Cash Flow Statement For the Year ended 31 July 2024

	Notes	2024	2023 Restated
		£'000	£'000
<b>Cash flow from operating activities</b>			
Surplus/(deficit) for the year		7,245	3,242
<b>Adjustment for non-cash items</b>			
Depreciation and amortisation	9/11	10,539	9,900
(Increase)/decrease in stock		( 10)	2
(Increase) in debtors	12	( 39,258)	( 35,129)
Increase in creditors	13	43,820	41,579
(Decrease)/increase in other provisions	16	( 7,012)	( 1,451)
Pension charges	23	( 2,166)	3,973
<b>Adjustment for investing or financing activities</b>			
Interest payable	7	3,553	2,502
Endowment income and donations	17	( 104)	( 43)
Loss/(profit) on the sale of tangible assets	9	-	146
Capital Grant income	2	( 355)	( 1,751)
<b>Net cash inflow from operating activities</b>		<u>16,252</u>	<u>22,970</u>
<b>Cash flows from investing activities</b>			
Proceeds from sales of fixed assets	9	-	2,097
Payments made to acquire tangible and intangible assets	9/11	( 7,226)	( 8,328)
Payments from endowment assets	17	( 102)	( 74)
Capital grant receipts	2/14	355	1,751
<b>Net cash (outflow) from investing activities</b>		<u>( 6,973)</u>	<u>( 4,554)</u>
<b>Cash flows from financing activities</b>			
Interest paid	7	( 3,553)	( 2,502)
Endowment cash received	17	104	41
New unsecured loans	14	-	14,000
Repayments of amounts borrowed	15	( 3,796)	( 8,966)
<b>Net cash (outflow)/inflow from financing activities</b>		<u>( 7,245)</u>	<u>2,573</u>
<b>Increase in cash and cash equivalents in the year</b>		<u>2,034</u>	<u>20,989</u>
Cash and cash equivalents at beginning of the year	18	55,312	34,323
Cash and cash equivalents at end of the year	18	57,346	55,312

\* The comparatives have been amended in the Consolidated Cash Flow Statement. The interest earned on cash and cash equivalents has been restated in 2023 as it is included in the surplus for the year and is no longer reported separately as investment income.

# Notes to the Financial Statements

## Consolidated & University

### 1. TUITION FEES AND EDUCATIONAL CONTRACTS

	2024	2023
Notes	£'000	£'000
Full-time home and European students	252,174	204,683
Full-time Students Overseas	16,951	11,462
Part-time Students	4,519	4,179
Total fees paid by or on behalf of individual students	<u>273,644</u>	<u>220,324</u>
Education contracts	4,060	3,779
Total	<u><u>277,704</u></u>	<u><u>224,103</u></u>

## Consolidated & University

### 2. FUNDING BODY GRANTS

	2024	2023
	£'000	£'000
<b>Recurrent grant</b>		
Office for Students	10,703	8,573
Research England	3,412	3,672
Education and Skills Funding Agency	<u>3,446</u>	<u>2,984</u>
<b>Total recurrent grants</b>	<b>17,561</b>	<b>15,229</b>
<b>Specific grants</b>		
Challenge Competitions	-	28
Regional Innovation Fund	36	-
Higher Education Innovation Fund	738	735
QR Policy Support	50	50
Enhancing Research Culture	150	150
QR Participatory Research	20	20
Department for Education	8	60
<b>Total specific grants</b>	<u>1,002</u>	<u>1,043</u>
<b>Capital grant received and recognised in the year</b>		
SELEP	-	328
OfS - Capital	-	473
OfS - Teaching Capital Investment Fund	50	100
OfS - Research Capital Investment Fund	100	150
NHSE (Formerly HEE - KMMS)	205	700
<b>Total capital grants</b>	<u>355</u>	<u>1,751</u>
<b>Total</b>	<u><u>18,918</u></u>	<u><u>18,023</u></u>

## Notes to the Financial Statements (continued)

### Consolidated & University

<b>3. RESEARCH GRANTS AND CONTRACTS</b>	<b>2024</b>	2023
	<b>£'000</b>	£'000
Research Councils	198	20
Research Charities	289	265
Government UK & Overseas	307	661
Industry Commerce Public	113	68
Other grants and contracts	195	701
	<u>1,102</u>	<u>1,715</u>

### Consolidated

<b>4. OTHER OPERATING INCOME</b>	<b>2024</b>	2023
	<b>£'000</b>	£'000
Residences, catering and conferences	8,020	8,255
Other income generating activities	8,214	9,857
Other operating income	804	603
	<u>17,038</u>	<u>18,715</u>

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

### Consolidated

<b>5. INVESTMENT INCOME</b>	<b>2024</b>	2023
	<b>£'000</b>	£'000
Bank interest receivable	2,647	1,252
Pensions interest	1,706	-
	<u>4,353</u>	<u>1,252</u>

Bank interest receivable is now reported as part of cash flow from operating activities in the Consolidated Cash Flow Statement, as per the Accounting Policy for income recognition, 2.2. The comparatives reported for 2023 have been amended in the Cash Flow Statement to reflect this change, as stated on page 51 of the Financial Statements.

## Notes to the Financial Statements (continued)

### 6. STAFF COSTS

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

	<b>2024</b>	<b>Consolidated</b>	2023
	<b>Number</b>		Number
Academic Staff	<b>653</b>		627
Professional Service Staff	<b>851</b>		828
Academic Support Staff	<b>258</b>		209
Total	<u><b>1,762</b></u>		<u>1,664</u>
	<b>2024</b>		2023
	<b>£'000</b>		£'000
<b>Staff costs</b>			
Wages and salaries	<b>75,994</b>		69,031
Social security costs	<b>7,303</b>		6,716
Other pension costs	<b>14,739</b>		12,762
Total	<u><b>98,036</b></u>		<u>88,509</u>

The other pension costs represents the total value of contributions due in the year to TPS, USS and LGPS. In 2023 an additional cost of £3,817k was recognised within other operating expenses relating to the balance between the contributions due to the LGPS and the actuarially calculated service cost. In 2024 the actuarially calculated service costs charged was less than the amount of contribution paid in year, and therefore the charge to other operating expenses was a net credit of (£489k) after taking into account administrative charges. The total pension charges recognised for the year are reported in note 23.

Included in Wages and salaries and other pension costs are severance payments of £1,901,957 for 73 members of staff (2023: £660,132 for 30 members of staff). The University has in place a redundancy policy that is applied for all instances of restructuring that may generate a redundancy situation. Although every effort is taken to minimise the risk of redundancy, where redundancies are unavoidable, the University will endeavour to handle them fairly, consistently, empathetically and with dignity. The policy defines the measures that will be taken to ensure this, through providing meaningful information, and consulting and involving employees and recognised trade unions regarding proposals for organisational change.

#### Key management personnel

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

In 2023/2024 there were 14 senior post holders holding positions for 13 roles due to staff changes in year (2022/2023 there were 12 senior post holders in post).

	<b>2024</b>	2023
	<b>£'000</b>	£'000
Key management personnel compensation	<u><b>2,051</b></u>	<u>1,929</u>

## Notes to the Financial Statements (continued)

### 6. STAFF COSTS (CONTINUED)

#### Higher paid staff

Salary Range	2024 Number	2023 Number
£100,000 to £104,999	-	3
£105,000 to £109,999	2	1
£110,000 to £114,999	-	5
£115,000 to £119,999	3	1
£120,000 to £124,999	3	-
£125,000 to £129,999	-	-
£130,000 to £134,999	-	1
£140,000 to £144,999	1	-
£150,000 to £154,999	-	-
£155,000 to £155,999	-	-
£160,000 to £164,999	-	1
£165,000 to £169,999	-	-
£170,000 to £174,999	1	-
£175,000 to £179,999	-	-
£180,000 to £185,000	-	1
£190,000 to £194,999	1	-
Excluding the Vice Chancellor	<b>11</b>	<b>13</b>

The emoluments paid to the five members of the Governing Body (2023: 5) and their accrued benefits under defined benefits pension schemes are shown below:

	2024 £'000	2023 £'000
Salaries	525	509
Employer's pension contributions	61	66
Total	<b>586</b>	<b>575</b>

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

	2024 £'000	2023 £'000
Salary	293	282
Employer's pension contributions	8	18
Total emoluments of the Vice-Chancellor	<b>301</b>	<b>300</b>

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

The Vice Chancellor has enhanced opt out membership of the USS Pension Scheme, and therefore, the contribution made by the University to the scheme on his behalf was at the rate of 6.5% to 31 December 2023. This reduced to zero contribution rate from 1 January 2024.

The pay ratio of the Vice Chancellor's total emoluments as a ratio to the median of the total emoluments for all staff is 8.1:1 (2023: 8.2:1). The pay ratio of the Vice Chancellor's basic salary as a ratio to the median of the basic salary of all staff is 7.9:1 (2023: 7.8:1). These calculations are on a full time equivalent basis for all staff employed by the University whose payroll charges are included in the real time information report to HM Revenue and Customs.



# Notes to the Financial Statements (continued)

## 6. STAFF COSTS (CONTINUED)

### Directors' Emoluments

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

The remuneration of the Vice-Chancellor is based on an annual appraisal against objectives carried out by the Pro-Chancellor. Any annual increase in the Vice-Chancellor's pay is based on a senior salary framework, which was approved by the Remuneration Committee in 2014 and subsequently updated in 2019 and applies equally to all members of the Senior Management Team. The framework is based on a 3-point scale for assessment and performance – exceptional, excellent and requiring improvement. The pay increase for an 'excellent' rating is pegged to the annual national pay award for all staff.

Based upon the Vice-Chancellor's performance in 2022/23, the committee agreed with the Pro-Chancellor's assessment that this represented excellent performance and accordingly a pay increase in line with the national award was approved by the committee at 5%. In support of this assessment, the committee noted that despite a number of setbacks in the year the Vice-Chancellor had taken positive action to transform leadership in the University. This supported the preparation for re-accreditation of the nursing provision in early 2024 and the achievement of a number of significant outcomes including:

- the silver award in the Teaching Excellence Framework (TEF);
- a 'Good' rating from Ofsted for Primary, Secondary and Further Education teacher training;
- the University being ranked as number 1 in the country for the employability of graduates;
- an 8% improvement in the National Student Survey;
- the presentation and launch in year of a new Strategic Framework for 2023-30.

In the face of challenging recruitment numbers of undergraduate students in the University and across the sector, the finances of the University performed well. Income for the year 2022/23 increased by 42% and the University reported an operating surplus.

The Vice-Chancellor continues to be held in considerable esteem across the Higher Education sector following many years of experience gained in senior roles within the Higher Education Funding Council and universities. The Vice-Chancellor's understanding and influence on national policy issues is invaluable and he continues to raise the profile of the University through external engagement, as demonstrated by the roles he undertakes on a regional, national and global basis.

On a national level he is a member of the Board of Universities UK.

On a regional basis he is an Ambassador for the Chatham Historic Dockyard, a Kent Ambassador and holds the position of a Deputy Lieutenant of Kent.

On the global stage he represents the University as a Trustee of the Colleges and Universities of the Anglican Communion (CUAC). In this role and as the senior leader of the University, the Vice-Chancellor upholds the values of the University as a Church of England Foundation.

## Notes to the Financial Statements (continued)

7. INTEREST PAYABLE AND OTHER FINANCE COSTS	Consolidated & University	
	2024	2023
	£'000	£'000
Bank loans not wholly repayable within five years	3,553	2,502
Net charge on pension schemes	29	156
Total	<u>3,582</u>	<u>2,658</u>

8. ANALYSIS OF TOTAL EXPENDITURE BY ACTIVITY	Consolidated	
	2024	2023
	£'000	£'000
Academic departments	221,143	177,625
Academic services departments	6,009	5,667
Administration and central services	40,001	34,445
Premises	14,825	14,122
Residences, catering and conferences	12,285	12,212
Research grants and contracts	1,809	2,124
Other expenses	1,677	1,667
Depreciation	10,539	9,900
Interest payable and other finance costs	3,582	2,658
	<u>311,870</u>	<u>260,420</u>

	Consolidated	
	2024	2023
	£'000	£'000
Other operating expenses include:		
Fees payable for auditing of the financial statements of the parent company	66	52
Fees payable for auditing the subsidiary company	10	5
Other fees payable to the group auditor - grant and pension assurance review	5	5
Operating lease rentals - land and buildings	7,056	7,023
Operating lease rentals - equipment	114	152

8a ACCESS AND PARTICIPATION	Consolidated	
	2024	2023
	£'000	£'000
Access Investment (i)	1,122	961
Financial Support	4,250	4,657
Disability Support (i)	1,698	1,553
Research and Evaluation	134	80
	<u>7,204</u>	<u>7,251</u>

(i) £1,945k of these costs are included in the staff cost figures included in the financial statements, note 6, (2023: £1,356k).

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

## Notes to the Financial Statements (continued)

### 9. TANGIBLE ASSETS

#### Consolidated and University

	Freehold Land and Buildings	Assets under Construction	Fixtures, Fittings and Equipment	Plant and Machinery	Total
Cost and deemed cost for land and buildings	£'000	£'000	£'000	£'000	£'000
At 1 August 2023	179,696	4,129	33,357	8,527	225,709
Additions	-	3,975	-	-	3,975
Assets coming into use	648	(4,666)	3,292	726	-
Disposals	-	-	-	-	-
<b>At 31 July 2024</b>	<b>180,344</b>	<b>3,438</b>	<b>36,649</b>	<b>9,253</b>	<b>229,684</b>
<b>Accumulated depreciation and impairment losses</b>					
At 1 August 2023					
Depreciation	(30,422)	-	(22,335)	(5,596)	(58,353)
Charge for the year - Depreciation	(4,496)	(81)	(3,258)	(633)	(8,468)
Disposals - Depreciation	-	-	-	-	-
<b>At 31 July 2024</b>	<b>(34,918)</b>	<b>(81)</b>	<b>(25,593)</b>	<b>(6,229)</b>	<b>(66,821)</b>
<b>Net book value At 31 July 2024</b>	<b>145,426</b>	<b>3,357</b>	<b>11,056</b>	<b>3,024</b>	<b>162,863</b>
At 31 July 2023	149,274	4,129	11,022	2,931	167,356
<b>Financed by capital grant: At 31 July 2024</b>	<b>-</b>	<b>-</b>	<b>355</b>	<b>-</b>	<b>355</b>
At 31 July 2023	-	-	1,751	-	1,751

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

#### Heritage Assets

Heritage assets held by the University consists of artwork and assets of cultural interest displayed in the University's campuses held in perpetuity. The total estimated value of the assets as determined at 31 July 2024 is £172,720 (April 2023: £170,550). The recognition value of all items is based on the insurance replacement cost. The heritage assets are not depreciated as their individual value, other than for insurance purposes, is not known. These asset values are not included in the tangible asset note.

#### Assets Held for Resale

There were no tangible assets held for resale in the financial year to 31 July 2024.

#### Subsidiary Company Assets

There were no tangible assets held by the subsidiary company.

## Notes to the Financial Statements (continued)

### 10. FIXED ASSET INVESTMENTS

	<b>Shares/ Capital Contribution</b>	<b>Loans</b>	<b>Total</b>
	£'000	£'000	£'000
	450	-	<b>450</b>
<b>At 1 August 2023 and 31 July 2024</b>	<u>450</u>	<u>-</u>	<u><b>450</b></u>

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

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

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

## Notes to the Financial Statements (continued)

### 11. INTANGIBLE ASSETS

#### Consolidated and University

	Assets in development £'000	Software £'000	Total £'000
<b>At 1 August 2023</b>	2,144	17,929	20,073
Additions	3,251	-	3,251
Assets coming into use	(2,641)	2,641	-
<b>At 31 July 2024</b>	<u><u>2,754</u></u>	<u><u>20,570</u></u>	<u><u>23,324</u></u>
<b>Amortisation</b>			
At 1 August 2023	-	3,117	<b>3,117</b>
Charge for the year	-	2,071	<b>2,071</b>
<b>At 31 July 2024</b>	<u><u>-</u></u>	<u><u>5,188</u></u>	<u><u>5,188</u></u>
<b>Net book value</b>			
<b>At 31 July 2024</b>	<u><u>2,754</u></u>	<u><u>15,382</u></u>	<u><u>18,136</u></u>
At 31 July 2023	<u><u>2,144</u></u>	<u><u>14,812</u></u>	<u><u>16,956</u></u>

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

## Notes to the Financial Statements (continued)

### 12. TRADE DEBTORS AND OTHER RECEIVABLES

	Consolidated		University	
	2024 £'000	2023 £'000	2024 £'000	2023 £'000
Trade debtors	119,985	83,634	119,985	83,634
Prepayments and accrued income	23,870	20,963	23,870	21,019
Amount owed by subsidiary company	-	-	26	21
	<b>143,855</b>	<b>104,597</b>	<b>143,881</b>	<b>104,674</b>

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

As at 31 July 2024 the University has a debtor of monies owed by the University of Kent of £286,193 (2023: £1,147,704).

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

	Consolidated		University	
	2024 £'000	2023 £'000	2024 £'000	2023 £'000
Bank loans	3,713	3,796	3,713	3,796
Trade creditors	36,477	22,147	36,449	22,147
Amount owed to subsidiary company	-	-	175	306
Taxation and social security	3,640	3,378	3,640	3,378
Accruals and deferred income	141,024	111,871	141,034	111,881
	<b>184,854</b>	<b>141,192</b>	<b>185,011</b>	<b>141,508</b>

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

## Notes to the Financial Statements (continued)

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

	Consolidated		University	
	2024	2023	2024	2023
	£'000	£'000	£'000	£'000
Secured loans	<u>50,328</u>	<u>54,041</u>	<u>50,328</u>	<u>54,041</u>
	<u><b>50,328</b></u>	<u><b>54,041</b></u>	<u><b>50,328</b></u>	<u><b>50,190</b></u>

The Revolving Credit Facility was a flexible loan provided jointly by Lloyds and NatWest banks. The credit facility converted to long term finance on 24 April 2023 at the initial loan amount of £35m, amortising over a 20 year profile and is now reported in secured loans.

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

### 15 BORROWINGS

Lender	Purpose of Loan	Original amount borrowed £'000	Term (Years)	Maturity Date	Interest rate (%)	Amount owed as at 31 July 2024 £'000	Amount owed as at 31 July 2023 £'000
Lloyds Bank	Thanet Campus Development	4,250	23	Dec 2024	5.25	96	289
Lloyds Bank	Thanet Accommodation Development	2,850	30	Dec 2033	5.25	879	969
Lloyds Bank	Canterbury Campus Development	8,750	26	Sep 2034	5.34	5,703	6,102
Lloyds Bank	Canterbury Campus Development 1	5,000	25	Dec 2034	2.74	2,631	2,875
Lloyds Bank	Canterbury Campus Development 2	17,250	25	Dec 2034	5.25	9,294	10,154
Lloyds Bank	Canterbury Campus Development 3	5,000	25	Dec 2034	4.06	2,624	2,875
Lloyds Bank	Verena Holmes (50%)	17,500	10	Apr 2033	6.80	16,407	17,281
Natwest	Verena Holmes (50%)	17,500	10	Apr 2033	6.80	16,407	17,281
Salix Finance	Carbon Saving measures - interest free loan	56	4	May 2024	0.00	-	11
<b>Total</b>						<u><b>54,041</b></u>	<u><b>57,837</b></u>

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

## Notes to the Financial Statements (continued)

### 15. BORROWINGS (CONTINUED)

	Consolidated and University	
	2024 £'000	2023 £'000
<b>Bank loans and overdrafts</b>		
Bank loans and overdrafts are repayable as follows:		
In one year or less	3,713	3,796
Between one year and two years	3,648	3,713
Between two and five years	11,129	11,034
In five years or more	35,551	39,294
Total	<u>54,041</u>	<u>57,837</u>

### 16. PROVISIONS FOR LIABILITIES

	Consolidated and University	
	2024 £'000	2023 £'000
Dilapidation provision at the start of the year	1,898	1,833
Additions in year	268	377
Utilised in year	(218)	(312)
<b>At 31 July</b>	<u>1,948</u>	<u>1,898</u>

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

	2024 £'000	2023 £'000
<b>Other Provisions</b>		
Provisions at the start of the year	9,146	10,662
Additions in year	1,421	3,131
Utilised in year	(8,483)	(4,647)
Provision at the end of the year	<u>2,084</u>	<u>9,146</u>

Provision is made for the return of unused funding from prior years, costs relating to fire safety work and charges for costs from curriculum changes. The net pension liability arising from future pension costs of the Universities Superannuation Scheme has reverted to a neutral position from 31 July 2022 and the provision has been released in full.



## Notes to the Financial Statements (continued)

### 17. ENDOWMENTS

	Consolidated and University		2024	2023
	Expendable	Restricted Permanent	Total	Total
	£'000	£'000	£'000	£'000
<b>Opening balance at 1 August 2023</b>				
Capital	458	35	<b>493</b>	523
<b>Movement for the year to date</b>				
New Endowments	46	-	<b>46</b>	32
Donations	32	-	<b>32</b>	-
Interest	24	2	<b>26</b>	12
Expenditure	(102)	-	<b>(102)</b>	(74)
	-	2	2	(30)
<b>Closing balance at 31 July 2024</b>	<b>458</b>	<b>37</b>	<b>495</b>	<b>493</b>
<b>Represented by:</b>				
Capital	458	37	<b>495</b>	523
The above amounts are represented by cash balances				
<b>Representing:</b>				
Specific donations	3	-	<b>3</b>	2
Scholarships and bursaries	230	6	<b>236</b>	215
Prize funds	225	31	<b>256</b>	276
	<b>458</b>	<b>37</b>	<b>495</b>	<b>493</b>

## Notes to the Financial Statements (continued)

### 18. CASH AND CASH EQUIVALENTS

University	At 1st August 2023 £'000	Cash Flows £'000	At 31st July 2024 £'000
Balance at bank	54,629	1,807	56,436
Cash & cash equivalents - endowment assets	457	63	520
	<u>55,086</u>	<u>1,870</u>	<u>56,956</u>

### Consolidated

	At 1st August 2023 £'000	Cash Flows £'000	At 31st July 2024 £'000
Balance at bank - University	54,629	1,807	56,436
Balance at bank - Medco (CCCU) Limited	226	164	390
Cash & cash equivalents - endowment assets	457	63	520
	<u>55,312</u>	<u>2,034</u>	<u>57,346</u>

### 19. CONTINGENT LIABILITIES

In response to the Supreme Court's decision in the Harpur Trust v Brazel case the Government consulted on the calculation of holiday entitlement for part time and irregular hours workers. This has required reforms coming in from 1 January 2024 to simplify and address issues for employers. The University's policies and procedures are in accord with the reforms and the contingent liability reported in 2022/2023 is no longer considered to have an impact on the University in the current or future years.

## Notes to the Financial Statements (continued)

### 20. LEASE OBLIGATIONS AND OTHER COMMITMENTS

At 31 July 2024, Canterbury Christ Church University had annual commitments under non-cancellable operating leases as follows:

	Land and Buildings £'000	Total £'000	2023 £'000
<b>Paid during the year</b>	<b>6,183</b>	<b>6,183</b>	6,392
<b>Future minimum lease payments due:</b>			
Not later than 1 year	6,507	6,507	6,123
Later than 1 year and not later than 5 years	24,703	24,703	22,771
Later than 5 years	83,890	83,890	65,202
<b>Total lease payments due</b>	<b>115,100</b>	<b>115,100</b>	<b>94,096</b>

The University had outstanding financial commitments in the form of open purchase orders with a total value of £16,258,055 at the year end (2023: £14,420,419). These orders do not form part of the above lease commitments.

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

Future minimum payments due:	<b>2024</b>	2023
	<b>£'000</b>	£'000
Not later than 1 year	<b>389</b>	327
Later than 1 year and not later than 5 years	<b>1,558</b>	1,310
Later than 5 years	<b>19,624</b>	16,829
	<b>21,571</b>	18,466

### 21. RELATED PARTY DISCLOSURES

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

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

### 22. EVENTS AFTER THE REPORTING PERIOD

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

## Notes to the Financial Statements (continued)

### 23. PENSION SCHEMES

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

The University had an agreed obligation to fund past deficits of the USS and therefore, when in deficit it will recognise the contributions payable that arise from the agreement as a liability in the Balance Sheet. As the scheme has now moved into surplus, there is no liability to be reported by the University in the financial year ending 31 July 2024.

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

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

	<b>2024</b>	2023
	<b>£000</b>	£000
Contribution to TPS	<b>8,293</b>	7,067
Contribution to LGPS	<b>6,119</b>	5,316
Contribution to USS	<b>326</b>	376
	<b><u>14,738</u></b>	<u>12,759</u>
Percentage employers contributions to TPS as at the year end	28.68%	23.68%
Percentage employers contributions to LGPS as at the year end	18.50%	17.50%
Percentage employers contributions to USS as at the year end	14.50%	21.10%

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

	<b>TPS</b> <b>31/03/20</b>	<b>LGPS</b> <b>31/03/22</b>	<b>USS</b> <b>31/03/23</b>
<b>Actuarial Method</b>	<b>Prospective benefits</b>	<b>Projected Unit</b>	<b>Projected Unit</b>
Latest actuarial valuations			
Discount rate	CPI +1.7%	4.50%	Dual rate of 0.9% pa and 2.5% pa above gilt yields
Salary scale increases per annum	3.55%	3.90%	CPI + 1%
Pension increases per annum	2.55%	CPI at £2.9%	Linked to CPI +/- 3bps
Market value of assets at date of last valuation	N/A	£7.70bn	£73.1bn
Notional value of assets at date of the last valuation	£222.2bn	N/A	N/A
Proportion of members accrued benefits covered by the actuarial value of assets	85%	102%	111%

# Notes to the Financial Statements (continued)

## 23. PENSION SCHEMES (CONTINUED)

The most recent valuation of Kent's Local Government Pension Scheme at 31 March 2022 records a surplus of £129m, equivalent to a funding level of assets to liabilities of 102%.

The Teachers' Pension Scheme valuation at 31 March 2020 reported the scheme as having a notional deficit of £15.0 billion.

The latest Universities' Superannuation Scheme valuation at 31 March 2023 indicated that the scheme had a surplus of £7.4 billion, equivalent to a funding level of assets to liabilities of 111%.

### Teachers' Pensions Scheme

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

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

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

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

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

# Notes to the Financial Statements (continued)

## 23. Pension Schemes (continued)

### Universities Superannuation Scheme

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

The contribution rate payable by Canterbury Christ Church University to USS reduced from 21.6% to 14.1% of pensionable salaries from 1 January 2024. The actuary to USS has confirmed that it is appropriate to take the pension costs in Canterbury Christ Church University's financial statements to be equal to the actual contributions paid during the year. In particular, the current contribution rate has regard to the surplus/(deficit) disclosed, the benefit improvements introduced subsequent to the valuation and the need to spread the surplus/(deficit) in a prudent manner over the future working lifetime of current scheme members.

Because of the mutual nature of the scheme, Canterbury Christ Church University is unable to identify its share of the underlying assets and liabilities of the scheme on a consistent and reasonable basis and therefore, accounts for the scheme as if it were a defined contribution scheme. As a result, the amount charged to the income and expenditure account represents the contributions payable to the scheme in respect of the accounting year. The liability for future payments is included in the balance sheet as a provision. In 2024 the scheme is in surplus and there is no liability to be reported in the University's balance sheet.

### Local Government Pension Scheme

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

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

Under the definitions set out in FRS 102 the LGPS is a multi-employer defined benefit pension scheme. In the case of the LGPS, the actuary of the scheme has identified Canterbury Christ Church University's share of its assets and liabilities as at 31 July 2024.

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

The significant assumptions used by the actuary for FRS 102 for the LGPS at 31 July 2024 were:

	<b>2024</b>	2023
	<b>% pa</b>	% pa
Inflation / Pension increase	<b>2.80</b>	2.85
Rate of increase in salaries	<b>3.30</b>	3.35
Discount rate for liabilities	<b>5.10</b>	5.15

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

### 23. PENSION SCHEMES (CONTINUED)

The post retirement mortality tables adopted are the S3A tables. These base tables are projected using the CMI 2023 model. The S3PA tables provide for a multiplier of 110% for both males and females. The base tables are projected with a long term rate of improvement of 1.25% p.a., a smoothing parameter of 7.0, and an initial parameter of 0.0%. The weighting parameter for 2023 is 15%.

The assumed life expectations from age 65 are:

	<b>Males</b>	<b>Females</b>
Current Pensioners	20.7 years	23.3 years
Future Pensioners	22.0 years	24.6 years

#### Sensitivity analysis

	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
<b>Adjustment to discount rate</b>	<b>+0.1%</b>	<b>0.0%</b>	<b>-0.1%</b>
Present value of total obligation	133,428	135,976	138,598
Projected service cost	5,291	5,497	5,711
<b>Adjustment to long term salary increase</b>	<b>+0.1%</b>	<b>0.0%</b>	<b>-0.1%</b>
Present value of total obligation	136,125	135,976	135,829
Projected service cost	5,497	5,497	5,497
<b>Adjustment to pension increases and deferred revaluation</b>	<b>+0.1%</b>	<b>0.0%</b>	<b>-0.1%</b>
Present value of total obligation	138,506	135,976	133,517
Projected service cost	5,718	5,497	5,283
<b>Adjustment to life expectancy assumption:</b>	<b>+1 Year</b>	<b>None</b>	<b>- 1 Year</b>
Present value of total obligation	140,248	135,976	131,842
Projected service cost	5,706	5,497	5,294

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

	<b>Value at 31 July 2024 £'000</b>	Value at 31 July 2023 £'000
Equities	<b>97,361</b>	99,123
Gilts	<b>12,052</b>	863
Bonds	<b>24,771</b>	21,275
Property	<b>15,196</b>	15,597
Cash	<b>5,382</b>	1,782
Absolute return fund	<b>8,615</b>	11,132
Infrastructure	<b>7,837</b>	5,736
	<b><u>171,214</u></b>	<b><u>155,508</u></b>
	<b>Value at 31 July 2024 £'000</b>	Value at 31 July 2023 £'000
<b>Total market value of assets</b>	<b>171,214</b>	155,508
Present value of scheme liabilities	<b>(135,975)</b>	(125,388)
Present value of unfunded liabilities	<b>(1)</b>	(2)
<b>Surplus in the scheme *</b>	<b><u>35,238</u></b>	<b><u>30,118</u></b>

\*The surplus in the scheme is subject to an asset ceiling for recognition in the Statement of Financial Position of the University in 2024.

## Notes to the Financial Statements (continued)

### 23. PENSION SCHEMES (CONTINUED)

	2024 £'000	2023 £'000
<b>Reconciliation of Defined Benefit Obligation</b>		
<b>Opening Defined Benefit Obligation</b>	<b>125,390</b>	156,142
Current Service Cost	5,518	9,175
Interest Cost	6,446	5,289
Change in financial assumptions	77	( 59,308)
Change in demographic assumptions*	( 292)	( 2,572)
Contributions by Members	2,282	2,009
Past Service Costs, including curtailments	75	-
Estimated Unfunded Benefits Paid	(1)	(1)
Estimated Benefits Paid (net of transfers in)	(2,852)	(3,186)
Experience (gain)/loss on defined benefit obligation	(667)	17,842
<b>Closing Defined Benefit Obligation</b>	<b><u>135,976</u></b>	<b><u>125,390</u></b>

\* The change in demographic assumptions in 2023 reflects the outcome of the McCloud/Sargeant judgement.

	2024 £'000	2023 £'000
<b>Reconciliation of Fair Value of Employer Assets</b>		
<b>Opening Fair Value of Employer Assets</b>	<b>155,508</b>	150,189
Interest on assets	8,152	5,178
Return on assets less interest	2,043	(3,599)
Administration expenses	(141)	(92)
Contributions by the Employer	6,223	5,450
Contributions by Members	2,282	2,009
Other Actuarial gains/(losses)	-	(440)
Estimated Benefits Paid including unfunded benefits	(2,853)	(3,187)
<b>Closing Fair Value of Employer Assets</b>	<b><u>171,214</u></b>	<b><u>155,508</u></b>

The total return on the fund assets for the year to 31 July 2024 was a gain of £8,152,000 and interest earned on these assets was £2,043,000. Scheme assets do not include any Canterbury Christ Church University owned financial instruments or any property occupied by Canterbury Christ Church University.

	2024 £'000	2023 £'000
<b>Analysis of the amount shown in the balance sheet for LGPS:</b>		
Scheme assets	171,214	155,508
Scheme liabilities	(135,976)	125,390
<b>Surplus in the scheme</b>	<b><u>35,238</u></b>	<b><u>30,118</u></b>
Current service cost including curtailments	5,593	9,175
Admin charge	141	92
Total operating charge:	<b><u>5,734</u></b>	<b><u>9,267</u></b>

#### Analysis of the amount charged to interest payable for LGPS

Interest (income)/cost	(1,706)	111
<b>Net charge to other finance income</b>	<b><u>(1,706)</u></b>	<b><u>111</u></b>

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

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

Return on assets in excess of interest	2,043	(3,599)
Other actuarial gains/(losses) on assets	-	(440)
Changes to demographic assumptions	292	2,572
Financial assumption changes	(77)	59,308
Experience gain/(loss) on defined benefit obligation	667	(17,842)
<b>Total other comprehensive income before deduction for tax</b>	<b><u>2,925</u></b>	<b><u>39,999</u></b>



## Notes to the Financial Statements (continued)

### 24. FINANCIAL INSTRUMENTS

<b>Consolidated</b>	<b>2024</b>	<b>2023</b>
	<b>£'000</b>	<b>£'000</b>

#### **Financial Assets**

Financial Instruments are debt instruments measured at amortised cost

Cash and cash equivalents	<b>57,346</b>	34,323
Trade and other debtors	<b>119,985</b>	84,315
	<b><u>177,331</u></b>	<u>118,638</u>

#### **Financial Liabilities**

Financial liabilities measured at amortised cost

Loans	<b>54,041</b>	52,803
Trade creditors	<b>36,477</b>	18,201
Other creditors	<b>141,024</b>	74,630
	<b><u>231,542</u></b>	<u>145,634</u>

<b>University</b>	<b>2024</b>	<b>2023</b>
	<b>£'000</b>	<b>£'000</b>

#### **Financial Assets**

Financial Instruments are debt instruments measured at amortised cost

Cash and cash equivalents	<b>56,956</b>	34,040
Trade and other debtors	<b>119,985</b>	84,315
	<b><u>176,941</u></b>	<u>118,355</u>

#### **Financial Liabilities**

Financial liabilities measured at amortised cost

Loans	<b>54,041</b>	52,803
Trade creditors	<b>36,477</b>	18,201
Other creditors	<b>141,209</b>	74,781
	<b><u>231,727</u></b>	<u>145,785</u>

## Notes to the Financial Statements (continued)

### 25. STUDENT SUPPORT FUNDS

	<b>2024</b>	2023
	<b>Total</b>	Total
	<b>£'000</b>	£'000
<b>DfE Bursaries</b>		
Funding Council grants	<b>1,708</b>	973
Balance brought forward from previous years	<b>178</b>	391
Disbursed to students	<b>(2,020)</b>	(1,186)
	<u><b>(134)</b></u>	<u>178</u>