

Edge Hill University

Report & Financial Statements For the Year Ended 31 July 2024

EDGE HILL UNIVERSITY

ANNUAL REPORT

Key Performance Indicators

<u>Year Ended 31 July</u>	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>
Total Income in £'000 (1)	142,797	143,879	132,988	130,100	119,296
Surplus/(deficit) for the year in £'000 (1)	4,220	3,805	(3,686)	8,402	(1,109)
Cash Generated by Activities in £'000	(253)	14,652	15,848	22,946	10,481
Cash for Investment in £'000 (4)	58,868	92,120	80,535	68,056	48,356
Financial Worth of the University in £'000 (5)	354,026	348,104	284,641	193,128	177,581
Applications for University FT UG Programmes (2)	15,313	16,131	17,453	17,286	15,585
Total number of students of the University (3)	14,160	14,649	14,650	14,561	13,770
Employee Turnover	15.9%	8.7%	10.7%	6.7%	6.2%
Level of University Staff Absence	4.1%	4.0%	5.1%	3.0%	3.5%

Notes

- 1) Total income and surplus for the year based on the 2019 SORP.
- 2) Based on UCAS statistics.
- 3) Based on HESES Student Record.
- 4) Based on investments plus cash & cash equivalent
- 5) Based on total net assets

EDGE HILL UNIVERSITY

REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2024

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EDGE HILL UNIVERSITY

REPORT OF THE BOARD OF GOVERNORS

This is my second annual report as Pro-Chancellor and Chair of the Board of Governors of the University. I am honoured to lead the University's governing body and proud to be associated with such a successful and progressive Higher Education provider whose values are rooted in equity of opportunity.

This is a seminal moment in the University's history as the Vice-Chancellor Dr John Cater CBE DL has announced his intention to retire in January 2025. Dr Cater is the longest serving Vice-Chancellor in UK Higher Education, has been in that role for over 30 years, and has led the University with distinction. He has transformed a modest higher education college into a modern university which has advanced further and faster in the national league tables than any other UK university.

Driven by Dr Cater's vision to create a place where students can live, learn and belong, Edge Hill University has expanded its programmes across the Arts, Sciences, Humanities, Education and Healthcare, has invested over £350m in the physical infrastructure of the award-winning campus, was one of only three English universities to launch a new Medical School in 2018, and was awarded University of the Year status in 2014 and Modern University of the Year in 2022. There have been a host of other awards too.

Dr Cater's leadership has guided the University through challenging times but always with an approach which reflects the University's values. His tenure has been marked by unwavering commitment and inspirational vision, and he leaves Edge Hill University in a strong and enviable position. Dr Cater will be missed by all who have worked with him, and the process to appoint his successor is now underway.

The 2 October 2023 was the 90th birthday of the opening of the University's Ormskirk campus. This was celebrated in a number of ways, underpinned by a belief that Edge Hill has made (and will continue to make) a difference by broadening access to knowledge on an outstanding campus; one which gives our students the space and opportunities to succeed in living and learning, and ultimately to achieve their ambitions.

I am pleased to report that the University continues to go from strength to strength evidenced by further investment in the campus, by expansion of its product offering, and by a positive financial outturn for the year – all of which underpin the University's strategic aims. There is more detail on these in the Vice-Chancellor's Strategic Review, but I will take this opportunity to comment on several from a Board perspective, and in doing so I thank the University's Executive team for its leadership and the staff for their commitment and hard work.

Teaching and Learning and the Student Experience

- Edge Hill University was the first English Higher Education provider to be awarded OfSTED Outstanding under the new inspection framework for all three phases of its Teacher Training Provision. This is a very significant achievement and is especially gratifying as the University has its roots in teaching excellence
- In 2024 the University has expanded its already impressive range of programmes by launching new programmes in biochemistry, engineering, biomedical engineering, and politics, and in 2025 will add degrees in mathematics, chemistry, physics and graphic design
- During the year the University was awarded a Gold rating for Student Experience by its regulator in the Teaching Excellence Framework (TEF) review

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REPORT OF THE BOARD OF GOVERNORS (CONTINUED)

- Students voted Edge Hill as the best university in the UK for accommodation for the third year running (UniCompare Awards 2024)
- In Autumn 2024 Edge Hill University opened a range of new buildings at a cost of over £50m to enhance the student experience in learning and living:
 - A new Life Sciences building
 - A new state-of-the-art Students Union building
 - Additional modern accommodation which provides a further 248 rooms on site (taking the total capacity to 2500 rooms)

Students are at the heart of the University which invests extensively in their experience, well-being, belonging, and outcomes. We want our students to enjoy and benefit from the learning and living experience, and to be in the best possible position to pursue their chosen career path when they leave. So we provide accessible student support services as we recognise each individual's needs are different, and we look to prepare our students for the world of work (within 15 months of graduating 96.9% of our students are in employment or further study which is the best of all North West universities and above the national average).

We are though disappointed by the 2024 National Students Survey outcome. The University's positivity rating has improved overall but has declined relative to the sector, notwithstanding that in a number of subject areas there was significant progress. The Board will work with and support the Executive in its plans to address shortcomings to achieve an improved positivity rating in 2025.

Research that has Impact

Effective and impactful research is a strategic priority at Edge Hill University. During Dr Cater's tenure the University has more than doubled the number of research staff and significantly grown its community of renowned Professors. The new Life Sciences building will significantly enhance the University's capabilities in Biomedical research including in cancer, neurobiology, genetic skin conditions, and ageing.

Building on successful progression in the Research Excellence Framework 2021 - in which the University more than doubled its research power and had more than half its outputs classed as 'world leading' or 'internationally excellent' - it is attracting funding for a range of initiatives. There are too many to list here, but examples include research on how:

- Artificial Intelligence may help early diagnosis of health conditions
- Town centres can go from blight to boom by creating a distinct sense of place
- Vulnerable migrants, particularly children, can be protected against trafficking and exploitation

Our People

Edge Hill University's standing, noteworthy progress and significant achievements would not have been possible without the student-centric commitment and creativity of its staff to whom the Board are grateful. This is especially so at a time of significant challenge in the Higher Education sector.

EDGE HILL UNIVERSITY

REPORT OF THE BOARD OF GOVERNORS (CONTINUED)

The University prides itself on the quality of its staff – teaching, academic, and professional and support services – who seek respectively to deliver day in day out for the students, who engage in research of regional and national importance for the benefit of society and the economy, and who provide a range of support services which are key to student and staff well-being and belonging.

Financial Sustainability

These continue to be financially challenging times for the Higher Education sector especially as a frozen fee, cost inflation, intense competition, and for students the cost of living, have created significant pressures for providers and students alike. So, I am especially pleased to report that Edge Hill University is financially stable as evidenced by the results detailed in this report.

However, a reducing surplus creates limitations on future investment. Given a static fee and rising costs there will be a need for the University – and the sector – to further demonstrate how it is innovating to enhance its value for money offer to all stakeholders (but especially students) as a basis for a new more equitable funding model to be achieved through constructive discussion with Government and other bodies. Equally the new Government's stated ambition to move increasingly towards a skills-based economy will in large part depend on technology and innovation, and research evidence that graduates are an important enabler in this. Creating a financially sustainable environment in which universities can sustainably flourish is therefore key.

These will be important considerations as the University embarks on developing its 2026-2030 strategy with a new Vice-Chancellor at the helm.

Governance

The University is registered with the Office for Students (OfS), operates within the Regulatory Framework for Higher Education in England, and complies with the OfS' Public Interest Governance Principles. The Board has adopted the CUC HE Code of Governance 2022, is committed to the Nolan Principles of Public Life, and during 2023 successfully concluded an independent effectiveness review.

The University is in good health overall and making progress but there are challenges, and the Board has an important strategic and oversight role to play in ensuring the University meets its commitments and develops in a compliant and sustainable way. The Board exists as guardian of the University: to build on its past, to protect its present, and to enhance its future executed through its responsibilities in holding to account and supporting the University's Executive and acting in the interests of all the University's stakeholders. I am therefore very grateful to my Board colleagues for their wise counsel, and in particular Louise Robinson and Graeme Collinge who step down from the Board having completed nine years of valuable service. Thanks are due too to Helen Smallbone and Rhona Morris as Clerk and Governance Policy & Project Manager respectively, for their unstinting hard work and support, and valuable contributions based on their considerable skills and experience.

I look forward to reporting in a year's time that Edge Hill University has continued to make further progress in the interests of all its stakeholders but especially its students and staff, and that it has been successful in appointing a new Vice-Chancellor who will lead the University in the next phase of its positive development.

EDGE HILL UNIVERSITY

REPORT OF THE BOARD OF GOVERNORS (CONTINUED)

Officers of the University

University Chancellor

Ms D Airey

Pro-Chancellor (and Chair of Governors)

Mr C Elliott

Vice-Chancellor

Dr J Cater

Deputy Vice-Chancellor

Mr S J Igoe [to 30 April 2024]

Pro Vice-Chancellors

Mr M Allanson (External Relations) [to 29 September 2023]

Professor C Austin (Dean of Health, Social Care and Medicine)

Mrs L Brady (Student Experience and University Secretary)

Ms L Hill (Resources) [from 16 September 2024]

Mr L Owens (Marketing, Student Recruitment and Student Administration) [from 1 October 2023]

Dr J Moore (Dean of Education)

Professor G Talbot (Dean of Arts and Sciences and PVC Research)

Governors

Those persons who were Governors of the University during the year and up to the date of the signing of the financial statements were as follows:

Independent members:

Mr G Collinge	(2)	
Mr A Cooper		[From 16 September 2024]
Ms C Donnelly	(1) (3)	
Mr C Elliott	(2) (3)	Chair of the Board. Also chairs Governance & Nominations Committee
Mr A Healy	(1)	[From 16 September 2024]
Mr A Lockley	(1) (2)	
Ms J Nettleton	(1)	
Ms M Melling	(1)	[To 7 May 2024]
Mrs L Robinson	(2) (3)	Vice Chair of the Board. Also chairs Remuneration Committee
Mr M Rush		[To 30 November 2023]
Ms H Stalker		[From 16 September 2024]
Mr M Tate	(1) (3)	Chair of Audit & Risk Committee
Ms G Wells		[From 16 September 2024]
Mr M Wilkinson		

EDGE HILL UNIVERSITY

REPORT OF THE BOARD OF GOVERNORS (CONTINUED)

Ex-officio member:

Dr J Cater (3)

The Vice-Chancellor attends Audit as an Officer (without voting rights). He also attends Remuneration Committee in an advisory capacity as required, though does not attend for matters relating to his own remuneration or terms and conditions.

Co-opted Staff member (elected):

Professor A Fulford [to 19 February 2024]

Dr C Blennerhassett [from 18 March 2024]

Ms A Kennedy

Student Body members:

Ms L King [to 30 June 2024]

Ms M Lam [to 30 June 2024]

Ms O Murphy-Horton [from 8 July 2024]

Ms P Rivers [from 8 July 2024 (elected Students' Union representative)]

Academic Board member:

Dr L Culbertson (3)

Governors are also trustees of the University

Key to Committee membership

- (1) Audit & Risk Committee
- (2) Remuneration Committee
- (3) Governance and Nominations Committee

Clerk to the Governors:

Mrs H Smallbone

Professional Advisors

The University uses the following professional advisors:

External Auditor - KPMG LLP

Internal Auditor - RSM

Banker - Barclays Bank PLC

Insurance Broker - Aon Ltd

Solicitor - DLA Piper LLP, Eversheds LLP and SGH Martineau LLP

EDGE HILL UNIVERSITY

REPORT OF THE BOARD OF GOVERNORS (CONTINUED)

Attendance at Meetings 2023/24 cycle

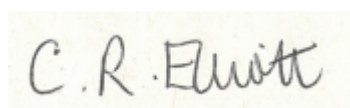
Name	Full Board	Audit and Risk	Gov & Noms	Remuneration
Total meetings	9	3 (+ 2)^	3	3
John Cater	9/9	3/3 (+1/1)~	3/3	3/3~
Graeme Collinge	8/9			2/3
Christine Donnelly	7/9	2/3 (+1/2)	3/3	
Clive Elliott	9/9		3/3	3/3
Antony Lockley	9/9	3/3 (+2/2)		3/3
Maxine Melling*	4/6	2/3 (+1/1)		
Jo Nettleton	7/9	2/3 (+1/2)		
Louise Robinson	9/9		3/3	3/3
Mike Rush	1/3			
Mike Tate	9/9	3/3 (+2/2)	3/3	
Mark Wilkinson	8/9			
Claire Blennerhassett*/#	4/4			
Leon Culbertson	8/9		1/3	
Amanda Fulford*/#	4/5			
Ann Kennedy#	8/9			
Lauren King*	6/8			
Maggie Lam*	7/8			
Orna Murphy- Horton*	1/1			
Paige Rivers*	0/1			

*Partial terms of office [for the period from 1 August 2023 - 31 July 2024]

#Co-opted

~Officer in attendance

^ The Audit & Risk Committee held three full meetings and two ad-hoc sessions for specific items. Attendance for Officers is recorded in relation to the number of meetings they were invited to attend.



Mr C Elliott
Pro Chancellor and Chair of the Board of Governors
18 November 2024

EDGE HILL UNIVERSITY

STRATEGIC REVIEW

Mission, Objectives and Strategy

The Governing Body serves as the University's trustee and is responsible for defining the strategic aims of Edge Hill University and directing the activities of its Directorate in the furtherance of these objectives. It has regard to the Charity Commission's latest public benefit guidance when exercising any powers or duties to which the guidance is relevant.

The University's mission is to provide an intellectually stimulating, creative and inclusive environment for its community. It aims to provide teaching and learning of the highest standard, supported by pure and applied research of international significance, which will provide a firm foundation for its graduates and other stakeholders in a rapidly changing world. The University believes that knowledge and understanding and a life-long capacity to learn and adapt, is the surest way of securing an individual's and the nation's future.

Our core values lie in our wholehearted commitment to our staff, students and partners and our constant efforts to improve in all we do. The Edge Hill community will:

- Embrace challenge and seize opportunity,
- Expect and celebrate creativity and excellence,
- Show determination, resilience, ambition and adaptability,
- Act responsibly and with integrity,
- Work together to deliver our vision.

Our strategic aims centre around five key themes:

- Teaching and Learning and the Student Experience,
- Research that has Impact,
- External Partnerships and International Engagement,
- Our People,
- Sustainability.

EDGE HILL UNIVERSITY

STRATEGIC REVIEW (CONTINUED)

In this regard our strategic plan for 2021-2025 envisages a University that will:

- Harness the creativity, knowledge and commitment of our staff to promote our values and enhance our activities,
- Provide an outstanding student experience, underpinned by high quality learning and teaching, listen to the “student voice” and further develop our strong sense of community,
- Continue to build our research capacity and further develop our research in cognate fields which have a demonstrable impact on discipline and society,
- Further strengthen our links to employers and the region and enhance student employability and self-employment,
- Selectively establish additional national and international partnerships to enrich university life, deepen understanding, and benefit the region, the UK economy and society,
- Continue our measured investment in the campus and facilities to further enhance what is already an outstanding environment for learning and living.

Charitable Status of the University

Edge Hill University is a Higher Education Corporation as defined under the provisions of the Education Reform Act 1988 as amended from time to time. Under these provisions the University is an exempt charity and as such is regulated by the Office for Students on behalf of the Charity Commission for England and Wales. Information in relation to the charitable status of the University is published on the website along with membership details and the register of members’ interests.

Financial Overview

The Financial Statements comprise the consolidated results of Edge Hill University and its subsidiaries, Edge Hill Enterprises Limited, Edge Hill Property Services Limited and Edge Hill Maintenance Services Limited, together “The Group”. Edge Hill Enterprises Limited undertakes activities which, for commercial or legal reasons, are more appropriately dealt with through a limited company. These activities mainly comprise conference activity and the provision of sport and fitness facilities by Edge Hill Sport. The other companies in the Group are involved in various aspects of property management.

EDGE HILL UNIVERSITY

STRATEGIC REVIEW (CONTINUED)

Core Operating Surplus

	2024	2023
	£m	£m
SOCI surplus*	4.2	3.8
Profit/ (Loss) on disposal of fixed assets	-	1.9
Pension adjustments	-5.9	2.5
Revaluation reserve	1.0	1.1
Refurbishment of student accommodation	0.0	1.1
Project Transform - student record system implementation	<u>1.5</u>	<u> </u>
Core operating surplus	<u>0.8</u>	<u>10.4</u>

* Surplus before other gains losses and share of operating surplus/deficit of joint ventures and associates.

Core operating surplus is our key measure of financial performance internally and excludes non-cash items which are outside of the University's direct control such as actuarial gains and losses related to LGPS (Local Government Pension Scheme) and changes in USS liabilities arising from deficit recovery plans. These adjustments are considered necessary because the accounting treatment under FRS102 can lead to significant volatility, potentially distorting a reader's view of underlying financial performance. Adjustments are also made for transfers between revaluation and income and expenditure reserves.

For this financial year, universities were directed to release their USS provisions held, given the growth of assets held by the scheme. This is an exceptional release and contributes £2.8m to the pension adjustment figure. Adjustments relating to the continuing strength of LGPS pension scheme position contribute a further £3.2m to the pension adjustments line.

The University has undertaken to change the core student record system. This is an essential step to move from a 'burning platform' system and access the greater functionality and systems security available from a market leading system. Given that this was a major investment proposal separately agreed by Governors it is also not included in assessing core underlying performance.

After adjusting for such items, the core operating surplus for the year is £0.8m or 0.6% of total income which compares with a core operating surplus in the previous year of £10.4m or 7.2% of total income. There are two principal causes of this deteriorated year on year position. The first is that core tuition income was down £5.5m on budgeted assumptions. The second is that expenditure was higher than expected, largely due to increased requirements for repairs and maintenance and non-capital building works across the site. Each instance of this was reviewed and approved centrally by Directorate. Despite this financial outcome, the University has a year-end cash balance of £58.9m. This compares with long term loans of £20.6m resulting in a healthy high net cash position (cash plus cash investments less long-term loans) of £38.5m. This ongoing level of liquidity funded major construction work in the central area of our campus including a new Life Sciences building, SU facilities and residential property. It

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STRATEGIC REVIEW (CONTINUED)

also has continuing importance as a buffer given the uncertainty presented by ongoing inflationary pressures and the ever-increasing threats to HE funding in an increasingly volatile external environment.

Income

	2024	2023	Increase/ (Decrease)
	£m	£m	£m
Tuition fees	105.2	108.1	(2.9)
Residences, catering and conferences	12.7	12.8	(0.1)
Funding body grants	9.4	9.0	0.4
Research grants	2.2	2.2	0.0
Other	<u>13.3</u>	<u>11.8</u>	<u>1.5</u>
	<u>142.8</u>	<u>143.9</u>	<u>(1.1)</u>

Overall income lines are £1.1m or 0.8% lower than the previous year. Our main source of income is tuition fees which comprises 74% of total income. Tuition fee income is £2.9m lower than the previous year. This demonstrates a disappointing regression back to 2022 figures (£105.0m) and speaks to a challenging recruitment year in which the University did not outperform competitors. In overall terms, full time undergraduate student numbers were down on the previous year, reflecting a challenging recruitment cycle for the sector and the impact of challenging narrative set by government towards Higher Education. The University benefitted from the growth of international students who were obtained from expanding our recruitment exercises into new markets. These international students most notably benefitted business programmes, where we have seen a significant rise in postgraduate taught numbers. The Faculty of Health, Social Care and Medicine has also seen growth to our Medical School numbers, with the student number still controlled by placement count but the potential for real growth in the coming years. However, numbers across our other programmes in the faculty failed to grow in line with expectation, likely a result of the recent perceptions of the challenges of working in the Health profession. In the Faculty of Education, we continue to be adversely affected by weak market demand. This year the Faculty obtained an Outstanding OFSTED score, the only HE provider to obtain such at that stage. This is reflective of the exceptional quality of teaching in the faculty, and which should provide a valuable demarcation of quality for the next recruitment cycle.

In terms of residences, catering and conference income, the £0.1m or decrease is a result of lower occupancy driven by the unanticipated fall in student undergraduate numbers. We fully anticipate this to increase in 2024/25 due to the addition of a further 248 unit development in 2024 as part of the development of our central campus, and a higher rate of occupancy.

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STRATEGIC REVIEW (CONTINUED)

Funding body grants are £0.4m or 4% higher than 2022/23 driven primarily by continued increases in funding from significant central increases in QR funding. Aside from this, an uplift was applied to take account of additional premium funding attached to students in medicine. Our access to Higher Education Innovation Funding (HEIF) was also secured.

Research grant income is in line with 2022/23 at £2.2m. The increased QR funding represents an important and significant step forward our strategic aim of continuing to build research capacity and capability.

Other income has increased by £1.5m or 12.7%. This was primarily the result of high levels of interest gained on cash balances, totalling £3.8m. The University was able to capitalise on a high base rate due to the cash built up to fund the central campus projects. This, whilst welcome, needs to be viewed against the inflation-fuelled increases in both revenue and staffing expenditure (see below). Cash carried and market rates will be much lower next year. Project funding in the Faculties, a key driver of growth here last year, remained strong.

Core Expenditure

	2024	2023	Increase/ (Decrease)
	£m	£m	£m
Staff costs	91.8	89.8	2.0
Pensions adjustments	3.9	(1.8)	5.7
Core staff costs	<u>95.7</u>	<u>88.0</u>	<u>7.7</u>
Other operating expenditure	<u>40.6</u>	<u>39.5</u>	<u>1.1</u>
Interest payable	(0.8)	2.0	(2.8)
Pension adjustments	1.9	(0.7)	2.6
Core interest payable	<u>1.1</u>	<u>1.3</u>	<u>(0.2)</u>
Total core expenditure	<u>137.4</u>	<u>128.8</u>	<u>8.6</u>

Total core expenditure is £8.6m or 6.7% higher than the previous year. This excludes pension adjustments including actuarial gains and losses related to LGPS (Local Government Pension Scheme) and the release of the USS provision. These are non-cash items which are outside the University's direct control and are therefore not used to assess cost management performance internally. Included within total core expenditure are core staff costs which have increased by £7.7m or 8.8%. This year, we have absorbed a 5% rise in employer contribution for the Teacher's Pension, the impact on all bottom graded staff of a rise in the Living Minimum Wage, and a pay award on a sliding scale to address lower points on the spinal column. We also introduced new staff in anticipation of new subjects coming online in 2024/25, most notably in the Faculty of Arts and Sciences.

Other operating expenditure has increased by £1.1m or 2.8%. The more significant movements year on year contributing to this overall increase include areas of expenditure that have been particularly susceptible to inflationary pressures such as licences and patents and utilities. Major system upgrades have contributed to increased consultancy fees and

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STRATEGIC REVIEW (CONTINUED)

increased international and health income has driven increases in agency fees. Equipment non capitalized has fallen slightly on the previous year, by 8%, however remains high partly as a result of purchases relating to the fitout of new teaching spaces. Course consumables decreases are pleasing to see in this economic environment, and demonstrate the concerted effort of faculties to address controllable spend.

Interest payable relates primarily to long terms loans. The capital amount outstanding in relation to long term loans is £20.6m and this continues to reduce each year in accordance with our capital repayment plans.

Key Performance Indicators

The University measures its performance using a variety of easily quantifiable measures to assess past financial performance.

Year-end cash balances of £58.9m should be viewed within the context of both the significant levels of uncertainty created by cost of living rises and our ambitious capital expansion plans, which have been wholly internally funded. Having taken a cautious approach to capital investment following the outbreak of COVID 19, we have delivered for 2024/25 new SU facilities, residential accommodation and a new Life Sciences building. A total financial investment of over £52m in phase 1 of the development. There are also very clear threats to funding levels within the HE sector that make it vital to have built up an enhanced level of liquidity so as to safeguard the ongoing sustainability and viability of the University. Regardless of such threats, it is worth noting that even in an environment when future income is more assured, the University will always seek to hold a minimum cash balance at each year-end of no less than £30m to ensure we never run out of cash part way through the year. This arises because of the timing of cash receipts from the Student Loan Company (SLC) whereby the University must wait until May before it receives the final 50% of tuition fee funding. Furthermore, the University also carries £20.6m of long-term external debt which is repayable at approximately £1.9m per year plus interest. Given the heightened focus on sustainability and viability across the HE sector it is pleasing to note that the University's net debt position (Cash and cash investments less long term loans) remains healthy. Given Edge Hill University does not have endowments that can be called upon in emergency situations or significant assets of commercial value, it must ensure it maintains sufficient liquidity to cover its debts, manage its working capital and provide an adequate buffer to manage uncertainty and change in a measured way that minimises the potential damage to the business. At this point cash balances are at a level that remains consistent with our medium-term financial strategy and plans and will ensure the University's long-term viability.

Clearly a leading, and perhaps the most important, measure of performance is our ability to generate income. In this regard the University has witnessed a disappointing but not unsurprising fall in applications for programmes in what proved to be a very difficult recruitment year for the sector. Increased international income has helped mitigate these reductions, and investment in new programmes coming on stream in 2024 and 2025 will help underpin our ongoing student recruitment as we continue to manage and develop our portfolio. That said, we are not sanguine about the future and, where necessary, action will be taken to divest resources from those areas of contraction to continue our ability to support areas of growth. Cost of living pressures nationally contribute to what is a sector-wide retention challenge and Edge Hill has not been immune in this regard. However, significant investment in hardship and support has helped us to deliver retention outcomes that are ahead of sector averages and benchmarks.

EDGE HILL UNIVERSITY

STRATEGIC REVIEW (CONTINUED)

High levels of liquidity will enable investment in building infrastructure to support areas of growth including the expansion of our residential and catering offer. Key external challenges such as the focus by Government on minimum thresholds for continuation, completion and progression as well as the changes to the basis of student support with lowered repayment thresholds and real terms cuts in maintenance loans present ongoing risks to demand. It will be vital we utilise the financial strength we have so as to ensure our provision remains strategically relevant to the needs of the nation in an ever changing society.

Outlook for 2024/25 and future risks

The Board of Governors are satisfied that the University has sufficient cash reserves to continue as a going concern and, as such the financial statements have been prepared on this basis. More information on the going concern basis of preparation is provided in the statement of accounting policies basis of preparation note.

Education continues to be adversely impacted by previous Government policy environment that would wish to steer prospective students away from a university-led approach. Under investment in both teacher training and nursing workforce planning continues to make both areas an unattractive careers proposition to many which presents a risk to student numbers. Condition B3 (where OFS set minimum numerical thresholds that they refer to when they make judgements about whether a provider is providing positive outcomes for their students) and monitoring the possible risk of student number controls on areas deemed poor quality remains a concern though our performance against minimum thresholds continues to improve. The threat to BTECs is also a longer-term risk given the number of students recruited from this route.

Edge Hill recognizes the importance of re-shaping provision with health, engineering and computing all areas of potential future growth in the years ahead. There are inevitable areas of contraction, but the university will work in a creative and planned way to ensure it has the right position for the future.

Treasury Policy, Objectives and Liquidity

The University manages cashflow through its principal bankers, Barclays Bank PLC. Cash in excess of day-to-day requirements is invested in counterparty banks. We focus our investments on major national banks with a Standard & Poor's rating of BBB+, and the amounts are restricted to up to £12m per counterparty with the exception of Barclays Bank PLC. These credit limits are kept under continual review.

Year-end cash balances, including investments, are a healthy £58.9m despite a net cashflow from operations of (£0.2m), an understandable result of lower than anticipated student numbers in 2023/24. This remains a significant cash buffer as we navigate a period of continued uncertainty.

Total borrowings are £20.6m which is £2.0m less than the previous year. There is no intention in the medium term to service more debt and debt balances will continue to reduce at a similar rate going forward. In terms of gearing, our total debt as a percentage of total reserves remains

EDGE HILL UNIVERSITY

STRATEGIC REVIEW (CONTINUED)

at very low levels and we comfortably maintain annualized debt servicing costs within 4% of revenue.

Student Services

Student Services have continued to proactively contribute to the retention of students and have a positive impact on the student experience in 2023/24. All of the teams within Student Services have contributed to the University strategic focus on improving student retention. The specialist advice and support provided by the multiple services, coupled with the induction and social programme, has supported thousands of individual students to stay and succeed.

The Student Support Team (SST) within Student Services continues to play a crucial role in the success of this institution wide Early Intervention Model (EIM). Investment of permanent staffing resources within the team has ensured that students who are struggling and/or thinking of leaving the University receive high quality specialist support at their time of need. During the 2023/24 academic year there has been a further increase in student referrals for support, and as a result of the holistic support package provided via the academic department and the professional services, there are fewer students who have decided to withdraw from their courses during the academic year.

Further investment in the IT system over the last 12 months has enabled Student Services to bring together the functions within the event portal and the case management system. There has been a significant project during 2023/24 to prepare for the transition to the system which will provide significant benefits for students and staff in the following year. Although most of the improvement will not be obvious to students directly, there will be many indirect benefits. It is anticipated that the system will save staff time within appointments which can be better spent supporting students, and that improved reporting functionality will provide better management information which can be used to further develop and improve services. Students will also have the benefit of using a single system which will look consistent across the services, become familiar and be simple to access. Over the next 12 months we look forward to developing our online offer and further improving our digital capabilities.

It is important that all members of the community feel a sense of belonging to the University and this is supported via the work of the Student Life team. This team takes responsibility for leading and coordinating the welcome and induction of students, the social programme of events, and engaging students in opportunities. The team employs a number of Campus Connectors, a group of student staff who support the running and delivery of events and activities. This group have played a vital role in supporting their peers and developing our programme.

To support our International student body and aid their smooth transition to studying in the UK, we piloted a new online International pre-arrival course. Student Life and Learning Technology collaborated to develop the course on the Virtual Learning Environment (VLE) Blackboard, alongside wider University teams. This award winning project has been further developed and established for the next cohort of International students.

EDGE HILL UNIVERSITY

STRATEGIC REVIEW (CONTINUED)

The Faith and Community service has developed further during 2023/24. The service supports members of the community with all faiths and none, and the addition of new Chaplains and Faith Advisors to the team have strengthened the diversity of the support and events on offer. Consultation with students on the space for prayer and reflection on campus have resulted in the development of some exciting new plans which we look forward to realising over the next 12 months.

Equality, Diversity and Inclusion (EDI)

Our EDI Strategy aims to provide a framework for the delivery of EDI beyond our statutory requirements, placing diversity and inclusion at the heart of our culture and supporting us in our endeavours to reflect the society we serve. It takes due cognisance of existing supporting strategies and is applied to and owned by all staff and students, irrespective of their individual characteristics. It articulates our inclusion priorities to 2025 and ensures everyone connected to Edge Hill understands the role they play in creating an inclusive culture.

Priorities arising from our EDI strategy are now fully embedded in a live EDI Action Plan which is governed by the EDI Steering Group. The Action Plan is both helping to support the delivery and provides a structure for assessing effectiveness of our key equality challenges and priorities.

Over the last 12 months we have made excellent progress with our EDI Action Plan:

- Refined the Moderation Framework for the fair and equal assessment of performance throughout the University,
- Achieved a 0% Gender Bonus Pay Gap for the fifth consecutive year,
- Enhanced our Family Friendly Policies (including enhancing the Maternity, Shared Parental and Adoption Leave entitlements),
- Continued building resources within the EDI “Hub” (website), used to shine an external spotlight on our inclusion journey and expanding it to house ‘organisational wellbeing’,
- Appointed a new, male, academic Chair to the Athena Swan Steering Group
- Collaborative work continues via the Inclusive Curriculum Working Group,
- Collaborative work continues via the Access and Participation Working Group,
- Continue to increase the number of successful flexible working applications across campus.
- Established several support networks for new parents, including a Multicultural Network and Staff Disability and Neurodiversity Network.
- In our ongoing commitment to enhancing employee skills and fostering a culture of continuous learning, we have made significant investments in staff training and development over the past year. We have partnered with the cultural calendar club to organise a series of engaging events aimed at enriching our employees' cultural awareness and interpersonal skills.

As we continue to build on the solid foundations in place, we remain committed to doing more to raise awareness of and tackle inequalities, ensuring our principles of inclusion are evident to everyone. Through continued active listening to our students, staff, and alumni, we will continue to take positive and prompt action to make our community one in which we all proudly belong.

EDGE HILL UNIVERSITY

STRATEGIC REVIEW (CONTINUED)

Health and Safety Management

Health and Safety Strategy

The strategic action plan for the reporting period 2023-24 was made up of 50 objectives from various departments/faculties across the University spread across all themes of the strategy. The Institutional Health, Safety and Environment Committee (IHSEC) has oversight of the completion of the plan and felt that the work in taking forward the strategic actions had an extremely positive impact on the management and culture of the University as a whole and the safety and wellbeing of its staff, students, and visitors. The strategy is based on the themes of Leadership, risk management and continual improvement.

Policy and Procedure

To ensure the University's policies, procedures, and guidance are fit for purpose and comply with current legislation a review schedule is in place. During the reporting period there were several policies and procedures reviewed and we saw the introduction of a new procedure for the manual handling. Consultation has taken place with key stakeholders across the University before ratification by the IHSEC. As a result, there is continuous improvement of the University's policies, with the aim of ensuring that the University remains statutorily compliant, and that risk is effectively managed.

During the 23/24 reporting year, the facilities management (FM) department achieved certification to ISO 45001 Occupational health and safety management systems. Whilst the scope of certification is within FM, the majority of policies and procedures relevant to this also span across the Institution so a level of assurance can be taken as to the suitability of documented arrangements in relation to the management of health and safety.

Training

All staff at the University are required to undertake mandatory e-learning for core health and safety modules to ensure a base-line level of knowledge across the staff-base. This provides good value for money and ensuring that staff are provided important training to prevent accidents and ensure we meet our legal obligations. In addition, the university undertake targeted face to face training which included, IOSH Managing safely, Accident and Investigation, Risk Assessment and Manual Handling training.

Audit and Assurance

The University has continued with its risk-based approach to audit enabling the release of resources to provide a more practical and robust assessment for higher net risk areas. A full Health & Safety audit programme was undertaken during the year with key findings reported to the IHSEC, with the overriding objective being to ensure the University provides a safe environment for our staff, students, and visitors.

The programme included audits from the University internal auditors, external specialist auditors and the Student Accommodation Code. The University auditors examined water hygiene specifically and concluded that the University could take substantial assurance that the controls upon which the organisation relies to manage the identified areas are suitably designed, consistently applied and operating effectively.

EDGE HILL UNIVERSITY

STRATEGIC REVIEW (CONTINUED)

During 23/24, the University undertook a procurement exercise to review and refine the provision of external specialist health and safety audit. This resulted in a new supplier which offers a fresh perspective on health and safety management.

Collaboration with Health and Safety Representatives

The Health and Safety representative network continues to thrive and have a positive impact on the health safety and wellbeing of our staff and students. The level of engagement remains high particularly around policy review, audit processes and specific health and safety initiatives taken forward by the University during the year.

Compliance

FM has continued to develop systems to ensure that all statutory compliance obligations in relation to maintenance of the estates are met, and accurately reported on through the compliance software. In relation to legal compliance relating to health and safety and environmental legislation, legal registers have been developed to ensure that all relevant legislation is identified and adhered to. A governance structure, including a quarterly compliance and assurance meeting, has been established as a means of senior management within the department being provided with assurance of compliance across key activities across service areas.

Environmental Sustainability

The University remains committed to the broad environmental sustainability agenda and therefore minimising the environmental impact of our activities and operations. We continue to utilise both technical interventions and measures, as well as culture and behavioural change strategies to help us improve our overall performance, supporting the recent prioritisation of environmental sustainability among students.

During 2022/23 it was recognised that our approach to sustainability needed to change to ensure that Edge Hill University remains progressive and ambitious in our plans. This has resulted in a move away from running annually focused objectives and the introduction of a new Environmental Sustainability Delivery Plan (ESDP) which runs until 2025.

2025 also sees the current Environmental Sustainability Strategy (ESS) and Carbon Management Plan (CMP) come to an end. We are therefore entering a period of consultation and stakeholder engagement to ensure that moving forward our strategic approach to sustainability remains ambitious, achievable and in line with industry standards.

The 2022-25 ESDP introduced 54 objectives with a total projected spend committed to them of approximately £2 million. During 2023/24 patronage of the EdgeLink bus service increased from 370k in 22/23 to over 410k and continues to perform well in terms of emissions and eco driving statistics. The Cycle2Work value saw an increase in engagement from 22/23 to 23/24.

2024 sees Edge Hill University moving away from using an external car share platform and introducing an in house system. This will not only offer improved value for money but also improved customer service as all queries and requests for support can be managed by Corporate Sustainability. The new platform also offers greater control over the data and offers potential growth opportunities.

EDGE HILL UNIVERSITY

STRATEGIC REVIEW (CONTINUED)

Waste management services continue to perform well with consistent recycling rates reported. We are currently finalising our new Waste and Resource Management Strategy which will be going to the Institutional Sustainability Committee for review later this year and are in the process of finalising our waste management contract tender process. Once online this new contract will open up new recycling streams on campus, helping reduce the amount of waste produced on campus.

A variety of events were run throughout the year to engage staff, students and the wider community with sustainability. We have a re-launch of the Sustainability Champions planned for early 2024/25. Over summer 2023 a range of engagement sessions were run in and around campus focusing on getting staff engaged with the local environment and have a positive impact – this included biodiversity walks, litter picks and tree guard removal sessions.

Work continues to encourage further supplier engagement with the Net Positive Futures (NPF) HE Tool to ensure that ethical sustainability is addressed within our supply chain. To support this, we are also developing a new sustainable procurement policy.

Fund Raising

Aside from welcoming donations through our alumni of past and present staff and students, the University does not actively fundraise. Rather, we encourage our alumni to make those who would benefit from studying with us aware of the University's attributes. We do not employ anyone to raise funds on our behalf and have received no complaints regarding fundraising activities.

Service to Society

Under the provisions of the Education Reform Act 1988, Edge Hill University is an exempt charity. The Governors have had due regard to the Charity Commission's public benefit guidance. Information regarding how the University has delivered its charitable purposes for the public benefit is included in this report.

Arts and Culture

The Arts Centre continued to provide a diverse and progressive programme of cultural events throughout 2023/24, including professional productions featuring high profile performers. Alongside hosting the incoming production companies, the two theatres at the Arts Centre fully realised the student productions and hosted a variety of departmental events. Partnerships with other departments across the University continue to create collaborative programmes, including Student Life, Corporate Communications, and the Research Centre for Arts and Wellbeing in order to further develop and diversify audiences.

The University's partnerships with cultural organisations also continues to develop, providing increased opportunities for students to both experience and be involved in a wide variety of arts and cultural opportunities. The Mela Festival in 2023/24 was a particular highlight, celebrating our partnership with Preston City Mela organisers in creating a day-long South Asian Arts multi-artform festival at the University.

EDGE HILL UNIVERSITY

STRATEGIC REVIEW (CONTINUED)

Sports and Fitness

Student memberships have once again been very popular with 2,108 students taking advantage of our 4-week free 'try before you buy' trial period and then subsequently taking out membership at the discounted rate of £99 for the year. The overall number of visits to our Fitness Suite and Exercise Classes also increased by 4.3%.

Personal training has seen a large increase, and this has been very beneficial to the student population which has seen over 1,000 sessions delivered.

Following feedback, and to address the poor engagement from Edge Hill staff, the staff membership price continued to be reduced to only £20 per month or £200 per year which resulted in an increase in staff memberships being sold during the year. To further engage staff and community during the quieter summer 2024 period a successful 'Summer membership' promotional offer of £50 for a 10-week membership attracted 567 new members, an 7.6% increase on summer 2023.

To support the work of the Faculty of Education, 13 sporting events were also hosted on campus which included different private, primary and high schools with over 3,400 pupils attending. Community engagement saw 19 events hosted with over 4,500 participants, including 2 high profile British triathlon events which saw over 1,000 people attend each event.

Collaborative work has once again been high on our agenda, with strong partnerships being forged and developed with the Faculties, Careers, Student Life, the Students Union, Student Recruitment, Brand Campaigns and Corporate Communications. This was especially noticeable for the delivery of the Varsity event in April for around 1,700 students hosted at the Sports Centre facilities.

Placements were provided to enhance student employability, including football coordinators to support pay and play sessions and events and campaigns assistants. Further support was also provided to student societies including the introduction of a new medical society weekly sports session specifically aimed at nursing and doctoring cohorts, and the "Uni Boob Team" society which are one of the most proactive societies within the SU helped to raise awareness of breast cancer and fundraise at various events throughout the year. 2023/24 saw the same number of students representing the University in competitive sport helping us to improve our BUCS ranking to our highest BUCS ranking in over a decade. Notable league success was achieved in the Women's Badminton 2nd team, Men's Football 1st team, Women's Football 1st team, Women's Hockey 1st team and Women's Rugby Union 1st team and our Cheerleading team were also successful in winning their National Championships.

Our Campus Sport programme continued to provide a wide variety of social sport sessions including Badminton, Basketball, Trampolining and Cheerleading, engaging almost 1,600 individual student participants and approaching 12,000 visits. The use of technology has improved the efficiency of the delivery of the programme and enhanced the customer experience especially for the Intra-mural 5-a-side student football league. This has resulted in a significant increase in participation (175%) and being rewarded with an additional funding grant from BUCS. In addition, over 5,000 hours of student volunteering were supported to help the delivery of our sports programmes.

EDGE HILL UNIVERSITY

STRATEGIC REVIEW (CONTINUED)

Widening Participation

At Edge Hill University, widening access and participation is in our DNA. When we first opened our doors in 1885, as a women-only college, we became the first place in the country where women were able to train to teach without having an affiliation to the church. Now, 140 years later, supporting students from all backgrounds remains core to what we do. Each year we attract and support a diverse student body, with over 80% of our undergraduate students being from backgrounds typically under-represented within higher education

Edge Hill University provides a key opportunity to overcome the educational, economic and social disadvantages our students may have faced: we seek to empower them to mirror our values of authenticity, confidence and aspiration and to recognise the difference they can make. Most of our students have at least one widening participation (WP) characteristic (85.7%), and it is our privilege to support them into our University, to succeed whilst on course and to excel beyond graduation.

We made good progress against Access and Participation Plan (APP) 2020-21 to 2024-25, and as of September 2024, start our new APP for 2024-25 to 2027-28, which was approved by the Office for Students in October 2023. This new APP contains nine targets to support our widening participation students across access (activity to support underrepresented groups to enter higher education); success (activity to support underrepresented students to be retained on course and achieve a good degree); and progression (activity to support underrepresented students to progress to graduate level employment or postgraduate study).

Via our central Widening Access and Participation Team we support the access of WP learners. We deliver programmes of activity to specific student groups to support with attainment raising work in schools or colleges, as well as initiatives to address and explore misconceptions of HE to ensure that students can make informed choices about their progression into HE. We also work with students 1:1 or in small groups, both on campus and in external settings, to provide bespoke support offers. As well as offer dedicated support to groups of students such as those who are care-experienced and estranged. Further pre-entry support to WP students is provided by the Education Liaison Team, and our Faculty of Education.

Additionally, we support students to access HE via our Fastrack: Preparation for Higher Education Programme, currently in its 26th year of delivery. This free, seven-week programme for students who do not have the qualifications required for degree level study, enables access to degree level study at the University. Aimed predominantly at adults (21+) in the North-West, the programme is designed to empower students, develop their confidence and academic skills, to enable them to flourish at degree level.

We also have a central Student Success function within our Widening Access and Participation team who oversee student success initiatives, such as our Thrive Programme and our Student Advisory Panel. Our Panel of students support and steer our widening participation work, with members representing our diverse student body, providing invaluable feedback to better align services and functions to our students' experience, in addition to inputting into new initiatives.

In line with Office for Students requirements, we are continuing to ensure that we have research informed practice that is effectively evaluated so we can demonstrate the impact of

EDGE HILL UNIVERSITY

STRATEGIC REVIEW (CONTINUED)

our access, success, and progression support initiatives. We have a dedicated role to oversee this within our Widening Access and Participation Team, with several other colleagues supporting this work.

We want all our students to achieve their full potential and have a positive experience at Edge Hill University. In addition to a central Widening Access and Participation Team, we offer a range of services to support our students throughout their journey, from admission to graduation and beyond. We support students in their academic, personal and professional development. We also support emotional and physical health and wellbeing in a variety of ways, with bespoke or tailored support offered to our widening participation students.

The Wellbeing Team can provide access to specialist counselling, therapeutic work or involve the Campus Life team where appropriate – finding the right intervention for each student is the team's focus. Students can make an appointment to meet the team or drop in for a confidential, non-judgemental discussion.

Our Money Advice team provide advice and guidance on a range of financial issues. This includes budgeting, difficulties accessing student loans and dealing with unexpected financial emergencies. The team offer expert, non-judgmental advice to help solve financial issues and allow students to stay focused on their studies.

Our Student Support team support all students, but in particular those underrepresented within HE. The team are the designated contact for Care Leaver, Care Experienced and Estranged Students. They support with applications for the Care Leaver bursary in addition to helping students navigate the support package available. The team also offer bespoke support to our Transgender students.

The Inclusion team support students to achieve their potential, working in partnership with students on course and pre-entry to ensure the right support is in place. They help students navigate DSA eligibility and the application process, they produce Student Support Plans and support students with reasonable adjustments.

The SpLD Support Team supports students to explore any challenges related to Specific Learning Difficulties (SpLD) such as dyslexia, dyspraxia, dyscalculia and ADHD. The team support SpLD students to access support and technologies that may be helpful in developing study skills strategies, and/or support in mitigating the impact of any challenges.

Additionally, our innovative *Student Opportunity Fund* provides financial support to enable students to take employment-enhancing opportunities which may otherwise be cost prohibitive. It funds study enhancement activity for all students at academic department level to ensure consistency of experience (e.g. field trips for biologists or visits to Parliament for politics students).

Careers guidance is available throughout a students' studies and up to three years after graduation. We have a dedicated member of careers staff who works with WP students, providing enhanced 1:1 support in sourcing part-time work, preparing for interview and career preparations. They also organise events with a particular WP focus such as our Diverse Voice Alumni Panels.

EDGE HILL UNIVERSITY

STRATEGIC REVIEW (CONTINUED)

Employability and Enterprise

Employability

The university's performance with specific reference to employability is measured by our progression metrics as evidenced by our Graduate Outcomes data. Over the last 12 months, Edge Hill has continued to improve on the positive destinations for alumni:

- Nationally, graduates in employment or unpaid work accounted for 83% of survey respondents (82% the previous year), including 10% who were engaged in both employment and further study (10% last year). At EHU our figures are 3.9% above the national data at 86.9%, including 10.4% in both employment and further study. This represents a slight fall from 87.8% in the previous year, including 10.6% in employment/study.
- Nationally, there was no change in the proportion of 2021/22 graduates in full-time employment compared with 2020/21 graduates (61%). Edge Hill went from 65.9% to 65.1% in full-time employment putting us 4.1% ahead of the national average.
- There was a one percentage point decrease at sector level in the number of graduates in full-time further study (7% to 6%), and part-time study is less than 1% ; Edge Hill saw a decrease from 4.1% to 3.8% in full-time study and part-time study remains at 0.3%.
- Unemployment, including those due to start work or study, accounted for 5% of national responses, as in 2020/21 (6% in 2019/20). Edge Hill decreased from 3.6% to 3.3% unemployed (4.2% in 2018/19).
- The proportion of graduates doing another activity such as travelling, caring for someone, or, retired increased by 1pp to 6%. Edge Hill increased from 4.1% to 5.8%.

Excluding specialist providers, Edge Hill is top in the North West for the percentage of graduates in employment/further study (4th last year).

If we exclude those who were unavailable for work from the population, the figure goes from 91.7% to 96.7% and we remain top, meaning EHU has the lowest unemployment rate in the North West.

The Careers team support all students and recent graduates to develop and enhance their employability skills. Over the last 12 months we have engaged with users in the following ways:

- Delivered 3697 appointments
- Completed 4258 CV and covering letter reviews
- Supported 6833 unique students to attend our events
- Published 2377 vacancies on our careers vacancy portal.

EDGE HILL UNIVERSITY

STRATEGIC REVIEW (CONTINUED)

Our annual report on the career readiness of our students has shown that out of 9743 students who responded to our career readiness questions:

- 13% were at discover (54% in 2022-23)
- 58% were at develop (14% in 2022-23)
- 6% were at compete (12% in 2022-23)

For the 2023-24 process, a series of methodological changes have been implemented in response to feedback from students and staff, and to follow sector good practice. These changes are:

- The number of statements has been reduced from thirteen to nine.
- Three statements are now aligned with each stage of Career Readiness.
- Two statements have been moved into different categories. This means we are unable to make like for like comparisons with data from previous years.

These changes should particularly be noted when looking at the reduction in numbers of students reporting themselves at the Compete stage for 2023-24.

Data from 2023-24 and 2024-25 can be compared on a like for like basis.

EDGE HILL UNIVERSITY

STRATEGIC REVIEW (CONTINUED)

Enterprise

The University has maintained its engagement with regional businesses throughout the year with a multi-channel approach to outreach including direct e-campaigns, online media, PR and events. These efforts consistently reach over 3000 external organisations on a quarterly basis with information provided on support available and success stories.

Since its inception in 2017 our SME Productivity and Innovation Centre (PIC) has supported over 860 unique SMEs across all programmes. The High Growth Innovation Sprint in particular has supported more than 270 SMEs, leading to 594 new jobs being created, 199 new to firm products/services; and 39 new to market products/services.

Our Leadership for Growth programme continues to provide access to training for CMI certificates and has so far supported 1,087 leaders and managers from 483 SMEs.

We have been actively involved in collaborative projects under the UK Shared Prosperity Fund (UKSPF) with the Liverpool City Region Combined Authority (LCRCA), West Lancashire Borough Council, Preston City, and Burnley Borough Councils securing £1,687,428 as summarised in the table below.

Funding body	Edge Hill University role	Project title	Project Value	Income claimed in Academic year 2023/24
Liverpool City Region Combined Authority	Project Lead	High Growth Innovation Sprint Programme	£566,088	£317,706
Liverpool City Region Combined Authority	Project Lead	Leadership for Growth Programme	£515,007	£259,723
West Lancashire Borough Council	Project Lead with UCLan as project partners	West Lancashire Collaborative Innovation Programme	£300,000	£90,221
Liverpool City Region Combined Authority	Project Partner with LJMU, with University of Liverpool as Lead	Horizons	£131,410	£68,444
Burnley Borough Council	Project partner with Lancaster with UCLan as Lead	Lancashire Universities Innovation Programme	£74,482	£31,626
Preston City Council	Project partner with Lancaster with UCLan as Lead	Lancashire Universities Innovation Programme	£100,441	£42,921

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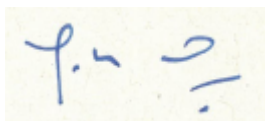
STRATEGIC REVIEW (CONTINUED)

Finally, this year we have increasingly focused on Knowledge Transfer Partnership (KTP) activity with an active KTP portfolio value of £1.02m with £494k secured funding and a further circa £640k of KTP value projects in bid development.

The current KTP portfolio is below:

KTP Partner	Project Value	Income claimed in Academic year 2023/24
BEC (Systems Integration) Ltd.	£184,861	£46,045
Gener8 Spaces Ltd.	£205,332	£39,737
Oscar Pet Foods Ltd	£154,485	£62,439
Panaz Ltd	£81,601	£43,899
Progress Group Holdings Ltd.	£200,639	£62,521
Synergy Technology Ltd.	£188,525	£70,045

Whilst our strengths have traditionally been in the disciplines of Computer Science and Management, we have also endeavoured in recent years to expand our capabilities across a broader range of areas, including STEM, the humanities, and the arts. In this context, we will continue to build on the success of our annual Knowledge Transfer Partnership (KTP) capacity-building initiatives with various faculty departments and academics, as we aim to further broaden our KTP activities.



Dr John Cater
Vice-Chancellor
18 November 2024

EDGE HILL UNIVERSITY

STATEMENT OF CORPORATE GOVERNANCE

The following statement is given to assist the readers of the financial statements to obtain an understanding of the corporate governance arrangements applied by the University's Board of Governors (the Board) in the period from 1 August 2023 to the signing of the accounts on 18 November 2024.

Charitable and legal status

Edge Hill University is a Higher Education Corporation (HEC), gaining legal status as a university from the Privy Council in 2006. The powers of the HEC are defined in section 125 of the Education Reform Act 1988 as amended by the Further and Higher Education Act 1992.

Like many universities, Edge Hill University is an educational charity, exempt from registration with the Charity Commission (as defined in the Charities Act 2011). This means that governors are also charity trustees and, as such, the Board is responsible for ensuring that the:

- University's work is for the public benefit
- University is compliant with relevant charity legislation
- Board is alert to relevant Charity Commission guidance on the public benefit in exercising their powers.

The Office for Students (OfS) is our primary regulator.

The underlying principles to our governance framework

The University's framework of governance is established in the [Instrument](#) and [Articles](#) of Government, which were approved by the Privy Council in 2007.

We are committed to demonstrating sound governance practice in all aspects of our corporate governance framework, and regularly review our governance effectiveness to ensure that our operations uphold the OfS' [public interest governance principles](#). We aim to conduct our business in a responsible and transparent way, and in accordance with:

- The principles identified by the Committee on Standards in Public Life, also known as the Nolan Principles (selflessness, integrity, objectivity, accountability, openness, honesty and leadership).
- The University's governing documents, including the Instrument and Articles of Government.
- The University's Ethical Policy Framework.
- The Board of Governors' Culture Framework, which was developed in 2023 to articulate the Board's values, and the related behaviours governors should demonstrate collectively and individually.
- The requirements of the OfS.
- The Committee of University Chairs (CUC) HE Code of Governance, HE Audit Committees Code of Practice, and the HE Senior Staff Remuneration Code.
- Charity Commission Guidance.

- Other relevant guidance.

EDGE HILL UNIVERSITY

STATEMENT OF CORPORATE GOVERNANCE (CONTINUED)

The University is committed to academic freedom, protecting freedom of speech within the law and ensuring equality of opportunity. We also have a responsibility to ensure that modern slavery and human trafficking are not taking place in our business or in our supply chains. Our Modern Slavery Statement can be accessed on our website at: [Modern Slavery Statement - Edge Hill University](#).

The University has robust systems in place to ensure its ongoing compliance with statutory and regulatory requirements. This is articulated in our [Scheme of Delegation](#), which identifies the relevant requirements and outlines how the Board assures itself of the University's compliance. Assurance is obtained by the Board through direct consideration of designated items, the receipt of regular reports from the University's Regulatory Oversight Group and internal audit reports from assignments which have been designed to test the University's arrangements for compliance with statutory, regulatory and good practice expectations. An internal audit of the University's OfS compliance arrangements undertaken in June 2024 provided substantial assurance and identified no management actions.

How the University is governed

The governance structure of the University is specified in the [Articles of Government](#) which sets out the responsibilities of the Vice-Chancellor, the Board of Governors, and the Academic Board in managing and overseeing the University's activities.

Leadership

The Vice-Chancellor is the University's principle Accountable Officer, and is the designated Accountable Officer with the OfS for the purposes of the Higher Education and Research Act 2017.

Under powers enshrined in the Articles of Government, or delegated by the Board, the Vice-Chancellor has a key role in shaping the University's culture, infrastructure and institutional strategy. The Vice-Chancellor is an ex officio member of the Board, and chair of the Academic Board. He is supported by an Executive team and a management team with specialist portfolios.

The Board of Governors

Ultimate responsibility for the University's resources and activities rests with the Board.

In line with the Articles of Government, the Board holds to itself responsibility for:

- the determination of the educational character and mission of the University
- the approval of the annual estimates of income and expenditure
- ensuring the solvency of the University and the Corporation and the safeguarding of their assets
- the appointment or dismissal of the Vice-Chancellor.

EDGE HILL UNIVERSITY

STATEMENT OF CORPORATE GOVERNANCE (CONTINUED)

The Board has adopted and applies the CUC HE Code of Governance, which provides guidance on best practice for the sector.

The Board of Governors comprises:

- A minimum of eight independent members, who are always in the majority at Board meetings
- Two student representatives (one of whom will also be an elected representative of the Students' Union)
- Two staff representatives elected by their peers
- One member of teaching staff nominated by the Academic Board
- The Vice-Chancellor.

Governors regularly reflect on their own performance and development needs as part of the Board's ongoing focus on its effectiveness, including an annual appraisal with the Chair of Governors. Newly appointed members participate in an individual induction programme, tailored to their specific needs and experience. In addition, all governors are invited to attend conferences and events that are relevant for HE Governors.

The role of Chair of the Board of Governors is separated from the role of the Vice-Chancellor. The Vice-Chancellor's performance is monitored by the Board and assessed via a performance review process undertaken by senior governors.

The Board is served by a Clerk who provides independent advice on matters of governance to all governors.

None of the independent members receive any payment for their role, apart from the reimbursement of reasonable expenses.

During the period from 1 August 2023 to 31 July 2024, the Board met on nine occasions, which included 1 full day strategy and development event to consider the University's long-term planning alongside the Board's own development. At its meetings, the Board considered regular reports from University managers on the University's performance in the key areas set out in the University's Strategic Plan, including – but not limited to – Student Experience, Teaching and Learning, Research, International Engagement and External Partnership, People, and Sustainability. It also commissioned presentations on particular areas of the University's activities, for example Student Services Provision and the Students' Union's Strategic Plan, to ensure that governors remain alert to contemporary challenges and opportunities. The Governing Body also met informally throughout the year to consider special project work including succession planning for senior post holders.

The Board is supported by a sub-committee structure comprising Audit & Risk, Governance & Nominations and Remuneration. All sub-committees operated with agreed terms of reference, with independent governors in the majority, of whom one is the designated Chair.

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STATEMENT OF CORPORATE GOVERNANCE (CONTINUED)

The Board articulates its delegations to these committees, and to the management team, through its [Scheme of Delegation](#), which was subject to a major review in 2022 to ensure that it remained fit for purpose in the current regulatory environment.

Audit & Risk Committee

In 2024, the Board approved a proposal to retitle the Audit Committee to Audit & Risk Committee in order to better reflect the breadth of its work.

The Audit & Risk Committee meets at least three times annually with the external and internal auditors of the University and is responsible for reviewing their work. The Committee:

- Approves the Internal Audit Plan and considers the subsequent reports together with recommendations, and management responses, for the improvement of the University's systems of internal control.
- Receives and considers specific review reports as they affect the University's business and monitors adherence with regulatory requirements.
- Reviews the University's annual Financial Statements and approves the Financial Regulations.
- Has oversight of risk management and provides an annual report to the Board which sets out its opinion on the adequacy and effectiveness of the University's arrangements for risk management, control and governance; economy, efficiency and effectiveness (VFM) and the management and quality assurance of data (and in particular data submitted to the Designated Data Body, the Student Loans Company, the OfS, Research England and any other relevant bodies).

Whilst senior executives attend meetings of the Audit & Risk Committee as necessary, they are not members of the Committee. The Chair of the Board is also precluded from membership.

In line with its adoption of the CUC HE Audit Committees Code of Practice, prior to each meeting the Committee holds private sessions as follows:

- As a committee
- With management only
- With internal and external auditors only.

The Audit & Risk Committee's full terms of reference are available on the [University's website](#).

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STATEMENT OF CORPORATE GOVERNANCE (CONTINUED)

Governance & Nominations Committee

The Governance & Nominations Committee is responsible for:

- Advising the Board on the appointment and reappointment of Governors and senior postholders, ensuring compliance with the OfS ‘fit and proper’ person requirements
- Overseeing the Board’s governance procedures and the Lead Governor scheme (see below)
- Making arrangements for periodic assessments of the Board’s effectiveness, including a triennial review with external input.

The Governance & Nominations Committee’s full terms of reference are available on the [University’s website](#).

Remuneration Committee

The Remuneration Committee, which operates in accordance with the CUC HE Senior Staff Remuneration Code 2021, is responsible for:

- Determining the annual remuneration of designated senior staff
- Considering the terms and conditions of employment, and associated policies and procedures, of designated senior postholders
- Approving the total envelope available for the pay and reward of managerial and professorial staff who are employed on locally-agreed pay scales.

The Committee is chaired by the Vice Chair of the Board, with membership restricted to Independent Governors. Senior executives, namely the Director of Human Resources and the Vice-Chancellor, attend meetings of the Committee as required to provide advice. No member or officer of the Committee may be present during discussions relating to their own salary or conditions of service.

The Remuneration Committee’s full terms of reference are available on the [University’s website](#).

Lead Governor Scheme

In order to discharge its duties effectively, the Board as a collective must have sufficient insight to be assured about areas of strategic importance. Its annual business schedule is therefore planned around eleven strategic themes which incorporate the main pillars of the University’s Strategic Plan along with items of direct concern to the Board, including Equality, Diversity and Inclusion, Finance, the Board Assurance Framework and Legal & Compliance.

To support the Board in its endeavours, six Lead Governors have been identified to provide insight across these strategic areas. Lead Governors are recognised by the Board as providing

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STATEMENT OF CORPORATE GOVERNANCE (CONTINUED)

expertise in the relevant area and, where appropriate, they take a lead with scrutiny, challenge and support for specified agenda items.

Lead positions are assigned only to Independent Governors since they bring a level of contemporary external experience and objectivity that staff and students of the University cannot. However, while Lead Governors support discussions using their professional expertise, all governors participate in deliberations, ensuring that the Board's diverse range of views and experience fully informs its decision-making.

Board Effectiveness

In accordance with good governance practice, the Board of Governors regularly reviews its own effectiveness. It has a number of mechanisms for this including, but not limited to:

- Board Effectiveness Reviews involving external input, which are scheduled to take place every three years.
- Regular effectiveness surveys issued to all governors, with whole Board discussion about effectiveness on, at least, an annual basis.
- Following each meeting of the Board, a designated governor will provide feedback to the Chair about how well members have met the standards set out in the 'Board of Governors Culture Framework'.
- Annual review meetings between individual governors and the Chair.
- Chair appraisal conducted by the Vice Chair, with confidential input from all members.

The Board commissioned a scheduled review of its effectiveness during 2022-23, which was undertaken by an external third party. The scope of the review included the Audit Committee. Reporting in October 2023, the review concluded with a positive opinion on the Board's effectiveness. An action plan for enhancement was agreed and guided developmental work in 2023-24.

Academic Governance

Subject to the overall responsibility of the Board of Governors, the Academic Board has oversight of the academic affairs of the University and draws its membership from the staff and students of the University. It is responsible for:

- General issues relating to teaching and learning and research work
- The development of academic activity
- Advising on such other matters as the Board of Governors and Vice-Chancellor may refer to it.

There is regular crossover between the Academic Board and the Board of Governors to ensure transparency and full understanding of key issues. The Academic Board nominates a member of teaching staff to serve as a governor, and the Lead Governor: Student

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STATEMENT OF CORPORATE GOVERNANCE (CONTINUED)

Experience has an open invitation to observe meetings of the Academic Board and its committees. In addition, governors regularly consider reports on the Academic Board's work in order to receive and test assurances that the University has an adequate and effective academic governance framework.

Transparency

The University's website sets out its [corporate governance](#) arrangements, including membership and the terms of reference for the Board and its Committees. The Board endeavours to conduct its business transparently: minutes to all Board meetings are published in a timely way, with only business that is highly confidential or commercially sensitive exempt from general view.

All members of the Board and its Committees are required to exercise independent judgement at all times in the best interests of the University. This includes fully disclosing any actual, perceived or potential conflicts of interests as these arise and, if necessary, abstaining from any involvement in the decision-making process, including withdrawing from a meeting.

The Board maintains a [Register of Interests](#) which is published on the University's website and provides a comprehensive picture of all relationships which could present a potential conflict.

Regularity and Propriety in the use of Public Funding

The University has policies and processes in place to ensure regularity and propriety in the use of public funding from the OfS, UK Research and Innovation (including Research England), and other sources.

These include the control measures shown in the statement of internal control below, and:

- A Counter Fraud and Corruption Policy which sets out the University's expectations for the highest standards of ethical behaviour and financial probity, together with the processes in place to prevent, identify, report and investigate suspected cases of bribery, fraud and corruption.
- A Whistleblowing Policy which encourages staff to report reasonable belief of wrongdoing, provides guidance on how to raise concerns, and reassurance that staff can raise genuine concerns without fear of reprisal, even if they turn out to be mistaken.

Further information

Any enquiries about the University's corporate governance framework should be addressed to the [Clerk to Governors](#).

EDGE HILL UNIVERSITY

STATEMENT OF CORPORATE GOVERNANCE (CONTINUED)

Statement of Internal Control (incorporating the adequacy and effectiveness of arrangements for risk management).

As the University's governing body, the Board is responsible for maintaining a sound system of internal control that supports the achievement of the policies, aims and objectives stated in the Strategic Plan, while safeguarding the public and other funds and assets for which the University is responsible. It does this in accordance with the responsibilities assigned by the Instrument and Articles of Government and the relevant OfS Terms and Conditions, which also include charity regulation requirements.

The system of internal control is based on an ongoing process designed to identify and mitigate the principal risks to the achievement of policies, aims and objectives. It is designed to manage rather than eliminate the risk of failure and can therefore only provide reasonable and not absolute assurance of effectiveness against material mis-statement or loss.

The following processes have been established by the Board and have been in place for the year ended 31 July 2024 and up to the date of approval of the Financial Statements on 18 November 2024:

- The Board meets at regular intervals to consider the plans and strategic direction of the University.
- The Board receives regular reports on progress in relation to Key Performance Indicators which are referenced to the University's Strategic Plan and Risk Register. A Board Assurance Framework has been established to **bring together the relevant information on risks to the achievement of the University's strategic objectives, and the control measures in place.**
- The Board has approved a comprehensive Scheme of Delegation. Through this the Board has requested the Audit & Risk Committee provide oversight of the University's management of risks. The Audit & Risk Committee considers the Board Assurance Framework as a standing item at each of its meetings, with summary reports provided to the Board on a termly basis.
- A member of the Executive has responsibility for the promotion and co-ordination of risk management processes and reporting, ensuring this is embedded in on-going operations.
- The Audit & Risk Committee receives regular reports from the Head of Internal Audit, which include the Head of Internal Audit's independent opinion on the adequacy and effectiveness of the University's system of internal control, together with any recommendations for improvement.

The Chair of the Audit & Risk Committee regularly attends facilitated workshops and briefing sessions which are held for senior managers and/or governors to identify and

EDGE HILL UNIVERSITY

STATEMENT OF CORPORATE GOVERNANCE (CONTINUED)

keep up to date with the risks facing the organisation. These workshops may be bespoke for Edge Hill or general for the sector.

- Members of the Audit & Risk Committee regularly commission briefings on specific issues of relevance from the Internal or External Audit Representatives, which take place immediately before scheduled meetings.
- The Internal Audit Plan is considered and approved by the Audit & Risk Committee.
- A system of reporting on risk management has operated throughout the year. The process incorporates a range of formal reports and an analysis of risk at each Audit & Risk Committee meeting. Risks are linked to the aims and objectives identified in the Strategic Plan (which includes financial sustainability), and ensuring the University's compliance with statutory, regulatory and other relevant requirements.
- A robust risk prioritisation methodology is in use based on risk ranking and cost-benefit analysis, which ensures that all risks are identified across the University and held in local registers with the University Risk Register focusing on the most important risks facing the University. In 2024, a new risk management business solution was implemented to enhance record-keeping processes and improve reporting capabilities.
- An organisation-wide Risk Register is maintained, and is a principal component of the Board Assurance Framework, which identifies the likelihood and impact of risk materialising, and ensures that appropriate mitigating actions are put in place on an on-going basis. The Board Assurance Framework is overseen at an operational level by an executive Risk Management Group, chaired by the Director of Strategic Planning.
- Reports are regularly received from budget holders and/or other key members of staff on key risks, mitigating actions and progress updates.
- At the end of the year the Chair of the Audit & Risk Committee formally reports to the full Board on the Committee's activities during the year in accordance with relevant guidance. This report includes an assessment of the effectiveness of the internal control system (including risk management) during the year.

The University's internal control system is supported by a number of policies, regulations and schemes that have been approved by the Board, Audit & Risk Committee or Executive to help to prevent and detect corruption, fraud, bribery and other irregularities. These policies and procedures, which are periodically tested through the internal audit process as appropriate, include:

- Anti-Money Laundering Policy
- Bribery and Anti-Corruption Code of Conduct
- Ethical Investment Policy

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STATEMENT OF CORPORATE GOVERNANCE (CONTINUED)

- Credit Control and Debt Management Procedures
- Counter Fraud and Corruption Policy and Response Plan
- Financial Regulations
- Guidance on the Procurement of Consultancy and Business Services
- Hospitality & Gifts Policy
- Purchase Ledger Procedures
- Risk Management Policy
- Scheme of Delegation
- Staff Advances Policy
- Supplier Terms and Conditions

The Board's approach to risk is to manage the University's exposure to it. The University will seek to recognise risk and mitigate adverse consequences where possible whilst embracing appropriate opportunities. The University recognises that in pursuit of its mission and academic objectives it may choose to accept an increased level of risk. It will do so subject to ensuring that the benefits and risks are fully understood before activities are authorised and that appropriate measures to mitigate risk are established.

Internal and External Auditors attend all meetings of the Audit & Risk Committee, providing input and reports (as appropriate to their function) in pursuit of improving the internal control environment and the University's performance in the delivery of value for money. Value for money is a thread running throughout all internal audit assignments, with recommendations for improvement made where appropriate. On an annual basis the Head of Internal Audit reports to the Audit & Risk Committee on their opinion of the University's internal control environment and performance in the delivery of value for money.

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

During the financial year, and up to the signing of the Financial Statements, no significant internal control weaknesses or failures have been identified.

EDGE HILL UNIVERSITY

REMUNERATION COMMITTEE REPORT

1. Introduction

Edge Hill University has applied The Higher Education Senior Staff Remuneration Code since its inception in 2018, and with it a commitment to ensure that senior staff remuneration is fair, appropriate and justifiable.

To ensure that these objectives are met, the Board of Governors has established a Remuneration Committee ('the Committee') to oversee the University's policy framework for the remuneration of senior staff, and to determine the remuneration and terms and conditions of employment for Designated Senior Postholders.

This annual report relates to business conducted by the Committee during the period 1 August 2023 to 31 July 2024.

2. Remuneration Committee: Remit

The Committee is responsible for all matters relating to the salary, and terms and conditions of service for Designated Senior Postholders. These posts are the:

- Vice-Chancellor
- Deputy Vice-Chancellor [until April 2024]
- Clerk to Governors

The Committee is also responsible for overseeing the framework in place to determine the remuneration of those staff on locally agreed pay scales. That is staff on management contracts, Professorial staff and the University's five Pro Vice-Chancellors.

The Committee operates with approved [Terms of Reference](#), which are published on the University website. To ensure procedural fairness and consistency, the Committee follows an approved [Policy for Remuneration](#).

3. Remuneration Committee: Membership

The Chair and members of the Committee are independent governors of the University appointed by the Board. The quorum for the Committee is three members.

Members of the Committee for the 2023/24 academic year were:

Chair: Louise Robinson	Vice Chair of Governors
Graeme Collinge	Independent Governor
Clive Elliott	Chair of Governors
Antony Lockley	Independent Governor

EDGE HILL UNIVERSITY

REMUNERATION COMMITTEE REPORT (CONTINUED)

The Committee met three times during the period, on 18 October 2023, 18 March and 8 July 2024. There was quorum at all meetings.

Also attending meetings to provide support as required were:

		October	March	July
Vicky Bosward	Director of Human Resources	✓	✓	✓
John Cater	Vice-Chancellor	✓	✓	✓
Helen Smallbone	Clerk to Governors	✓	✓	✓

The Vice-Chancellor and Clerk were not present for any discussion that concerned their own remuneration.

4. University Context

In the eighteen years since its designation as a University, Edge Hill has become one of the leading universities in the North West with an enviable campus built on the back of a consistently strong financial performance.

Operating across a wide range of subjects in Arts and Sciences, the University also offers professional qualification programmes in Health and Education. In 2024, it was the first University to achieve Ofsted Outstanding for all phases of its Initial Teacher Training provision under the new Inspection Framework. With a developing research base, acknowledged in the 2022 Research Excellence Framework, the University's mission is to explore the difference knowledge can make in inspiring minds and shaping a better future for our graduates and the lives of others.

The University is consistently recognised as a sector-leading institution both in the region and nationally. Our place in the Guardian's top 35 UK providers 2024, and in the top 4 North West providers in the Complete University Guide 2025 **give a flavour of the University's performance and reputation, which is evident in the many [awards and accolades](#) received in recent years.**

The University's relentless focus on delivering an outstanding student experience is reinforced in the University's Strategic Plan (2021-25) which is built on the core pillars of Teaching and Learning, the Student Experience, Research, External Partnerships and international Engagement, Our People and Sustainability. The plan includes ambitious targets across each of these strategic priorities to secure and enhance Edge Hill's sustainability as an increasingly successful university.

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REMUNERATION COMMITTEE REPORT (CONTINUED)

For a large and complex institution, performance at this level requires vision and strong leadership from the Vice-Chancellor and senior leadership team.

5. Approach to Remuneration

5.1 Principles

The University's staff are its most important resource. As the employer, the Board seeks to ensure the University provides a safe and supportive working environment, which meets all legal requirements, and in which the contributions of all members of the University community are valued and supported to realise their full potential. In relation to decisions concerning all aspects of remuneration and conditions of service, the University is committed to:

- Equal pay for work of equal value;
- Fair, appropriate and justifiable levels of remuneration;
- Fairness in the operation of policies and procedures; and
- Transparency and accountability.

The University operates a Performance Review Scheme in relation to all staff. This encompasses the identification of development needs and opportunities as well as setting objectives for the next twelve months. The outcome of performance review informs potential progression and, for staff on locally agreed pay scales, the payment, if appropriate, of any discretionary non-consolidated bonus.

The University operates in a competitive employment market whose forces can affect the University's ability to recruit and retain staff in particular areas of acute shortage. Nevertheless, the University is an exempt charity and, as such, the Board of Governors has a responsibility to ensure the University's remuneration policy has due regard to safeguarding public funds as well as the need to recognise the efforts of staff in securing the University's continued success. To ensure that this approach remains adequate and effective, it is periodically reviewed. The last review took place in November 2023.

5.2 Process

5.2.1 Remuneration for staff on the national pay spine

The University appoints staff to specific roles. Roles are evaluated using the Higher Education Role Analysis (HERA) scheme with each role assigned to an identified grade boundary on the nationally agreed pay spine. The pay spine specifies the minimum and maximum salary for each grade, and the incremental progression points.

The University also monitors any increase to the minimum wage level proposed by the Living Wage Foundation and considers whether salary points require adjustment to meet

EDGE HILL UNIVERSITY

REMUNERATION COMMITTEE REPORT (CONTINUED)

or exceed the proposed minimum.

Subject to a satisfactory performance review, staff are generally entitled to annual incremental progression within the grade as well as a pay award agreed through national bargaining. The University recognises that certain roles carry an expectation of progression between grades, while other roles develop in response to business needs.

The associated policy ensures that progression through grades is well managed, operated fairly and consistently, and follows the principles of equal pay.

5.2.2 Remuneration for management and professorial staff

The Board established the guidelines and has oversight of the University's policy framework for remunerating those senior management and professorial staff appointed on locally agreed pay scales.

The appropriate point on the scale is determined through use of benchmarking, experience, expertise and market forces.

The annual pay award for staff on these pay scales is determined by the Vice-Chancellor, who operates within an overall sum agreed for staffing. The sum is set out in the University's budget process and is guided by the annual national pay award agreed for the main body of staff. Salaries are benchmarked against similar posts and an equal pay audit is taken on any proposed pay decisions.

There is no incremental progression for these staff. Roles are benchmarked and reviewed annually to reflect changes or development in the role. The Vice-Chancellor is further informed by detailed performance assessments conducted by Directorate. A discretionary, performance driven non-consolidated bonus scheme is in operation for those staff whose performance review grade falls into the top two grades of a five-point scale.

The Committee agrees the total available for the pay and reward of this group of staff on behalf of the Board. It also ensures a close match to the overall percentage increase in remuneration for the body of staff (which includes incremental drift).

All staff in this group have an option to access a private healthcare scheme and cover for life insurance.

5.2.3 Remuneration for the Pro Vice-Chancellors

The same arrangements generally apply as for staff on management and professorial grades, see 5.2.2 above. The exception is that performance reviews are conducted directly by the Vice-Chancellor, who reports a summary to the Remuneration Committee.

EDGE HILL UNIVERSITY

REMUNERATION COMMITTEE REPORT (CONTINUED)

5.2.4 Remuneration for Designated Senior Postholders

Performance reviews are conducted by the Chair and Vice Chair of the Board and incorporate objective setting for the next year. The process is documented, and this information is shared with the Committee. Following a review by the Committee, an enhanced approach to Senior Postholder appraisals was introduced in 2023. This new process ensures that all Board members have the opportunity to input to objective setting and defining success criteria, and that the Board's expectations of 'normal' and 'exceptional' performance are made clear. The appraisal and remuneration process is informed by the Senior Pay Review Moderation Panel Guidance applied to all senior staff.

In determining the individual salaries and any discretionary payments for which the Committee has direct responsibility, the following are considered:

- Performance review outcomes against agreed objectives
- Major (planned or unplanned) achievements
- Comparative benchmarking data for similar roles
- Internal pay differentials
- Demonstrable added value from length of experience in post
- Likely national pay award levels

The Board operates a discretionary, non-consolidated bonus scheme for designated senior postholders which is applied in the same way as that for management and professorial staff.

Designated Senior Postholders have an option to access a private healthcare scheme and cover for life insurance.

6. Comparator Institutions

To inform its decisions, the Committee has regard to information provided by the University and Colleges Employers' Association (UCEA) and the Committee of University Chairs (CUC).

7. Vice-Chancellor: Remuneration 2024

The Vice-Chancellor's basic salary is set immediately before the start of the financial year. Any performance-related pay is determined at the end of the session when performance is evaluated. The basic salary reported in these accounts was set in July 2023, with the performance related aspect awarded in July 2024.

Performance review was undertaken by the Chair and Vice Chair of the Board, informed by input from the wider Board. The process is documented, and reports were shared with the Committee. The Committee also considered Key Performance Indicators across

EDGE HILL UNIVERSITY

REMUNERATION COMMITTEE REPORT (CONTINUED)

core areas including recruitment, retention, student satisfaction, graduate outcomes, research, finance and people.

The Vice-Chancellor's performance for 2023/24 was rated as Outstanding. In addition to the successes highlighted in the Report of the Governing Body, the Committee acknowledged the Vice-Chancellor's assumption of additional responsibilities in response to changes within the senior team, alongside his existing duties and ambassadorial role. The Committee commended the Vice-Chancellor for these efforts, particularly noting that the University maintains a stronger financial position compared to most of the sector, offering relative stability in a challenging fiscal environment. In determining the Vice-Chancellor's total remuneration, account was taken of data from UCEA and CUC surveys.

The Committee noted that, despite being the longest serving Vice-Chancellor in the comparator group, by a significant measure, the Vice-Chancellor's basic salary is at the average end of the scale. This reflects the voluntary reduction in basic salary instigated by the Vice-Chancellor in 2018/19.

The University's payments to the Vice-Chancellor in lieu of pension contributions are in line with arrangements elsewhere for vice-chancellors with a similar status. When taking performance related payments into account, the Vice-Chancellor's total remuneration package is in the upper quartile of the comparator group. The Committee consider this appropriate given the significant value added by the Vice-Chancellor's length of service.

Data: Emoluments of the Vice-Chancellor

	2023/24	2022/23
Performance rating	Outstanding	Outstanding
Basic Salary	£273,000	£259,000
Performance related pay	£20,000	£20,000
Benefits in kind¹	£4,000	£4,000
Pension costs	£69,000	£61,000
Total	£366,000	£344,000
Net Pay	£208,000	£195,000

The Vice-Chancellor has not received any income associated with his role from external bodies. Expenses may be claimed in line with the University's expenses policy. During the period from 1 August 2023 – 31 July 2024, £716.01 was reimbursed for travel expenses relating to business meetings.

¹ Corporate Healthcare

EDGE HILL UNIVERSITY

REMUNERATION COMMITTEE REPORT (CONTINUED)

7.1 Pay Multiple Data

The Vice-Chancellor's salary and emoluments set out in pay multiples (in accordance with OfS Accounts Direction), for the past two years are detailed below. This indicates a stable position in terms of basic pay, with a minor decrease in the gap between the Vice-Chancellor's total salary and the median amount for all staff.

Vice-Chancellor's pay multiple against the median for all staff:

	31 July 2024	31 July 2023
Basic Pay	8.7	8.7
All emoluments	10.9	11.3

8. Policy on Income Derived from External Activities

The University operates with a Board approved policy which governs the approach to staff undertaking paid employment, and the retention of income generated from external bodies.

A separate policy applies to designated Senior Postholders and was reviewed by the Committee in 2023 to ensure that it upholds the values set out in the latest iteration of the CUC Remuneration Code. Senior Postholders must seek approval from the Committee to undertake any external work for other organisations. Any such work will normally be in the interests of the University or public. Decisions on the retention of any income will be made by the Committee, guided by the principle that Designated Senior Postholders will not retain significant sums.

9. Equality considerations

The University is committed to equal pay for work of equal value. The Committee has a stated commitment to operate in a way that is consistent with the University's Equality, Diversity and Inclusion Strategy.

The Committee noted in July 2024 that an equal pay audit of outcomes for staff on locally agreed contracts had been undertaken (using UCEA approved methodology) and no concerns relating to bias were identified.

EDGE HILL UNIVERSITY

STATEMENT OF PRIMARY RESPONSIBILITIES OF THE BOARD OF GOVERNORS

Key:

Code = The Higher Education Code of Governance 2020 (Committee of University Chairs)

AoG = Articles of Government

CoR = Conditions of Registration (Office for Students)

PIGP = Public Interest Governance Principles (Office for Students)

The Board of Governors shall be responsible for:

1. Strategy

Approving the mission and strategic vision of the University, including the determination of the educational character and mission of the University and for oversight of its activities, long-term academic and business plans and strategies, key performance indicators (KPIs) and annual budgets. Ensuring that these meet the interests of stakeholders and enable the institution to achieve and develop its primary objectives of teaching and research. This includes considering and approving the University's strategic plan which sets the academic aims and objectives of the institution. [AoG 3.1; Code 2.1 – 2.3; 4]

2. Vice-Chancellor

Appointing the Vice-Chancellor as chief executive of the University and putting in place suitable arrangements for monitoring their performance. [AoG 3.1 d]

3. Clerk to the Board of Governors

Appointing the Clerk to the Board of Governors ensuring that, if the person appointed has managerial responsibilities in the institution, there is an appropriate separation in the lines of accountability and putting in place suitable arrangements for monitoring their performance. [AoG 3.1 d; Code 5.1]

4. Senior postholders

Determining the appointment, grading, suspension, dismissal and setting the pay and conditions of service of the holders of designated senior posts. [AoG 3.1 d; Code 2.9]

5. Staff

Being the employing authority for all staff; setting a framework for pay and conditions of service; establishing a human resources strategy and ensuring there are proper procedures for handling internal grievances. [AoG 3.1 e]

EDGE HILL UNIVERSITY

STATEMENT OF PRIMARY RESPONSIBILITIES OF THE BOARD OF GOVERNORS **(CONTINUED)**

6. Chancellor

The Chair of the Board and the Vice-Chancellor will jointly appoint a Chancellor for the University advised by the Honorary Awards Committee.

7. Delegation of Authority

Delegation of authority to the Vice-Chancellor, as chief executive, for the academic, corporate, financial, estate and human resource management of the University and establishing and keeping under regular review the policies, procedures and limits within such management functions as shall be undertaken by and under the authority of the Vice-Chancellor. [AoG 3.2 b; Code 1.6]

8. Stewardship and Sustainability

To be the principal financial and business authority of the institution ensuring that proper books of account are kept. Ensuring that the University operates comprehensive corporate risk management and control arrangements (including for academic risk) to ensure the sustainability of the University's operations, and its ability to continue to comply with all of its conditions of registration with the Office for Students.

Being responsible for the effective and efficient use of resources, the solvency of the University and the Corporation and for safeguarding their assets, property and estate; approving designated returns to OfS (detailed in the Scheme of Delegation) and approving the annual budget and financial statements of the University. [AoG 3.1 b & c; Code 1.1; PIGP(V)]

9. Regularity, Propriety and Value for Money

The Governing Body must ensure that:

- there are adequate and effective arrangements in place to ensure public funds are managed appropriately, in line with any conditions of grant and the principles of regularity, propriety and value for money, and to protect the interests of taxpayers and other stakeholders. [PIGP VII], and;
- there are adequate and effective arrangements in place to provide transparency about value for money for students and for taxpayers. [PIGP VI]

10. Monitoring

Regularly monitoring institutional sustainability and performance against its planned strategies and operational targets and approved KPIs, which should be, where possible and appropriate, benchmarked against other institutions. [Code 2.3]

EDGE HILL UNIVERSITY

STATEMENT OF PRIMARY RESPONSIBILITIES OF THE BOARD OF GOVERNORS **(CONTINUED)**

11. Corporate Governance

- Ensuring that the size, composition, diversity, skills mix, and terms of office of the Governing Body is appropriate for the nature, scale and complexity of the University; and that members of the Governing Body, those with senior management responsibilities, and individuals exercising control or significant influence over the provider, are fit and proper persons. [Code 5.2-5.3, 5.9; PIGP VIII & IX]
- Safeguarding the good name and values of the University by being assured that clear regulations, policies and procedures that adhere to legislative and regulatory requirements are in place, ethical in nature, and followed. This includes a specific requirement to ensure the University's compliance with all of its Conditions of Registration set by the Office for Students. [Code 2.1; CoR E3]
- To ensure the Governing Body's business is conducted in accordance with the Office for Students' Public Interest Governance Principles, and that governors observe the principles of public life and the highest standards of HE corporate governance as outlined in the CUC Code; including ensuring and demonstrating integrity and objectivity in the transaction of Board business with proper procedures for managing conflicts of interest, and wherever possible following a policy of openness and transparency in the dissemination of Board decisions. [Code 3.1 – 3.8; CoR E2 and PIGP ii]

12. Academic Assurance

Receiving and testing assurance that the University has an adequate and effective framework, overseen by the Academic Board, to manage the quality of learning and teaching and to maintain academic standards. [Code 2.5; PIGP iV]

13. Audit

Directing and overseeing the University's arrangements for internal and external audit. [Code 2.11-2.12]

14. Students and the Students' Union

Receiving assurance that provision has been made for the general welfare of students. Taking such steps as are reasonably practicable to ensure that the Students' Union operates in a fair, democratic, accountable and financially sustainable manner as detailed in the Students' Union Code of Practice. [Code 3.6]

EDGE HILL UNIVERSITY

STATEMENT OF PRIMARY RESPONSIBILITIES OF THE BOARD OF GOVERNORS (CONTINUED)

Ensuring that all students have opportunities to engage with the governance of the University, and that this allows for a range of perspectives to have influence. [PIGP III]

15. Health & Safety

Having responsibility for 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; including ensuring that the University has a written statement of policy on health and safety and arrangements for the implementation of that policy. [Health & Safety at Work Act 1974]

16. Equality and Diversity

Ensuring the University provides an inclusive environment for work and study through embedding diversity and equal opportunities into everything the University does, particularly in those core functions and activities that directly affect staff and students at work. [Code 4.1-4.4]

17. Freedom of Speech and Academic Freedom

Safeguarding the University's role in upholding Freedom of Speech and Academic Freedom in all its activities, including the freedom for academic staff to question and test perceived wisdom, and to put forward new ideas and controversial or unpopular opinions without placing themselves in jeopardy of losing their jobs or privileges they may have at the University. Taking such steps as are reasonably practicable to ensure that freedom of speech within the law is secured within the provider. [AoG 8(2); Code 2.7-2.8; PiGP I and VII]

18. Legal Authority

Being the University's legal authority and, as such, ensuring that systems are in place for meeting all the institutions legal obligations including those of the University as an exempt charity and other legal commitments made in the University's name. Approving any change to the legal status of the University or its subsidiaries including mergers and/or dissolutions. Acting as trustee for any property, legacy, endowment, bequest or gift in support of the work and welfare of the University. [Code 1.1 - 1.2]

19. Evaluation

Ensuring that the University's constitution, as set out in the Instrument and Articles of Government, is followed at all times and that appropriate advice is available for this to happen; establishing processes to monitor and evaluate the performance and effectiveness of the Governing Body itself. [Code 5.13]

EDGE HILL UNIVERSITY

**STATEMENT OF PRIMARY RESPONSIBILITIES OF THE BOARD OF GOVERNORS
(CONTINUED)**

Board's reserved powers [AoG 5.3]

The Board of Governors shall not delegate the following:

- a) the determination of the educational character and mission of the University;
- b) the approval of the annual estimates of income and expenditure;
- c) ensuring the solvency of the University and the Corporation and the safeguarding of their assets;
- d) the appointment or dismissal of the Vice-Chancellor; and
- e) the varying or revoking of the Articles of Government.

STATEMENT OF BOARD OF GOVERNORS RESPONSIBILITIES IN RESPECT OF THE REPORT AND THE FINANCIAL STATEMENTS

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

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

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

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

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

The Board of Governors is also responsible for ensuring that:

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

EDGE HILL UNIVERSITY

STATEMENT OF BOARD OF GOVERNORS RESPONSIBILITIES IN RESPECT OF THE REPORT AND THE FINANCIAL STATEMENTS (CONTINUED)

- ensuring that there are appropriate financial and management controls in place to safeguard public funds and funds from other sources; and
- securing the economical, efficient and effective management of the University's resources and expenditure.
- The Board of Governors is responsible for the maintenance and integrity of the corporate and financial information included on the University's website. Legislation in the UK governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

EDGE HILL UNIVERSITY

INDEPENDENT AUDITOR'S REPORT TO THE BOARD OF GOVERNORS OF EDGE HILL UNIVERSITY

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Opinion

We have audited the financial statements of Edge Hill University ("the University") for the year ended 31 July 2024 which comprise the Group and University Statement of Comprehensive Income and Expenditure, the Group and University Statement of Changes in Reserves, the Group and University Statement of Financial Position and the Group Cash Flow Statement and related notes, including the accounting policies in the Statement of Accounting Policies for the Year Ended 31 July 2024.

In our opinion the financial statements:

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

Basis for opinion

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

Going concern

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

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

Our conclusions based on this work:

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

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

EDGE HILL UNIVERSITY

INDEPENDENT AUDITOR'S REPORT TO THE BOARD OF GOVERNORS OF EDGE HILL UNIVERSITY (CONTINUED)

Fraud and breaches of laws and regulations – ability to detect

Identifying and responding to risks of material misstatement due to fraud

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

- Enquiring of the Board of Governors, the Audit Committee and inspection of policy documentation as to the Group’s high-level policies and procedures to prevent and detect fraud, including the internal audit function, and the Group’s channel for “whistleblowing”, as well as whether they have knowledge of any actual, suspected or alleged fraud.
- Reading Board of Governors and Audit Committee minutes.

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

As required by auditing standards, we perform procedures to address the risk of management override of controls, in particular the risk that Group management may be in a position to make inappropriate accounting entries. On this audit we do not believe there is a fraud risk related to revenue recognition because tuition fees are generally based on standard fee rates and are non-variable in nature. We do not believe there to be an incentive or pressure to manipulate this or other income streams that are material as amounts received either typically relate to a single, specific financial year or the source transactions are non-complex, involving little judgement.

We did not identify any additional fraud risks.

We performed procedures including:

- Identifying journal entries and other adjustments to test based on risk criteria and comparing the identified entries to supporting documentation. These included those posted to cash with unexpected or unusual entries.
- Assessing whether the judgements made in making accounting estimates are indicative of a potential bias.

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

We identified areas of laws and regulations that could reasonably be expected to have a material effect on the financial statements from our general commercial and sector experience, through discussion with the Board of Governors and other management (as required by auditing standards), and discussed with the Board of Governors and other management the policies and procedures regarding compliance with laws and regulations. We communicated identified laws and regulations throughout our team and remained alert to any indications of non-compliance throughout the audit.

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

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

EDGE HILL UNIVERSITY

INDEPENDENT AUDITOR'S REPORT TO THE BOARD OF GOVERNORS OF EDGE HILL UNIVERSITY (CONTINUED)

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

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

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

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

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

Other information

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

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

Board of Governors responsibilities

As explained more fully in its statement set out on page 48, the Board of Governors is responsible for: the preparation of the financial statements and for being satisfied that they give a true and fair view; such internal control as it determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error; assessing the Group and University's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and using the going concern basis of accounting unless it either intends to liquidate the Group or the University or to cease operations, or has no realistic alternative but to do so.

EDGE HILL UNIVERSITY

INDEPENDENT AUDITOR'S REPORT TO THE BOARD OF GOVERNORS OF EDGE HILL UNIVERSITY (CONTINUED)

Auditor's responsibilities

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

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

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

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

In our opinion, in all material respects:

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

Matters on which we are required to report by exception

We are required by the Accounts Direction to report to you where the University has an access and participation plan that has been approved by the Office for Students' director of fair access and participation and the results of our audit work indicate that the Group's and the University's expenditure on access and participation activities for the financial year disclosed in Note 8 has been materially misstated.

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

We have nothing to report in these respects.

EDGE HILL UNIVERSITY

INDEPENDENT AUDITOR'S REPORT TO THE BOARD OF GOVERNORS OF EDGE HILL UNIVERSITY (CONTINUED)

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

This report is made solely to the Board of Governors in accordance with paragraph 13(2) of the University's Articles of Government and section 124B of the Education Reform Act 1988. Our audit work has been undertaken so that we might state to the Board of Governors those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the University and the Board of Governors for our audit work, for this report, or for the opinions we have formed.



Christopher Paisley
for and on behalf of KPMG LLP, Statutory Auditor
Chartered Accountants
1 St Peter's Square, Manchester, M2 3AE
13 December 2024

EDGE HILL UNIVERSITY

STATEMENT OF ACCOUNTING POLICES FOR THE YEAR ENDED 31 JULY 2024

Accounting Convention

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

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

Basis of Preparation

The Consolidated and University financial statements have been prepared under the historical cost convention (modified by the revaluation of certain financial assets and liabilities at fair value).

Going concern

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

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

The Board of Governors have prepared cash flow forecasts for a period of 18 months from the year-end date of the financial statements. After reviewing these forecasts, the Board of Governors is of the opinion that, taking account of severe but plausible downsides, the Group and parent University will have sufficient funds to meet their liabilities as they fall due over the period of 18 months from the year-end date of the financial statements (the going concern assessment period).

Specific scenarios that have been stress tested include the loss of 10% of tuition fees, the loss of 10% of catering and commercial income, an additional increase in revenue expenditure of 4.2% above that already assumed in our budgetary forecasts and an additional increase in staff costs of 3% above that already assumed in our budgetary forecasts. On the basis of all downside scenarios occurring, cash balances fall below £20m in 6 of the 18 months of the going concern assessment period. Covenants in place are not at risk, with income levels having to fall by over £40m before the University became at risk of breaching its requirement to maintain debt servicing costs within 4% of total income.

Consequently, the Board of Governors are confident that the Group and parent University will have sufficient funds to continue to meet their liabilities as they fall due for at least 18 months from the year-end date of the financial statements and therefore have prepared the financial statements on a going concern basis.

EDGE HILL UNIVERSITY

STATEMENT OF ACCOUNTING POLICES FOR THE YEAR ENDED 31 JULY 2024 **(CONTINUED)**

Basis of consolidation

The consolidated financial statements of the University for the year ended 31st July 2024 include the following wholly owned subsidiary companies: Edge Hill Enterprises Limited, Edge Hill Property Services Limited and Edge Hill Maintenance Services Limited. All intra-group transactions are eliminated on consolidation.

The consolidated financial statements do not include the income and expenditure of Edge Hill University Students' Union as it is a separate organisation in which the University has no financial interest and over which it has neither control nor significant influence in relation to policy decisions.

For the year ending 31st July 2024 the following subsidiaries were exempt from the requirement of an individual audit under section 479A of the Companies Act 2006 relating to subsidiary companies:

- Edge Hill Enterprises Limited, Registered no. 02550626
- Edge Hill Property Services Limited, Registered no. 03180143
- Edge Hill Maintenance Services Limited, Registered no. 03333261

Income recognition

Fee income is stated gross of any expenditure which is not a discount and credited to the Consolidated Statement of Income and Comprehensive Expenditure over the period in which students are studying. Where the amount of the fee income is reduced, by a discount for prompt payment, income receivable is shown net of the discount. Bursaries and scholarships are accounted for gross as expenditure and not deducted from income. Income from other services is credited to the Consolidated Statement of Comprehensive Income and Expenditure when the services are supplied to the external customers, or the terms of the contract have been satisfied. Investment income is credited to the statement of income and expenditure on a receivable basis.

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

Foreign currency

Transactions in foreign currencies are translated at the foreign exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are translated at the foreign exchange rate ruling at that date. Foreign exchange differences arising on translation are recognised in the surplus for the year.

Investments

Investments in subsidiaries are recorded at cost.

Grant funding

Government revenue grants including funding council block grant and research grants are recognised in income over the periods in which the University recognises the related costs for

EDGE HILL UNIVERSITY

STATEMENT OF ACCOUNTING POLICES FOR THE YEAR ENDED 31 JULY 2024 **(CONTINUED)**

which the grant is intended to compensate. Where part of a government grant is deferred it is recognised as deferred income within creditors and allocated between creditors due within one year and due after more than one year as appropriate.

Grants (including research grants) from non-government sources are recognised in income when the University is entitled to the income and performance related conditions have been met. Income received in advance of performance related conditions being met is recognised as deferred income within creditors in the Statement of Financial Position and released to income as the conditions are met.

Capital grants

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

Donations and Endowments

Non-exchange transactions without performance related conditions are donations and endowments. Donations and endowments with no restrictions are recognised in income when the University is entitled to the funds.

Accounting for retirement benefits

The three principal pension schemes for the University are the Local Government Pension Scheme (LGPS), the Universities Superannuation Scheme (USS) and the Teachers' Pension Scheme (TPS).

The LGPS is a defined benefit scheme that is valued every three years by a professionally qualified independent actuary. The assets of the scheme are held separately from those of the group. Pension scheme assets are measured using market values. Pension scheme liabilities are measured using a projected unit method and discounted at the current rate of return on a high-quality corporate bond of equivalent term and currency to the liability. Any pension scheme deficit is recognised in full with the movement in the scheme deficit being split between operating charges, finance items and actuarial gains and losses. Any pension scheme surplus is only recognised to the extent to which the University is able to recover the surplus through reduced contributions in the future.

The institution participates in Universities Superannuation Scheme. The scheme is a hybrid pension scheme, providing defined benefits (for all members), as well as defined contribution benefits. The assets of the scheme are held in a separate trustee-administered fund. Because of the mutual nature of the scheme, the assets are not attributed to individual institutions and a scheme-wide contribution rate is set. The institution is therefore exposed to actuarial risks associated with other institutions' employees and is unable to identify its share of the underlying assets and liabilities of the scheme on a consistent and reasonable basis. As required by Section 28 of FRS 102 "Employee benefits", the institution therefore accounts for the scheme as if it were a wholly defined contribution scheme. As a result, the amount charged to the profit and loss account represents the contributions payable to the scheme.

Since the institution has entered into an agreement (the Recovery Plan) that determines how each employer within the scheme will fund the overall deficit, the institution recognises a liability for the contributions payable that arise from the agreement (to the extent that they

EDGE HILL UNIVERSITY

STATEMENT OF ACCOUNTING POLICES FOR THE YEAR ENDED 31 JULY 2024 **(CONTINUED)**

relate to the deficit) and therefore an expense is recognised. No deficit recovery plan was required from the 2023 valuation, because the scheme was in surplus. Changes to contribution rates were implemented from 1 January 2024 and from that date the institution was no longer required to make deficit recovery contributions. Along with other employers, the University released the total liabilities held for future contributions to the profit and loss account.

The TPS is an unfunded defined benefit scheme that is valued at least every four years by the Government Actuary. The assets of the scheme are held separately from those of the group in an independently administered fund. The TPS is a multi-employer defined benefit scheme for which there are no underlying assets, and it is not possible to identify the underlying liabilities attributable to University members. As such the scheme is accounted for as a defined contribution retirement scheme.

Employment benefits

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

Fixed assets

Land and Buildings

Buildings are stated at cost less accumulated depreciation and accumulated impairment losses. Certain buildings that had been revalued to depreciated replacement cost on or prior to the date of transition to the 2015 FE/HE SORP, are measured on the basis of deemed cost, that being the value at transition. Such buildings are depreciated based on their revalued depreciated replacement cost over their remaining useful economic lives of between 20 and 70 years as agreed with independent external valuers.

A review for potential indicators of impairment is carried out at each reporting date. If events or changes in circumstances indicate that the carrying amount of the property may not be recoverable, a calculation of the impact is completed and arising impairment values charged against the asset and to the Statement of Comprehensive Income and Expenditure.

Freehold land is not depreciated as it is considered to have an indefinite useful life. Freehold buildings are depreciated at rates estimated to write off the cost or valuation over their anticipated useful lives the principal rates being:

	Years
Leased land	100
Landscaping	20
Temporary buildings	10

Leasehold land and buildings are depreciated over the life of the lease, to a maximum of 60 years.

No depreciation is charged on assets in the course of construction.

EDGE HILL UNIVERSITY

STATEMENT OF ACCOUNTING POLICES FOR THE YEAR ENDED 31 JULY 2024 **(CONTINUED)**

Where parts of a fixed asset have different useful lives, they are accounted for as separate items of fixed assets.

Equipment

Equipment, including computers and software, costing £20,000 or less per individual item is recognised as expenditure. All other equipment is capitalised.

Capitalised equipment is stated at cost and depreciated over its expected useful life as follows:

	Years
Computer Equipment	3
Computer Software	4
Non-electrical education equipment and furniture	10
Motor Vehicles	3

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

Borrowing costs

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

Operating leases

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

Stock

Stock held is valued at the lower of cost and estimated selling price less costs to complete and sell.

Cash and cash equivalents

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

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

Provisions, contingent liabilities and contingent assets

Provisions are recognised in the financial statements when:

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

EDGE HILL UNIVERSITY

STATEMENT OF ACCOUNTING POLICES FOR THE YEAR ENDED 31 JULY 2024 **(CONTINUED)**

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

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

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

Contingent assets and liabilities are not recognised in the Statement of Financial Position but are disclosed in the notes.

Taxation

The University is an exempt charity within the meaning of Part 3 of the Charities Act 2011, and, as such, is a charity within the meaning of Section 506 (1) of the Income and Corporation Taxes Act 1988. Accordingly, the University is potentially exempt from taxation in respect of income or capital gains received within categories covered by section 478-488 of the Corporation Tax Act 2010 (CTA 2010) or section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied to exclusively charitable purposes.

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

The University's subsidiaries are liable to corporation tax in the same way as any other commercial organisation.

Key Estimates and Judgements

The preparation of the Institution's financial statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies and reported amounts of assets and liabilities, income and expenses. These judgements, estimates and associated assumptions are based on historical experience and other factors including expectations of future events that are believed to be reasonable under the circumstances. The resulting accounting estimates will, by definition, seldom equal the actual results.

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. 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

EDGE HILL UNIVERSITY

STATEMENT OF ACCOUNTING POLICES FOR THE YEAR ENDED 31 JULY 2024 **(CONTINUED)**

an agreement with the scheme that determines how the employer will fund a deficit result in the recognition of a liability for the contributions payable that arise from the agreement (to the extent that they relate to the deficit) and the resulting expense in profit or loss in accordance with section 28 of FRS 102. The Governors are satisfied that the Universities Superannuation Scheme meets the definition of a multi-employer scheme and have therefore recognised the discounted fair value of the contractual contributions under the recovery plan in existence at the date of approving the financial statements.

Local Government Pension Scheme

In determining the valuation of the LGPS pension obligation, a number of key assumptions have been made. The key assumptions, which are given below, are largely dependent on factors outside the control of the Group:

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

Further information on the sensitivities of the key assumptions can be found in Note 20.

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

The mortality rate assumption is based on two distinct parts: the baseline assumption and the future improvements assumption. The baseline assumption takes account of the profile of the Scheme's membership as there is significant evidence that the amount of pension, where they live and the nature of their work are significant predictors of mortality rates. For the baseline assumption, the results of the most recent scheme-specific mortality analysis carried out are used to determine appropriate assumptions for funding purposes based on the UK Self-Administered Pension Scheme mortality tables. The future improvements assumption takes account of recent studies by the UK Actuarial Profession that have shown significant variation around the rate of mortality improvements. Following discussions with auditors, in 2022/23 actuaries have moved to the latest CMI improvement model whereas previously they adopted the improvements at the most recent actuarial valuation. Zero weighting has been lent to 2020 and 2021 experience as the long-term impacts of COVID 19 on mortality improvements are largely unknown.

On 11th March 2020 the Government and UKSA launched a consultation with a view to changing the RPI formula to make it consistent with the calculation of CPIH and on the 25th November they responded to the consultation confirming that RPI will increase in line with CPIH from 2030. Because CPIH construction generally gives lower inflation figures than RPI this means RPI inflation will be lower from 2030. Historically there has been no reliable indicator for market expectations of CPI inflation. Hence the assumption for CPI has typically been derived by making an adjustment for the expected long-term gap between RPI and CPI which is generally viewed as more credible than fixing the assumption based on the Bank of England CPI inflation target. This may change going forward, especially from 2030, when RPI is moved to CPIH.

EDGE HILL UNIVERSITY

STATEMENT OF ACCOUNTING POLICES FOR THE YEAR ENDED 31 JULY 2024
(CONTINUED)

In relation to both USS and LGPS, in preparing these financial statements a number of estimates and judgements have been made around provisions for pension liabilities. Further details are provided in note 20 to the accounts.

EDGE HILL UNIVERSITY**CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME AND EXPENDITURE
YEAR ENDED 31 JULY 2024**

	Note	Year ended 31 July 2024		Year ended 31 July 2023	
		Consolidated £'000	University £'000	Consolidated £'000	University £'000
Income					
Tuition Fees and Education contracts	1	105,202	105,202	108,125	108,125
Funding Body contracts	2	9,402	9,402	8,995	8,995
Research grants and contracts	3	2,219	2,219	2,157	2,157
Other income	4	22,125	23,974	21,993	23,702
Investment income		3,849	3,849	2,609	2,609
Total income		142,797	144,646	143,879	145,588
Expenditure					
Staff costs	6	91,851	91,851	89,834	89,834
Other operating expenses	7	40,604	42,246	39,481	41,046
Depreciation/Impairment		7,001	7,001	6,918	6,918
Interest and other finance costs	9	(832)	(635)	1,993	2,134
Total expenditure		138,624	140,463	138,226	139,932
Surplus before other gains losses and share of operating surplus/deficit of joint ventures and associates.		4,173	4,183	5,653	5,656
Profit / (Loss) on disposal of fixed assets		47	47	(1,848)	(1,848)
Surplus for the year		4,220	4,230	3,805	3,808
Actuarial gain in respect of LGPS pension scheme		1,753	1,753	59,724	59,724
Actuarial (loss)/gain in respect of enhanced pension		(61)	(61)	45	45
Other comprehensive income		1,692	1,692	59,769	59,769
Total comprehensive income		5,912	5,922	63,574	63,577

The consolidated income and expenditure of the institution and its subsidiaries relate wholly to continuing operations. All income for the year is unrestricted.

The notes on pages 67 to 90 form an integral part of these financial statements.

EDGE HILL UNIVERSITY**CONSOLIDATED STATEMENT OF CHANGES IN RESERVES
YEAR ENDED 31 JULY 2024**

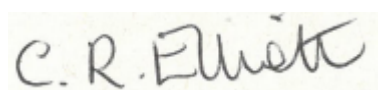
<u>Consolidated</u>	Income and Expenditure Account £'000	Revaluation Reserve £'000	Total £'000
Balance at 1 August 2022	243,080	41,561	284,641
Surplus from Statement of Comprehensive Income	3,805	-	3,805
Other comprehensive income	59,769	-	59,769
Release of revaluation reserve re loss on disposal	1,278	(1,278)	-
Transfers between revaluation and income and expenditure reserve	1,060	(1,060)	-
Total comprehensive income for the year	65,912	(2,338)	63,574
Balance at 1 August 2023	308,992	39,223	348,215
Surplus from Statement of Comprehensive Income	4,220	-	4,220
Other comprehensive income	1,692	-	1,692
Transfers between revaluation and income and expenditure reserve	994	(994)	-
Total comprehensive income for the year	6,906	(994)	5,912
Balance at 1 August 2024	315,898	38,229	354,127
<u>University</u>			
Balance at 1 August 2022	242,966	41,561	284,527
Surplus from the income and expenditure statement	3,808	-	3,808
Other comprehensive income	59,769	-	59,769
Release of revaluation reserve re loss on disposal	1,278	(1,278)	-
Transfers between revaluation and income and expenditure reserve	1,060	(1,060)	-
Total comprehensive income for the year	65,915	(2,338)	63,577
Balance at 1 August 2023	308,881	39,223	348,104
Surplus from the income and expenditure statement	4,230	-	4,230
Other comprehensive income	1,692	-	1,692
Transfers between revaluation and income and expenditure reserve	994	(994)	-
Total comprehensive income for the year	6,916	(994)	5,922
Balance at 1 August 2024	315,797	38,229	354,026

The notes on pages 67 to 90 form an integral part of these financial statements.

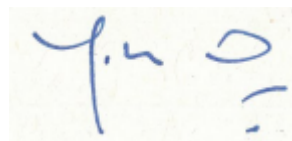
EDGE HILL UNIVERSITY**CONSOLIDATED STATEMENT OF FINANCIAL POSITION**
YEAR ENDED 31 JULY 2024

		Year ended 31 July 2024		Year ended 31 July 2023	
	Note	Consolidated	University	Consolidated	University
		£'000	£'000	£'000	£'000
Non-current assets					
Fixed assets	10	306,780	306,780	274,040	274,040
Investments in subsidiaries	11	-	7,139	-	7,139
Pensions	17	46,688	46,688	41,747	41,747
Other investments		2	2	2	2
		<u>353,470</u>	<u>360,609</u>	<u>315,789</u>	<u>322,928</u>
Current assets					
Stock	12	179	174	131	122
Trade and other receivables	13	14,649	15,240	13,378	14,014
Investments	14	41,250	41,250	62,000	62,000
Cash and cash equivalents		17,618	16,474	30,120	29,037
		<u>73,696</u>	<u>73,138</u>	<u>105,629</u>	<u>105,173</u>
Less: Creditors: amounts falling Due within one year	15	<u>(27,752)</u>	<u>(27,826)</u>	<u>(26,048)</u>	<u>(26,234)</u>
Net current assets		45,944	45,312	79,581	78,939
Total assets less current liabilities		<u>399,414</u>	<u>405,921</u>	<u>395,370</u>	<u>401,867</u>
Creditors: amounts falling due after more than one year	16	(44,414)	(51,022)	(43,480)	(50,088)
Provisions					
Pension provisions	17	(873)	(873)	(3,675)	(3,675)
Total net assets		<u>354,127</u>	<u>354,026</u>	<u>348,215</u>	<u>348,104</u>
Unrestricted Reserves					
Income and expenditure reserve		315,898	315,797	308,992	308,881
Revaluation reserve		38,229	38,229	39,223	39,223
Total Reserves		<u>354,127</u>	<u>354,026</u>	<u>348,215</u>	<u>348,104</u>

The financial statements on pages 55 to 90 were approved by the Board of Governors on 18 November 2024.



Clive Elliott - Chair, Board of Governors



Dr John Cater – Vice-Chancellor

EDGE HILL UNIVERSITY**CONSOLIDATED CASH FLOW STATEMENT**
YEAR ENDED 31 JULY 2024

	31 July 2024	31 July 2023
	£'000	£'000
Cash flow from operating activities		
Surplus for the year	4,220	3,805
Adjustment for non-cash items		
Depreciation	7,001	6,918
(Increase)/Decrease in stock	(48)	63
Increase in debtors	(828)	(978)
(Decrease)/Increase in creditors	(1,009)	2,750
(Decrease)/Increase in pension provisions	(6,051)	2,383
Adjustment for investing or financing activities		
Investment income	(3,849)	(2,609)
Interest payable	1,144	1,350
(Gain)/Loss on the sale of fixed assets	(47)	1,848
Capital grant income release	(786)	(878)
Net cash (outflow)/inflow from operating activities	<u>(253)</u>	<u>14,652</u>
Cash flows from investing activities		
Capital grants receipts	3,709	2,735
Investment income	3,406	1,744
Payments made to acquire fixed assets	(37,362)	(4,113)
Disposal proceeds	500	-
Decrease/(Increase) on deposits	20,750	(26,000)
Total cash flow from investing activities	<u>(8,997)</u>	<u>(25,634)</u>
Cash flows from financing activities		
Interest paid	(1,261)	(1,274)
Repayments of amounts borrowed	(1,991)	(2,159)
Total cash flow from financing activities	<u>(3,252)</u>	<u>(3,433)</u>
(Decrease)/Increase in cash and cash equivalents in the year	<u>(12,502)</u>	<u>(14,415)</u>
Cash and cash equivalents at the beginning of the year	<u>30,120</u>	<u>44,535</u>
Cash and cash equivalents at the end of the year	<u>17,618</u>	<u>30,120</u>

EDGE HILL UNIVERSITY

NOTES TO THE ACCOUNTS

	Year ended 31 July 2024		Year ended 31 July 2023	
	Consolidated	University	Consolidated	University
	£'000	£'000	£'000	£'000
1. Tuition Fees and Education Contracts				
Full-time home and EU students	97,548	97,548	101,876	101,876
Full-time international students	4,993	4,993	3,275	3,275
Part-time students	1,234	1,234	1,156	1,156
Short course fees	1,427	1,427	1,818	1,818
	105,202	105,202	108,125	108,125
2. Funding Body Grants				
Recurrent grant				
Office for Students	5,938	5,938	5,489	5,489
Specific grant				
Research England	3,006	3,006	3,078	3,078
Higher Education Innovation Fund	398	398	278	278
Office for Students	-	-	135	135
Department for Education	60	60	15	15
	9,402	9,402	8,995	8,995
3. Research Grants and Contracts				
Research council	651	651	927	927
Research charities	416	416	330	330
Industry and commerce	190	190	55	55
Other	962	962	845	845
	2,219	2,219	2,157	2,157
4. Other Income				
Residences, catering and conferences	12,683	12,581	12,898	12,758
Other income	9,442	11,393	9,095	10,944
	22,125	23,974	21,993	23,702
5. Grant and Fee Income				
Grant income from the OfS	5,938	5,938	5,624	5,624
Grant income from other bodies	5,683	5,683	5,528	5,528
Fee income from taught awards	104,368	104,368	107,380	107,380
Fee income from research awards	316	316	278	278
Fee income from non-qualifying courses	518	518	467	467
	116,823	116,823	119,277	119,277
6. Staff Costs				
Salaries	74,071	74,071	68,275	68,275
Actuarial pension adjustment	(1,106)	(1,106)	2,278	2,278
Social security costs	7,377	7,377	6,848	6,848
Movement on USS provision	(2,845)	(2,845)	(521)	(521)
Other pension costs	14,354	14,354	12,954	12,954
	91,851	91,851	89,834	89,834

EDGE HILL UNIVERSITY

NOTES TO THE ACCOUNTS (CONTINUED)

Emolument of the Vice-Chancellor

	2024	2023
	£'000	£'000
Basic Salary	273	259
Bonus	20	20
Payment in lieu of pension	69	61
	<hr/>	<hr/>
	362	340
Benefits in kind	4	4
	<hr/>	<hr/>
	366	344
	<hr/>	<hr/>
Net Pay	208	195
	<hr/>	<hr/>

The Vice-Chancellor's basic salary is 8.7 times the median pay of staff (2023: 8.7), where the median pay is calculated on a full-time equivalent basis for the salaries paid by the University to its staff

The Vice Chancellor's total remuneration is 10.9 times the median total remuneration of staff (2023: 11.3), where the median total remuneration is calculated on a full-time equivalent basis for the total remuneration paid by the University to its staff.

The Vice Chancellor's basic salary is 6.4 times the mean pay of staff (2023: 6.5) where the mean pay is calculated on a full-time equivalent basis for the salaries paid by the University to its staff.

The Vice Chancellor's total remuneration is 8.2 times the mean pay of staff (2023: 8.4) where the mean total remuneration is calculated on a full-time equivalent basis for the total remuneration paid by the University to its staff.

The number of staff with a basic salary of over £100,000 per annum has been included below.

	2024	2023
	Number	Number
£100,000 - £104,999	2	2
£105,000 - £109,999	1	1
£110,000 - £114,999	2	1
£115,000 - £119,999	-	1
£120,000 - £124,999	1	-
£135,000 - £139,999	-	2
£145,000 - £149,999	2	-
£160,000 - £164,999	1	-
£205,000 - £209,999	-	1
£255,000 - £260,000	-	1
£270,000 - £274,999	1	-

Average Full Time Equivalent staff numbers by function

	2024	2023
	Number	Number
Academic Departments	922	902
Academic Support Services	132	126
Other Support Services	235	211
Administration and Central Services	151	147
Premises	138	133
Income Generating Activities	43	46
Catering and Residence	49	42
	<hr/>	<hr/>
	1,670	1,607
	<hr/>	<hr/>

EDGE HILL UNIVERSITY

NOTES TO THE ACCOUNTS (CONTINUED)

Severance Payments

During the year the University paid £570k in compensation for loss of office to 29 employees (2023: £147k to 21 employees).

Key Management Personnel

Key management personnel are defined as those persons having authority and responsibility for planning, directing and controlling the activities of the University. Total compensation consists of salary and benefits including any employers pension contribution.

	2024	2023
Number of Staff	7	7
Total compensation (£'000)	1,487	1,514

Governor Members

The University governor members are the trustees for charitable law purposes. Due to the nature of the University's operations and the composition of the Board of Governors, being drawn from local public and private sector organisations, it is possible that transactions can take place with organisations in which a member of the Board of Governors may have an interest. All transactions involving organisations in which a member of Council may have an interest are conducted at arm's length and in accordance with the University's Financial Regulations and usual procurement procedures. In their capacity as trustees of the University, members of the Board of Governors are entitled to expenses to reimburse travel and subsistence associated with attendance at governors and committee meetings as well as courses and conferences related to their role. Total expenses paid to or on behalf of the 11 independent members of the Board of Governors was £572. Expenses paid in the previous year was £147.

Trade Union Facilities Time – Statutory Report 01 April 2023 to 31 March 2024

Relevant Union Officials

Total number of employees who were relevant union officials during the relevant period:

Number of employees who were relevant union officials during the relevant period	8
Full-time equivalent employee number (weekly FTE)	6.86 FTE

Percentage of time spent on facility time

Number of employees who were relevant union officials employed during the relevant period spending a) 0%, b) 1%-50%, c) 51%-99% or d) 100% of their working hours on facility time

EDGE HILL UNIVERSITY

NOTES TO THE ACCOUNTS (CONTINUED)

Percentage of time	Number of employees
0%	1
1-50%	7
51%-99%	0
100%	0

Percentage of pay bill spent on facility time

Total cost of facility time as percentage of the total pay bill spent on paying employees who were relevant union officials for facility time during the relevant period (includes pension and NI contributions).

Total cost of facility time	£31,994
Total pay bill	£92,974,712
Percentage of the total pay bill spent on facility time, calculated as: (total cost of facility time ÷ total pay bill) x 100	0.03%

Paid trade union activities

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

Time spent on paid trade union activities as a percentage of total paid facility time hours calculated as: (total hours spent on paid trade union activities by relevant union officials during the relevant period ÷ total paid facility time hours) x 100	1.92%
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EDGE HILL UNIVERSITY

NOTES TO THE ACCOUNTS (CONTINUED)

7. Analysis of Other Operating Expenses

	Year ended 31 July 2024		Year ended 31 July 2023	
	Consolidated	University	Consolidated	University
	£'000	£'000	£'000	£'000
Residence, catering and conferences operating expenses	1,585	1,580	1,650	1,643
Books and periodicals	1,505	1,505	1,510	1,510
Heat, light, water, electricity, waste collection and rates	4,788	4,788	3,290	3,290
Maintenance materials	5,148	5,090	6,321	6,277
Office services and supplies	1,510	1,501	1,297	1,287
Consumables and supplies	3,353	3,265	3,298	3,247
Publicity and advertising	928	927	925	923
Staff training and development	623	614	540	535
Bursaries	647	647	893	893
School practice and educational visits	1,052	1,052	1,161	1,161
School based training payments	1,582	1,582	1,639	1,639
Temporary staff	529	529	556	556
Staff travel and subsistence	1,132	1,120	1,115	1,096
Grants to Student Union	686	686	753	753
Professional fees	2,639	2,608	2,467	2,438
Auditors' remuneration – external audit *	100	102	110	96
Auditors' remuneration – internal audit	68	68	54	54
Auditors' remuneration in respect of non-audit services	40	30	73	62
Other operating expenses	12,689	14,552	11,829	13,586
	40,604	42,246	39,481	41,046

Other operating expenses include:

Operating lease rentals	120	120	144	144
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*Note that the auditors remuneration for external audit for the University includes £2k of 22/23 fees, therefore the total figure for 23/24 is £100k.

8. Access and Participation

	Year ended 31 July 2024		Year ended 31 July 2023	
	Consolidated	University	Consolidated	University
	£'000	£'000	£'000	£'000
Access Investment (i)	1,284	1,284	1,254	1,254
Financial Support	739	739	807	807
Disability Support	2,004	2,004	1,434	1,434
Research and Evaluation (ii)	177	177	144	144
	4,204	4,204	3,639	3,639

(i) As a very significant proportion of the student population have one or more widening participation characteristic, the University has made use of cost drivers to separately analyse out Access and Participation spend. For example, we have assigned Access investment costs based on the number of students that have one or more widening participation characteristic compared to the total number of students supported.

(ii) The Access and Participation Plan of the University is available at:

<https://www.edgehill.ac.uk/documents/access-participation-plan/>

EDGE HILL UNIVERSITY

NOTES TO THE ACCOUNTS (CONTINUED)

9. Interest and Other Finance Costs	Year ended 31 July 2024		Year ended 31 July 2023	
	Consolidated £'000	University £'000	Consolidated £'000	University £'000
Loan interest	1,144	1,341	1,253	1,394
LGPS pension finance adjustment	(2,082)	(2,082)	610	610
Movement on USS provision	61	61	96	96
Enhanced Pension Interest	45	45	34	34
	<u>(832)</u>	<u>(635)</u>	<u>1,993</u>	<u>2,134</u>

10. Fixed Assets

Consolidated

	Buildings Under Constructio n	Land and Building s	Long Term Leased Land and Building s	Equipmen t	Leased Equipmen t	Vehicle s	Total
	£000	£000	£000	£000	£000	£000	£000
Cost							
At 1 August 2023	5,313	310,083	2,933	14,826	11	573	333,739
Additions	39,478	-	-	716	-	-	40,194
Disposals	-	-	(1,040)	(855)	-	-	(1,895)
At 31 July 2024	<u>44,791</u>	<u>310,083</u>	<u>1,893</u>	<u>14,687</u>	<u>11</u>	<u>573</u>	<u>372,038</u>
Depreciation							
At 1 August 2023	-	46,984	708	11,861	11	135	59,699
Charge for the year	-	5,871	32	935	-	163	7,001
Disposals	-	-	(587)	(855)	-	-	(1,442)
At 31 July 2024	<u>-</u>	<u>52,855</u>	<u>153</u>	<u>11,941</u>	<u>11</u>	<u>298</u>	<u>65,258</u>
Net book value	44,791	257,228	1,740	2,746	-	275	306,780
At 31 July 2024	<u>44,791</u>	<u>257,228</u>	<u>1,740</u>	<u>2,746</u>	<u>-</u>	<u>275</u>	<u>306,780</u>
At 31 July 2023	<u>5313</u>	<u>263,099</u>	<u>2,225</u>	<u>2,965</u>	<u>-</u>	<u>438</u>	<u>274,040</u>

As at 31st July 2024 Land and Buildings included £20.028m (2023: £20.028m) in respect of freehold land that is not depreciated.

EDGE HILL UNIVERSITY**NOTES TO THE ACCOUNTS (CONTINUED)**

University	Buildings Under Construction	Land and Buildings	Long Term Leased Land and Buildings	Equipment	Leased Equipment	Vehicles	Total
	£000	£000	£000	£000	£000	£000	£000
Cost							
At 1 August 2023	5,313	307,647	5,371	14,825	11	573	333,740
Additions	39,478	-	-	716	-	-	40,194
Disposals	-	-	(1,040)	(855)	-	-	(1,895)
At 31 July 2024	44,791	307,647	4,331	14,686	11	573	372,039
Depreciation							
At 1 August 2023	-	46,487	1,205	11,862	11	135	59,700
Charge for the year	-	5,816	87	935	-	163	7,001
Disposals	-	-	(587)	(855)	-	-	(1,442)
At 31 July 2024	-	52,303	705	11,942	11	298	65,259
Net book value	44,791	255,344	3,626	2,744	-	275	306,780
At 31 July 2024	44,791	255,344	3,626	2,744	-	275	306,780
At 31 July 2023	5,313	261,160	4,166	2,963	-	438	274,040

As at 31st July 2024 Land and Buildings included £20.028m (2023: £20.028m) in respect of freehold land that is not depreciated.

EDGE HILL UNIVERSITY

NOTES TO THE ACCOUNTS (CONTINUED)

11. Investments in subsidiaries

	University	
	2024	2023
	£000	£000
Non-current investments consist of:		
Investment in Edge Hill Enterprises Limited	1	1
Investment in Edge Hill Property Services Limited	7,138	7,138
Investment in Edge Hill Maintenance Services Limited	-	-
	<u>7,139</u>	<u>7,139</u>

The University owns 100% of the issued share capital of its subsidiary company Edge Hill Enterprises Limited (£1,000). The principal activities of the company are the provision of sports facility management services on behalf of the University.

The University owns 100% of the issued share capital of its subsidiary company Edge Hill Property Services Limited (£7,138,000). The principal activities of this company relate to the management and maintenance of property owned by Edge Hill University.

Edge Hill Maintenance Services Limited is a company limited by guarantee. The principal activities of the company are to maintain and repair premises owned by Edge Hill University.

All subsidiary companies are registered in England and operate in the U.K.

12. Stock

	Year ended 31 July 2024		Year ended 31 July 2023	
	Consolidated	University	Consolidated	University
	£'000	£'000	£'000	£'000
General Consumables	<u>179</u>	<u>174</u>	<u>131</u>	<u>122</u>

EDGE HILL UNIVERSITY

NOTES TO THE ACCOUNTS (CONTINUED)

13. Trade and other receivables	Year ended 31 July 2024		Year ended 31 July 2023	
	Consolidated	University	Consolidated	University
	£'000	£'000	£'000	£'000
Amounts falling due within one year:				
Payments in advance	3,066	3,050	2,872	2,857
Trade receivables	11,450	11,421	10,493	10,459
Other amounts owed by subsidiary undertakings	-	636	-	685
VAT	133	133	-	-
Amounts falling due after one year:				
Other	-	-	13	13
	14,649	15,240	13,378	14,014

14. Current Investments	Year ended 31 July 2024		Year ended 31 July 2023	
	Consolidated	University	Consolidated	University
	£'000	£'000	£'000	£'000
Short term deposits	41,250	41,250	62,000	62,000
	41,250	41,250	62,000	62,000

Short term deposits are funds held with banks and building societies operating in the London market and licensed by the Financial Services Authority with more than three months maturity from the point at which the investment was made. The interest rates for these deposits are fixed for the duration of the deposit at time of placement.

At 31 July 2024, the weighted average interest rate of these fixed rate deposits was 5.37% per annum, and the remaining weighted average period for which the interest rate is fixed on these deposits was 185 days. The fair value of these deposits is the same as the bank value.

EDGE HILL UNIVERSITY

NOTES TO THE ACCOUNTS (CONTINUED)

15. Creditors: amounts falling due within one year

	Year ended 31 July 2024		Year ended 31 July 2023	
	Consolidated	University	Consolidated	University
	£'000	£'000	£'000	£'000
Unsecured bank loans	1,870	1,870	1,966	1,966
Other loans	-	-	25	25
VAT payable	3	-	183	180
Trade payables	4,399	4,369	2,819	2,806
Social security and other taxation payable	3,501	3,501	3,459	3,459
Accruals and deferred income	17,979	17,942	17,596	17,565
Amount owed to subsidiary undertakings	-	144	-	233
	<u>27,752</u>	<u>27,826</u>	<u>26,048</u>	<u>26,234</u>

16. Creditors: amounts falling due after more than one year

	Year ended 31 July 2024		Year ended 31 July 2023	
	Consolidated	University	Consolidated	University
	£'000	£'000	£'000	£'000
Deferred Capital Grants	25,699	25,699	22,895	22,895
Obligations under finance lease	-	3,466	-	3,466
Unsecured bank loans	18,715	18,715	20,585	20,585
Amounts owed to subsidiary undertakings	-	3,142	-	3,142
	<u>44,414</u>	<u>51,022</u>	<u>43,480</u>	<u>50,088</u>

Analysis of unsecured loans:

	2024	2023
	£'000	£'000
Due within one year or on demand	1,870	1,966
Due between one and two years	1,795	1,870
Due between two and five years	5,160	5,235
Due in five years or more	11,760	13,480
Total unsecured loans	<u>20,585</u>	<u>22,551</u>

Included in loans are the following:

Lender	Amount £'000	Remaining Term	Interest rate %
Barclays Bank	225	1.5	5.2
Barclays Bank	1,600	8	5.515
Barclays Bank	2,560	8	5.775
Barclays Bank	<u>16,200</u>	13.5	5.23
	<u>20,585</u>		

EDGE HILL UNIVERSITY

NOTES TO THE ACCOUNTS (CONTINUED)

17. Provisions for liabilities

Consolidated and University	Obligation to fund deficit on USS Pension	Pension enhancements on termination	Defined Benefit Obligations	Total pensions Provisions
At 1 August 2023	2,784	891	(41,747)	(38,072)
Utilised in year	(82)	(123)	(6,730)	(6,935)
Increase/(decrease) in provision in year	(2,702)	105	1,789	(808)
As At 31 July 2024	-	873	(46,688)	(45,815)

As a result of the continued gains arising from the change in financial assumptions, the net balance of Edge Hill University's funded defined benefit obligation has remained in a surplus position at the reporting date. A limit on the maximum amount of surplus which can be recognised has been calculated based on reduced future contributions measured as the present value of the future service costs in respect of active members benefit accrual. The recognisable surplus has been recognised as an asset on the Statement of Financial Position.

Obligation to fund deficit on USS Pension

At 31 July 2023, the institution's balance sheet included a liability of £2,784,080.00 for future contributions payable under the deficit recovery agreement which was concluded on 30 September 2021, following the 2020 valuation when the scheme was in deficit. No deficit recovery plan was required from the 2023 valuation, because the scheme was in surplus. Changes to contribution rates were implemented from 1 January 2024 and from that date the institution was no longer required to make deficit recovery contributions. The remaining liability of £2,784,080.00 was released to the profit and loss account. Further disclosures relating to the deficit recovery liability can be found in note 20.

Pension enhancements on termination

This relates to a provision for enhanced pensions agreed on termination of employment. A discount rate of 4.8% is assumed in calculating the provision for pension enhancements on termination.

The decrease in provision related to pension enhancements consists of interest on the previous year's provision of £45k and an actuarial loss over the year that has been charged to Other Comprehensive Income of £61k.

Defined Benefit Obligation

This relates to the defined benefit obligation in relation to LGPS. The detailed note explaining the movement in LGPS pension obligations is provided in note 20 below.

18. Capital and other commitments

	Consolidated and University 2024 £000	2023 £000
Contracted at 31 July	<u>5,790</u>	<u>4,393</u>
Authorised but not contracted at 31 July	<u>1,679</u>	<u>49,440</u>

EDGE HILL UNIVERSITY

NOTES TO THE ACCOUNTS (CONTINUED)

19. Finance Leases

The net finance leases obligations to which the institution is committed are:

	Consolidated		University	
	2024	2023	2024	2023
	£000	£000	£000	£000
In one year or less	-	-	-	-
Between one and two years	-	-	-	-
Between two and five years	-	-	-	-
In five years or more	-	-	3,466	3,466
	<u>-</u>	<u>-</u>	<u>3,466</u>	<u>3,466</u>

20. Pension

Local Government Pension Scheme (LGPS)

LGPS 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 actuaries. In the intervening years, the LGPS actuary reviews the progress of the LGPS scheme.

LGPS is a funded defined benefit scheme with assets held in separate trustee administered funds. The latest full actuarial valuation was carried out as at 31st March 2022. The major assumptions used in this valuation were:

Actuarial method	Projected Unit
Rate of Discount	4.5% per annum
Pension increases per annum	3.1% per annum
Pensionable pay increases per annum	4.6% per annum
Market value of assets at date of last valuation	£10,712 million

The employer contribution rate agreed from 1st April 2023 is 17.8%. This has been agreed following a satisfactory covenant assessment by the LGPS. This is expected to remain unchanged in the next reporting period. Following the outcome of the LGPS triennial actuarial review there is no longer a need to pay additional amounts to fund a deficit. Employee contribution rates vary according to salary level bandings.

The scheme assets do not include any of the University's own financial instruments or any property occupied by the University. Estimated employer contributions to the scheme in the financial year 2024/25 are £5.65m.

In October 2018, the High Court handed down a judgment involving the Lloyds Banking Group's defined benefit pension schemes. The judgment concluded the schemes should be amended to equalise pension benefits for men and women in relation to guaranteed minimum pension benefits, "GMP". In response to this judgement HM Treasury stated that public sector schemes already have a method to equalise guaranteed minimum pension benefits. It is therefore concluded that it is not appropriate for any provision to be included for the effect of the Lloyds Bank judgement. It should be noted, however that in due course there may be a further cost to the LGPS and its employers in connection with equalisation indexation when the government confirm the overall approach which it wishes to adopt in this area following consultation.

EDGE HILL UNIVERSITY

NOTES TO THE ACCOUNTS (CONTINUED)

In December 2018, the Court of Appeal ruled against the Government in the two linked cases of Sargeant and McCloud relating to the Firefighters unfunded pension schemes and the Judicial pension arrangements. The Court held that transitional protections afforded to older members within the reformed schemes constituted unlawful age discrimination. This decision was upheld following appeal in 27 June 2019, by the Supreme Court. As a result, the Government has accepted that remedies relating to these cases will need to be made in relation to all public service pension schemes, including the LGPS and calculations have been based on the proposals contained within the consultation released by MHCLG on 16 July 2020.

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

EDGE HILL UNIVERSITY

NOTES TO THE ACCOUNTS (CONTINUED)

The solvency funding level (proportion of liabilities covered by assets) is 100%. The full actuarial valuation was updated for FRS102 purposes to 31st July 2024 by a qualified independent actuary as follows:

	2024	2023	2022
Inflation assumption CPI	2.6%	2.7%	2.7%
Rate of increase in salaries	4.1%	4.2%	4.2%
Rate of increase in pensions	2.7%	2.8%	2.8%
Discount rate applied to scheme liabilities	4.9%	5.1%	3.5%

Assumed life expectation on retirement age of 65 are:	At 31 July 2024	At 31 July 2023
Retiring today		
Males	21	21
Females	23.5	23.4
Retiring in 20 years		
Males	22.2	22.2
Females	25.3	25.2

The Fund Actuary has used the mortality assumption in line with the most recent valuation with the latest CMI projection model. The post retirement mortality tables have been constructed based on S3PA analysis. The assumptions used by the actuary are best estimates chosen from a range of possible actuarial assumptions, which due to the timescale covered, may not necessarily be borne out in practice.

The fund actuary has confirmed that the discount rate has been reduced by 0.10% for the “very mature retirees” and “mature retirees” profiles (durations up to 20.5 years). This is a change in accounting estimate.

Local Government Pension Scheme (Continued)

The fair value of the scheme's assets is:

	2024 Value £'000	2023 Value £'000	2022 Value £'000
Equities	114,312	108,274	101,534
Government Bonds	240	895	-
Other Bonds	240	-	9,465
Property	20,370	21,252	23,448
Cash/Liquidity	3,355	1,342	3,442
Other	101,131	91,943	77,227
	239,648	223,706	215,116

EDGE HILL UNIVERSITY

NOTES TO THE ACCOUNTS (CONTINUED)

The scheme's assets are not intended to be realised in the short term and maybe subject to significant change before they are realised. The following amounts at 31 July 2024 were measured in accordance with the requirements of FRS102:

	2024	2023	2022
University's estimated asset share	239,648	223,706	215,116
Present value of scheme liabilities	<u>(192,960)</u>	<u>(181,959)</u>	<u>(230,205)</u>
Surplus/(Deficit) in the scheme	<u>46,688</u>	<u>41,747</u>	<u>(15,089)</u>

Asset and Liability Reconciliation

	2024	2023
	£000	£000
Reconciliation of Liabilities		
Liabilities at start of period	181,959	230,205
Service cost	4,555	7,450
Past Service Cost and curtailments	2	-
Interest cost	9,162	8,001
Employee contributions	2,038	1,899
Remeasurements	1,974	(60,554)
Benefits paid	(6,730)	(5,042)
Curtailments and settlements		-
Liabilities at end of period	<u>192,960</u>	<u>181,959</u>
Reconciliation of Assets		
Assets at start of period	223,706	215,116
Interest cost	11,434	7,565
Remeasurements	3,727	(830)
Administration expenses	(190)	(174)
Employer contributions	5,663	5,172
Employee contributions	2,038	1,899
Benefits paid	(6,730)	(5,042)
Assets at end of period	<u>239,648</u>	<u>223,706</u>

EDGE HILL UNIVERSITY

NOTES TO THE ACCOUNTS (CONTINUED)

Local Government Pension Scheme (Continued)

Analysis of the amount charged to comprehensive income and expenditure

	2024	2023
	£000	£000
Employer service cost	(4,555)	(7,450)
Past service cost/curtailments	(2)	-
Employer contributions	5,663	5,172
Total operating charge	<u>1,106</u>	<u>(2,278)</u>

Analysis of pension finance costs

	2024	2023
	£000	£000
Interest on plan assets less administration expenses	11,244	7,391
Interest on pension liabilities	(9,162)	(8,001)
Net finance charge	<u>2,082</u>	<u>(610)</u>

Analysis of other comprehensive income

	2024	2023
	£000	£000
Remeasurements (assets)	3,727	(830)
Remeasurements (liabilities)	(1,974)	60,554
Net actuarial gain less recognised in SOCI	<u>1,753</u>	<u>59,724</u>

Movement in deficit/surplus during the year

	2024	2023
	£000	£000
Surplus in scheme at 1 August	41,747	(15,089)
Movement in year:		
Current service charge	(4,555)	(7,450)
Contributions	5,663	5,172
Part service cost/curtailments	(2)	-
Net finance charge	2,082	(610)
Gain/Loss recognised in other comprehensive income	1,753	59,724
Surplus/(Deficit) in scheme at 31 July	<u>46,688</u>	<u>41,747</u>

History of experience gains and losses

	2024	2023	2022	2021	2020
Remeasurement gains/(losses) on scheme liabilities:					
Amount	(1,974)	60,554	80,107	(11,997)	(29,173)
% of scheme liabilities	(1.02%)	33.3%	34.8%	(4.0%)	(10.7%)

EDGE HILL UNIVERSITY

NOTES TO THE ACCOUNTS (CONTINUED)

Teachers Pension Scheme

The Teachers Pension Scheme (TPS) is an unfunded statutory defined benefit scheme for academic staff. The regulations under which the TPS operates are the Teachers' Pensions Regulations 2010 (as amended) and the Teachers' Pensions regulations 2014 (as amended).

Every four years the Government Actuary's department carries out a valuation of the TPS.

The assumptions and other data that have the most significant effect on the determination of the contribution levels are as follows:

Latest actuarial valuation	31 March 2020
Actuarial method	Projected Unit
Discount rate	CPI+1.7%
Pension increase	Equal to CPI
Rate of CARE revaluation	Equal to CPI

The key results of the latest actuarial valuation were that aggregated scheme assets at the 31st March 2020 are valued at £222.2billion and scheme liabilities are £262billion leaving a shortfall of £39.8billion. It should be noted that actuarial scheme valuations are dependent on assumptions about the value of future costs, design of benefits and many other factors.

As a result of the latest actuarial valuation the employer contribution rate rose from 23.68% to 28.68% on 1st April 2024. An administration levy of an additional 0.08% is also paid by employers.

A copy of the latest valuation report can be found by viewing the Teacher's Pension website:
<http://www.teacherspensions.co.uk/news/employers/2023/10/valuation-result.aspx>

The TPS is a multi-employer defined benefit scheme for which there are no underlying assets, and it is not possible to identify the underlying liabilities attributable to University members and therefore, as required by FRS102 (28), 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 period.

SCHEME CHANGES

In December 2018, the Court of Appeal held that transitional protection provisions contained in the reformed judicial and firefighter pension schemes, introduced as part of public service pension reforms in 2015, gave rise to direct age discrimination and were therefore unlawful. The Supreme Court, in a decision made in June 2019, rejected the Government's application for permission to appeal the Court of Appeal's ruling and subsequently referred the case to an Employment Tribunal to determine a remedy which will need to be offered to those members of the two schemes who were subject of the age discrimination.

Since then, claims have also been lodged against the main public service schemes including the TPS. The Department has conceded those in line with the rest of the government. In July 2020 HM Treasury launched a 12-week public consultation to provide evidence to support the delivery of an appropriate remedy for the affected schemes, including TPS. This has, in turn, led to reforms to the Cost Control Mechanism, formalised following the recommendation of the Independent Public Pension Commission 2011.

EDGE HILL UNIVERSITY

NOTES TO THE ACCOUNTS (CONTINUED)

A case ('Goodwin') brought in the Employment Tribunal against the Teachers' Pension Scheme in 2020 highlighted the potential for the form of dependants' benefits to result in direct sexual orientation discrimination. The Government announced that it will make amendments to the Teacher's Pension Scheme to address this discrimination.

The impact of these benefit changes is factored into assumptions for the 2023 actuarial valuation. This was estimated to be an increase of 0.4% per annum to the employer contribution rate, with no impact on the cost control mechanism.

Universities Superannuation Scheme

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

The total amount applied to the Consolidated Statement of Comprehensive Income is £285,247 (2023: £632,536).

Deficit recovery contributions due within one year are £0 (2023: £196,000).

A deficit recovery plan was put in place as part of the 2020 valuation, which required payment of 6.2% of salaries over the period 1 April 2022 until 31 March 2024, at which point the rate would increase to 6.3%. As set out in Note 17, no deficit recovery plan was required under the 2023 valuation because the scheme was in surplus on a technical provisions basis. The institution was no longer required to make deficit recovery contributions from 1 January 2024 and accordingly released the outstanding provision to the profit and loss account.

The latest available complete actuarial valuation of the Retirement Income Builder is as at 31 March 2023 (the valuation date), which was carried out using the projected unit method.

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

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

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

CPI Assumption	Term dependent rates in line with the difference between the Fixed Interest and Index linked yield curves less: 1.0% p.a to 2030, reducing linearly by 0.1% p.a from 2023
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EDGE HILL UNIVERSITY

NOTES TO THE ACCOUNTS (CONTINUED)

Pensions increases (subject to a floor of 0%)	Benefits with no cap: CPI assumption plus 3bps Benefits subject to a "soft cap" of 5% (providing inflationary increases up to 5%, and half of any excess inflation over 5% up to a maximum of 10%): CPI assumption minus 3bps
Discount Rate (forward rates)	Fixed interest gilt yield curve plus: Pre-retirement: 2.5% p.a Post-retirement: 0.9% p.a

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

	2023 Valuation
Mortality base table	101% of S2PMA "light" for males and 95% of S3PFA for females
Future improvements to mortality	CMI 2021 with a smoothing parameter of 7.5, an initial addition of 0.4% p.a., 10% w2020 and w2021 parameters, and a long-term improvement rate of 1.8% pa for males and 1.6% pa for females

The current life expectancies on retirement at age 65 are:

	2024	2023
Males currently aged 65 (years)	23.7	24.0
Females currently aged 65 (years)	25.6	25.6
Males currently aged 45 (years)	25.4	26
Females currently aged 45 (years)	27.2	27.4

At 31 July 2023, the institution's balance sheet included a liability of £2,784,080.00 for future contributions payable under the deficit recovery agreement, which was concluded on 30 September 2021, following the 2020 valuation when the scheme was in deficit. No deficit recovery plan was required from the 2023 valuation, because the scheme was in surplus. Changes to contribution rates were implemented from 1 January 2024 and from that date the institution was no longer required to make deficit recovery contributions. The remaining liability of £2,784,080.00 was released to the profit and loss account.

21. Analysis of Changes in Net Funds	Cash at Bank & In hand £000	Short Term Deposits £000	Debt £000	Total £000
As at August 2023	30,120	62,000	(22,576)	69,544
Cash	(12,502)	(20,750)	1,991	(31,261)
As at 31 July 2024	17,618	41,250	(20,585)	38,283

EDGE HILL UNIVERSITY**NOTES TO THE ACCOUNTS (CONTINUED)**

22. Bursary and Hardship Funds	Year ended 31 July 2024		Year ended 31 July 2023	
	Consolidated £'000	University £'000	Consolidated £'000	University £'000
Paramedic Bursaries				
Balance at 1 August	25	25	25	25
Grants	-	-	-	-
Disbursed to students	-	-	-	-
Balance at 31 July	<u>25</u>	<u>25</u>	<u>25</u>	<u>25</u>
Teacher Training Bursaries				
Balance at 1 August	(34)	(34)	(38)	(38)
Grants	3,017	3,017	1,529	1,529
Balance written off	-	-	3	3
Disbursed to students	(3,247)	(3,247)	(1,528)	(1,528)
Balance at 31 July	<u>(264)</u>	<u>(264)</u>	<u>(34)</u>	<u>(34)</u>

Funds provided by the DfE were used only in accordance with the provision of the Education Act 1994 (as amended by the Education Act 2005), the financial memorandum, and all other terms and conditions that the DfE has set.

EDGE HILL UNIVERSITY

NOTES TO THE ACCOUNTS (CONTINUED)

	Year ended 31 July 2024		Year ended 31 July 2023	
	Consolidated	University	Consolidated	University
	£'000	£'000	£'000	£'000
Early Years Bursaries				
Balance at 1 August	4	4	4	4
Grants	-	-	-	-
Write off	(4)	(4)	-	-
Disbursed to students	-	-	-	-
Balance at 31 July	-	-	4	4
SKE Hardship Funds				
Balance at 1 August	14	14	14	14
Grants	-	-	-	-
Write off	(14)	(14)	-	-
Disbursed to students	-	-	-	-
Balance at 31 July	-	-	14	14
Physicians Associates				
Balance at 1 August	-	-	(18)	(18)
Grants	-	-	-	-
Transferred	-	-	92	92
Disbursed to students	-	-	(74)	(74)
Balance at 31 July*	-	-	-	-

*The balance on Physicians Associates has been reassessed as not a bursary and transferred to the comprehensive income and expenditure account.

23. Related Party Transactions

Due to the nature of the institution's operations and the composition of the Board (Members being drawn from local public and private sector organisations) it is possible that transactions will take place with organisations in which a member of the Board may have an interest. The University maintains a register of interests for all related parties of the University and undertakes checks to establish whether there has been any transfer of resources, services or obligations between the University and the related party and ensures transactions involving organisations in which a member may have an interest are conducted at arm's length and in accordance with the financial regulations of the Board and normal procurement procedures. Included within the financial statements are the following transactions with related parties:

	Income	Expenditure	Balance at
	£'000	£'000	31 st July 2024
			£'000
Edge Hill Student Union	380	691	380

Edge Hill Student Union is an independent organisation largely funded by Edge Hill University. The University has taken advantage of the exemption allowed under FRS102 not to disclose transactions between wholly owned group companies.

EDGE HILL UNIVERSITY

NOTES TO THE ACCOUNTS (CONTINUED)

	Income	Expenditure	Balance at
	£'000	£'000	31st July 2024
			£'000
Wirral University Teaching Hospital	18	-	2
St John Rigby College	-	3	-
St Bedes Catholic High School	-	1	-
Walton Centre Foundation Trust	24	-	20

Steve Igoe (Former Deputy Vice Chancellor) is a Non-Executive Director and Audit Chair at Wirral University Teaching Hospital (paid but EHU salary reduced by a comparable amount)

Michael Tate (Independent Governor) has a family interest link to St John Rigby Sixth Form College. Michael's wife is Chair of the Audit Committee at the college.

Orna Murphy-Horton (Student Governor) has a family interest link to St Bedes Catholic High School. Orna's father is an unpaid parent governor at the school.

Clive Elliott (Pro-Chancellor and Chair of the Board) is a paid non-Executive Director at the Walton Centre Foundation Trust.

The Lancashire Local Government Pension Scheme (LGPS) is a post-employment benefit plan of which employees of Edge Hill University are members. As such the scheme is defined as a related party under FRS102. Transactions between Edge Hill University and the Lancashire LGPS are disclosed in note 20.

24. Linked Charities

Charities with income over £100,000:

	Brought Forward	Income	Expenditure	Carry Forward
	£'000	£'000	£'000	£'000
Edge Hill Maintenance Services Limited	16	247	257	6

Edge Hill Maintenance Services Limited is a wholly owned subsidiary of Edge Hill University and as such is included in the consolidated accounts of the University. The objectives of the company which has been established as a charity are to promote the advancement of education by the provision of funds, property repair and maintenance services and other such services for the educational and charitable needs of Edge Hill University.

25. Financial Instruments

Risk Management

The University operates a centralised treasury management function which is responsible for managing the credit, liquidity, interest and foreign currency risk. These financial risks are managed within the parameters specified by the Governor approved Treasury Management Policy.

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

EDGE HILL UNIVERSITY

NOTES TO THE ACCOUNTS (CONTINUED)

Credit Risk

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

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

The credit risk of liquid funds and financial instruments is limited because the counterparties are banks with investment grade credit ratings assigned by international credit-rating agencies. The University's exposure and the credit ratings of its counterparties are monitored regularly. The credit exposure is limited by counterparty limits and minimum counter party credit ratings set within the Treasury Management Policy.

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

Liquidity Risk

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

Regular cashflow forecasts form part of the University's control environment and planning processes with revised re-forecasts prepared throughout the financial year.

Foreign Currency Risk

Foreign currency risk refers to the risk that unfavourable movements in exchange rates may cause financial loss to the University.

The University's foreign currency risk is limited by the relatively low levels of foreign currency it holds. The University's principal currency exposure is to the Euro, Dollar and Renminbi.

Interest rate risk

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

Financial instruments – fair values

The University has considered its principal financial instruments (being cash, investments, trade debtors, trade creditors and loans) in line with FRS102 and concluded that they meet the classification of basic financial instruments, including derivative financial instruments. Given the basic nature of the University's financial instruments, they are accounted for at amortised cost and the carrying value of each category in the balance sheet is considered to equate to fair value. Therefore, there are no adjustments for fair value re-measurements recognised in the Statement of Comprehensive Income and Expenditure.

EDGE HILL UNIVERSITY

NOTES TO THE ACCOUNTS (CONTINUED)

26. Ultimate Parent Organisation

The Board of Governors regard Edge Hill University as the ultimate parent organisation. Copies of the group accounts may be obtained from the Finance Department, Edge Hill University, St Helens Road, Ormskirk, Lancashire L39 4QP. Copies of the group accounts are available on the University's website www.edgehill.ac.uk.