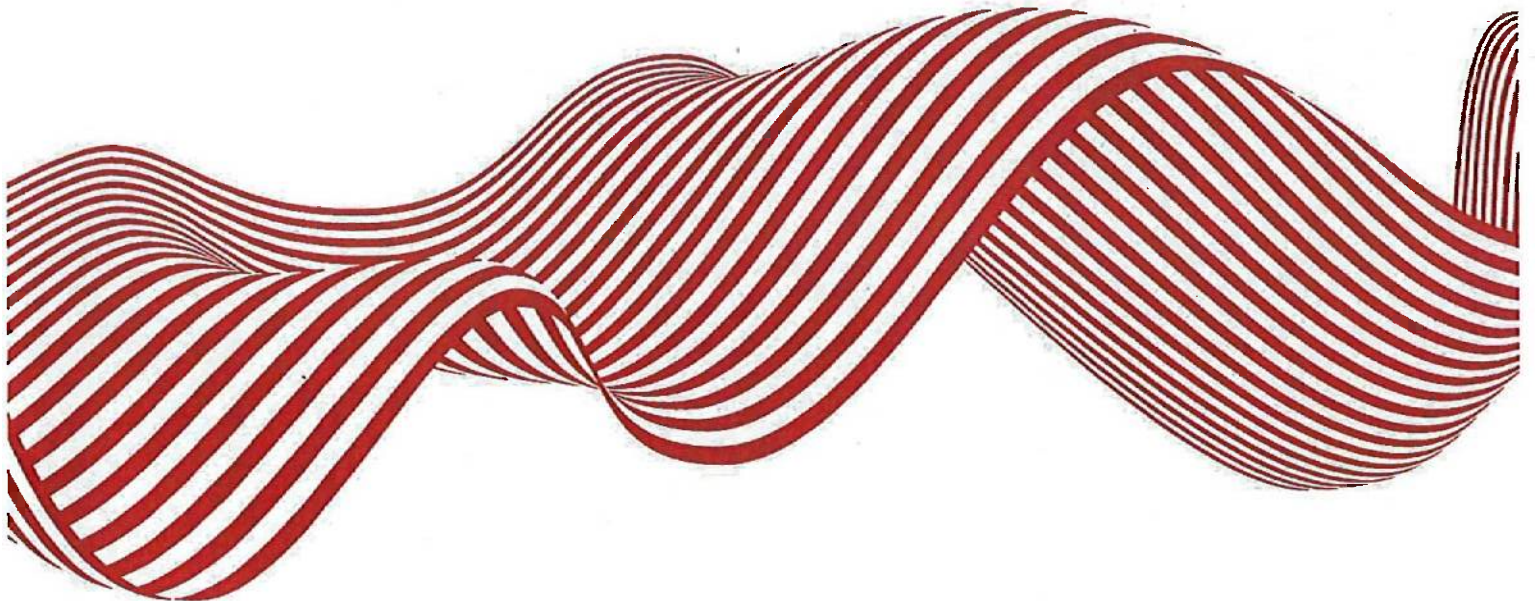




FINANCIAL STATEMENTS

For the year ended 31 July 2023





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Welcome and educational purpose

From the Pro-Chancellor and Chair of the Board of Governors,
and the Vice-Chancellor

We are delighted to introduce Solent University's operating and financial review for 2022/23, a year which has witnessed significant change in the organisation. This year has also seen a rapidly evolving external environment with the intensification of the cost-of-living crisis, accelerating development within the sector, and notable turmoil in the wider world.

There is a double crisis facing higher education. On one hand, the emergence of the cost-of-living crisis has stretched sector finances for universities, their staff, and their students. For students in particular, we are now facing a crisis in the cost of education, with the English system being one of the most expensive in the world. On the other hand, inflation has exacerbated the declining value of the fee income, making it increasingly challenging to provide high-quality education in many subject areas.

While funding is squeezed there is little sign in the short to medium term of political desire to change the higher education (HE) financial model. Polling consistently shows that society values HE, however other sectors are more preeminent in the public's priorities for increased public funding.

These financial challenges are compounded by regulatory complexity. Additional and changing primary legislation and regulation by the Office for Students (OfS) continues to be a source of uncertainty. Notable changes this year include:

In February, the Government announced the formation of a new Ministry of Science, Innovation and Technology, with the former Universities Minister Michelle Donelan appointed as Secretary of State.

The Higher Education (Freedom of Speech) Act 2023 received Royal Assent on 11 May 2023, although the majority of its provisions are not yet in force. The first Director for Freedom of Speech and Academic Freedom took up post on 14 August 2023, and OfS have indicated the other provisions are to be phased in over the next two years, with a consultation on a new condition of registration expected at some point.

During 2022/23 OfS undertook seven consultations, three of which represented a significant impact to the University: changes to NSS, the proposal to introduce a new condition of registration on harassment and sexual misconduct, and the regulation of equality of opportunity (included amends

to how the University's access and participation plan is regulated).

Recent announcements on proposed changes to fees for foundation years in type D courses, and number caps for poor-performing subject areas, create uncertainty; we await further detail of the exact institutional impact, but there is widespread apprehension within the sector about how these moves will reduce access to higher education.

While these external headwinds are challenging, Solent is in a strong position to respond, and has registered outstanding achievements during 2022/23. First and foremost, we started to realise the benefits of our 2025 strategy Solent Future Ready, with the focus on three 'betters': better operations, better brand, and better offer. 2022/23 has been a year of accelerating progress as we have continued to reshape the University to support the delivery of our strategic aims.

'Better brand' delivered our new 'make waves' branding and campaign. With a clear brand identity with three elements – employability of students, belonging to Solent and the city of Southampton, and economic growth of the region – the brand and associated campaign enjoyed demonstrable success, improving brand recognition by 50%. The campaign was shortlisted for Heist's prestigious Best Brand/Reputation Campaign award.

Under 'better operations' we successfully launched phase 1 of our new student record system Gateway in October 2023, and successfully operated the 2023/24 recruitment cycle in Gateway. Phase 2a delivered to time to enable confirmation and clearing, and we remain on track to complete phase 2 for the start of term. As a £10.9m investment over three years, our new student record system is our single largest investment during this strategy period.

Through 'better offer' we simplified our academic structure, moving from three faculties to six departments. This development has created clear alignment of our academic offer, promoting synergies in the strategic development of research, and gaining efficiencies in learning and teaching and managing administrative work. We also refreshed our inclusive curriculum framework to prioritise inclusion, employability, and sustainability, aligning with the student mission as developed during the brand refresh.

As well as rapid external and internal change, 2022/23 saw transition and transformation of the senior team at Solent.

Vice-Chancellor Professor Karen Stanton retired in April 2023 after three years leading Solent. Notable successes during her time with us included the launch of the University's Strategy 2025 and Civic Charter, establishing business advisory boards, opening two new research centres for UK maritime autonomy and marine sustainability and the reformulation of the University's strategic partnership with Southampton FC. Karen also led the University in its response to the Covid-19 pandemic, which saw the delivery of teaching, learning, and the student experience entirely reshaped. Professor Karen Stanton was succeeded by Professor James Knowles, who joined the University as Vice-Chancellor in April 2023.

At the end of the year Deputy Vice-Chancellor (Resources) Andrea Thompson also retired, after 26 years at the University. During her tenure, Andrea worked with five vice-chancellors to evolve the University to the Solent of today. Chief Operations Officer Paul Colbran also departed for new challenges.

The University thanks Professor Karen Stanton, Andrea Thompson, and Paul Colbran for their contribution to the development and life of Solent University.

Alongside delivery of the strategic change and changes to leadership outlined above, the 2022/23 academic year has seen the delivery of key operational milestones including the conclusion of the Research Excellence Framework, the Teaching Excellence Framework (TEF), the launch of the new student village, the conclusion of the University's refinancing, and the redesign of the academic governance framework.

We are particularly proud to report that in September we received our TEF outcome and Solent achieved a Gold rating – not just overall, but also for both student outcomes and student experience. TEF is a peer-reviewed process that considered our evidence and benchmarked data, and as such our triple TEF Gold is recognition and evidence of the quality of our education, facilities, and services. It is also an endorsement of our approach and continued investment in an offer that educates work ready, world ready, future ready graduates. This achievement is a testament to the hard work and dedication of our staff.

Solent continues to meet all our conditions of registration and we were materially above benchmark in 5 of 27 questions of the reformed National Student Survey (NSS).

In September 2022 we experienced our first growth in undergraduate (UG) recruitment in five years, and an overall gain in market share for home UG, and growth in our share of the 18-year-old market. This was further supplemented with an above-target January 2023 intake. Together, these provide confidence in the strategic direction of Solent University.

Our research capability and reputation are continuing to grow, leading to successful bids and grants including

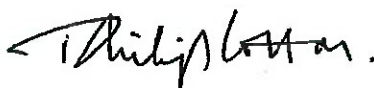
the Solent Centre for Maritime Sustainability receiving InnovateUK grant funding for zero-emission high speed passenger ferries, in order to develop an electric hydro-foiling high-speed trimaran. Individual research successes include a highly prestigious British Academy Mid-career Fellowship award. To continue to build on this success we have launched a research group mentoring programme.

We continue to engage business and community, with the dual ambition of creating opportunities for our students and generating economic growth for the region. Our business engagement activities include working with local SMEs to help them grow, successfully launching our first business advisory boards, and supporting student startups. We continue to engage the community through our civic charter and our steps to success programme, to raise attainment in schools.

Finally, actions taken by the University to mitigate the impact of the marking and assessment boycott were overwhelmingly successful. All eligible students graduated with their award; indeed, in total we graduated over two thousand students across eight ceremonies.

In conclusion, the 2022/23 academic year has seen significant challenge and change for the University, with a rapidly evolving external landscape also continuing to be acutely challenging.

However Solent's continued and growing success is a huge tribute to staff and students, and it makes us feel enormously optimistic about the future of this wonderful university as we come to the end of our current strategy and consider our next exciting chapter.



Phil Cotton
Pro-Chancellor and Chairman of the Board of Governors



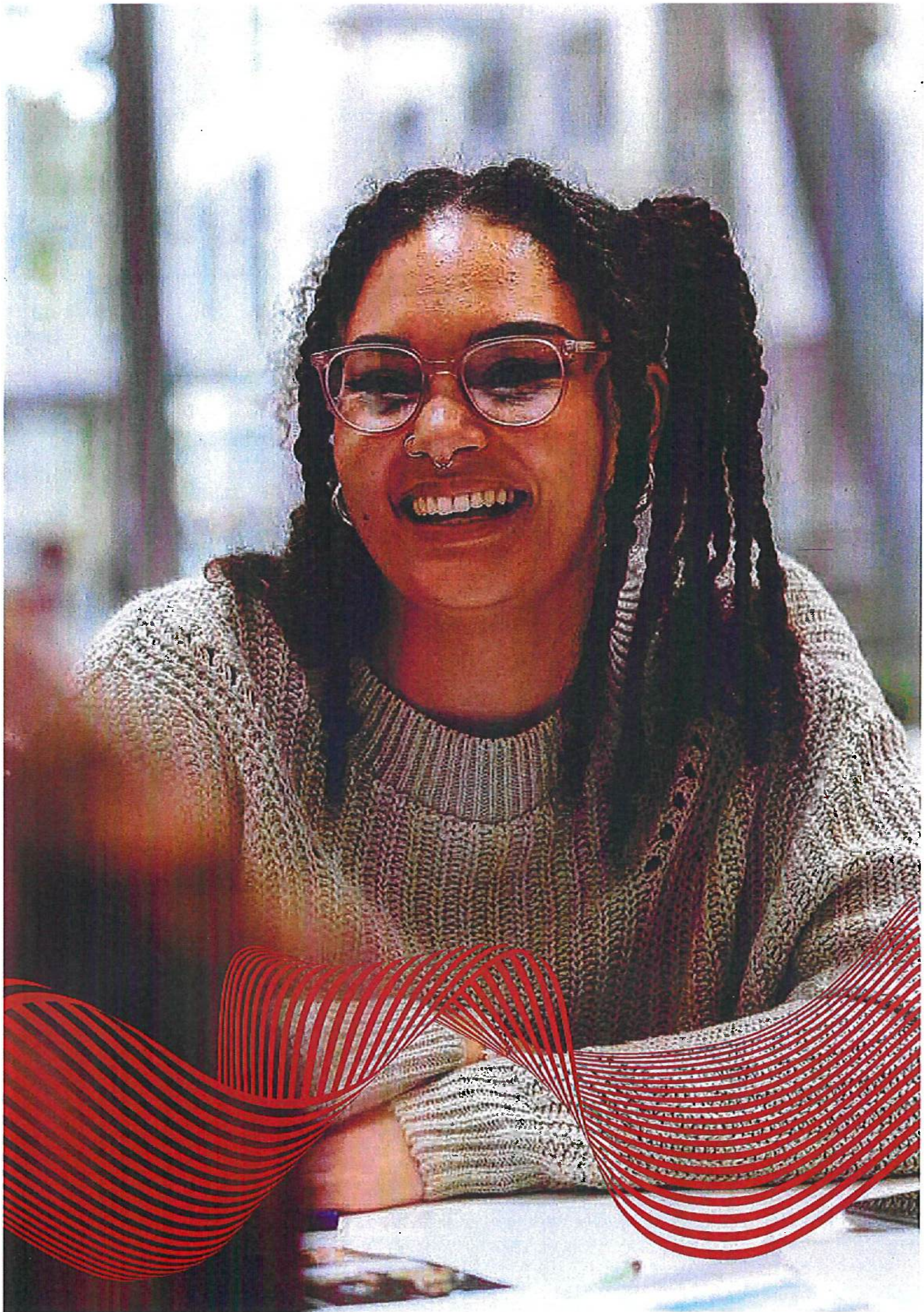
Professor James Knowles
Vice-Chancellor



Financial highlights

RESULTS, CASH FLOWS, ASSETS AND RESERVES

	<u>2023</u>	<u>2022</u>
	<u>£000</u>	<u>£000</u>
Academic fees and support grants	86,195	84,915
Funding council grants	8,018	7,710
Research grants and contracts	163	397
Other operating income	11,528	10,500
Endowment and investment income	313	32
Donations and endowments	28	60
Total income	<u>106,245</u>	<u>103,614</u>
Operational (deficit)/surplus before FRS102 and gains	(2,341)	570
Movement on pension provision	(848)	(5,897)
Loss on disposal of fixed assets	-	(242)
(Loss)/Gain on investments	(43)	20
Deficit for the year after tax	<u>(3,232)</u>	<u>(5,549)</u>
Other comprehensive expenditure	<u>24,269</u>	<u>86,649</u>
Total comprehensive income for the year	<u>21,037</u>	<u>81,100</u>
Net cash inflow from operating activities	10,584	11,335
(Decrease)/Increase in cash and cash equivalents in the year	(12,929)	7,376
Non-current assets	172,534	166,108
Current assets	36,154	48,986
Current liabilities	(31,370)	(28,877)
Non-current liabilities	(21,739)	(31,045)
Pension liabilities	(150)	(20,780)
Total reserves including pension liability	<u>155,429</u>	<u>134,382</u>
Other key statistics	<u>2022-23</u>	<u>2021-22</u>
Number of employees	965	973





Our strategy 2025

At Solent University, our mission is to ensure students are work-ready, world-ready and future-ready.

In service of this, our vision is wide-ranging:

- We transform lives through real-world learning, delivering life-changing careers.
- We provide an outstanding student experience.
- Our exceptional staff and facilities, and unique curriculum, promote confidence, skills and knowledge.
- Our industrial partnerships offer professional insights, as well as opportunities for knowledge exchange and research.
- And we are passionate about environmental sustainability, creating a better, brighter future for all.

At Solent University, we celebrate difference, and we are committed to social justice and equal opportunities. Our students will leave us with the knowledge and skills to achieve their ambitions; and the passion and confidence to shape the future, meet its challenges and seize the opportunities it holds.

As well as inclusivity, we value the respect and integrity of our team and wider community, united in pursuit of our shared goals. Our staff, students and partners are engaged and active participants in Solent's vision, taking pride in and ownership of their part in shaping the future.

Our students will leave us with the knowledge and skills to achieve their ambitions; and the passion and confidence to shape the future, meet its challenges and seize the opportunities it holds.

Our three core priorities reflect these goals and values.

- We do everything we can to encourage student success, by offering:
 - Exciting, modern and academically rigorous degree courses.
 - A focus on employability, real-world learning and opportunities to develop professional connections.
 - An outstanding student experience, ensuring our students emerge as well-rounded, confident individuals.
 - In-depth support and opportunities that nurture students' development and ambitions.
- Our research is embedded in our teaching:
 - Our forward-thinking academic community has a broad wealth of specialist expertise that is highly applicable to real-world challenges.
 - Embedded in the industrial and cultural life of our region, we promote ambition and innovation.
 - We offer knowledge exchange, problem-solving, free-speech and equal opportunities, setting the standard for a modern, engaged university.
- We are committed to our city and communities, engaging with them to shape the future of Southampton and beyond:
 - By opening up our campus and our own Solent University community, sharing our skills and resources with the wider world, and learning from and supporting the places we belong to, we ensure a brighter future for all.
 - We are, at our heart, a sustainable university, financially resilient and focused on the future.
 - We are environmentally sustainable, from our rigorous environmental policies to our ambitious sustainable performance targets.
 - We nurture our partnerships, using Solent University resources to drive economic growth in the region and ensure the best for our students, staff and communities.
 - We recognise our place in the wider world, welcoming global graduates and opportunities, and building on our developing international reputation.

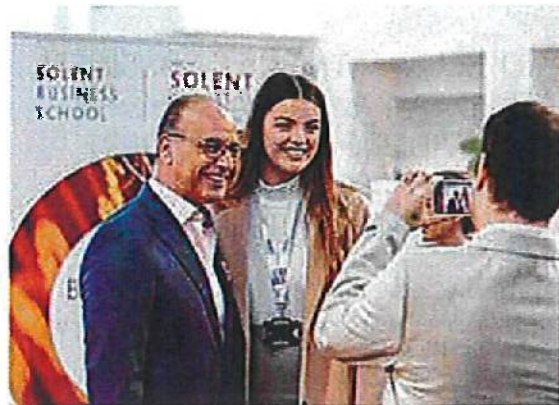


Educational excellence

At Solent University, we offer boundless opportunities for students to grow. Following our vision to provide high-quality and effective teaching practices, we are committed to delivering meaningful learning experiences for our students. This involves a commitment to continuous improvement, innovation, and student-centred approaches that enhance learning outcomes and foster an inclusive learning environment.

A strong theme across pedagogical practices at Solent University is employability, proven by our ranking of 6th in the UK for sustained employment based on Longitudinal Educational Outcomes (LEO) data. It doesn't matter what students' chosen career pathway is, we thrive to work for and with them to shape their unique skill sets and prepare them for the job of their dreams:

- We help students unlock their entrepreneurial potential through 1:1 business support and tailored events designed to help them turn their ideas into reality. In 2022/23, we provided £75,000 of financial support to students and graduate start-ups. In 2023, Solent students participated in the European Innovation Academy Bootcamp in Portugal, where they learned how to create a start-up in just 15 days.
- Every Solent student has access to real-world working experiences while studying. Our students can embark on paid freelance work experience through our freelancing agency Solent Creatives, work with staff at a professional level to create quality content through our Solent Productions media enterprise, gain valuable retail experience through our Retail Solent (Re:So) Initiative, or work on a full-scale shoot via our very own Solent TV channel.
- Our sector-leading, world-class facilities offer students an authentic learning experience. Whether it's our Solent Sports Complex, maritime simulation centre, psychology lab, TV studios, newsroom or our sports and exercise clinic, these facilities allow our students to experience real-world learning that is unique and exciting.
- Solent University offers the Living VC, which allows our students to unleash their full potential. It enables students to translate their learning outcomes into CV outputs, growing with them throughout their degree. With the Living CV, our students stand out from the crowd, are empowered to impress employers, and fuel their career growth.



Solent's pedagogies come to life through the dedicated work of our knowledgeable and experienced academic teams who offer our students subject-specific opportunities to learn:

- In June 2023, the Warsash Maritime School launched the UK's first bridge watchkeeping skills simulator course, leveraging its unique position of operating the largest maritime simulation centre in Europe. The course received praise from both the Maritime and Coastguard Agency and the Merchant Navy Training Board for its standard-setting role for other nautical colleges in the UK.
- In 2022/23, the BA Architectural Design and Technology course attained its fifth successful accreditation by the Chartered Institute of Architectural Technologists. The success of the course is built on several factors: strong curriculum design, focus on the essential elements of architectural design, construction technology and sustainability, and emphasis on human-centred design.
- The Department of Sport and Health has had six of their degrees endorsed by the Chartered Institute for the Management of Sport and Physical Activity (CIMSPA) in 2022/23. This endorsement reflects our commitment to equip students with the skills, knowledge and experience needed to effectively transition into roles within the sector, by aligning our degree programmes with industry professional standards.
- The BA (Hons) Sports Journalism degree capitalised on our strategic partnership with Southampton Football Club by offering students practical opportunities to deliver live match reports for Southampton FC's Women's 1st team throughout the 2022/23 football season.
- Using live briefs in collaboration with the Southern Health NHS Foundation Trust, TV production students were given the opportunity to gain real-world experience by working with NHS staff and patients to

OUR DEPARTMENT OF BUSINESS AND LAW WON THE CMI'S HE PROVIDER OF THE YEAR 2022 AWARD, RECOGNISING ITS OUTSTANDING POSITIVE IMPACT

deliver a set of videos to raise awareness for Mental Health Awareness Week.

- Solent University's Department of Business and Law won the Chartered Management Institute (CMI)'s HE Provider of the Year 2022 Award, recognising its outstanding positive impact on student employability, enriched experience, and professional development. It was also shortlisted for the Small Business Charter Excellence Award for Outstanding Support for Student Enterprise and Entrepreneurship based on its Solent Business Pitch competition hosted by entrepreneur and Dragon's Den panellist Theo Paphitis.
- In 2022/23, the PgCert Independent Prescribing Practice course successfully implemented simulation-based education as a teaching pedagogy in postgraduate nursing teaching. It allows nursing students to perform simulations on a weekly basis and reflect on clinical scenarios to stimulate critical thinking and advance clinical decision-making.

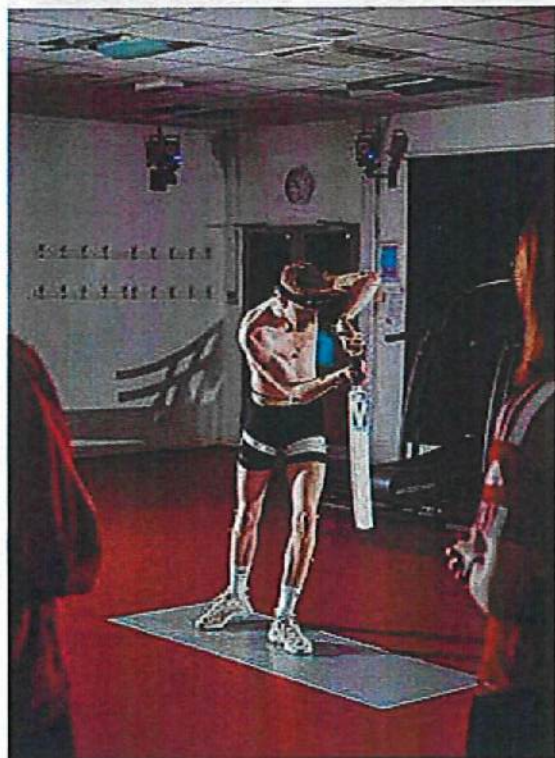
On 14 June 2023, Solent's educator community showcased its excellence at our annual Solent Learning, Teaching and Research Conference. Under the theme 'Making Waves: Informed Practices in Learning, Teaching and Research at Solent University', staff and students engaged in practice-sharing and discussions centred around informed practices that expose students to research-informed activities and actively engage them in these. Examples include:

- The Chat Club, featuring guest lectures and initiated by Dr Nuno Nunes, encouraged discussions with our football studies students, providing them with an insight into the real-world problems and opportunities of this competitive industry.
- The Work Shadowing initiative by Greg Mudd allows our music students to expand their networking circles, allowing them to complete work shadowing opportunities and improve their employability skills.
- The Business and Law Conference by Dr Whysnianti Basuki and Akash Puranik exposed students at all levels to the world of research, offering them a nurturing space to present and discuss their research projects, and thus build confidence and gain employability skills.
- Simulated Practice Placements by Joelle Salje were delivered across all three years of the undergraduate adult nursing course. It allows students to practise their clinical skills in a simulated placement and prepare them for their clinical placement, delivering real-world learning in a safe environment. This initiative was awarded £174,000 from Health Education England.
- The Gamification Social Movements approach by Dr Kola Adeosun, designed as a formative process of assessment, allows sociology students to explore the concept of board games to teach and understand social movements and develop their knowledge around this topic.
- The Academic Journal Club by Dr Lisa Arai uses structured checklists to allow health and social care students to examine academic resources in depth and develop an understanding of how to critically engage with journal writing.
- Vertical Tutorial Groups by Frankie Murdoch allow media production students to raise their confidence and sense of community at Solent University. Tutor groups of three students from every year of the degree meet weekly to share current projects, have chats and check in with each other.
- The EscapedEd activity by Dr Jenny Josephs forms part of the induction for psychology students. This game-based escape room activity encourages students to develop their academic skills, become comfortable contacting academics and understand that making mistakes is part of academia and that collaborative work can help connect and educate.

Educational excellence
continued

What's next?

- The South Coast Institute of Technology (IoT) was officially launched in November 2022, opening its doors to students from September 2023. Under leadership of Solent University and in collaboration with 6 other HE providers, the IoT aims to increase education and employment opportunities across maritime, engineering, and digital industries, ensuring a sufficient home-grown workforce with the right skills to meet industry needs. Funds of over £13 million government investment will help establish, amongst others, an engineering centre of excellence at Solent University.
- In 2023, the MSc Applied Artificial Intelligence and Data Science course was awarded £270,000 from the Office for Students, allowing Solent University to fund 27 scholarships of £10,000 each for the academic year 2023-24, with possible further funding for 2024-25.
- Our distinctive Learning Design Framework allows students to learn independently and with others through a specialist inclusive curriculum. From September 2023, Solent students will have access to close to 100 extracurricular 'guided learning' workshops through a new webpage, allowing them to connect what they have learned with practical applications designed to improve their employability skills.





Student success

Student success is one of three key priorities in our 2025 strategy. For us, it means ensuring our students are ready for the future world of work, enterprise, and volunteering. We achieve this by offering a portfolio of exciting, relevant, and academically rigorous degree courses with employment-focused, real-world learning that prepares students to succeed.

In 2022/23 we simplified and streamlined our academic leadership structure to create clear alignment of our academic offer, promoting synergies in the strategic development of research, and gaining efficiencies in learning and teaching and managing administrative work. These changes underpin our ongoing commitment to improving every aspect of our students' university experience.

The National Student Survey 2022 results show that Solent is ahead of the sector benchmark for six of the nine key measures.

Against our sector and benchmark, we scored:

- Student voice – 2.7 percentage points above.
- Academic support – 1.9 percentage points above.
- Assessment and feedback – 1.7 percentage points above.
- Learning resources – 1.7 percentage point above.
- Learning community – 1.1 percentage points above.
- Teaching – 0.9 percentage point above.

Our goals are to work collaboratively with students to:

- Offer a portfolio of exciting, modern, and academically rigorous courses with employment-focused, real-world learning that prepares students to succeed in their chosen profession, vocation, or enterprise.
- Ensure an innovative and inclusive curriculum with excellent teaching that is face-to-face and online, with wide-ranging opportunities to learn,
- Develop a transformative digital infrastructure for student success, and access to state-of-the-art, industry-standard specialist equipment including laboratories, studios, and simulators.
- Drive forward an environment where all students can belong and succeed, monitored by progress against KPIs.

During 2022/23 we continued to develop our support for students to succeed, opening our new student village,

which brought together frontline services and support alongside our core learning and teaching spaces. Examples of support provided include:

- Responding to over 26,500 student queries within the first six months of operation of the new Student Hub, with over 75% handled without the need for onward referral.
- Over 10% of our student population have accessed therapy, mental health advice, or psychological and wellbeing support through our same-day appointment service.
- The allocation of grants, bursaries, and support totalling over £500,000, including the introduction of a utilities bursary and support for the Students' Union community pantry, recognising the increasing cost-of-living pressures faced by our students. In 2022/23 we also hosted the Southampton cost of living summit, providing an opportunity for public, private, and voluntary sector organisations, residents, faith groups, and advice providers to discuss practical ways to support our communities.
- Over 500 students, together with 59 organisations representing 30 sectors, attended the central university careers fair (October 2022) organised by Solent Futures.
- Over 200 students attended the Spring Forward to the Future event (February 2023) organised by the Business School and Solent Futures. 29 organisations attended, with 49 representatives across 26 sectors, providing networking and industry opportunities for our students.

We continued to develop our portfolio to focus on 'fewer, bigger, better' courses, increasing market share and creating a visible and vibrant academic community by:

- Closing or merging courses where student numbers made them unviable.
- Continuing to develop our business advisory group to advise on curriculum and graduate employment.
- Extending our postgraduate offer to create pathways from some of our strongest undergraduate courses.
- Embedding our learning and teaching delivery model, which is designed to create step changes in student outcomes and eliminate differentials in the success and progression of our students.

Deepening our partnerships with students and the Students' Union through:

- Working closely with our course representatives to ensure students are at the heart of learning and teaching improvements, including refreshing the operation of the Student Board to open it to all course representatives.
- Utilising generally very positive module feedback to

The National Student Survey 2021 results show that Solent is ahead of the sector benchmark for six of the nine key measures.

respond quickly to student queries and concerns, and focus resources on those courses which required change.

- Co-creating enhancements to the student experience with the Students' Union, through regular and open conversations and problem solving.
- Creating the new executive role of Chief Student Officer to bring together oversight of non-academic student-facing services and provide a key link between the student body and Students' Union and the senior leadership team.
- Supporting the development of a student-led student-to-student peer mentoring scheme within the Solent Law School, the Solent Law Achievement Mentoring Scheme.

We are continuously striving to create an inclusive university by:

- Reviewing our policies and practices to create an environment where all students can thrive.
- Achieving a Bronze Race Charter Mark Award, which describes our solid foundation for race equality at Solent and lays out a three-year SMART action plan.

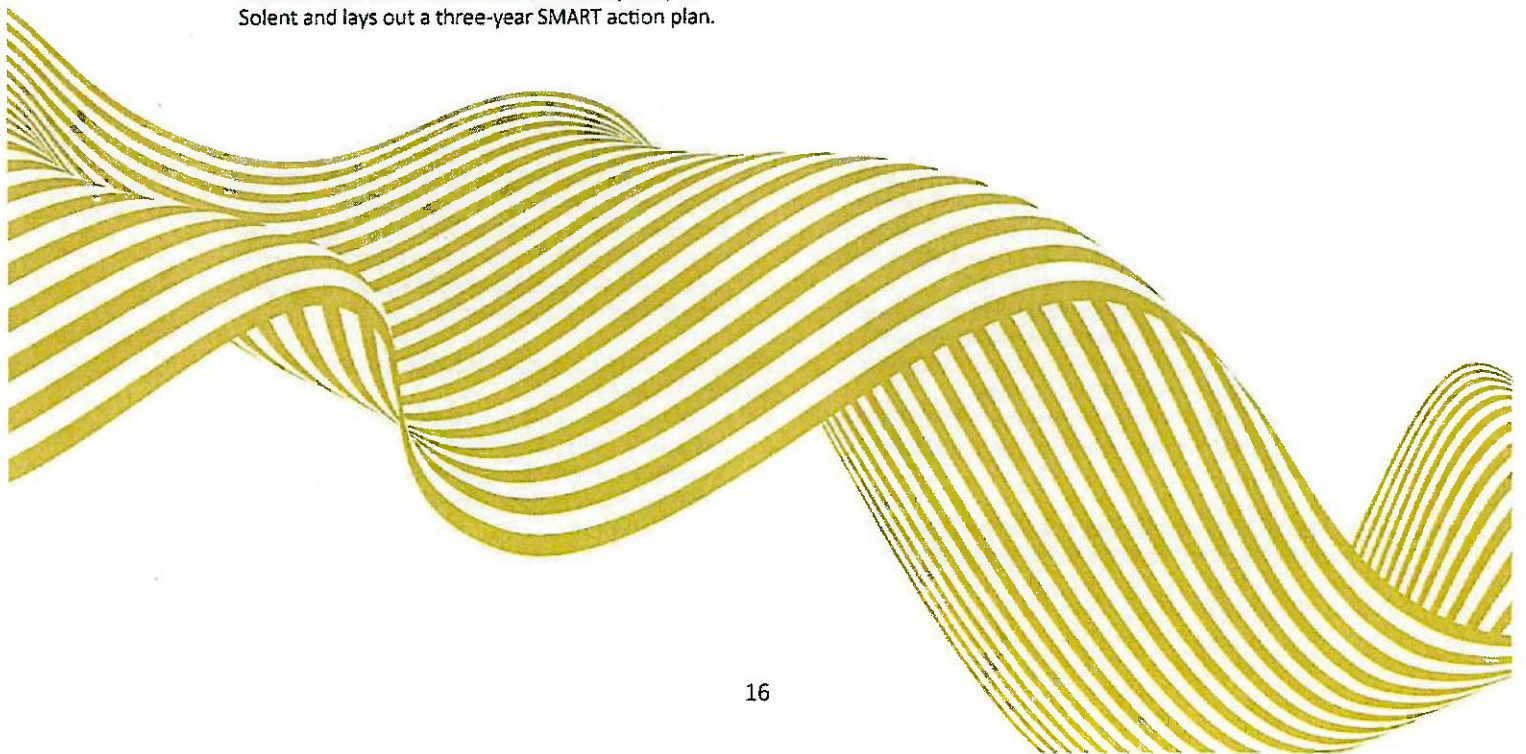
- Delivering the milestones in our five-year access and participation plan.

Key successes for our student community in 2022/23 include:

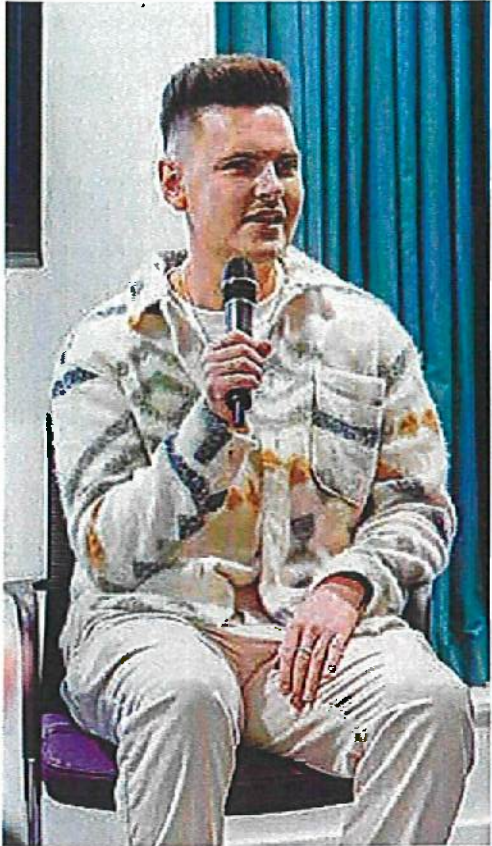
- Our students winning awards for their work including: the Maritime and Coastguard Agency's Officer Trainee of the Year; the D&AD New Blood Award; the Terry Mansfield Fashion Publication Award; the Creative Motivation with Make it in Design Award; the Chartered Institute of Architectural Technologists Student Award for Excellence in Architectural Technology; and the Nautilus International Bevis Minter Award.
- Our students being shortlisted for awards for the Chartered Management Institute and the UK Music Outstanding MAP Graduate Award.

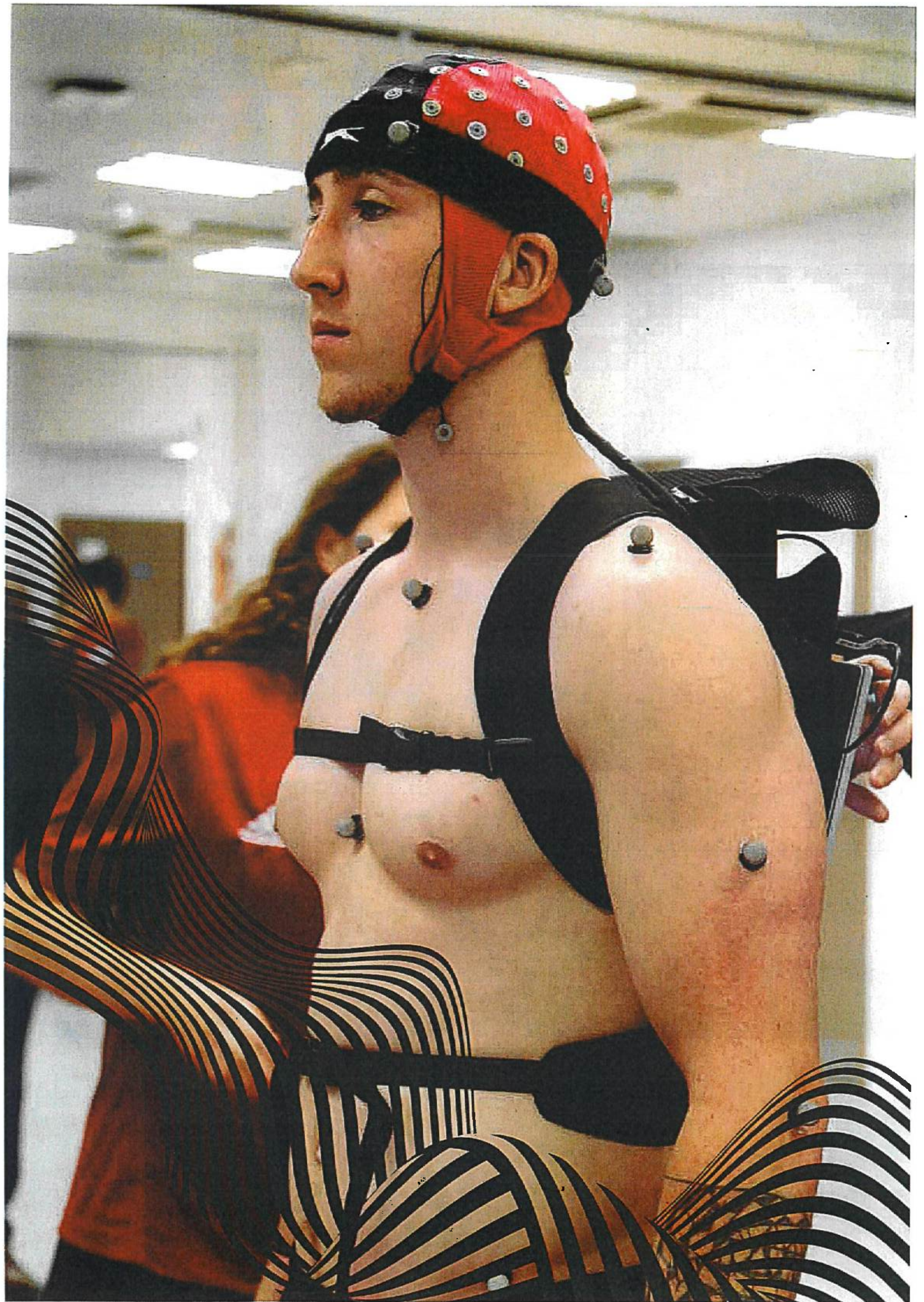
During 2023/24 we will focus on:

- Redeveloping our underpinning principles for the student experience, to inform future service development and priorities.
- Strengthening the support to courses, enabling them to meet the high standards of quality we set ourselves.
- Enhancing our academic and pastoral guidance systems to better support students who are traditionally underrepresented in higher education, or who have a high learner dependency.
- Evaluating our learning, teaching and student success initiatives to ensure we continue to invest in high-impact activities.



Student success continued





Research and knowledge exchange

Research and knowledge exchange remains one of three key priorities in the University's 2025 strategy, with furthering knowledge through research and engaging with our communities for an exchange of knowledge as two cornerstones of our drive for excellence.

Our focus lies in achieving tangible real-world learning, conducting impactful real-world research, and making a genuine real-world impact. Our goal is to ensure that not only local but also international and global communities benefit from the results of our research, enabling us to share our knowledge with them effectively. In parallel, we actively engage with our communities to understand their priorities, challenges, experiences, and successes. This reciprocal exchange of knowledge serves as the catalyst for creating meaningful real-world impact, fostering novel opportunities, and generating mutual benefits for all involved parties.

Our progress

Throughout the strategy, we have continued to build upon our research distinctiveness by supporting our academic staff in their research endeavours and celebrating their successes, so they feel empowered and can thrive in an academically attractive and supportive environment.

We have made substantial steps on our journey to becoming a research-informed and research-active institution. This has been driven by a recognition that, as we grow and mature, we have an opportunity to build a dynamic and future-ready environment in which research is central to what we do, and where our researchers are supported, valued, and celebrated.

During the 2022/23 academic year, significant progress was made in fostering our research culture and community through the creation of the Research Hub. This hub encompasses three distinct spaces: the research community space, the postgraduate research student study space, and the engage space, all located in the Andrews building on the East Park Terrace campus. Serving as a central platform, the Research Hub effectively integrates the existing research office team -- which includes researcher support and development, knowledge exchange, public engagement, funding, impact, and the graduate school -- with the broader university research community. The establishment of the Research Hub marks an exciting milestone in building a robust and dynamic

research community. It also facilitates collaboration with broader Solent networks, enabling our dedicated staff and students to excel in their research pursuits.

This academic year also saw Solent awarded the NCCPE Silver Engage Watermark. This award highlights the University's commitment to collaborating with its communities and supporting the growth of both staff and students alike.

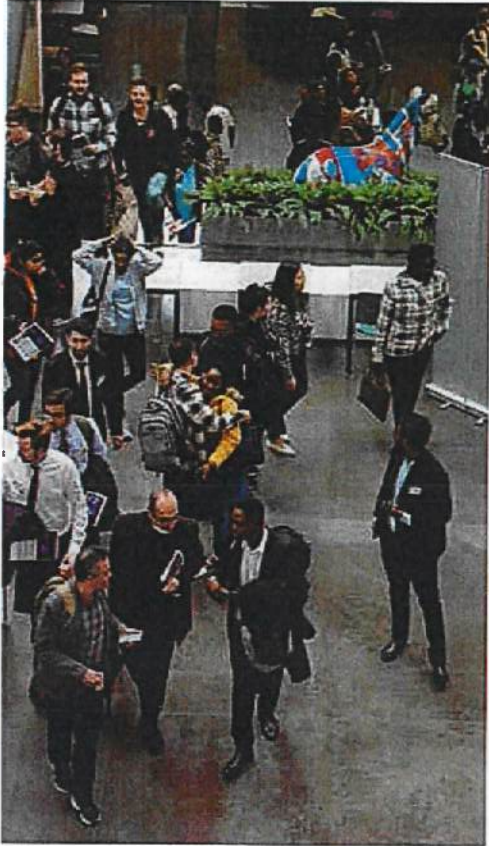
In pursuit of our goals, we remain dedicated to nurturing a culture and community where research occupies a central role in all our endeavours. We are actively integrating research-informed teaching into both undergraduate and postgraduate programmes, ensuring that our curriculum draws on our own research and that of others across the University. We take immense pride in supporting and celebrating all research activities within our institution, forging a strong association between research and our academic identity. To enhance efficiency and effectiveness, we have thoroughly assessed and enhanced our information management systems for research and knowledge exchange, as well as introducing new underpinning policies. These initiatives enable us to make better-informed decisions and, ultimately, drive us closer to achieving our goals.

To attain our goals, we continue to concentrate on enhancing and nurturing our fundamental strengths and areas of expertise. We remain focused on our identified key subject areas as outlined in our research and knowledge exchange enabling strategy, which will constitute our submission for REF 2028 and serve as the foundation for our knowledge exchange endeavours.

Our successes

- A cost-effective solution for high-speed passenger ferries, boasting zero-emissions, is on the horizon, thanks to a new collaborative effort led by Solent University, Chartwell Marine, and Newcastle Marine Services. The initiative originated from an original concept developed by Solent University and aims to create an electric hydro-foiling high-speed trimaran that can transport up to 40 passengers along short to medium range coastal routes. The £1.86m project is being funded by Innovate UK under the Cleaner Maritime Demonstration Competition. After the successful deployment of the prototype vessel, a full-scale vessel could be made available for commercial operation, providing economical and emission-free solutions for high-speed passenger ferry operators worldwide, including the UK.

Research and knowledge exchange continued



- Participating in heritage projects, such as archaeology, has gained immense popularity as an effective method to enhance mental health and overall well-being. These projects have proven beneficial for individuals, but it is essential to ensure the proper care and protection of both the participants and historical artifacts. To address this concern, we assembled a diverse panel of 44 stakeholders, which included individuals with first-hand experience of living with mental health issues, as well as experts in mental health and heritage. Through a Delphi consultation process, Dr Karen Burnell (Solent University) and Dr Paul Everill (University of Winchester) developed a comprehensive set of best practice guidelines known as the Authentic and Meaningful Participation in Heritage or Related Activities (AMPHORA). These guidelines are specifically tailored to projects that actively involve individuals facing complex mental health challenges, aiming to provide a safe and nurturing environment for all participants and to

- preserve the cultural significance of the places and artifacts involved.
- In 2016, the community and local practitioners identified a pressing concern regarding the lack of female-exclusive weight loss interventions tailored for ethnic minority women. In response, one of our academics took the initiative to conduct research and design a comprehensive programme that

The establishment of the Research Hub marks an exciting milestone in building a robust and dynamic research community; facilitating collaboration and enabling staff and students to excel in their research pursuits.



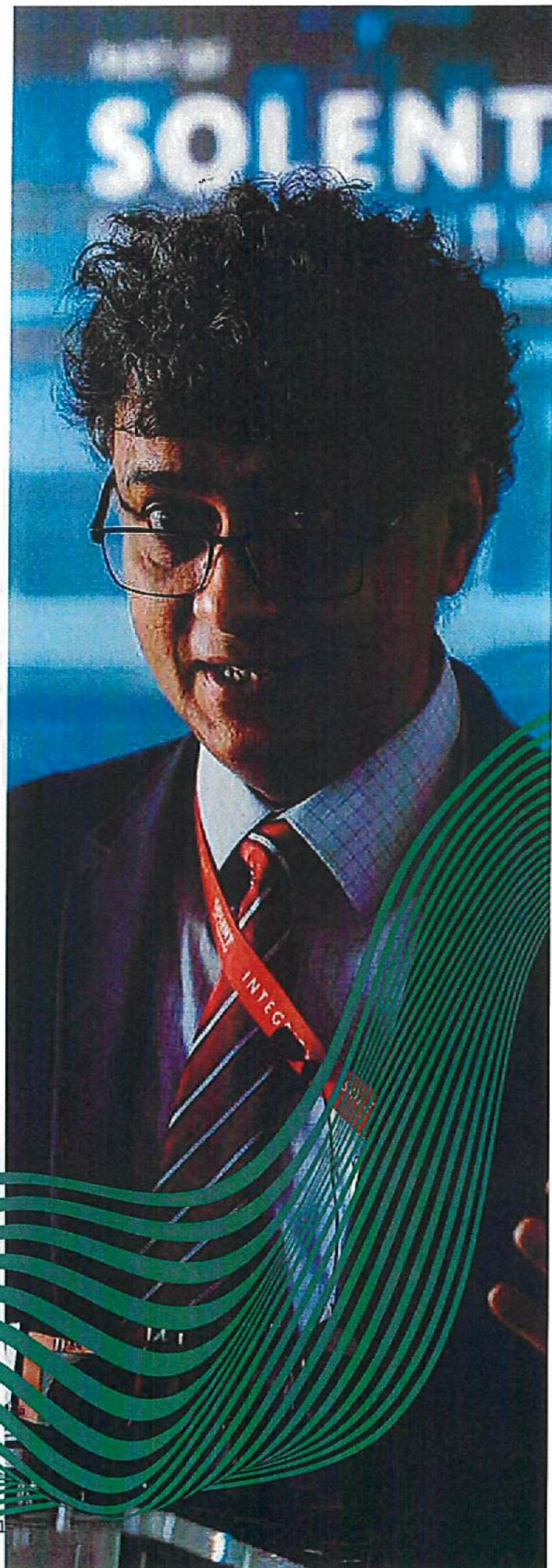
Research and knowledge exchange continued

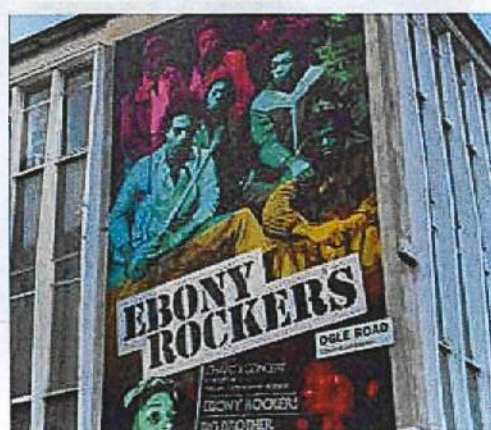
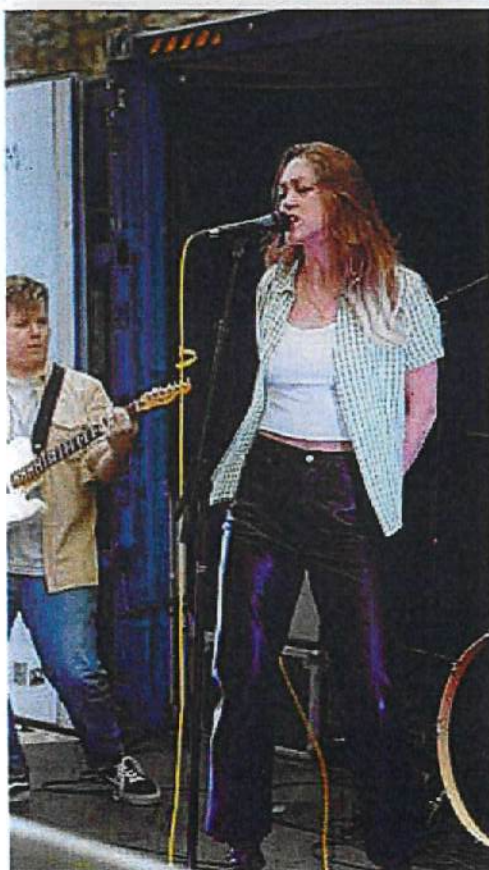
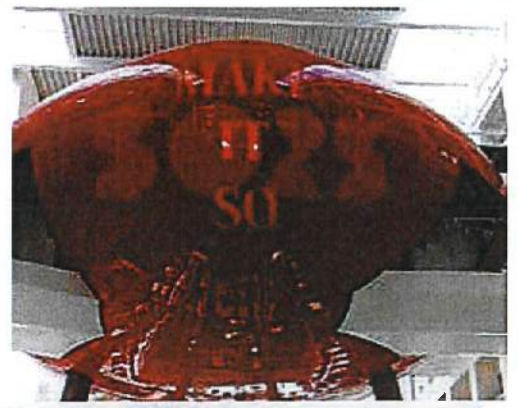
encompassed nutritional and lifestyle guidance, coupled with exercise strategies to promote increased physical activity.

Recognising the significance of this work, the project received an award from the COVID response fund and This Girl Can initiative, enabling its ongoing development and implementation. Our academic is committed to further enhancing this resource by creating avenues for student involvement in delivering and conducting evaluative research on the programme's effectiveness. Additionally, the future development of this initiative aims to encompass programs specifically designed for refugee men.

During 2022/23, we continued our collaboration with the International Labour Organisation (ILO) as part of the UK Skills for Prosperity programme. The primary aim was to enhance curriculum development and capacity building in seafaring engineering. This joint initiative brought together UK and Indonesian institutions to identify ways to integrate international standards and global industry trends into the curriculum, thus improving its quality and relevance for students and the broader industry.

In October 2022, the project reached its peak with a two-week UK study tour. We warmly welcomed representatives from Polimar and the ILO, offering them a specialised training course focused on equality, quality, and relevance. The visiting delegation also included representatives from the Indonesian Ministry of Education, Culture, Research, and Technology (MoERT), who played a crucial role in accrediting Solent University as a vocational education provider. As a result of this successful project, Solent University has gained an income stream of approximately £150,000. Furthermore, the accreditation by the MoERT has significantly elevated the University's reputation overseas, opening promising knowledge exchange opportunities for the future. Building on this fruitful partnership, we are moving towards a new agreement that will extend our collaborative efforts for the next five years, aimed at strengthening maritime education provision in the Philippines.





Engaging communities

Over the last year Solent University has further strengthened engagement with its alumni, businesses, and the local community, while celebrating a key milestone in delivering our 2025 strategy.

Following a rigorous assessment process involving staff, students and our external partners, the University was awarded the NCCPE Silver Engage Watermark. The watermark provides recognition for the University, in working with its communities and for supporting staff and student development. Since achieving the award Solent has gone on to deliver its Public Engagement Action Plan, which will see further enhancements made to our approach.

As a civic university, engaging with our priority communities during the cost of living crisis has been a focus throughout the 2022/23 academic year. Work has been progressing to enable the delivery of commitments set out within our Civic Charter. This year we launched our Make a Difference employee volunteering programme for staff, offering structured opportunities within the community that also support our widening participation plan. For an hour each week over a six-week period, volunteer 'book buddies' have been going back to school and reading with children keen to improve their literacy skills.

Alongside this we continued to make good progress with our journey to become a University of Sanctuary. Our application was submitted in Autumn 2022 and during this time we have delivered several new interventions. Semester two saw us launch our inaugural Sanctuary Week on campus, enabling our students, staff, and local community to explore topics around seeking sanctuary with highlights including a sanctuary village on campus and exclusive film showings. Our BA (Hons) Performance course also integrated work with sanctuary seekers through the Hopes and Dreams project, working with local charities to capture a range of creative pieces and produce a series of performances showcasing the meaning of welcome across our communities.

Working with communities across the region is core to our role as a civic university and we have continued to maintain strong working relationships with organisations including Southampton City Council, Southampton Connect and GO! Southampton.

Throughout the year we have also strengthened ties with the central south region's business community. Our Business Advisory Boards in the Business and Law and

Maritime departments continue to develop, with new appointments in the last year providing opportunities for our student community. Building relationships with key employers in the region continues, with our students participating in knowledge exchange interventions with organisations including Southampton Football Club, John Lewis, and Hampshire Constabulary.

Small business have benefited from participating in the government's Help to Grow Management Programme and we were recognised as a finalist in the 2023 Small Business Excellence Awards for the impact of our Business Pitch competition. Mitch Wisniewski, a 2020 BA (Hons) Computer Generated Imagery (CGI) Solent graduate was crowned the Business Pitch winner, receiving a £10,000 investment to accelerate his company Other Skies – a 3D bespoke configuration service for the marine industry. Three Solent finalists were also longlisted for innovation festival Venturefest South's Battle of the Pitches, with Alexandru Solca's Everessence reaching the shortlist.

Our alumni community and donors continue to contribute back to the University, with funds raised enabling the University to award 43 local student bursaries this academic year. The last year also saw the University and the Wilson family officially launch the Lisa Wilson Business and Law Suite, a breakout space for students in the Spark, with comfortable new furniture and a refreshment point. The suite is named in memory of Lisa, who graduated from Solent University in 2001 with second-class honours (first division) in business management, and who sadly passed following a car accident in November 2002.

As we look forward to 2023/24 our work with communities will continue to support student success and align with our research and knowledge exchange priorities. The launch of the University's new Research Hub and associated Engage Space will provide a dedicated environment to enable these discussions and two-way knowledge exchange with our external communities.



Access and participation

In 2019, the OfS approved the University's strategic access and participation plan (APP) for 2020-25. A variation to the plan was approved in November 2022, to refocus some of the activities for the 2023/24 academic year. The APP is focused on our plans to reduce or remove significant gaps in the access, achievement, retention, and progression of targeted widening participation (WP) groups. The plan is ambitious and far-reaching and includes activities to monitor and evaluate the impact of key initiatives so we can learn from, and share, our successes.

We provided a robust WP programme for disadvantaged learners in schools/colleges/local communities, including:

- A range of established and new activities to address the access gaps for Asian and indices of multiple deprivation (IMD) Q1 entrants (Q1 being the most deprived of five quintiles) and the gaps for IMD Q2 and participation of local areas (POLAR4) Q1 entrants (Q1 being the lowest rate of participation of five quintiles).
- Investigation of barriers to higher education for Asian 18-year-old entrants through focus groups with student ambassadors, the Student Diversity Network and community members.
- Stakeholder meetings to inform interventions and deliver best results in removing barriers were held with Unity 101 Radio, Abu Bakr Mosque, The United Voice of Africans Association and Southampton City Council.
- A continual professional development (CPD) event for community leaders was delivered.

Our professional mentoring scheme matched 24 Solent students to industry professionals, including Solent alumni, from a range of sectors. This enhanced students' employability prospects, improving their confidence and connections.



We provided support for post-16 disadvantaged and hard to reach learners to access higher education:

- Work to support UK student recruitment including a Black, Asian, and other ethnically diverse communities student scholarship, available to 30 new students from September 2022.
- In addition to school and community campus events, specific pupil and parent events took place which were targeted to meet the needs of Black, Asian, and other ethnically diverse communities' pupils, supported by the active employment of ambassadors from similar backgrounds to assist in delivering activities.
- Attainment-raising activities focused on three GCSE maths revision projects in local schools, in addition to workshops designed and delivered to support progression to level three. Evaluation outcomes of the 'More Maths' activity indicate that learners' confidence in taking future examinations in mathematics increased after participating in the activity. Self-reported perceptions of their mathematics knowledge also improved.

We implemented strategies to reduce awarding gaps:

- Race Equality Bronze Charter successfully achieved.
- A jointly funded PhD studentship with the University of Kent for a project entitled 'Transforming Curricula: How culturally sensitive curricula produces real world outcomes.'
- 22 Asian, Black, minority ethnic and other (ABMO) students attended a two-day confidence-building pilot programme – Making Waves: Your Student Success (GRIT) – managed by Solent's student achievement team and delivered in partnership with youth charity Grit.
- Access Solent delivered four online and one on-campus transition event to support applicants to prepare for university which included planning for

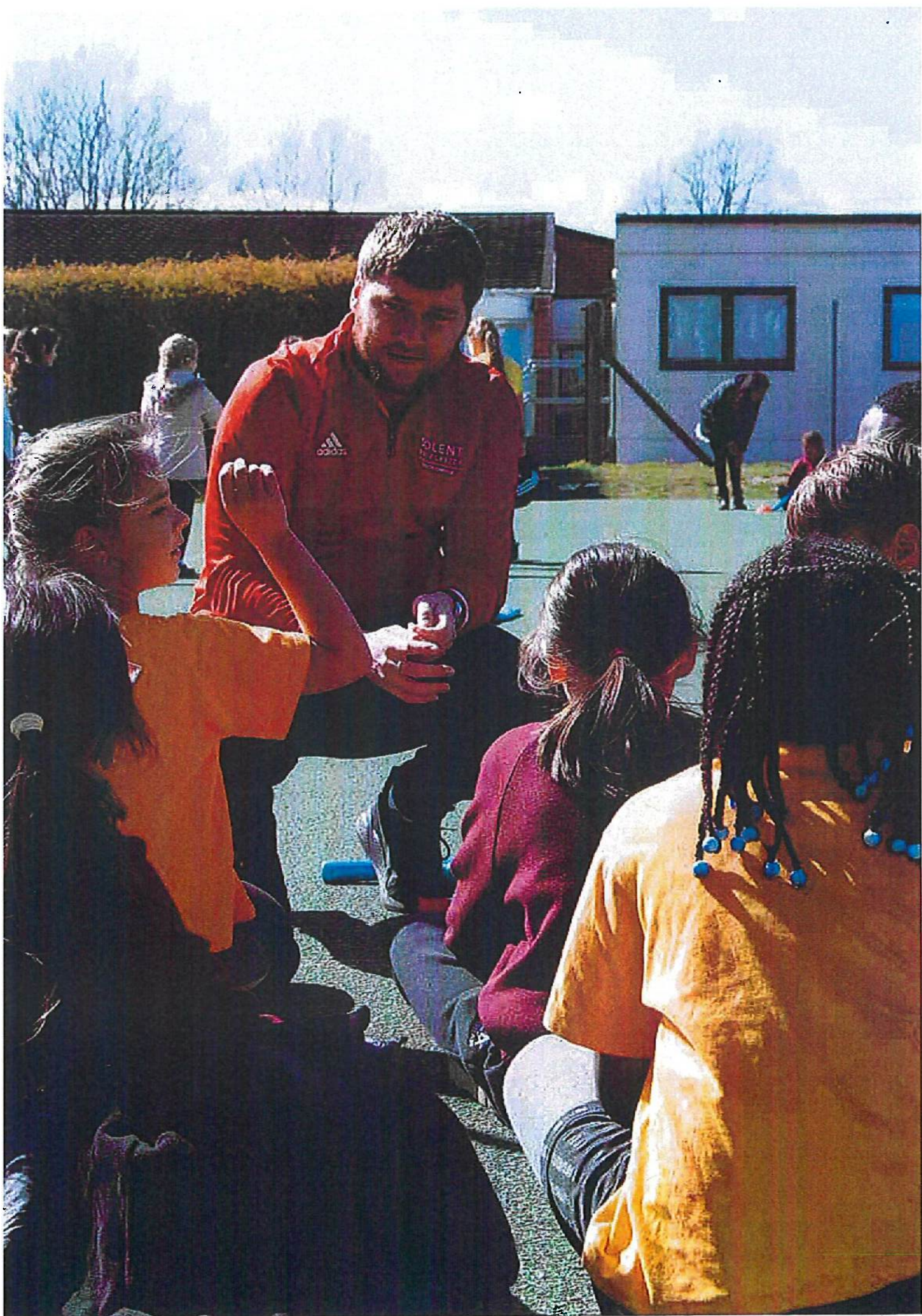
Access and participation continued



- independent living. The team also supported the widening participation team with optional breakout rooms for supportive information, advice, and guidance at the end of Solent access support events.
- Simply Social now fully re-established as a weekly group held on campus to facilitate peer support for students with autistic spectrum disorder (ASD).
 - Access Solent launched a series of disability specific staff training sessions for autism, hearing and sight impairments, supporting disabled students (including inclusive practice and accessibility) in addition to continuing to deliver a session on disability support, reasonable adjustments and inclusive teaching and learning on the Solent PGCert course.
 - Access Solent team leaders have delivered a suite of workshops to students to support eradicating the disability awarding gap: providing information, advice, and guidance on support, including the DSA process.
 - Access Solent facilitated three student voice group sessions focused on gathering insight and feedback into the experiences of students with declared disabilities, and exploring how the University can best support these groups of students.

We implemented strategies to close gaps in progression to high skilled roles:

- Our professional mentoring program matched 24 students with industry professionals from a range of sectors – including several Solent alumni – enhancing students' employability, confidence and connections.
- 1289 employment opportunities were advertised.
- Connections were established with 360 employers.
- Employer partnerships are in place with Hampshire Constabulary, Southampton FC and Enterprise Rent-A-Car.
- Four students attended the Freshfields Stephen Lawrence Scheme Insight Day.
- During the year we were awarded a further £270,000 from the OFS to fund 27 scholarships of £10,000 to Black, female, and disabled students for Solent's MSc Applied AI and Data Science course in 2023/24.
- Ten students attended the EIA enterprise event in Porto, Portugal.
- Three separate Asian mentoring sessions were provided, reaching 81 students.





Our people

Our people and development enabling plan focuses on being ‘better together’ through the ways we value, develop, and transform our people and culture. Our six values underpin everything we do: respect, ownership, inclusivity, engagement, integrity, and teamwork.

In addition to our enabling plan, as part of our Solent Future Ready workstreams, we have focused on three key initiatives: improving staff engagement, reviewing our personal development review (PDR) process, and embedding our ways of working for the future, with good progress being made across all three during the last 12 months:

Staff engagement: our midpoint staff engagement survey closed in May 2023, and continued to highlight workload as a key area of focus across the University, as it is across the HE sector. We remain focused on delivering a bottom-up approach to action planning, supporting directors and heads of department with the progression of their individual departmental action plans, specifically designed to deliver greater staff engagement for their team within the next 18 months, and our next full staff engagement survey.

Personal development review: Our enhanced PDR process also launched in May 2023, and takes a simplified and streamlined approach to PDRs to support people’s workload and effective prioritisation. The re-launched process focussed on agile goals and goal setting, enhanced personal development planning and more regular PDR conversations. To support the launch, we invested in successful and valuable ‘better conversations’ leadership development for over 150 managers.

Ways of working: As we celebrate one year of our new collaborative workspaces, we have reviewed our ways of working workstyles – campus, hybrid-fixed and hybrid-flex – culminating in our cultural ‘ways of working principles’ and ways of working for the future.

Over the next year we will continue to deliver against our ‘better together’ enabling plan to deliver our vision that by 2025, Solent is a future-ready employer within the sector through our facilitation of a culture where everyone feels they belong and are empowered and enabled to deliver to their full potential, supported by an environment that recognises the importance of mental and physical wellbeing and that rewards and celebrates success.

Equality, diversity, and inclusivity (EDI)

Facilitating a culture of inclusion and belonging for all remains at the heart of the University. Solent University’s vision to create a healthy working environment and the conditions for everyone to thrive, is supported through our Equality and Wellbeing Committee, our mental health vision for students and colleagues, our equality, diversity and inclusion plan 2021-2025 and the people and development enabling plan.

Building on the Bronze Race Equality Charter (REC) status, our ongoing Race Equality Charter action plan focuses on key areas such as:

- Developing staff and students’ awareness and understanding of ways in which race inequality manifest in the University setting and society, and their responsibilities in committing to support actions that aim to redress inequality and promote inclusion.
- Improving career development of racially minoritised staff.
- Reducing differential experiences of racially minoritised staff and students.
- Further developing a sophisticated understanding among our leadership team of structural inequality and ways in which these inequalities shape the experiences of staff, students and all concerned with the University – particularly those belonging to Black, Asian, or other minoritised backgrounds.
- In addition to progressing our ongoing Race Equality Charter action plan, as part of our equality, diversity and inclusion (EDI) plan, this year we have also:
- Held our first EDI event in May, at which we celebrated our Bronze REC award.
- Launched our formal approach to affinity groups with support structure to ensure long lasting impact and success across the University.
- Launched our Menopause Café initiative and held our first successful event.
- Continued to support a new cohort of colleagues through the Advanced HE Aurora programme and the Diversifying Leadership programme.

The University’s Bronze Race Equality Charter Mark demonstrates our commitment and the value we place on equality, diversity, and inclusion.



Our people
continued

- Achieved a mean gender pay gap of 7.4%, which despite a small increase of 1.6% on last year, remains well within our target benchmark 10.5% and is supported by 52% of all promotions being women.
- Achieved a mean ethnicity pay gap of 5.5%, which sees an increase of 3.2% on last year, but is supported by increasing year-on-year growth in appointments of minority ethnic employees, with a 1.8% increase on the previous year.

Trade Union facility time report (tax year ended 31 March 2023)

Solent University recognises UCU and UNISON for consultation and negotiation purposes, and in line with our recognition agreements and the ACAS Code of Practice, grants paid time off for these important trade union duties.

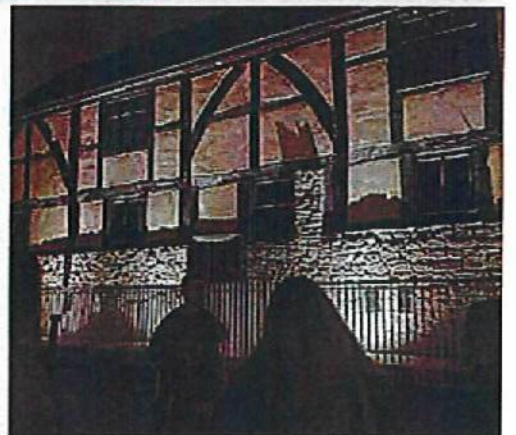
In line with the Trade Union (Facility Time Publication Requirements) Regulations 2017, Solent published the required data on 31 July 2023. Below is the summary of the information:

	No.	FTEs
Employees who were relevant trade union officials	9	7.65

Percentage of working hours spent on facility time:	No.
0% of working hours	3
1% - 50% of working hours	6
51% - 99% of working hours	0
100% of working hours	0

Total pay bill for the tax year 2022–23	£52,867,261
Total cost of facility time	£28,341
Percentage of pay spent on facility time	0.05%
Hours spent on paid facility time	1036.35
Hours spent on paid trade union activities	49.35
Percentage of total paid facility time hours spent on paid TU activities	4.76%

Our people continued





SOLENT WILDFLOWER MEADOW

In autumn and winter, sections of our wildflower meadow are left uncut for wildlife. Invertebrates such as ladybirds, snails and spiders, and these insects are beneficial to the health of the meadow, and hollow-stemmed plants such as Crested Dogstail, Bogfoot Tealich and Meadow Buttercup afford particularly good places to hide over the winter.

Plants including Greater Knopweed and Wild Carrot provide food for seed-eating birds. Lark and Wren eat for our flock of resident Goldfinches feeding on seed heads in the areas left uncut.

Wild Carrot seed head

Greater Knopweed seed head

Greater Knopweed

Wild Carrot



Environmental sustainability

Primary focus over the last twelve months has been on the development of our carbon management plan (CMP), in conjunction with external consultants. The project initially involved an extensive data collection exercise to allow the accurate calculation of the University's carbon footprint, and to determine our baseline year, 2021/22. This baseline figure will be used to benchmark the future progress of carbon reduction activities up to the net zero target.

The final report will be published during the 2023/24 academic year, providing a roadmap to our net zero target of 2035/36 for scope 1 and 2 emissions. The report will outline a host of recommended actions for Solent to achieve its ambitious targets.

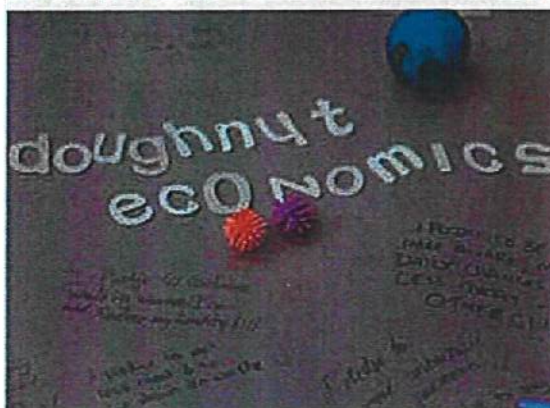
To assist in achieving these targets, the environmental and sustainability enabling plan has been significantly revised. With involvement from all stakeholders within the university, the plan will take the ambitions of the roadmap and determine achievable targets for the next five years.

The University has made excellent progress in reducing carbon emissions and was delighted to be recognised in a report produced by Times Higher Education (THE). Using data submitted to the Higher Education Statistics Agency (HESA), the report placed the University fourth out of 119 universities for its overall reduction in carbon emissions over a four-year period up to 2022/23. Further examination of the data used by THE in its report demonstrated that the University had achieved a 63% reduction in total carbon energy output since 2015 with clear year on year improvements.

As part of the development of the CMP and as part of our civic responsibilities, a revised university travel plan is in development. The primary aim is to promote sustainable travel and alternatives to single occupancy car journeys. The new travel plan will build on the successes made by previous versions and will align its targets to support those of the carbon management plan.

In continuing its efforts to promote sustainable travel, the University has welcomed Voi e-scooters to establish a docking station on its EPT campus. The University is also collaborating with Beryl Bikes to host a parking bay in the same location, providing a choice of alternative, environmentally sustainable modes of travel for staff and students and our wider community.

Biodiversity remains a top priority at our Timsbury Ship Handling Centre, which is home to several protected



species, as well as being an established habitat for otters and a variety of bat species. Continued monitoring ensures that our teaching activities do not negatively impact the wildlife.

During 2022 the University engaged ECOSA, our ecology consultants, to complete a full site monitoring report. Staff were invited to take part in bat transects and the results of the monitoring activities confirms this area continues to support these native and endangered species. We were also able to capture clear photographic evidence of otters, deer, and badgers being active in this environment.

The University continues to support and promote environmental events. A dedicated environment day was held on 20 October 2022, which offered a green surgery, sustainable marketplace and bike doctor services. In addition, an evening presentation was offered at no cost to attendees on the subject of retrofitting and regenerating buildings, offering an insight into the challenges and opportunities for careers within this growing sector.

The University conducted its annual beach litter pick along the Hamble Estuary, adjacent to our Warsash campus. This was carried out in conjunction with our contract partners Suez. We successfully saved over 10kg of plastic and rubbish from entering the water after just one hour's activity, further highlighting how small efforts can have a big environmental impact.



Estates strategy

During the 2022/23 financial year, Solent University continued to progress the delivery of its estates strategy; concluding several key projects and enabling works that further enhance the people experience, supporting the student offer, and unlocking spaces for future development.

Capital refurbishment projects

Following on from the June 2022 repurposing of Michael Andrews building level 1 into an open plan professional services team hub space, levels 2 and 3 have been transformed into a suite of high quality, class leading, creative industry studios and teaching spaces for many of the courses within the departments of arts and music, and science and technology.

Further work within the Spark atrium repurposed an underutilised space to create a centrally located hub for the student success team. This purpose-designed space provides students with access to critical front-line wellbeing and support staff in the heart of the campus, adjacent to Solent Creatives, Solent Futures, and the Students' Union, and realises the ambition for a student centric 'village' occupying prime locations embedded within core teaching and learning space.

The relocation of the Student Hub unlocked space within the Michael Andrews building for a new Research Hub. This exciting development provides for the first time a collaborative space for staff and students to engage in research activity and wider public engagement, and is the next step in building a strong, vibrant research community at Solent, supporting students in achieving excellence in research.

The learning design framework (LDF) has been the catalyst for investment across the estate, with a guided learning centre created on floor 2 of the library that complements formal teaching and affords an inspirational space for learning and research; and the remodelling of 15 teaching rooms in the Spark with new agile furniture to increase capacities and make for better collaboration teaching and learning environments.

Continued growth in nursing students led to a successful Office for Students (OFS) bid to fund a second teaching ward and consultation room – branded a human health lab - to support the full range of health-related courses.

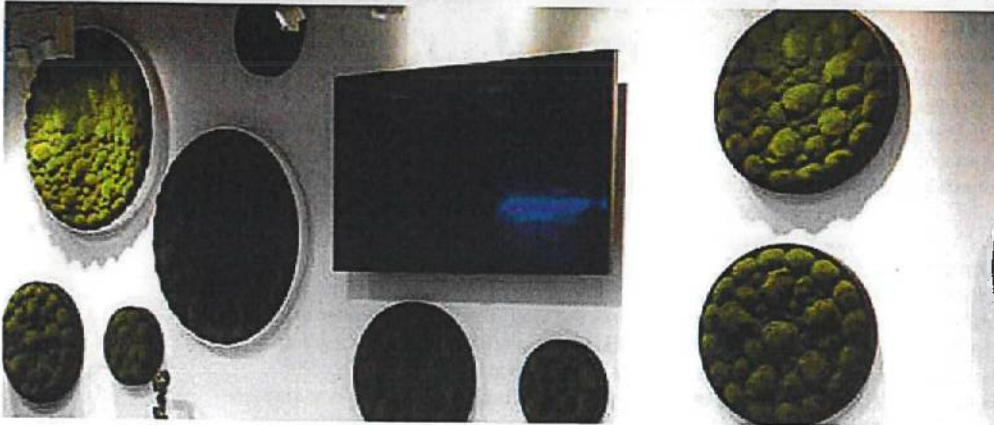


The new facility, opened in early October 2023, not only supports the growth and expansion in nursing students, but also new programmes that are being added to the Department of Social Sciences and Nursing course portfolio.

Ahead of the Institute of Technology (IoT) project which will commence towards the end of 2023, a number of enabling projects have been completed with others ongoing at present. These see the relocation from Christopher Cockerell Building of specialist facilities in sports therapy, biomechanics, and psychology into the Sports Complex, amalgamating with the fitness and cycling studios and the high-performance gym, to better utilise existing space and place under one roof related teaching activities. The permanent relocation of the Estates and Facilities helpdesk and associated workspaces, and the temporary relocation of science and engineering facilities into the Herbert Collins building to allow teaching to take place during the IoT works, are additional critical enabling projects ahead of the IoT.

Looking forward, work is under way for Estates and Facilities, in conjunction with the project management office and key stakeholders, to explore options and opportunities for remodelling of library spaces, the relocation of maritime cadet training from the Austen building at City College, internal remodelling of the Sports Complex, and relocation of Re:So onto campus.

Estates strategy continued



Asset disposals

Solent continued to progress with the disposal of the freehold residential portfolio and the upper site at the Warsash campus.

A preferred bidder was identified following a full marketing and evaluation exercise on the student residences following the receipt of offers. Technical due diligence and negotiations on the sale and referral agreement have been ongoing throughout the latter part of 2023, with the aim of concluding a sale in the academic year.

The planning applications submitted by Metis Homes to redevelop the site at Warsash incurred a significant delay when an application was made to 'list' all the buildings within the development site. There was a statutory obligation on Historic England to undertake a formal assessment, and then make a recommendation to the Department of Digital, Culture, Media and Sport. It was therefore pleasing that Fareham Borough Council Planning Committee approved both planning and listed building

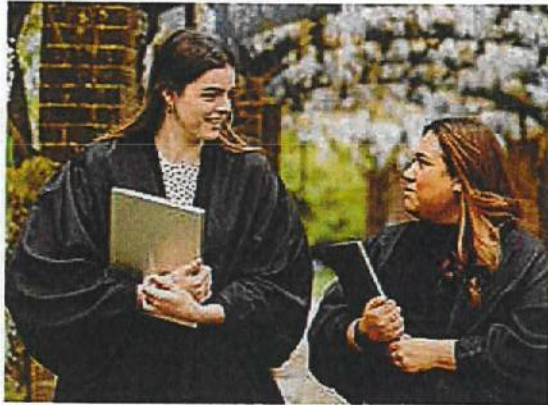
consent applications at its meeting in September. The purchasers are now progressing with demolition, which will then trigger the sale completion.

The next university strategy (post 2025) will inform a new estates strategy. Initial opportunities for future development of the estate are already under consideration and include key locations on the East Park Terrace campus. These will be followed by a wider needs assessment based upon strategic direction and identified business requirements and encompass the entirety of the university estate.





Our place in the world



As one of our strategy's key foundations, 'our place in the world' is our continued commitment to creating global graduates, and a university culture where all students can aspire to international opportunities.

The past twelve months have provided an opportunity for a continued focusing of the University's strategic delivery against international targets. As the aftereffects of the COVID-19 pandemic and impacts on most areas of work have minimised, a more substantial return to pre-pandemic engagement with global markets has been made possible.

The University's direct international student recruitment efforts have been enhanced through focusing on key target recruitment markets.

With this approach delivering strong recruitment numbers across both 2022/23 entry points, a proportionate expansion of tiered target markets against growing enrolment targets is planned for the next recruitment cycle. This has a clear aim of building on our core recruitment strengths globally, whilst also further diversifying and expanding the global reach of the Solent 'make waves' brand.

Working alongside our academic community, the international team continues to cultivate, evolve and expand our collaborations and support of global partnerships. The past year has seen students enrol at the University through collaboration with 25 global partners and exchange agreements, across 14 global markets.

An ambition to further expand the total number of students progressing and enrolling through these

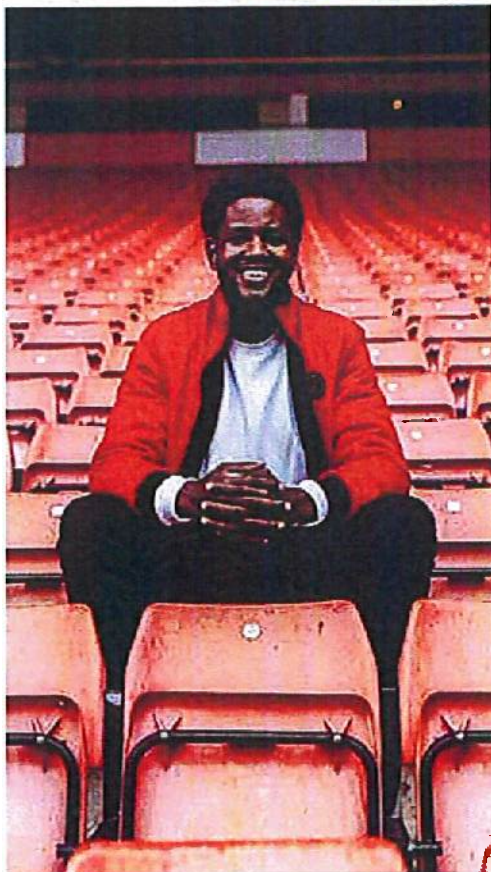
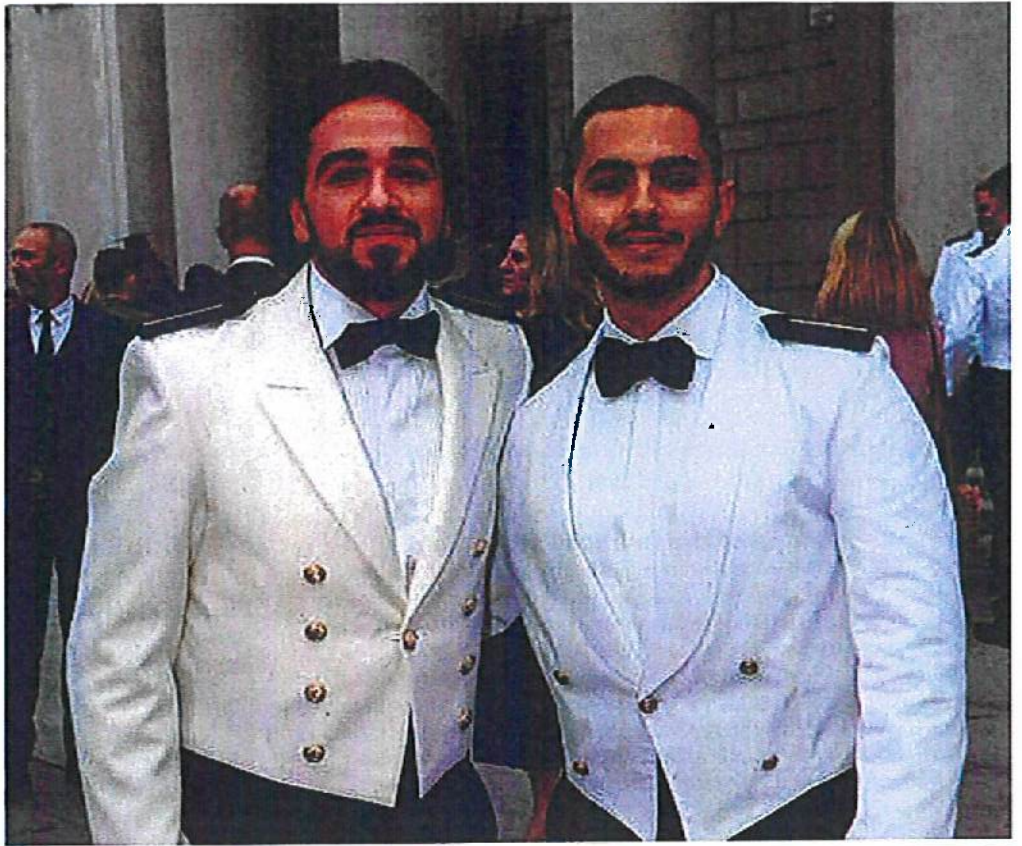
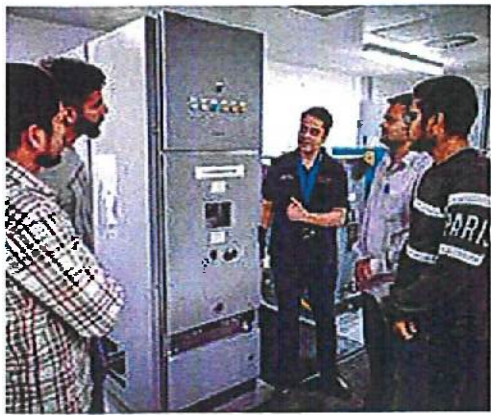
collaborative relationships is firmly rooted in the University partnerships strategy.

Working with key global institutions has also paved the way for increased opportunities for Solent students. Our work with the Turing fund has provided initial funding opportunities for volunteering, study abroad opportunities and work placements, in multiple countries globally.

With a history of working with our local community and welcoming those in need, Solent committed to achieving University of Sanctuary status in 2022. This UK-wide initiative aims to ensure universities foster a welcoming and inclusive culture for asylum seekers and refugees.

The continued enhancement of our provisions of information, advice, and guidance to international students has remained a critical priority for the University. Enhancing pre-arrival support, induction programmes and in-year presentations, in collaboration with other professional services and academic departments, is an ongoing key priority across the University.

The strategic priorities for international recruitment are both ambitious and realistic, as a cross-team, tiered strategic approach to developing our global relationships is deployed. This approach will aim to ensure that our strategy for enhancing and expanding our brand, expertise, and opportunities internationally remains both ambitious and reactive to demand.



Financial review for the year ended 31 July 2023

Scope of the financial statements

The Financial Statements comprise the consolidated results of the University, its fully owned trading subsidiary undertakings: Solent University Limited (SUL) and Solent University Services Limited (SUSL), and its joint venture Solent Pathway Campus Limited (SPCL). The results of the Solent Students' Union are not included as it is a separate unincorporated association in which the University has no financial interest and no control or significant influence over policy decisions.

The main activities of SUL are to provide short courses, training and facilities, consultancy services, meals, and accommodation for employees of other organisations using the company's facilities for their own training programmes, and miscellaneous commercial activities. SUSL provides support staff to the University.

The University owns 51% of the SPCL share capital, with the remaining 49% being owned by QAHE (Solent) Limited. The joint venture provides foundation courses for overseas students, enabling progression on to Solent undergraduate courses.

Financial review

Financial key performance indicators (KPIs)

As part of the strategic plan process, the University has adopted a single financial key performance indicator:

Financial key performance indicator	Criteria	Outcome for 2022–2023	Outcome for 2021–2022
Net cash inflow from operating activities as a percentage of income	Rolling 3-year average of 9-11%	9.6%	10.0%

The rolling three-year average KPI is within the target range because the surplus generated in 2020-21 is included in the percentage calculation.

The above financial key performance indicator is supported by two other performance indicators, as shown below:

Performance indicator	Criteria	Outcome for 2022–2023	Outcome for 2021–2022
Annual surplus (after tax and FRS102 pension costs)	At least 3% of income	(3.0)%	(5.3)%
Staff costs as a percentage of income	Not to exceed 53% by 2023-24	50.3%	53.8%

Details of the University's financial performance in 2022/23 are provided under 'Results for the year' on page 41.

The University met the main financial KPI which is the net cash inflow from operating activities, as well as one of the two supporting performance indicators, the staff cost KPI.

Given the rate of inflation, frozen home UG fees and decreased funding, it has become more challenging to generate a surplus and meet the annual surplus KPI. The University continues to take various actions to reduce and gain control over costs in order to return to a surplus position in the near future.

Excluding FRS 102 costs, the University generated an operational surplus in 21/22 and a £2.3m deficit in 22/23. Operational surplus/deficit provides a better indication of the University's performance and operating cash flow.

Results for the year

The University's results are summarised in the financial highlights on page 6.

The University has delivered an operating deficit for the financial year 2022/23 of £2.3 million with a deficit of £3.2 million after FRS102 pension costs (2021/22: deficit of £5.5 million after FRS102 pensions costs). The University's financial performance was better than the operational budget.

Total income has increased by £2.6 million (2.5%) to £106.2 million primarily because of the increase in tuition fees and education contracts income.

Funding body grants were higher by £0.3 million (4.0%) to £8.0 million, with half being received from the Office for Students (OfS). The OfS recurrent grant for 2022/23 totalled £4.0 million, representing a decrease of £0.1 million (2.6%) from 2021/22, which was a result of the reduction in teaching grant. Targeted allocations, which is funding received for the additional costs associated with recruiting and teaching students from under-represented social groups and communities, was £2.2 million, slightly less than the previous year (2021/22: £2.4 million). The University has seen a continuous decrease year on year of the OfS recurrent grant.

Also included in the funding body grants is £1.7 million funding from OfS Competitive Capital Funding, awarded to the University to invest in its health and STEM teaching and learning facilities and resources, with £1.3 million from the Higher Education Innovation Fund, which supports knowledge exchange.

Tuition fees increased by £1.3 million (1.5%) to £86.2 million with higher overseas student income offsetting lower home student income. Included in the home

tuition fee is partnership income (2022/23: £11.0 million, 2021/22: £10.0 million) which has a corresponding cost in other operating expenditure.

Other operating income increased by £1.0 million (9.5%) to £11.5 million, primarily due to higher accommodation fees in 2022/23, driven by occupancy rates.

Overall total expenditure increased by £0.5 million (0.5%) to £109.4 million, with the University managing cost inflation by closely monitoring expenses.

Staff costs decreased by £0.8 million (1.4%) to £55.0 million, which is attributable to a reduction in staff numbers. Redundancy costs were higher compared to the prior year, with £1.9 million being attributable to restructuring cost and £0.6 million for severance. There was a significant decrease in the FRS102 pensions costs, £0.1 million compared to £4.3 million in 2021/22, detailed in the 'Pensions' section below.

Other operating expenditure includes QAHE partnership cost of £9.6 million compared to £8.6 million in 2021/22.

Investments and cash reserves

Overall investments and cash reserves have decreased by £12.9 million, which is mainly due to the amendment and restatement of the credit facility with Lloyds Bank and capital investments in the year. Details of the net cash inflow from operating activities are given under 'Cash flow', below.

The University has continued to invest its funds in short term, highly liquid investments that are readily convertible to known amounts of cash with a short maturity and insignificant risk of change in value.

Cash flow

The financial highlights on page 6 show that the University generated a net cash inflow from operating activities of £10.6 million, £0.7 million lower than the previous year. This represents 10.0% of net operating income. In common with many institutions in the sector the University has adopted a three-year rolling average of net operating cash flow as a percentage of income as its finance KPI. The factors contributing to the level of net cash inflow include:

- A deficit of £3.2 million in 2022/23, compared to a deficit of £5.5 million in the previous year.
- An increase in debtors for 2022/23 compared to 2021/22. As the University's mix of students changes and unfunded students increase, the University

Financial review for the year ended 31 July 2023 continued

continued to focus and adapt its debt chasing strategy, ensuring that the collection of outstanding debt remains a priority.

- An increase in creditors compared to 2021/22 has an impact on net cash inflow. Underlying trade creditors and deferred income are higher than in 2021/22.

Long-term borrowing facility

The University has a standard commercial loan with Allied Irish Bank, secured on individual halls of residence. The amount outstanding as of 31 July 2023 is £5.5 million and will be fully repaid by July 2026.

During the year, the University undertook a refinancing exercise and agreed new terms on their outstanding bank facilities.

An amended and restated credit facility of a Term loan of £18m plus an undrawn Revolving Credit Facility (RCF) of £18m was agreed with Lloyds Bank, which in quantum equated to the previous facility.

The term loan is for a five-year period and will terminate in 2027/28. The amount on termination date is expected to be £11.25m. The RCF facility is for 3 year period until 2026 with the option to extended twice by one year.

The University has two hedges in place against the credit facilities.

The Lloyds Bank facility is secured against The Spark and The Sports Building. As at 31 July 2023, the amount outstanding on the term loan is £16.3 million, with the RCF being undrawn.

The University has an additional £14.5 million revolving credit facility with Barclays Bank which is secured against Kimber Halls of Residence and Mountbatten Library, terminating in 2026. This facility was undrawn during the year.

Note 17 gives further detail of the year end debt position.

Post balance sheet events

The Governors are not aware of any significant post balance sheet events.

Financial plan

The Chief Financial Officer, together with the finance senior management team, is responsible for the delivery of the financial plan. A set of key performance indicators has been developed as part of the strategic plan process;

with a single key financial performance indicator as highlighted above. The key strategic themes are to:

- Manage resources and finances to provide sustainability of income and expenditure to deliver the strategic plan.
- Support the University through improved decision making and robust financial processes.
- Allocate resources for students ensuring transparency and value for money.
- Ensure financial risks are communicated and managed appropriately.

Future outlook and going concern

Alongside other HE institutions, the political and economic environment remains challenging for Solent University.

Throughout the year, the University continued to focus on student recruitment growth through the Solent Future Ready (SFR) project. The work will continue in the current and future years, aiming to ensure a financially sustainable business model for the next five years and beyond.

The political context for universities remains challenging, with many changes to the regulatory framework. The response to the Augar Review saw tuition fees capped at £9,250 until 2025, representing a real-term cut to universities' income. The announcement on proposed changes to fees for foundation years in type D course and number caps for underperforming subject areas will further shape the political landscape and operating context for the University and sector.

The 2023/24 budget and medium-term financial plans recognise the need to ensure that the University's cost base is affordable. The University will continue to take action to control costs so that as it delivers future income growth, it also gradually increases the surplus in current and future years to allow future investments and to build resilience.

The unpredictable political and economic environment continues to generate a level of uncertainty in the University's forecasting. To eliminate short-term financial risks, the University has continued to review its financial plan and stress-tested various scenarios. During the year, the University completed a refinancing exercise and agreed new terms on its outstanding bank facilities.

To justify preparing the financial statements on a going concern basis, the University has:

- Stress-tested its financial plans based on a range of student number levels for 2023/24 and material other variables impacting income and costs.

- Reviewed the impact of the different scenarios on the cash flow forecasts.
- Considered the undrawn credit facilities that are available to the University (£32.5m).
- Presented to and discussed these financial scenarios with the University Board of Governors.
- Modelled covenants and headroom.

Through the combination of a review of financial plans based on known and likely recruitment levels for 2023/24, future covenant modelling, the refinancing exercise, and reviewing the continuing Solent Future Ready project work, the Executive and the Board of Governors consider that Solent University has adequate resources to justify preparing the financial statements on a going concern basis.

Treasury management

The University's cash flows, banking, money, and capital market transactions and the effective control of the risk associated with those activities, are governed by the Resources Committee.

The policy of the University is to safeguard its assets whilst at the same time aiming to achieve the best possible return on its investment. The over-riding principle however must be to minimise risk rather than maximise return.

The financing and liquidity of the University and its exposure to financial risk are managed by the central Finance Service. The University's Treasury Management Policy sets out the minimum liquidity levels needed to ensure that financial and operational control is maintained. A rolling five-year forecast is prepared each year, which incorporates a review of capital expenditure, cash generated and any future borrowing requirements.

The University's Treasury Management Policy is in line with CIFPA Treasury Management in the Public Services: Code of Practice and Cross-Sectoral Guidance Notes (2011 Edition).

Accounting policies

The University's financial statements have been prepared in accordance with the statement of principal accounting policies set out on pages 61-64.

In accordance with FRS102, The Financial Reporting Standard, the University has reviewed its accounting policies to ensure that they remain appropriate.

Pensions

The University has three defined benefit pension schemes for staff, which are the Teachers' Pension Scheme (TPS), the Hampshire County Council Local Government Pension Scheme (HCCLGPS), and the Universities Superannuation Scheme. A defined contribution scheme Solent Pension Plan administered by Aviva is also available to all University staff.

The disclosure notes on pages 80 to 83 relate primarily to the HCCLGPS and unfunded obligations. The latest triennial actuarial valuation of the fund took place as of 31 March 2022. The valuation was updated by Hymans Robertson, as actuaries appointed by Hampshire County Council, to assess the University's share of assets and liabilities of the scheme as of 31 July 2023.

The liabilities are particularly sensitive to gilt yields, a 0.1% change increasing or decreasing liabilities by 2.1%. The discount rate used in 2022/23 is 5.05% compared to 3.4% in 2021/22, contributing to a net surplus on the scheme.

Although overall LGPS is in surplus, the University is unable to recognise any share of this. Recognising a surplus on the balance sheet is restricted to the amount recoverable from reduced future contributions and subject to the scheme's regulations. For LGPS, the regulations allow for a refund of the surplus at the point of cessation, subject to the Fund's discretion. A review of contribution rates to unwind the surplus will be determined by the scheme actuary during the 2025 tri-annual revaluation.

The University's share of the HCCLGPS has decreased by £20.8 million to reflect a zero asset as at 31 July 2023 (2021/22 liability: £20.6 million).

Risk and risk management

The University has an established risk management policy which identifies management of risk as a responsibility of all management post holders, as appropriate to their level of accountability, led by the Vice-Chancellor. The Risk Management Group (RMG) has continued to adopt an analysis process which identifies the top institutional risks as identified by the Vice Chancellor's group and considers the top risks prioritised by academic department and service managers. This ensures there is consistency between those risks perceived by top managers and the management teams of academic departments and services, with differences considered by RMG.

As a largely teaching orientated institution these processes revolve mainly around the planning, marketing, budgeting, and student support measures necessary to recruit and retain students, enhance the student experience, and protect income streams. Conventional business recovery, financial management, and health and safety action plans are also in place. The effects of the fast-moving educational environment are closely monitored, with faculties and services considering operational risks regularly as circumstances change, ensuring that emerging risks are identified, reported, and mitigated.

The Audit Committee (AC) of the Board of Governors is briefed at each of its meetings on the University's latest risk register. This provides AC members with reassurance that actions to mitigate the risk are appropriate, with the opportunity to seek clarification where required. As Chair of RMG, the Chief Financial Officer provides a direct link with VCG in reviewing all levels of risk across the University.

With uncertainty to changes in government policy, funding and inflationary pressures on operating costs and pensions the risk to financial stability across the education sector remains high. The University has reviewed its financial stability and developed a financial plan to mitigate the identifiable risks, as detailed in the 'future outlook and

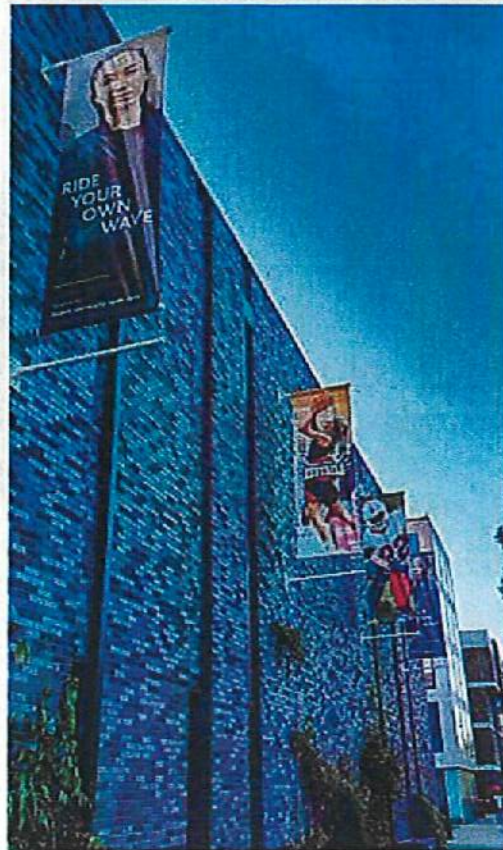
going concern' section (page 61).

Enrolment and recruitment remain challenging in an increasingly competitive environment, with the cost of living issues creating sector risks. The University continues to develop a strong brand, react to cost of living issues through its marketing and recruitment plans and build on new and existing partnerships.

In line with other institutions, the University continues to enhance controls and response plans to mitigate cybersecurity risk. With the increased demand for external and internal data, management information is a key University risk.

Creditor payment policy

It is the University's policy to pay suppliers 30 days after receipt of invoice unless special terms have been negotiated.

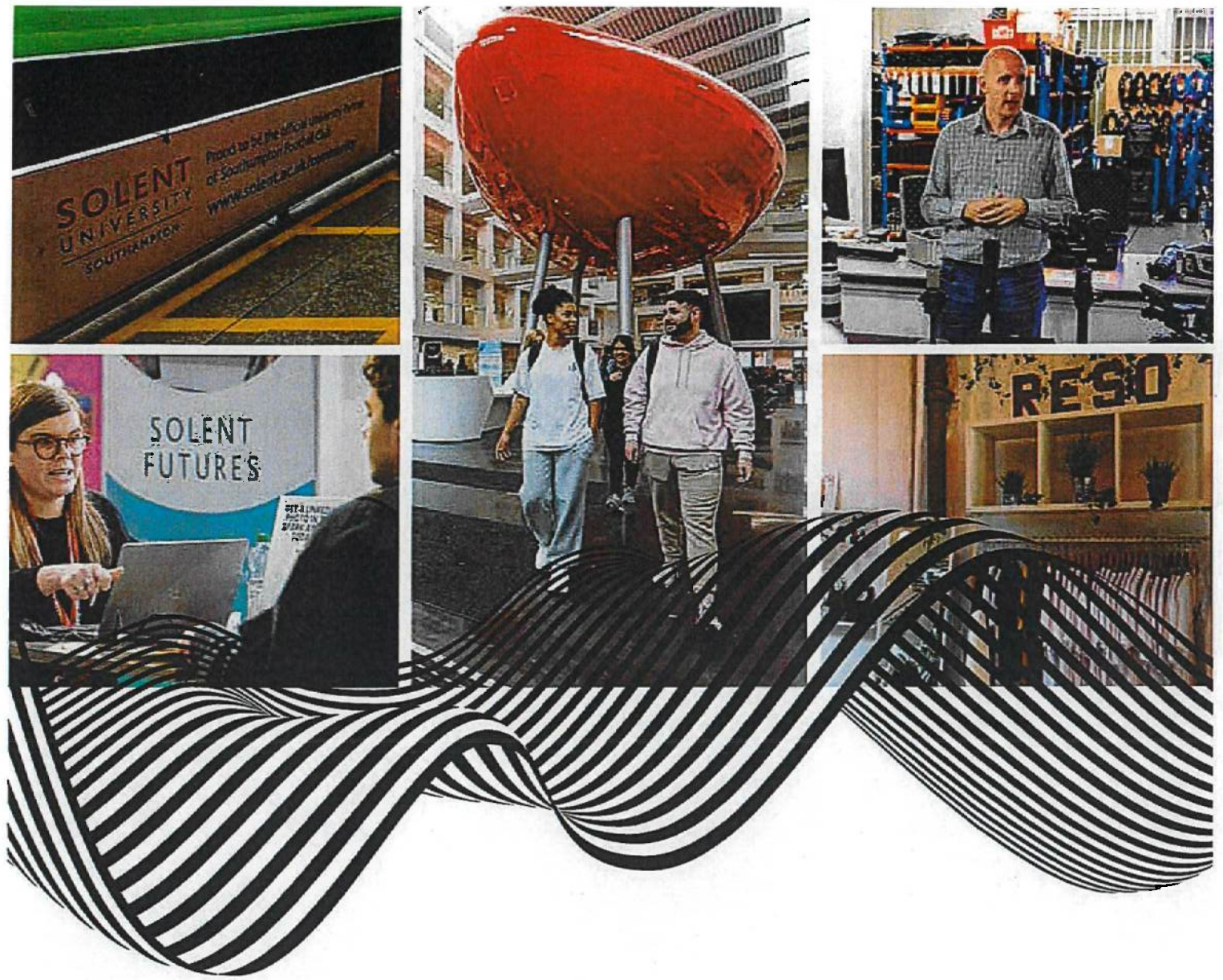


Statement of public benefit

Solent University is a higher education corporation as set up under the Further and Higher Education Act 1992. The University is a charity under statute, also known as an ‘exempt charity’.

The Governors, as trustees of an exempt charity, are aware of the guidance issued by the Charity Commission on public benefit. Given the activities of the University and the student population that it serves, the Governors consider that the University meets its statutory requirements in all respects.

The University’s mission and vision (detailed on page 9) are translated into the University’s strategic plan, ‘Solent Future Ready 2020-25’. It is this strategy which enables the University to fulfil its charitable objects.



Educational purpose

Solent University is a vibrant and enterprising modern university with a focus on student success, preparing our graduates to be work-ready, world-ready, and future-ready. The University is a friendly, open, and inclusive place which offers excellence and distinctiveness.

We offer practical and professional education with courses uniquely tailored to industry needs. Our approach is creative, inclusive and student focused, and we have strong international ties. We are also one of the world's leading maritime education and training providers, with a range of unique resources and facilities.

The University's undergraduate and postgraduate students are the prime beneficiaries of the University's activities and are directly engaged in learning or research. In the 2022/23 academic year, the University enrolled students from the UK, EU and overseas, on full- and part-time programmes at all levels from HND and foundation degree to PhD. The quality of the University's teaching and the positive student experience is reflected in its continuing success in the National Student Survey (NSS) and in achieving Teaching Education Framework (TEF) Gold.

This links with our mission to deliver excellent university education that enables learners from all backgrounds to become future ready.

Corporate governance

List of governors 2022/23

Governor	Type	Attendance at Board Meetings
Winston Alla	Student Governor	4/4
Louise Bennett (was O'Donoghue)	Staff Governor	3/4
Stephen Bolton	Independent Governor and Vice Chair	4/4
Dr Janet Bonar	Staff Governor	4/4
Phil Cotton	Independent Governor and Chair	4/4
Paul Cox	Co-opted Governor	3/4
Philip de Klerk	Independent Governor	4/4
Nigel Duncan OBE	Independent Governor	4/4
Jennifer Glastonbury	Independent Governor	4/4
Neil Hayward	Independent Governor	4/4
Councillor Alex Houghton	Co-opted Governor	2/4
Donald Iro	Independent Governor	4/4
Professor James Knowles	Vice-Chancellor and Governor (from 17 April 2023)	2/2
Dame Professor Julie Lydon	Independent Governor	3/4
Sharath Ranjan	Independent Governor	4/4
Lisa-Jane Risk	Independent Governor	2/4
Noreen Biddle Shah	Independent Governor	4/4
Professor Karen Stanton	Vice-Chancellor and Governor (until 30 March 2023)	2/2
Philip Wake OBE RD	Independent Governor	3/4
Bridget Woolven	Clerk to the Governors	4/4

Corporate governance statement

The following statement is provided to enable readers of the financial statements of the University to obtain a better understanding of the governance and legal structure of the institution.

The University is committed to exhibiting best practice in all aspects of corporate governance and endeavours to conduct its business in accordance with the seven principles identified by the Committee on Standards in Public Life (selflessness, integrity, objectivity, accountability, openness, honesty and leadership), and with the guidance to higher education institutions (HEIs) which has been provided by the Committee of University Chairs (CUC) in Appendix 1 of its Higher Education Code of Governance 2020. The University has put systems in place for identifying, evaluating, and managing its significant risks. The processes are reviewed regularly by the University under the guidance of a risk management group which reports to the Audit Committee.

The institution is independent, established as a higher education corporation under the terms of the Education Reform Act 1988 and the Further and Higher Education Act 1992. Its objects, powers and framework of governance are set out in the Instrument, the latest version of which was approved by the Board in 2020, and the Articles of Government, the latest version of which was approved by the Board in 2023.

The Articles require the institution to have a Board of Governors and an Academic Board, each with clearly defined functions and responsibilities, to oversee and manage its activities.

The Board of Governors is the executive governing body, responsible for the finance, property, human resource, and employment policy of the institution. It is specifically required to determine the educational character and mission of the institution and to set out its general strategic direction; and to appoint and determine the pay and conditions of service of the Vice-Chancellor, the Clerk to the Governors and the holders of other such senior posts as the Board of Governors may determine.

The Board complies with the Committee of University Chairs (CUC) HE Code of Governance 2020 and has adopted the statement of primary responsibilities as set out by the CUC in Appendix 2 of the Code, namely:

- To set and agree the mission, strategic vision, and values of the institution with the Executive.
- To agree long-term academic and business plans and key performance indicators and ensure that these meet

the interests of stakeholders, especially staff, students, and alumni.

- To ensure that processes are in place to monitor and evaluate the performance and effectiveness of the institution against the strategy, plans and approved key performance indicators, which should be, where possible and appropriate, benchmarked against other comparable institutions.
- To delegate authority to the head of institution (HoI) for the academic, corporate, financial, estate and human resource management of the institution, and to establish and keep under regular review the policies, procedures and limits within such management functions as shall be undertaken by and under the authority of the Head of Institution.
- To ensure the establishment and monitoring of systems of control and accountability, including financial and operational controls, risk assessment, value for money arrangements and procedures for handling internal grievances and managing conflicts of interest.
- To establish processes to monitor and evaluate the performance and effectiveness of the governing body itself.
- To conduct its business in accordance with best practice in HE corporate governance and with the principles of public life drawn up by the Committee on Standards in Public Life.
- To safeguard the good name and values of the institution.
- To appoint the Head of Institution as Chief Executive and to put in place suitable arrangements for monitoring their performance.
- To appoint a secretary to the governing body and to ensure that, if the person appointed has managerial responsibilities in the institution, there is an appropriate separation in the lines of accountability.
- To be the employing authority for all staff in the institution and to be accountable for ensuring that an appropriate human resources strategy is established.
- To be the principal financial and business authority of the institution, to ensure that proper books of account are kept, to approve the annual budget and financial statements, and to have overall accountability for the institution's assets, property, and estate.
- To be the institution's legal authority and, as such, to ensure systems are in place for meeting all the institution's legal obligations, including those arising from contracts and other legal commitments made in the institution's name. This includes accountability for health, safety, and security and for equality, diversity, and inclusion.
- To receive assurance that adequate provision has been made for the general welfare of students.
- To act as trustee for any property, legacy, endowment,

bequest, or gift in support of the work and welfare of the institution.

- To ensure that the institution's constitution is always followed, and that appropriate advice is available to enable this to happen.
- To promote a culture which supports inclusivity and diversity across the institution.
- To maintain and protect the principles of academic freedom and freedom of speech legislation.
- To ensure that all students and staff have opportunities to engage with the governance and management of the institution.

The Board has a majority of independent members, chosen in line with strict criteria contained in the legislation.

The Chair and Vice Chair of the Board are elected from among the independent members every three years. There is also the provision for the appointment of co-opted members, some of whom are members of the staff of the University, and for the appointment of a representative of the student body. In December 2022, the Board approved the appointment of a second student representative with effect from the beginning of 2023/24.

The Board of Governors adopted and published an equality and diversity policy in respect of its own membership in 2015. During 2022/23, the Board comprised over a one third ratio in female/male Governors, with more than a fifth of members of non-white ethnicity.

Before joining the Board, all members are required to provide a satisfactory fit and proper person declaration in accordance with public interest governance principles.

In accordance with the Articles of Government, the University has appointed a Clerk to the Board. The Clerk provides independent advice on matters of governance to all Board members. Board members have no financial interest in the corporation and receive no remuneration from the University in respect of their duties as Governors other than reimbursement of reasonable expenses for travelling and subsistence.

The University maintains a register of interests of members of the Board and senior officers. The register is publicly available on the University's website.

Much of the detailed work of the Board is initially handled by its committees: Resources, Audit, Governance and Remuneration. The decisions of these Committees are formally reported to the Board. All these Committees are formally constituted with terms of reference and comprise mainly independent and co-opted members of the Board.

Remuneration Committee also has an external co-opted member with expertise specific to that Committee. An evaluation conducted by each of the Committees concluded that the terms of reference had been covered during the year. Full, confidential minutes of all meetings of the Audit, Resources and Governance Committees and of the Board itself are published to Board members, and redacted minutes are published on the University's website. The Remuneration Committee Chair provides an oral report at Board meetings.

Resources Committee

The Resources Committee considers and keeps under review such strategic aspects of people, finance, states, and resource management as are required for the fulfilment of the strategic plan. These include the recommendation to the Board of Governors of an annual budget, both revenue and capital; regular monitoring of management accounts and progress of the capital programme against approval; advice to the Board of Governors on employment policy; and approval of a framework for the pay and conditions of staff other than senior-postholders.

The membership of the Resources Committee during 2022-23 is given below:

Name	Committee role
Stephen Bolton	Chair
Winston Alla	Member
Louise Bennett	Member
Nigel Duncan	Member
Jennifer Glastonbury	Member
Lisa-Jane Risk	Member
Philip Wake	Member

Audit Committee

The Audit Committee remit includes advising the Board of Governors on the appointment of both internal and external auditors, agreeing their respective audit fees, and any questions of resignation or dismissal of the auditors; it considers and agrees an audit plan each year and the scope for the internal auditors in the context of key risks faced by the University; and it reviews both the internal and external auditors' respective recommendations for improvement of the University's systems of internal control, governance, and risk management arrangements together with management's responses and implementation plans.

It reviews and recommends the annual financial statements to the Board and considers arrangements that are in place to promote sustainability, economy, efficiency, and effectiveness, and for the management and quality assurance of data submitted to the Office for Students (OfS) and the other funding bodies; receives and considers reports from the OfS as they affect the University's business, and monitors compliance with the regulatory requirements; oversees the University's policy on fraud and irregularity, and on reporting serious and reportable incidents and whistleblowing; and ensures that all significant losses have been properly investigated and reported.

The membership of the Audit Committee during 2022-23 is given below:

Name	Occupation	Qualification
Philip de Klerk	Group Chief Financial Officer, Europcar Mobility Group	Masters, Business Economics, Master of Law
Donald Iro	Group CEO, Allteks Ltd	BEng (Hons) Electronic Engineering
Paul Cox	Principal and CEO of Eastleigh College	ILM Level 5 PGCE Physical Education BSc Sports and Exercise Science
Noreen Biddle Shah	Head of Marketing and Communications, Numis	BA (Hons) Communication & Media

Whilst senior executives attend the meetings of the Audit Committee as necessary, they are not members of the Committee. The Committee meets with the external and internal auditors on their own prior to the start of the meeting which considers the University's annual financial statements.

Following an annual self-evaluation in June 2023 of the work of the Audit Committee, members were satisfied that the Committee had discharged its duties in accordance with its terms of reference.

Governance Committee

The Governance Committee keeps under review the membership of the Board of Governors and its Committees and makes recommendations to the Board for new, independent, and co-opted external members. It oversees the induction, training, and development of the members of the Board; and ensures that the Board and its Committees evaluate their performance on a regular basis. The Committee is also responsible for recommending to the Board of Governors arrangements for the three-yearly review of the effectiveness of the Board and its Committees as recommended by the Committee of University Chairs (CUC).

The Governance Committee also reviews the University's governing instruments and considers the effectiveness of the arrangements to select and recruit the Chair and Vice Chair of the Board, the Clerk to the Governors, the Chancellor, and the Vice-Chancellor.

The membership of the Governance Committee during 2022-23 is given below:

Name	Committee role
Phil Cotton	Chair
Dr Janet Bonar	Member
Cllr Alex Houghton	Member
Sharath Ranjan	Member
Prof Karen Stanton	Member (until 30 March 2023)

Remuneration Committees: senior leadership team and Vice-Chancellor

The Remuneration Committees comprise only independent members and are chaired by a member who is neither Chair nor Vice Chair of the Board. Membership includes Chairs of Audit and Resources, the Chair of the Board, and an externally co-opted member with a background in remuneration policy and strategy.

Remuneration Committee (Vice-Chancellor)

It is the responsibility of the Remuneration Committee (Vice-Chancellor) to address the performance, remuneration and conditions of service of the Vice-Chancellor.

Remuneration Committee (Senior Postholders)

It is the responsibility of the Remuneration Committee (Senior Postholders) to address performance, remuneration, conditions of service and severance for senior postholders, Vice-Chancellor’s Group (VCG), other staff on spot salaries including Directors/Heads and the Clerk to the Governors.

The membership of the Remuneration Committee during 2022-23 is given below:

Name	Committee role
Neil Hayward	Chair
Stephen Bolton	Member
Georgina Corbett	Co-opted Member
Phil Cotton	Member
Philip De Klerk	Member
Prof Julie Lydon	Member

Solent Future Ready (SFR)

On 22 July 2020, the Board of Governors approved a new strategic plan and direction of travel for Solent University for the next five years to 2025.

The SFR Task Force was chaired by the Deputy Vice-Chancellor (Resources) and comprises the Vice-Chancellor and three independent governors, including the Chair of the Audit Committee and the Chair of the Remuneration Committee. The SFR Programme of work is governed internally through the SFR Programme Governance Board, which was chaired by the Deputy Vice-Chancellor (Resources), and involves each of the work stream delivery leads. This Board tracks and reviews the progress of the projects and priorities within the work streams to ensure the delivery of SFR strategy on time and in budget.

The purpose of the task force was to discuss the transformation to deliver strategy 20-25 with an initial

focus on the SFR phase 2 programme of work and to review the current set of priorities ‘better brand, better operations, better offer’, and ‘people and culture’ in the context of the delivery of ‘business as usual’ and external challenges.

During 2022/23 the SFR Task Force met twice, and the Board received an SFR report at the subsequent Board meeting.

Student Board

The Student Board provides a channel of communication between the University and its student community on matters affecting the academic and social well-being of students. The Board is made of university staff and students who have been elected by their peers or recruited through a competitive selection process to represent them. The Student Board strengthens the voice of Solent University students.

The Board is responsible for providing a forum for discussion where students can share ideas and concerns, actively contributing to University decision-making in promoting a positive student experience, informing the University’s management team about emerging issues for students, providing input to the development of policies and services that support students and advance the quality of learning and research activities, and encouraging student feedback and sharing University initiatives resulting from student feedback. The Student Board constitution was revised in 2022/23 to include all course representatives and to create a forum for broader consultation, engagement, and feedback.

Approved by the Board of Governors on 6 December 2023

And signed on its behalf by:



Phil Cotton Pro-Chancellor and Chairman of the Board of Governors



Professor James Knowles, Vice-Chancellor

Responsibilities of the University Board of Governors

In accordance with the Education Reform Act 1988 and the Instrument and Articles of Government, the Board of Governors is responsible for the administration and management of the affairs of the University, including ensuring an effective system of internal control, and is required to present audited financial statements for each financial year.

The Board is responsible for keeping proper accounting records which disclose with reasonable accuracy, at any time, the financial position of the University; and to enable it to ensure that the financial statements are prepared in accordance with the Education Reform Act 1988; Statement of Recommended Practice (SORP); Accounting for Further and Higher Education 2019; Accounts Direction of the Office for Students (OfS); and Financial Reporting Standard FRS 102.

In addition, within the terms and conditions of funding which set out the conditions of funding from the OfS, the Board of Governors is required, through its designated office holder, to prepare financial statements for each financial year which give a true and fair view of the situation of the University.

Financial statements

In causing the financial statements to be prepared, the Board of Governors has ensured that:

- Suitable accounting policies are selected and applied consistently.
- Judgements and estimates are made that are reasonable and prudent.
- Applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements.

Financial statements are prepared on the going concern basis unless it is inappropriate to presume that the University will continue in operation. The Board of Governors is satisfied that it has adequate resources to continue in operation for the foreseeable future: for this reason, the going concern basis continues to be adopted in the preparation of the financial statements.

Internal control

As the Board of Governors of Solent University, we have responsibility for maintaining a sound system of internal control that supports the achievement of policies, aims and objectives, while safeguarding the public and other funds and assets for which we are responsible in accordance with the responsibilities assigned to the governing body in the instrument and articles and the terms and conditions of registration and funding with the Office for Students (OfS).

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

The system of internal control is based on an ongoing process designed to identify the principal risks to the achievement of policies, aims and objectives, to evaluate the nature and extent of those risks, and to manage them efficiently, effectively, and economically. This process has been in place throughout the year and up to the date of approval of the financial statements and accords with the OfS guidance.

The Board of Governors has responsibility for reviewing the effectiveness of the system of internal control. The University has established the following processes:

- The University has appointed external auditors, BDO LLP, who role is to provide an independent opinion on the University's annual financial statements. These statements summarise the University's financial performance during the year. The Board of Governors, on the advice of Audit Committee, appoints the external auditor. BDO LLP is invited to each Audit Committee meeting.
- The University's internal auditor is responsible for providing an independent appraisal of the University's financial and operational activities. The University's internal audit function is currently provided by PwC. The internal auditors report to the Audit Committee and attend each meeting. Among the internal auditors' principal areas of audit are key financial issues, risk management, value for money, internal controls, and governance. The annual internal audit plan includes specific themed audits which are agreed by the Audit Committee.
- The audit plan is used to assess the internal controls and accounting systems in place in the University and is linked to risk identified in the University's risk register.

The University annually monitors the delivery of the University's strategic plan. As part of its monitoring process, the Board approves the financial forecast, which is subsequently submitted to the OfS:

- The Board of Governors has requested the Audit Committee to provide oversight of risk management. A risk management group has been established and the Audit Committee receives a report at each of its meetings on any movement in the major risks for the University identified for that year. Any matters of concern are reported to the Board of Governors.
- The Board of Governors has requested the Audit Committee to provide an opinion on the management and quality assurance of data provided to OfS, HESA, SLC and other public bodies. To provide the opinion, the Committee seeks and assesses information and evidence from management and auditors during the year.
- The Board of Governors receives regular reports concerning internal control via the Audit Committee minutes.
- The Audit Committee receives regular reports from internal audit which includes the internal auditor's independent opinion on the adequacy and effectiveness of the University's system of internal control together with recommendations for improvement.
- A regular process of meetings, workshops and discussions is used at both university level and cascaded through individual academic departments, schools, and services to identify and keep up to date the record of risks facing the University.
- A system of key performance and risk indicators has been developed.
- A robust risk prioritisation methodology based on risk ranking and cost-benefit analysis has been established.
- A university-wide risk register is maintained.
- Reports are received from budget-holders, department heads and project managers on internal control activities.

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

In February 2022, Audit Committee approved the award of the internal audit contract to PwC for a period of two years to 31 July 2024 with three optional one-year extensions to July 2027. PwC has been the University's internal auditor since August 2019.

The internal auditors submit regular reports which include the internal auditor's independent opinion on the adequacy and effectiveness of internal control together with recommendations for improvement.

In July 2019, after a tendering process, the Audit Committee re-appointed BDO LLP as the University's external auditors for a further four-year period from 1 August 2019. In June 2022, the Committee agreed an additional year extension until after the University's financial statements for 2023/24 are signed off. BDO LLP has served as the University's external audit provider since 2004.

Compliance with Office for Students (OfS) conditions of registration

The Board of Governors is responsible for ensuring that the ongoing conditions of registration with the OfS are met.

Responsibility for compliance with the OfS' ongoing conditions of registration is assigned to individual members of the Vice-Chancellor's Group, working with senior staff in the services. Reports, and updates to the OfS' regulatory framework, are presented to the Board of Governors and the Vice-Chancellor's Group. Reportable events are logged and reported to the Audit Committee and Board of Governors.

The University's control mechanisms ensure compliance with its obligations when utilising public funds, specifically in relation to regularity and propriety. The University's financial regulations, with which all staff must comply and which are overseen by the Resources Committee, include provisions for procurement, value for money, financial controls and use of funds for the means for which they have been provided.

The University operates a scheme of delegation which includes approval flows and authorisation limits. Processes are in place regarding contracting to ensure that proper due process has been followed and to maintain fraud prevention measures.

The above processes provide a control environment to ensure that public funds are correctly utilised for the purposes intended and in an efficient and effective manner, satisfying compliance with regularity and propriety requirements.

The University's control framework is monitored in several ways including internal and external audit. Internal audit reviews annually, on a cyclical basis, the financial systems and controls. External audit checks that funds have been

applied for the intended purposes in accordance with funding conditions. Reference to this is included in the External Auditor's report.

Review of effectiveness of governance arrangements

The CUC's Higher Education Code of Governance 2020 states that: *'governing bodies must conduct a regular, full and robust review of their effectiveness and that of their committees, reviews must be conducted at least every three years with an annual summary of progress towards achieving any outstanding actions arising from the last effectiveness reviews.'*

An effectiveness review was conducted during summer 2022 by Advance HE. The main purpose of the review was to assess the quality of factors required for effective governance, namely: structures and processes, effective membership, communication and information and academic assurance. Via observation at meetings, it also sought feedback on the quality of working relationships and boardroom behaviour.

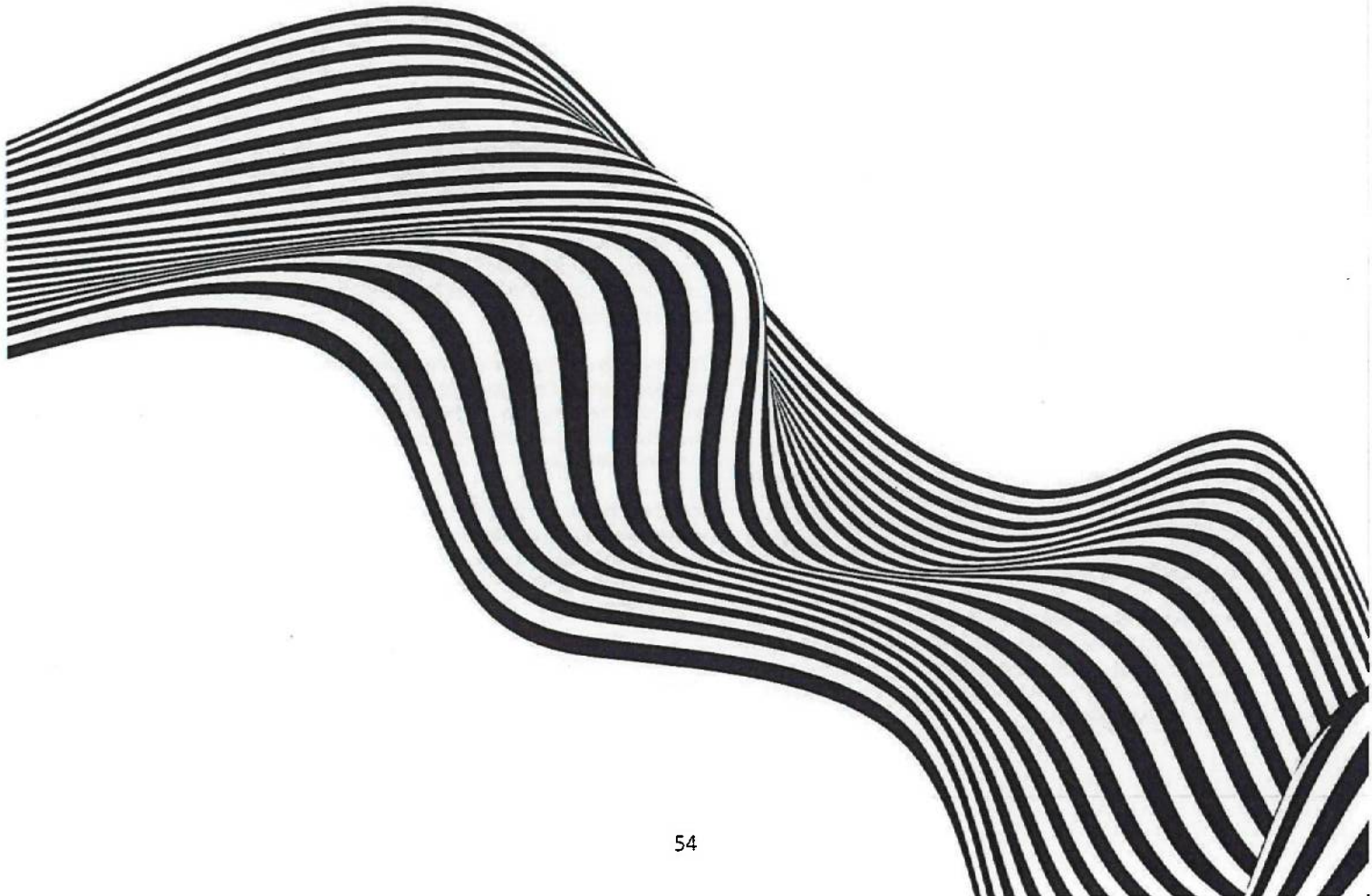
The results were very positive and demonstrated that Solent was performing above the sector benchmark in 9/10 areas and confirmed a high level of confidence in the effectiveness of Solent University's governance arrangements, communication, and relationships.

Recommendations for enhancement of governance effectiveness were approved by the Board on 6 December 2023. A regular report on progress against the three-year action plan is presented to both Governance Committee and the Board of Governors.

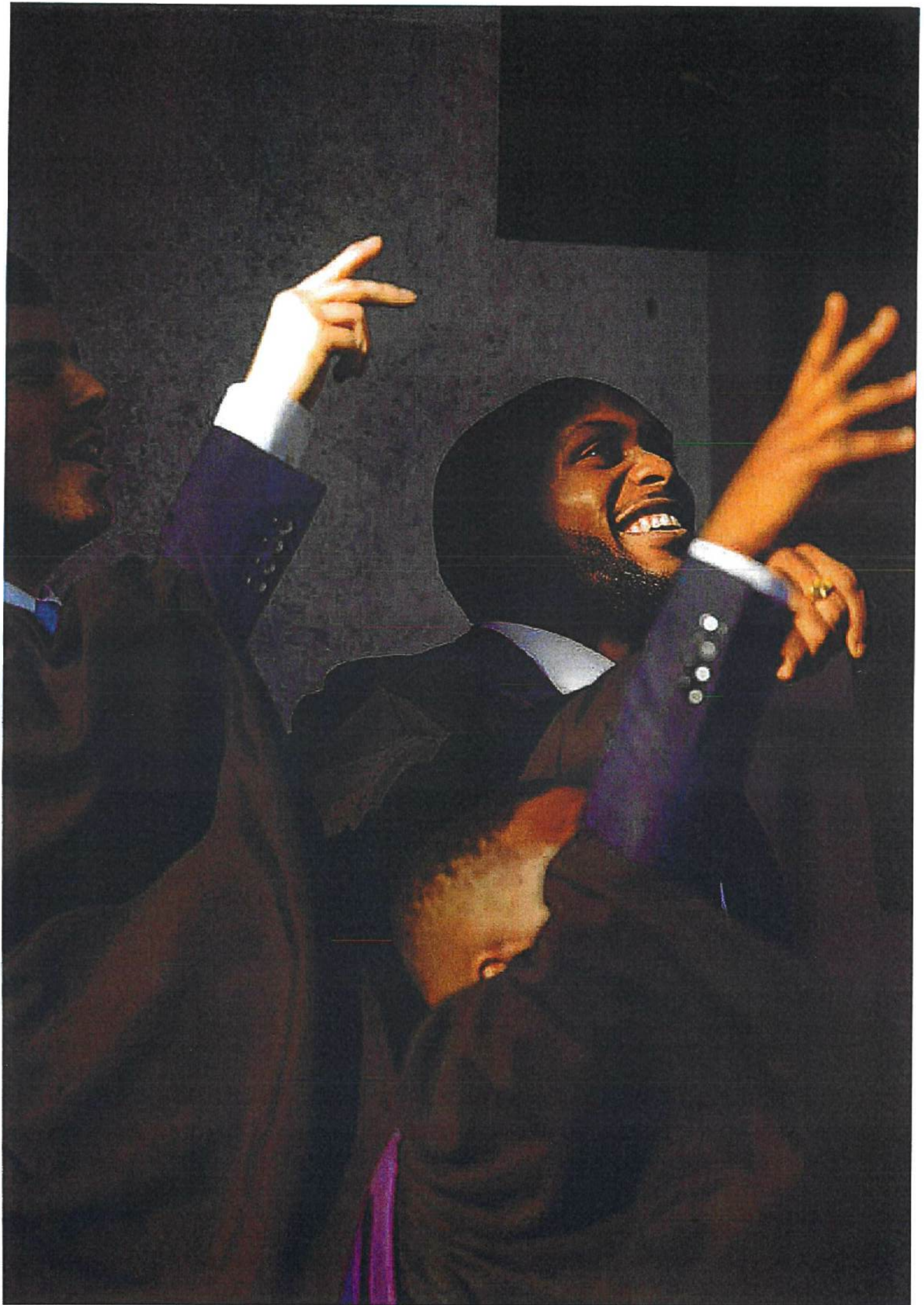
Approved by the Board of Governors on 6 December 2023 and signed on its behalf by:



Phil Cotton
Pro-Chancellor and Chairman of the Board of Governors







Independent Auditor's Report

Opinion on the financial statements

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 2023 and of the Group's and the University's income and expenditure, gains and losses, changes in reserves and of the Group's and the University's cash flows for the year then ended; and
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice.

We have audited the financial statements of Solent University ("the University") and its subsidiaries ("the Group") for the year ended 31 July 2023 which comprise the Consolidated and University Statement of Comprehensive Income and Expenditure, the Consolidated and University Statement of Changes in Reserves, the Consolidated and University Balance Sheet, the Consolidated Cash Flow Statement, and notes to the accounts, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We are independent of the Group and the University in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

Conclusions relating to going concern

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

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

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

Other information

The board is responsible for the other information. The other information comprises the information included in the Financial Statements, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

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

We have nothing to report in this regard.

Opinion on other matters required by the Office for Students (“OfS”) and UK Research and Innovation (including Research England)

In our opinion, in all material respects:

- Funds from whatever source administered by the University for specific purposes have been properly applied to those purposes and managed in accordance with relevant legislation.
- Funds provided by the OfS, UK Research and Innovation (including Research England), the Education and Skills Funding Agency and the Department for Education have been applied in accordance with the relevant terms and conditions.
- The requirements of the OfS’s Accounts Direction (OfS 2019.41) have been met.

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

- The University’s grant and fee income, as disclosed in note 4 to the accounts, has been materially misstated.
- The University’s expenditure on access and participation activities for the financial year, as has been disclosed in note 29 to the accounts, has been materially misstated.

Responsibilities of the University’s Board of Governors

As explained more fully in the University’s Board of Governors responsibilities statement, the members of the governing body are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the University’s Board of Governors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor’s responsibilities for the audit of the financial statements

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

Extent to which the audit was capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

Non-compliance with laws and regulations

Based on:

- Our understanding of the Group and University and the sector in which it operates;
- Discussion with management and those charged with governance and the Audit Committee;
- Obtaining and understanding of the Group’s and University’s policies and procedures regarding compliance with laws and regulations;
- Direct representation from the Accountable Officer;

we considered the significant laws and regulations to be the Companies Act 2006, Financial Reporting Standard 102, the Statement of Recommended Practice: Accounting for Further Education and Higher Education (FEHE SORP 2019), the OfS’ Accounts Direction (OfS 2019.41) and UK tax legislation.

The Group and University is also subject to laws and regulations where the consequence of non-compliance could have a material effect on the amount or disclosures in the financial statements, for example through the imposition of fines or litigations. We identified such laws and regulations to be registration with the Office for Students and their ongoing conditions of registration. Our procedures in respect of the above included:

- Review of minutes of meeting of those charged with governance for any instances of non-compliance with

INDEPENDENT AUDITORS REPORT CONTINUED

- laws and regulations;
- Review of correspondence with regulatory and tax authorities for any instances of non-compliance with laws and regulations;
- Review of financial statement disclosures and agreeing to supporting documentation; and
- Review of legal expenditure accounts to understand the nature of expenditure incurred.

Fraud

We assessed the susceptibility of the financial statements to material misstatement, including fraud. Our risk assessment procedures included:

- Enquiry with management and those charged with governance and the Audit Committee, regarding any known or suspected instances of fraud;
- Obtaining an understanding of the Group's and University's policies and procedures relating to:
 - o Detecting and responding to the risks of fraud; and
 - o Internal controls established to mitigate risks related to fraud.
- Review of minutes of meeting of those charged with governance for any known or suspected instances of fraud;
- Discussion amongst the engagement team as to how and where fraud might occur in the financial statements; and
- Performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud.

Based on our risk assessment, we considered the areas most susceptible to fraud to be posting inappropriate journals to manipulate financial results and management bias in accounting estimates.

Our procedures in respect of the above included:

- Testing a sample of journal entries throughout the year, which met a defined risk criteria, by agreeing to supporting documentation;
- Assessing significant estimates made by management for bias, including the assessment of the group's tangible assets for impairment, and the assumptions in estimating the liability arising from the University's participation in the Local Government Pension Scheme.

We also communicated relevant identified laws and regulations and potential fraud risks to all engagement team members and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

Our audit procedures were designed to respond to risks

of material misstatement in the financial statements, recognising that the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery, misrepresentations or through collusion. There are inherent limitations in the audit procedures performed and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we are to become aware of it.

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

Use of our report

This report is made solely to the University's Board of Governors, as a body, in accordance with Section 75 of the Higher Education Research Act 2017 and the charters and statutes of the University. Our audit work has been undertaken so that we might state to the University's 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 University's Board of Governors, as a body, for our audit work, for this report, or for the opinions we have formed.

DocuSigned by:

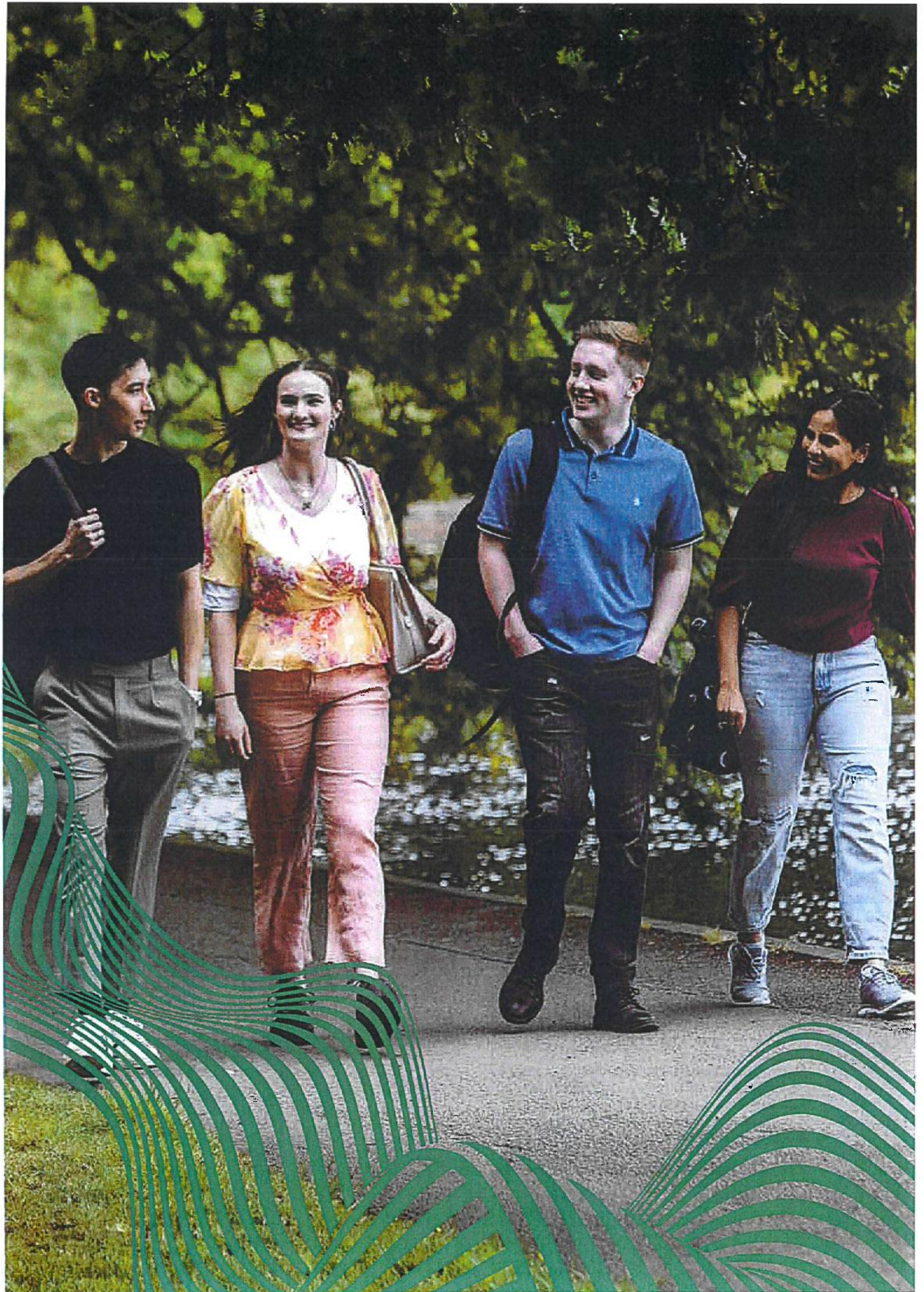
David I Anson

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David I Anson (Senior Statutory Auditor)
For and on behalf of BDO LLP, Statutory Auditor
Southampton

13 December 2023

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127).



Accounting policies

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the financial statements.

Basis of preparation

These financial statements have been prepared under the historical cost convention (modified by the revaluation of fixed assets and derivative financial instruments), in accordance with the Statement of Recommended Practice (SORP): Accounting for Further and Higher Education 2019 and in accordance with Financial Reporting Standards FRS 102. The University is a public benefit entity and therefore has applied the relevant public benefit requirement of FRS 102.

Going concern

Alongside other HE institutions, the political and economic environment remains challenging for Solent University.

The unpredictable political and economic environment continues to generate a level of uncertainty in the University's forecasting. The areas of uncertainty include the risks associated with student recruitment, both home and international. The other major risk is related to the many changes to the regulatory framework, impacting the higher education sector as a whole.

Last year, in order to mitigate short-term financial risks, the University reviewed its financial plan for the period up to and including the 2023/24 academic year and stress-tested various scenarios and future covenants.

The University concluded its refinancing exercise ahead of its current facilities expiring.

Through a combination of a review of financial plans based on recruitment levels for 2023/24, cash flow forecast, stress test and covenant modelling, together with the refinancing of its existing debt, the executive and the Board of Governors consider that Solent University has adequate resources to justify preparing the financial statements on a going concern basis.

Basis of consolidation

The consolidated financial statements include the University and all its subsidiaries for the financial year to 31 July 2023. Solent University Limited (SUL) and Solent University Services Limited (SUS) are wholly owned subsidiaries of the University. Solent Pathway Campus

Limited is a 51% owned subsidiary consolidated on the basis that the University has a controlling interest in the company. The consolidated financial statements do not include those of the Solent Students' Union as it is a separate unincorporated association in which the University has no financial interest and no control or significant influence over policy decisions.

Income recognition

All income from tuition fees, short-term deposits and other operating income is credited to the Consolidated Statement of Comprehensive Income and Expenditure on a receivable basis. Fee income is stated gross of any expenditure which is not a discount. Where the amount of the tuition fee 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. 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.

Grant and donations, including capital and research

Grant funding including funding council block grant, research grants from government sources, grants (including research grants) from non-government sources are recognised as 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 on the balance sheet and released to income as the conditions are met.

Research and development

Research and development expenditure is written off in the year incurred.

Building maintenance

Expenditure on building maintenance is charged to the Income and Expenditure Account in the year in which it is incurred. The University maintains a rolling ten-year long-term maintenance plan, which is reviewed on a regular basis. Only to the extent that the costs arise under dilapidation clauses within operating leases is a regular charge made to the Income and Expenditure Account, on the basis that the dilapidating event is deemed to be the passage of time, subject to periodic valuation.

Fixed assets

i. Inherited assets – land and buildings

As a consequence of the Education Reform Act 1988, the freehold interest in the land and buildings occupied by the University was transferred from Hampshire County Council with effect from 1 April 1989. These were not valued prior to transfer. On 31 July 1998 a valuation of the open market for existing use was made by Chesterton International Limited, a firm of international property advisors, using the depreciated replacement cost basis.

The University will account for its property, plant and equipment using the cost method. Under the transitional arrangements of FRS102, a valuation of the University's inherited assets was carried out by BNP Paribas Real Estate as at 31 July 2014. This valuation is the deemed cost, subject to annual testing for indicators of impairment.

ii. Assets acquired after incorporation

Tangible asset additions whose cost of acquisition exceeds £10,000 are capitalised. Items costing less than this are written off in the year of purchase.

iii. Assets under construction

Assets under construction represent the costs of assets under development. As these assets become complete and operational they are transferred to the appropriate asset category and depreciated over their useful lives.

Depreciation

Depreciation is provided on all tangible assets other than freehold or long leasehold land and assets under construction, at rates calculated to write off the cost or valuation, less estimated residual value, of each asset systematically over its expected useful life, as follows:

- Freehold buildings over 50 years.*
- Long leasehold buildings over the life of the lease up to 50 years. For leases longer than 50 years, over the greater of 50 years or 75% of the life of the lease.
- Building refurbishments over 15 years.
- Computer equipment and software over 3 to 10 years.
- Other equipment over 5 to 15 years.
- Vehicles over 5 years.
- Vessels over 5 to 15 years.

*Where the major components of freehold buildings have significantly different useful lives, the initial cost or the replacement cost of a component shall be allocated to its major components and each component depreciated separately over its useful life.

Stocks are mainly departmental and have limited realisable value. They are written off in the year, as their value is not material to the accounts of the University. Expenditure on consumables is charged fully to revenue in the year of purchase.

Financial instruments

i. Financial assets

Financial assets, other than investments, are initially measured at transaction price (including transaction costs) and subsequently held at cost, less any impairment.

ii. Financial liabilities and equity

Financial liabilities and equity are classified according to the substance of the financial instrument's contractual obligations, rather than the financial instrument's legal form. Financial liabilities are initially measured at transaction price (including transaction costs) and subsequently held at amortised cost.

Hedge accounting

The University utilises variable to fixed rate interest swaps to manage its exposure to interest rate cash flow risk on its variable rate debt. These derivatives are measured at fair value at each reporting date by the issuing bank. To the extent the hedge is effective, movements in fair value are recognised in other comprehensive income and included within income and expenditure (I&E) unrestricted reserves. Any ineffective portion of those movements are recognised in the statement of comprehensive income and expenditure for the period.

Taxation

The University is an exempt charity within the meaning of schedule 3 of the Charities Act 2011 (formerly schedule 2 of the Charities Act 1993), and is considered to pass the tests set out in Paragraph 1 Schedule 6 of the Finance Act 2010, and therefore meets the definition of a charitable company for UK corporation tax purposes. Accordingly, the University is potentially exempt from taxation in respect of income or capital gains received within categories covered by section 287 CTA2009 and sections 471 and 478-488 of the CTA2010 (formerly s505 ICTA 1988) 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 (VAT). Irrecoverable VAT on inputs is included in the costs of such inputs. Any irrecoverable VAT allocated to tangible fixed assets is included in their cost.

Provisions

A provision is recognised in the financial statements when a present legal or constructive obligation arising from past events exists, it is probable that an outflow of economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

Leased assets

Assets held under finance leases, which are leases where substantially all the risks and rewards of ownership of the asset have passed to the University and hire purchase contracts are capitalised in the balance sheet and are depreciated over their useful lives. The capital elements of future obligations under the leases and hire purchase contracts are included as liabilities in the balance sheet.

The interest elements of the rental obligations are charged in the income and expenditure account over the periods of the leases and hire purchase contracts and represent a constant proportion of the balance of capital repayments outstanding.

Rentals payable under operating leases are charged in the income and expenditure account on a systematic basis.

Pensions

The University has 2 principal pension schemes for staff, the Teachers' Pension Scheme (TPS) and the Hampshire County Council Local Government Pension Scheme (HCCLGPS). The schemes are defined benefit schemes, which are externally funded and contracted out of the State Second Pension.

The assets of the TPS are held in a separate trustee-administered fund. Because of the nature of the scheme, the scheme's assets are not hypothecated to individual institutions and scheme-wide contribution rates are set. The University is therefore exposed to actuarial risks associated with other institutions' employees and is unable to identify its share of the underlying assets and liabilities of these scheme on a consistent and reasonable basis and therefore as required by FRS102, accounts for the scheme as if it were a defined contribution scheme. As a result, the amount charged to the statement of comprehensive income and expenditure represents the contributions payable to the schemes in respect of the accounting period.

The University is able to identify its share of assets and liabilities of the HCCLGPS.

In addition, a small number of staff are members of the Universities Superannuation Scheme (USS). Under FRS 102, deficit recovery plans for multi-employer pensions schemes such as USS will need to be recognised as a liability on the balance sheet and unwound over time as the liability is discharged.

Solent University Services Limited operates a defined contribution pension scheme for its employees.

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 services 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.

Redundancy costs paid to employees predominately represent cash redundancy payments, pension contributions and payments in lieu of notice, which are charged to the income and expenditure account when the redundancy is confirmed with an employee.

Reserves

Reserves are classified as restricted or unrestricted. Restricted reserves include balances where the donor has designated a specific purpose and therefore the University is restricted in the use of these funds.

Cash flows and cash equivalents

Cash flows comprise increases or decreases in cash. Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours.

Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are insignificant risk of change in value.

Foreign currencies

Transactions denominated in foreign currencies are recorded at the rate of exchange ruling at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies are translated into sterling either at year-end rates or, where there are related forward foreign exchange contracts, at contract rates. The resulting exchange differences are dealt with in the determination of income and expenditure for the year.

Judgements in applying accounting policies and key sources of estimation uncertainty

In preparing these financial statements, the University have made the following judgements:

- Determine whether leases entered into by the group either as a lessor or a lessee are operating or finance leases. These decisions depend on an assessment of whether the risks and rewards of ownership have been transferred from the lessor to the lessee on a lease by lease basis.

- Determine whether there are indicators of impairment of the group's tangible assets. Factors taken into consideration in reaching such a decision include the economic viability and expected future financial performance of the asset and where it is a component of a larger cash-generating unit, the viability and expected future performance of that unit.
- The critical underlying assumptions in relation to the estimate of the pension defined benefit scheme obligation such as standard rates of inflation, mortality, discount rate and anticipated future salary increases. Variations in these assumptions have the ability to significantly influence the value of the liability recorded and annual defined benefit expense.
- The underlying assumptions in relation to the estimate of the present value of the obligation in respect of the funding deficit plan for the USS pension scheme such as the salary inflation over the period of the funding deficit plan and the discount rate to be used.

Other key sources of estimation uncertainty:

i. Tangible fixed assets (see note 12)

Tangible fixed assets are depreciated over their useful lives taking into account residual values, where appropriate. The actual lives of the assets and residual values are assessed annually and may vary depending on a number of factors. In re-assessing asset lives, factors such as technological innovation and maintenance programmes are taken into account. Residual value assessments consider issues such as future market conditions, the remaining life of the asset and projected disposal values.

ii. Investments (see note 13)

The most critical estimates, assumptions and judgements relate to the determination of carrying value of unlisted investments. In determining this amount, the group applies the overriding concept that fair value is the amount for which an asset can be exchanged between knowledgeable willing parties in an arm's length transaction. The nature, facts and circumstance of the investment drives the valuation methodology.

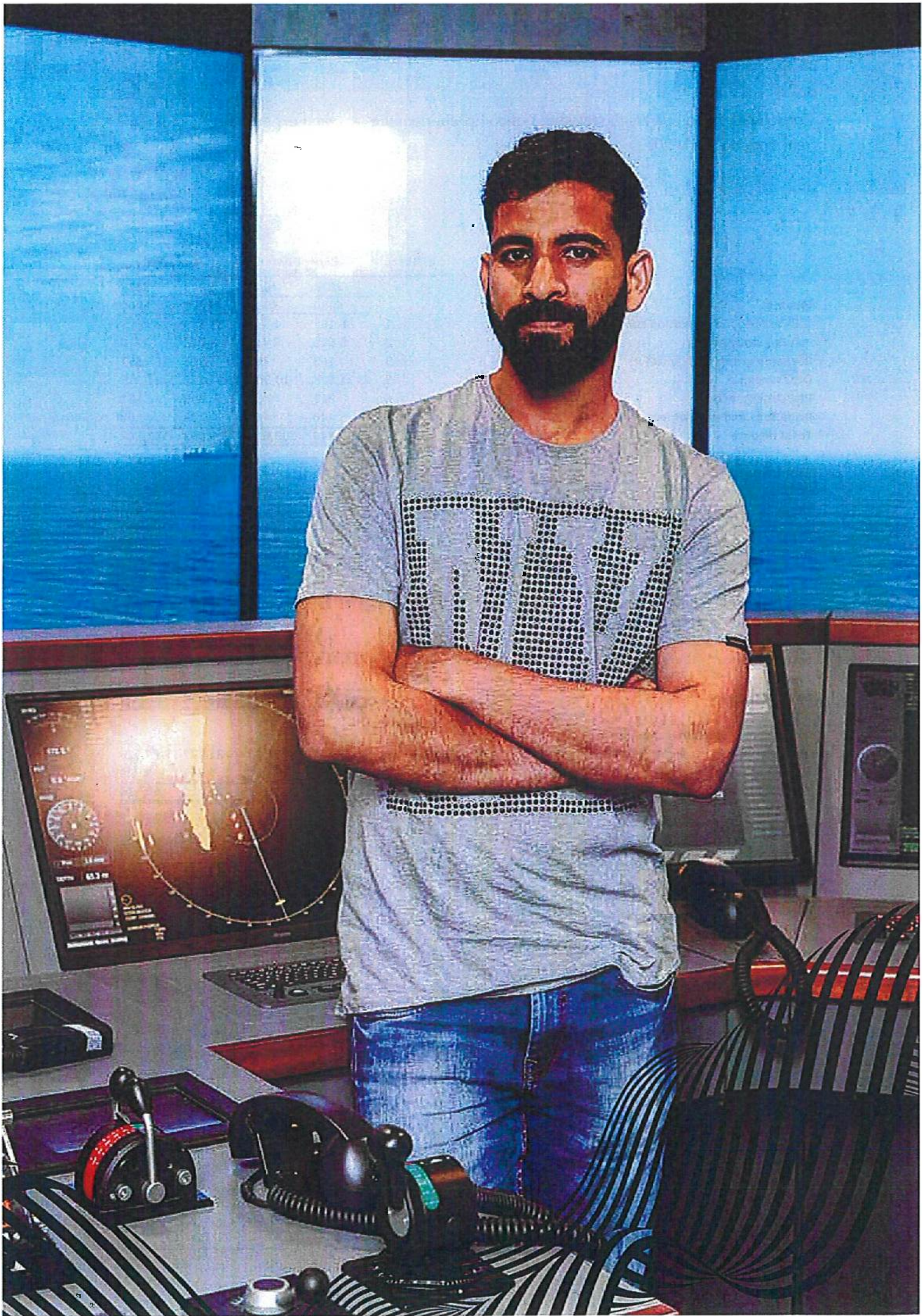
iii. Trade receivables (see note 14)

The estimate for receivables relates to the recoverability of the balances outstanding at year end. A review is performed on the debtor balances based on the ageing of debts and historic results of known recoverability.

iv. Compensated absences accrual (see note 16)

An estimate is recognised to the extent of any unused holiday pay entitlement which is accrued at the balance sheet date and carried forward to future periods. This is measured as the undiscounted salary cost of the future holiday entitlement as accrued at the balance sheet date.





Consolidated and university statement of comprehensive income and expenditure
year ended 31 July 2023

	Notes	Consolidated		University	
		2023	2022	2023	2022
		£000	£000	£000	£000
Income					
Tuition fees and education contracts	1	86,195	84,915	83,878	83,029
Funding body grants	2	8,018	7,710	8,018	7,710
Research grants and contracts	3	163	397	163	397
Other income	5	11,528	10,500	13,272	11,315
Investment income	6	313	32	309	31
Donations and endowments	7	28	60	28	60
Total income		106,245	103,614	105,668	102,542
Expenditure					
Staff costs	8	55,032	55,773	47,102	50,116
Other operating expenses		43,260	41,042	50,635	45,978
Depreciation	12	9,275	9,102	9,107	8,917
Interest and other finance costs	9	1,867	3,024	1,834	3,024
Total expenditure	10	109,434	108,941	108,678	108,035
Loss before other (losses)/gains		(3,189)	(5,327)	(3,010)	(5,493)
Gain/(Loss) on disposal of fixed assets		-	(242)	-	(242)
(Loss)/Gain on investments		(43)	20	(43)	20
Loss before tax		(3,232)	(5,549)	(3,053)	(5,715)
Taxation	11	-	-	-	-
Loss for the year		(3,232)	(5,549)	(3,053)	(5,715)
Other comprehensive expenditure					
Actuarial gain in respect of pension schemes	19	21,477	83,620	21,477	83,620
Fair value gain in respect of cash flow hedge		2,792	3,029	2,792	3,029
Total comprehensive income for the year		21,037	81,100	21,216	80,934
Represented by:					
Restricted comprehensive income for the year		6	50	6	50
Unrestricted comprehensive income for the year		21,031	81,050	21,210	80,884
Gain attributable to the University		21,037	81,100	21,216	80,934

Consolidated and university statement of changes in reserves year ended 31 July 2023

	Restricted	Unrestricted	Total
	£000	£000	£000
Consolidated			
Balance at 1 August 2022	1,356	51,936	53,292
Surplus from the I&E statement	50	(5,599)	(5,549)
Other comprehensive income	-	86,649	86,649
Transfer of funds	-	-	-
Total comprehensive income	50	81,050	81,100
Balance at 1 August 2023	1,406	132,986	134,392
Surplus/(Deficit) from the I&E statement	6	(3,238)	(3,232)
Other comprehensive income	-	24,269	24,269
Transfer of funds	(42)	42	-
Total comprehensive income	(36)	21,073	21,037
Balance at 31 July 2023	1,370	154,059	155,429
University			
Balance at 1 August 2022	1,356	52,058	53,414
Surplus from the I&E statement	50	(5,765)	(5,715)
Other comprehensive income	-	86,649	86,649
Transfer of funds	-	-	-
Total comprehensive income	50	80,884	80,934
Balance at 1 August 2023	1,406	132,942	134,348
Surplus/(Deficit) from the I&E statement	6	(3,059)	(3,053)
Other comprehensive income	-	24,269	24,269
Transfer of funds	(42)	42	-
Total comprehensive income	(36)	21,252	21,216
Balance at 31 July 2023	1,370	154,194	155,564

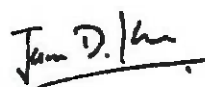
Consolidated and University balance sheet as at 31 July 2023

	Notes	Consolidated		University	
		2023	2022	2023	2022
		£000	£000	£000	£000
Non-current assets					
Fixed assets	12	168,695	165,012	166,213	162,386
Investments	13	-	49	3,051	3,100
Interest rate swap-cash flow hedge		3,839	1,047	3,839	1,047
		<u>172,534</u>	<u>166,108</u>	<u>173,103</u>	<u>166,533</u>
Current assets					
Trade and other receivables	14	13,978	13,887	14,663	13,472
Current investments	15	1,347	1,341	1,347	1,341
Cash and cash equivalents		20,829	33,758	18,959	32,818
		<u>36,154</u>	<u>48,986</u>	<u>34,969</u>	<u>47,631</u>
Less creditors falling due within one year	16	(31,370)	(28,877)	(30,619)	(27,991)
Net current assets		<u>4,784</u>	<u>20,109</u>	<u>4,350</u>	<u>19,640</u>
Total assets less current liabilities		177,318	186,217	177,453	186,173
Creditors: due after more than one year	17	(18,902)	(28,705)	(18,902)	(28,705)
Provisions					
Pension provisions	19	(150)	(20,780)	(150)	(20,780)
Other provisions	19	(2,837)	(2,340)	(2,837)	(2,340)
Total net assets		<u>155,429</u>	<u>134,392</u>	<u>155,564</u>	<u>134,348</u>
Restricted reserves					
I&E reserve - restricted reserve	20	1,370	1,406	1,370	1,406
Unrestricted reserves:					
I&E reserve - unrestricted		154,059	132,986	154,194	132,942
		<u>155,429</u>	<u>134,392</u>	<u>155,564</u>	<u>134,348</u>

These Financial Statements were approved and authorised for issue by the Board of Governors on 6 December 2023.



Phil Cotton
Pro-Chancellor and Chairman of the Board of Governors



Professor James Knowles
Vice-Chancellor

The Notes on pages 70 to 90 form part of these Financial Statements.

Consolidated cash flow statement year ended 31 July 2023

	Notes	2023	2022
		£000	£000
Cash flow from operating activities			
Deficit for the year before tax		(3,232)	(5,549)
Adjustment for non-cash items			
Depreciation	12	9,275	9,102
Loss/(Gain) on investments	20	43	(20)
Increase in debtors	14	(352)	(4,325)
Increase in creditors	16	2,760	4,716
Pension cost less contribution payable	19	848	5,897
Increase/(Decrease) in other provisions	19	497	(53)
Adjustment for investing or financing activities			
Investment income	6	(313)	(32)
Interest payable	9	1,158	1,387
(Gain)/Loss on the sale of fixed assets		-	242
Capital grant income	2	(100)	(30)
Net cash inflow from operational activities		<u>10,584</u>	<u>11,335</u>
Cash flows from investing activities			
Proceeds from sales of fixed assets		-	5,500
Capital grant receipts		100	30
Investment income		289	36
Payments made to acquire fixed assets		(12,308)	(4,758)
		<u>(11,919)</u>	<u>808</u>
Cash flows from financing activities			
Interest paid		(1,158)	(1,384)
Interest element of finance lease		-	(3)
Repayments of amounts borrowed		(10,316)	(3,263)
Capital element of finance lease		(120)	(117)
		<u>(11,594)</u>	<u>(4,767)</u>
(Reduction)/Increase in cash and cash equivalents in the year		<u>(12,929)</u>	<u>7,376</u>
Cash and cash equivalents at beginning of the year		33,758	26,382
Cash and cash equivalents at end of the year		20,829	33,758

Notes to the accounts for the year ended 31 July 2023

	Consolidated		University	
	2023	2022	2023	2022
	£000	£000	£000	£000
1. Tuition fees and educational contracts				
Full-time home and EU students	58,739	64,175	58,739	64,175
Full-time international students	14,678	9,747	14,678	9,747
Part-time students	850	1,082	850	1,082
Non credit-bearing course fees	6,694	6,375	4,895	5,184
Apprenticeship fees	4,050	2,576	4,050	2,576
Other	1,184	960	666	265
	86,195	84,915	83,878	83,029

	2023		2022	
	£000	£000	£000	£000
2. Funding body grants				
Recurrent grant				
Office for Students	4,017	4,123	4,017	4,123
Research England	385	305	385	305
Specific grant				
Selective initiatives	526	1,642	526	1,642
Higher Education Innovation fund	1,331	1,610	1,331	1,610
Capital grant	1,759	30	1,759	30
	8,018	7,710	8,018	7,710

The split of funding body grants has been re-analysed to reflect the split between recurrent and non recurrent grants.

	2023		2022	
	£000	£000	£000	£000
3. Research grants and contracts				
Research councils	-	25	-	25
Research charities	21	57	21	57
Government (UK and overseas)	141	66	141	66
Industry and commerce	-	2	-	2
Other	1	247	1	247
	163	397	163	397

4. The source of grant and fee income, included in notes 1 to 3, is as follows:

	2023		2022	
	£000	£000	£000	£000
Grant income from the OfS	5,776	4,153	5,776	4,153
Grant income from other bodies	911	3,555	911	3,555
Fee income for taught awards (Exclusive of VAT)	79,501	78,540	78,983	77,845
Fee income for research awards (Exclusive of VAT)	163	397	163	397
Fee income from non-qualifying courses (Exclusive of VAT)	6,694	6,375	4,895	5,184
Total grant and fee income	93,045	93,020	90,728	91,134

Notes to the accounts for the year ended 31 July 2023
continued

	Consolidated		University	
	2023	2022	2023	2022
	£000	£000	£000	£000
5. Other operating income				
Residences, catering and conferences	7,330	6,729	7,295	6,725
Other services rendered	2,517	1,859	1,933	1,360
Other income	1,681	1,912	4,044	3,230
	<u>11,528</u>	<u>10,500</u>	<u>13,272</u>	<u>11,315</u>
6. Investment income				
Other investment income	313	32	309	31
	<u>313</u>	<u>32</u>	<u>309</u>	<u>31</u>
7. Donations				
Donations with restrictions	1	60	1	60
Unrestricted donations	27	-	27	-
	<u>28</u>	<u>60</u>	<u>28</u>	<u>60</u>
8. Staff costs				
Salaries	39,264	38,188	32,635	33,481
Social security costs	4,525	4,320	3,877	3,867
Other pension costs	8,600	8,543	7,947	8,084
Movement on pension provision	139	4,260	139	4,260
Redundancy costs	2,504	462	2,504	424
Total	<u>55,032</u>	<u>55,773</u>	<u>47,102</u>	<u>50,116</u>
Redundancy staff numbers	62	25	62	25
Emoluments of former Vice-Chancellor				
Aug 22 - 14 Apr 23	£	£	£	£
Salary	161,452	220,000	161,452	220,000
Total	<u>161,452</u>	<u>220,000</u>	<u>161,452</u>	<u>220,000</u>
Emoluments of Vice-Chancellor				
Commenced 17 Apr 23	£	£	£	£
Salary	64,167	-	64,167	-
Non-taxable relocation costs	8,000	-	8,000	-
Taxable relocation costs	2,731	-	2,731	-
Total before pension contributions	<u>74,898</u>	<u>-</u>	<u>74,898</u>	<u>-</u>
Pension contributions	13,860	-	13,860	-
Total	<u>88,758</u>	<u>-</u>	<u>88,758</u>	<u>-</u>

8. Staff costs (continued)

The remuneration of the Vice-Chancellor is set by the University's Remuneration Committee. The Remuneration Committee is chaired by an independent member of the Governing Body with four independent governor members (including the Chair of the Board of Governors) and one independent specialist. The committee framework for decision making considers guidance from the CUC HE Senior Staff Remuneration Code (November 2021) and the CUC HE Code of Governance September (2020).

In determining the remuneration of the Vice-Chancellor, consideration will be given to established independent sources of benchmark reward data for roles in comparable organisations. Sources include, the annual UCEA Senior Staff Remuneration Survey and the Annual Survey of Vice Chancellor's Remuneration from the Committee of University Chairs (CUC).

The Committee also consider the performance of the Vice-Chancellor via annual Performance Development Review (PDR), carried out by the Chair of the Board of Governors. This is based on a discussion of achievement against objectives over the preceding 12 months and contribution to the environment and shape of the University, delivery of the University's strategic vision and the overall performance of the University. In preparation for the PDR, the Chair of the Governors shall consider the views of members of the Board of Governors.

Following these discussions and the PDR meeting, the Chair of the Governors will present an assessment of performance against objectives together with recommendations to the Remuneration Committee (Vice-Chancellor) for consideration. Formal minutes will provide a written record of the assessment.

Vice-Chancellor's pay as a multiple of the median employee of the University per the Office for Students accounts direction.

	2023		2022	
	No.	No.	No.	No.
Multiples for former Vice-Chancellor				
Left 14 April 2023				
Basic pay	6.2		6.1	
Total remuneration	5.5		5.6	

Multiples for new Vice-Chancellor	
Commenced 17 April 2023	
Basic pay	5.9
Total remuneration	5.6

Basic pay of other higher paid staff, including the Vice-Chancellor.	Consolidated		University	
	2023	2022	2023	2022
	£000	£000	£000	£000
£105,000 to £109,999	1	2	-	2
£110,000 to £114,999	-	2	-	2
£115,000 to £119,999	1	-	-	-
£120,000 to £124,999	-	1	-	1
£130,000 to £134,999	1	1	-	1
£135,000 to £139,999	1	-	1	-
£145,000 to £149,999	1	-	1	-
£220,000 to £224,999	-	1	-	1
	<u>5</u>	<u>7</u>	<u>2</u>	<u>7</u>

From 2023 the banding calculation is based on pay scale as at 31 July. Prior year is based on earnings during the year.

Notes to the accounts for the year ended 31 July 2023
continued

8. Staff costs (continued)

	Consolidated		University	
	2023	2022	2023	2022
	FTE	FTE	FTE	FTE
Average staff numbers by major category				
Academic departments	491	505	472	494
Administration	264	254	147	162
Academic services	155	162	109	126
Premises	41	39	31	34
Residences, catering and conferences	12	11	3	5
Research grants and contracts	2	2	1	1
	965	973	763	822

Key management personnel

Key management personnel are those staff with authority and responsibility for planning, directing and controlling the activities of the University. Staff costs includes compensation paid to key management personnel.

	Consolidated		University	
	2023	2022	2023	2022
	£000	£000	£000	£000
	1,914	1,887	1,463	1,887

Emoluments

Governors receive no remuneration in respect of their duties as Governors other than for the reimbursement of travel and subsistence expenses incurred in the course of those duties.

	Notes	Consolidated		University	
		2023	2022	2023	2022
		£000	£000	£000	£000
9. Interest and other financial costs					
Loan interest		1,158	1,384	1,125	1,384
Finance lease interest		-	3	-	3
Net charge on pension scheme	19	709	1,637	709	1,637
		1,867	3,024	1,834	3,024

10. Analysis of total expenditure

	Consolidated		University	
	2023	2022	2023	2022
	£000	£000	£000	£000
Other operating expenses include:				
External auditors in respect of audit services	86	76	67	61
External auditors in respect of non-audit services	26	20	15	11
Operating lease rentals:				
Land and buildings	1,400	1,490	1,400	1,490
Other	98	156	98	156

11. Taxation

No corporation tax charge (2022: no charge) arises on consolidation as a result of taxable profits in a subsidiary undertaking. Under the Education Reform Act 1998 the University obtained charitable status, consequently it is not liable to corporation tax on its income and gains. No deferred taxation has been provided in the accounts on the basis that future taxable profits of all subsidiary companies will be paid to the University by way of Deed of Covenant.

Notes to the accounts for the year ended 31 July 2023
continued

12 Fixed assets	Freehold and leasehold				
	Land	Building	Asset under construction	Expenditure	Total
	£000	£000	£000	£000	£000
Consolidated					
Cost					
At 1 August 2022	20,915	178,715	2,714	24,455	226,799
Additions	-	-	7,055	5,666	12,721
Transfers	-	5,104	(5,104)	-	-
Disposals	-	1,104	-	(1,238)	(134)
At 31 July 2023	20,915	184,923	4,665	28,883	239,386
Depreciation					
At 1 August 2022	-	48,172	-	13,614	61,786
Charge for the year	-	6,708	-	2,567	9,275
Disposals	-	866	-	(1,236)	(370)
At 31 July 2023	-	55,749	-	14,942	70,691
Net book value at 31 July 2023	20,915	129,174	4,665	13,941	168,695
Net book value at 31 July 2022	20,915	130,543	2,714	10,841	165,013
University					
	Land	Building	Asset under construction	Expenditure	Total
	£000	£000	£000	£000	£000
Cost					
At 1 August 2022	20,595	176,188	2,714	23,382	222,879
Additions	-	-	7,031	5,666	12,697
Transfers	-	5,080	(5,080)	-	-
Disposals	-	1,104	-	(1,238)	(134)
At 31 July 2023	20,595	182,372	4,665	27,810	235,442
Depreciation					
At 1 August 2022	-	47,545	-	12,948	60,493
Charge for the year	-	6,656	-	2,451	9,107
Disposals	-	868	-	(1,239)	(371)
At 31 July 2023	-	55,069	-	14,160	69,229
Net book value at 31 July 2023	20,595	127,303	4,665	13,650	166,213
Net book value at 31 July 2022	20,595	128,643	2,714	10,434	162,386
Leased assets included above:					
	Land	Building	Asset under construction	Expenditure	Total
	£000	£000	£000	£000	£000
Net book value at 31 July 2023	712	-	-	85	797
Net book value at 31 July 2022	712	-	-	199	911

Notes to the accounts for the year ended 31 July 2023
continued

13. Non-current investments	Subsidiary companies	Other fixed asset investments	Total
Consolidated	£000	£000	£000
At 1 August 2022	-	49	49
Impairment	-	(49)	(49)
At 31 July 2023	-	-	-
University			
At 1 August 2022	3,051	49	3,100
Impairment	-	(49)	(49)
At 31 July 2023	3,051	-	3,051

The non-current investments have been valued at cost less impairment.

Subsidiary undertakings

The University owns 100% of the issued ordinary share capital of £2.55 million (2022: £2.55 million) of Solent University Limited, a company registered in England.

The main activities of this undertaking are to provide short courses, training and facilities, consultancy services, and meals and accommodation for employees of other organisations using the company's facilities for their own training programmes.

The University owns 100% of the issued ordinary share capital of £0.5 million (2022: £0.5 million) of Solent University Services Limited, a company registered in England on the 19th July 2018.

The main activities of this undertaking are to provide education support services.

The University owns 51% of the issued ordinary share capital of £1,000 of Solent Pathway Campus Limited. The main activity of the company is to deliver foundation courses allowing access to undergraduate courses at Solent.

	Consolidated and University £000
Other fixed asset investments	
HCB Holding Ltd	49
Impairment	(49)
A not for profit bank, aimed at supporting the local economy	-

Notes to the accounts for the year ended 31 July 2023
continued

14. Trade and other receivables

	Consolidated		University	
	2023	2022	2023	2022
	£000	£000	£000	£000
Amounts falling due within one year:				
Trade receivables	7,522	9,101	6,252	8,384
Other receivables	3,900	3,055	3,066	1,920
Prepayments and accrued income	2,556	1,731	2,553	1,727
Amounts due from subsidiary companies	-	-	2,792	1,441
	13,978	13,887	14,663	13,472

15. Current investments

	Consolidated		University	
	2023	2022	2023	2022
	£000	£000	£000	£000
Short-term investment in COIF Charities Investment Funds	1,347	1,341	1,347	1,341
	1,347	1,341	1,347	1,341

The investments are publicly traded and are valued at the year end at fair value through the income and expenditure. The investment re-invests all income. The unrealised gain was £6k (2022: £19K).

16. Creditors: amounts falling due within one year

	Consolidated		University	
	2023	2022	2023	2022
	£000	£000	£000	£000
Secured loans	2,873	3,386	2,873	3,386
Obligations under finance leases	-	120	-	120
Trade payables	14,712	13,005	14,501	12,928
Social security and other taxation payable	188	1,101	-	944
Salaries and wages	3,810	3,319	3,582	3,174
Accruals and deferred income	6,468	4,808	6,270	4,409
Other payables	3,319	3,138	2,657	2,386
Amounts due to subsidiary companies	-	-	736	644
	31,370	28,877	30,619	27,991

Notes to the accounts for the year ended 31 July 2023
continued

17. Creditors: due after more than one year

	Consolidated		University	
	2023	2022	2023	2022
	£000	£000	£000	£000
Secured loans	18,902	28,705	18,902	28,705
Total creditors due after more than one year	18,902	28,705	18,902	28,705
Analysis of finance lease:				
Due within one year or on demand (Note 16)	-	120	-	120
Total obligations under finance lease	-	120	-	120
Analysis of secured and unsecured loans:				
Due within one year or on demand (Note 16)	2,873	3,386	2,873	3,386
Due between one and two years	3,015	25,082	3,015	25,082
Due between two and five years	4,616	3,623	4,616	3,623
Due in five years or more	11,271	-	11,271	-
Due after more than one year	18,902	28,705	18,902	28,705
Total secured and unsecured loans	21,775	32,091	21,775	32,091
Secured loans amortised to 2023 and 2026	21,775	32,091	21,775	32,091
	21,775	32,091	21,775	32,091

Included in loans are the following:

Borrower	Lender	Interest rate %	TER	Amount	Amount	Amount	Amount
				£000	£000	£000	£000
University	Allied Irish Bank	8.11	2026	5,494	7,234	5,494	7,234
University	Lloyds Bank	2.414	2023	-	7,586	-	7,586
University	Lloyds Bank	3.445	2028	16,281	17,271	16,281	17,271
				21,775	32,091	21,775	32,091

Allied Irish Bank hold security over Chantry, Deanery and David Moxon Annexe, for which the loan was used to purchase the freehold interest in the properties.

The Lloyds Bank loans are secured by a first legal charge over the Spark and the Sports Complex. The University has an undrawn credit facility of 18m with Lloyds Bank until 2026, with the option to extend twice by one year.

There is also an undrawn credit facility of 14.5m from Barclays Bank until 2026 that is secured on Kimber Halls of Residence and Mountbatten Library.

Notes to the accounts for the year ended 31 July 2023
continued

18. Financial instruments

	Consolidated		University	
	2023	2022	2023	2022
	£000	£000	£000	£000
Financial assets that are debt instruments measured at amortised cost	32,251	45,914	31,069	44,563
Financial liabilities measured at amortised cost	(44,926)	(53,006)	(44,203)	(52,318)
Derivative financial instruments designated as hedges of variable interest rate risk	3,839	1,047	3,839	1,047

Financial assets measured at amortised cost comprise cash, trade receivables, research grant receivables, other receivables and amounts due from subsidiary companies.

Financial liabilities measured at amortised cost comprise secured loans, finance leases, trade payables, salaries and wages, accruals, other payables and amounts due to subsidiary companies.

Derivative financial instruments designated as hedges of variable interest rate risk comprise interest rate swaps.

19. Provisions for liabilities and charges

	Consolidated and University				
			Leasehold		
	USS pension	HCC pension	dilapidation	Organisation	Total
	£000	£000	£000	£000	£000
At 1 August 2022	177	20,603	2,331	9	23,120
Additions	-	-	141	693	834
Released in year	(27)	(20,603)	(328)	(9)	(20,967)
At 31 July 2023	150	-	2,144	693	2,987

Reorganisation provision

The reorganisation provision represents obligations due to employees where restructuring agreements have been reached with employees under the University's redundancy programme prior to the year end.

Leasehold dilapidation provision

The leasehold dilapidation provision represents obligations under the leases of the existing properties to make good dilapidations prior to the expiry of each lease.

19. Provisions for liabilities and charges (continued)

Teachers' Pension Scheme

Solent University is a member of the Teachers' Pension Scheme England and Wales (TPS) for academic and related staff.

The Teachers' Pension Scheme (TPS) is a statutory, contributory, defined benefit scheme, governed by the Teachers' Pension Scheme Regulations 2014. The TPS is an unfunded scheme to which both the member and employer makes contributions, as a percentage of salary - these contributions are credited to the Exchequer. Retirement and other pension benefits are paid by public funds provided by Parliament.

Valuation of the Teachers' Pension Scheme

The Government Actuary, using normal actuarial principles, conducts a formal actuarial review of the TPS in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014 published by HM Treasury every four years. The aim of the review is to specify the level of future contributions. Actuarial scheme valuations are dependent on assumptions about the value of future costs, design of benefits and many other factors. The latest actuarial valuation of the TPS was carried out as at 31 March 2020. The valuation report was published by the Department for Education on 26 October 2023. The key elements of the valuation and subsequent consultation are:

- Employer contribution rates set at 28.6% of pensionable pay (including a 0.08% administration levy).
- Total scheme liabilities (pensions currently in payment and the estimated cost of future benefits) for service to the effective date of £262,000 million and notional assets (estimated future contributions together with the notional investments held at the valuation date) of £222,200 million, giving a notional past service deficit of £39,800 million.

The next valuation result is due to be implemented from 1 April 2024.

The employers pension contributions for the University in respect of current employees were:

	2023	2022
	£000	£000
Employer's contribution to Teachers' Pension Scheme	<u>3,945</u>	<u>3,957</u>

A copy of the valuation report and supporting documentation is on the Teachers' Pensions website

Under the definitions set out in FRS 102, the TPS is an unfunded multi-employer pension scheme.

The University has accounted for its contributions to the scheme as if it were a defined contribution scheme. The University has set out above the information available on the scheme.

	2023	2022
	£000	£000
Outstanding contributions and included within creditors as 31 July	<u>468</u>	<u>463</u>

19. Provisions for liabilities and charges (continued)

Hampshire County Council Local Government Pension Scheme

The Hampshire County Council Local Government Pension Scheme (HCCLGPS) is valued every three years by a professionally qualified independent actuary using the Projected Unit method, the rates of contribution being determined by the actuary. The latest published actuarial assessment of the HCCLGPS was at 31 March 2022, including the Rates and Adjustments Certificate which sets out the contributions payable by employers from 1 April 2023 to 31 March 2026. The contribution level was separated in April 2011 into two components, a forward contribution rate, and an additional contribution to address the fund deficit set at each triannual valuation.

The level of employers' contributions is set out below:

	<u>From 1 April 2023</u>	<u>From 1 April 2022</u>	<u>From 1 April 2021</u>
Contribution rate	24.2%	21.5%	21.5%
Additional contributions to address fund shortfall	£576,000	£908,000	£881,000

The University also has unfunded obligations of £159k in respect of enhanced pension entitlements to staff who took early retirement under a reorganisation programme in 1993.

Universities Superannuation Scheme

The University participates in the Universities Superannuation Scheme (USS), a defined benefit scheme which is contracted out of the State Second Pension (S2P). The assets of the scheme are held in a separate trustee-administered fund. Because of the mutual nature of the scheme, the scheme's assets are not linked to individual institutions and a scheme-wide contribution rate is set. The University is therefore exposed to actuarial risks associated with other universities employees and is unable to identify its share of the underlying assets and liabilities of the scheme on a consistent and reasonable basis and therefore, as required by FRS102(28), accounts for the scheme as if it were a defined contribution scheme.

The 31 March 2020 valuation identified a funding shortfall of £37.4bn. A deficit recovery plan has been put in place which is expected to eliminate the shortfall by 31 March 2038. Employers contributions were 21.1% rising to 21.4% from 1 October 2021 and again to 21.6% from 1st April 2022.

Under FRS102 where there is a deficit recovery plan the University must recognise its liability:

	<u>2022-2023 £000</u>	<u>2021-2022 £000</u>
Provision brought forward	177	211
Staff costs	14	7
Interest payable	6	2
Contributions	(47)	(43)
Provision carried forward	<u>150</u>	<u>177</u>

The University has 4.9 FTE staff in the USS scheme and therefore it is deemed to be immaterial to the University's financial statements. No further disclosures are included.

FRS 102

Details in respect of the pension liabilities are provided in accordance with FRS 102. As noted earlier it is not possible to identify the University's share of the underlying assets and liabilities of the Teachers' Pension Scheme or USS and therefore the following disclosures relate to the HCCLGPS.

Date of last full actuarial valuation	31 March 2022
Expected employer contributions next year	£3.98m
Duration of liabilities	23.8 years

Notes to the accounts for the year ended 31 July 2023
continued

19. Provisions for liabilities and charges (continued)

Hampshire County Council Local Government Pension Scheme

The valuation used for FRS 102 disclosures has been based on the most recent actuarial valuation at 31 March 2022. The major assumptions used by the actuary for the purposes of FRS 102 were:

	31 July 2023	31 July 2022	31 July 2021
Discount rate	5.05% pa	3.40% pa	1.70% pa
CPI inflation	3.00% pa	2.50% pa	2.60% pa
Rate of increase in salaries	4.00% pa	3.50% pa	3.60% pa

Mortality assumptions	At 31 July 2023	
	Retiring today	Retiring in 20 years
Male	22.1	22.6
Female	24.7	25.7

Asset allocation	Value at 31 July 2023	Value at 31 July 2022
Equities	59.0%	57.5%
Property	6.0%	8.1%
Government bonds	32.0%	14.8%
Corporate bonds	0.0%	0.0%
Multi-asset credit	0.0%	8.9%
Cash	3.0%	0.8%
Other	0.0%	9.9%
Total	100.0%	100.0%

Reconciliation to balance sheet	Value at 31 July 2023	Value at 31 July 2022
	£000	£000
Funded benefits		
Fair value of funded assets	152,136	151,145
Present value of liabilities	(147,911)	(171,577)
Funded net pension liability	4,225	(20,432)
Unfunded benefits		
Present value of liabilities	(159)	(171)
Unfunded net pension liability	(159)	(171)
Total net pension liability	4,066	(20,603)

Notes to the accounts for the year ended 31 July 2023
continued

19. Provisions for liabilities and charges (continued)

Amounts recognised in income statement	2023	2022
	£000	£000
Operating cost		
Current service cost	3,977	8,442
Past service cost	280	82
Interest cost (included in pension finance costs - Note 9)	703	1,635
Pension expense recognised in profit and loss	4,960	10,159
Allowance for administration expenses included in current service cost	12	45
Amounts recognised in other comprehensive income	2023	2022
	£000	£000
Asset gains arising during the period	(5,211)	(8,659)
Liability losses arising during the period	30,754	92,279
Total amount recognised in other comprehensive income	25,543	83,620
Changes to the present value of the defined benefit obligation	2023	2022
	£000	£000
Opening value of liabilities	171,748	254,391
Current service cost	3,977	8,442
Interest cost	5,856	4,298
Contributions by participants	999	1,025
Actuarial losses	(30,754)	(92,279)
Benefits paid	(4,010)	(4,211)
Unfunded benefits paid	(26)	
Past service cost	280	82
Closing value of liabilities	148,070	171,748
The closing liability includes £159,000 (2022: £171,000) in respect of unfunded benefits.		
Changes to the fair value of assets	2023	2022
	£000	£000
Opening fair value of assets	151,145	156,099
Interest income on assets	5,153	2,663
Remeasurement gains on assets	(5,211)	(8,659)
Contributions by the employer	4,060	4,202
Contributions by participants	999	1,025
Net benefits paid out	(4,010)	(4,185)
Unfunded benefits paid	(26)	
Contributions in respect of unfunded benefits paid	26	
Closing fair value of assets	152,136	151,145
Actual return on assets	2023	2022
	£000	£000
Interest income on assets	5,153	2,663
Gain on assets	(5,211)	(8,659)
Actual return on assets	(58)	(5,996)

19. Provisions for liabilities and charges (continued)

2024 Pension Increase order

The CARE, deferred pensioner and pensioner obligations in the LGPS are increased each April in line with the previous September's rate of CPI, and the April 2023 Pension Increase Order of 10.1% has been applied to the obligations within the 31 July 2023 closing balance sheet figures.

The Accounting Standard prescribes quite narrowly how the inflation assumption should be derived from market information at the year-end date. Therefore, the current period of high inflation is somewhat allowed for insofar as it is captured in long-term market expectations as at the Accounting Date. However, we have adjusted our assumption to recognise that the 2024 Pension Increase Order is currently expected to be higher than the single CPI assumption set for accounting purposes.

We have adjusted the CPI assumption by 0.2% to 3.0% to recognise that the 2024 Pension Increase Order is currently expected to be higher than the single CPI assumption set for accounting purposes as at 31 July 2023.

20. Restricted reserves

Reserves with restrictions are as follows:

	<u>Donations</u>	<u>2023 total</u>	<u>2022 total</u>
	£000	£000	£000
Balances at 1 August	1,406	1,406	1,356
New donations	27	27	59
Investment income	6	6	20
Expenditure	(69)	(69)	(29)
Movement for the year	(36)	(36)	50
At 31 July	1,370	1,370	1,406
Analysis of other restricted funds/donations by type of purpose:			
Project support		1,347	1,341
Student bursaries		23	65
		<u>1,370</u>	<u>1,406</u>

21. Cash and cash equivalents

	<u>1 Aug 2022</u>	<u>Cash flows</u>	<u>31 July 2023</u>
	£000	£000	£000
Consolidated			
Cash and cash equivalents	33,758	(12,929)	20,829

Notes to the accounts for the year ended 31 July 2023
continued

22. Consolidated reconciliation of net debt

	£000		
Net debt 1 August 2022	(2,594)		
Movement in cash and cash equivalents	12,929		
New finance leases	(120)		
Repayment of secured loans	(10,316)		
Changes in market value and exchange rates	(2,790)		
Net debt 31 July 2023	(2,891)		
		<u>(297)</u>	
Change in net debt		<u>(297)</u>	
		2023	2022
		£000	£000
Analysis of net debt			
Cash and cash equivalents		20,829	33,758
Borrowings: amounts falling due within one year			
Secured loans		2,873	3,386
Obligations under finance leases		-	120
		<u>2,873</u>	<u>3,506</u>
Borrowings: amounts falling due after more than one year			
Obligations under finance lease		-	-
Derivatives		(3,839)	(1,047)
Secured loans		18,902	28,705
		<u>15,063</u>	<u>27,658</u>
Net debt		<u>(2,893)</u>	<u>(2,594)</u>

23. Capital commitments

	Consolidated		University	
	2023	2022	2023	2022
	£000	£000	£000	£000
Commitments contracted but not provided for	2,436	2,444	2,436	2,444

24. Contingent liabilities

At 31 July 2023 the Governors were not aware of any liabilities for which full provision has not been made.

Notes to the accounts for the year ended 31 July 2023
continued

25. Lease obligations

Total rentals payable under operating leases:

	31 July 2023		31 July 2022	
	Land and buildings £000	Plant and machinery £000	Total £000	Total £000
Payable during the year				
Future minimum lease payments due:				
Not later than 1 year	1,400	98	1,498	1,646
Later than 1 year and not later than 5 years	1,312	48	1,360	1,590
Later than 5 years	-	-	-	478
Total lease payments due	2,347	163	2,510	5,496

26. Events after the reporting period

The Governors are not aware of any post-balance sheet events.

27. Subsidiary undertakings

The subsidiary companies (all of which are registered in England and Wales), wholly-owned or effectively controlled by the University, are as follows:

Company	Principal activity	Status	Note
Solent University Limited	Maritime based consultancy and training	100% owned	13
Solent University Services Limited	Education support services	100% owned	13
Solent Pathway Campus Limited	Education services	51% owned	13

28. Related party transactions

Governors receive no remuneration in respect of their duties as Governors other than for the reimbursement of travel and subsistence expenses incurred in the course of those duties.

A total of £1,080 was paid for travel and subsistence expenses to 3 Governors (2022: £733 paid to 4 Governors).

Transactions are disclosed where members of the Board of Governors, trustees and senior members of staff disclose an interest in a body with whom the University undertakes transactions which are considered material to the University's financial statements and/or the other party. Due to the nature of the University's operations and the composition of the Board of Governors, being drawn largely from local public and private sector organisations, it is inevitable that transactions will 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 the Board of Governors may have an interest are conducted at arm's length and in accordance with the University's Financial Regulations and usual procurement procedures.

The University has taken advantage of the exemption within FRS102 and has not disclosed transactions with wholly owned subsidiary companies.

Solent University

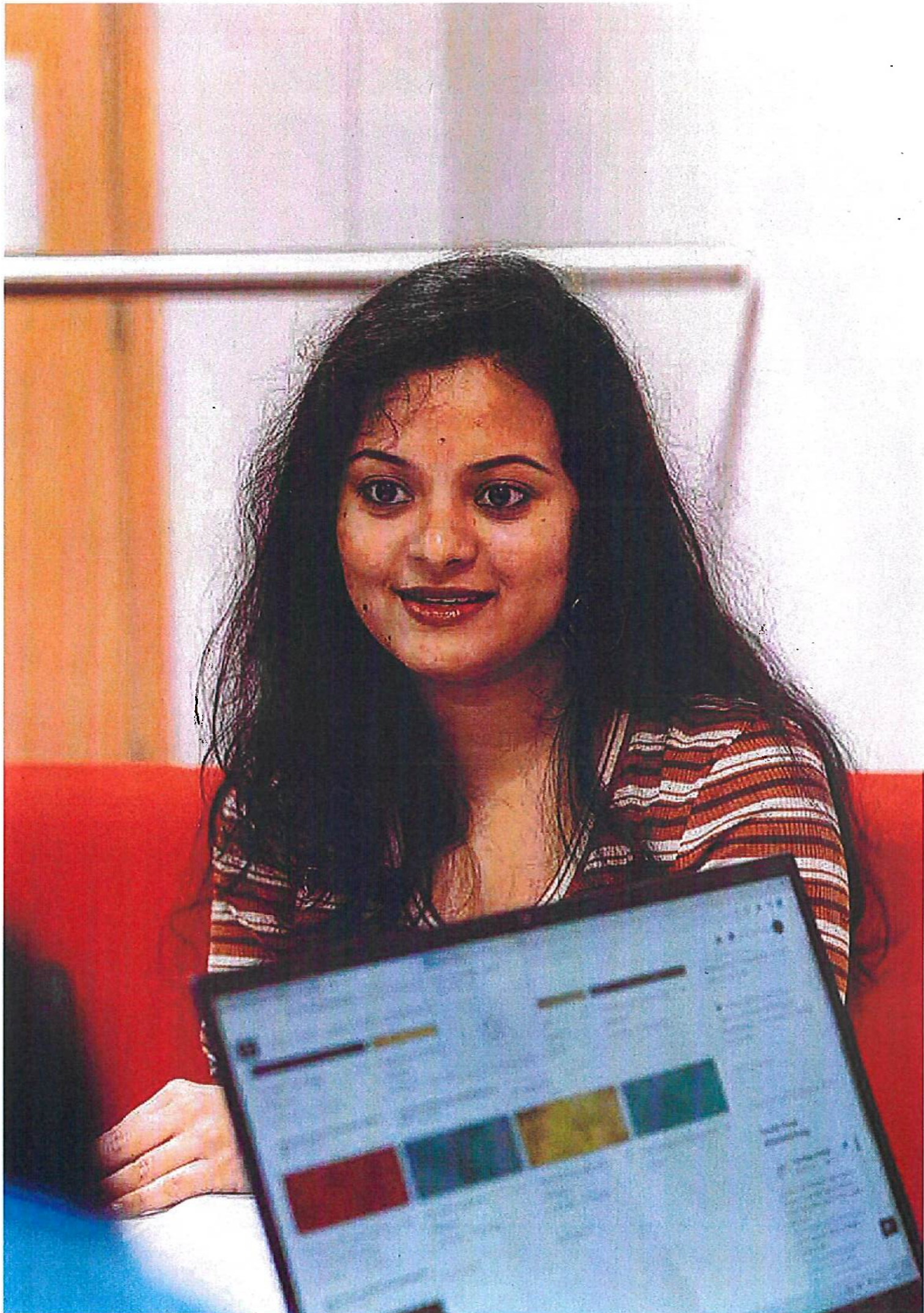
	Sales to related party	Purchases from related party	Amounts owed to related party	Grants and loans made to related party
	£000	£000	£000	£000
Solent Students' Union 2022-23				
Trade	3	9	-	-
Grant	-	-	242	341
Solent Students' Union 2021-22				
Trade	4	3	-	-
Grant	-	-	83	444

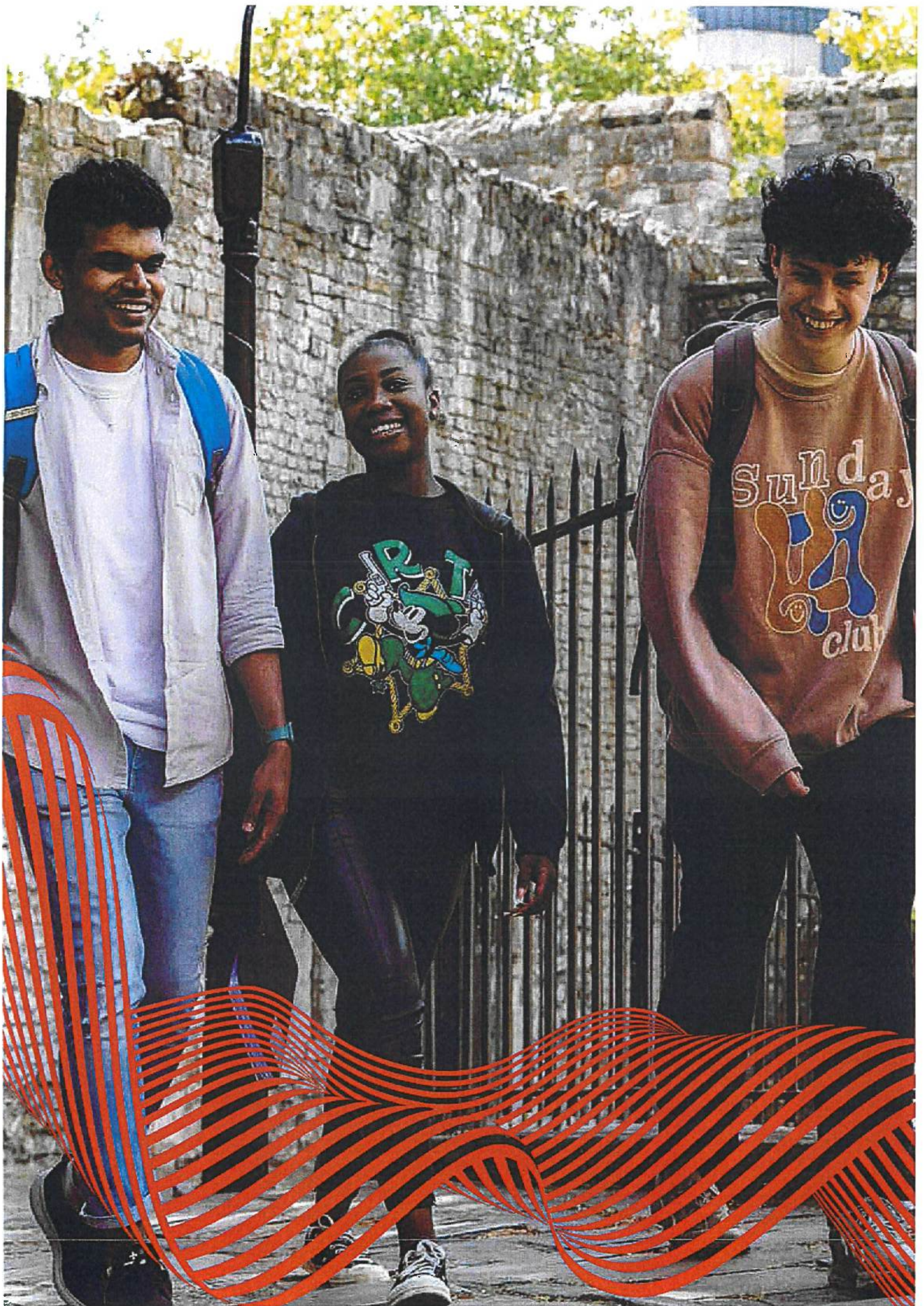
The University has a close working relationship with Solent Students' Union, which remains a separate entity. The SU president is a member of the University's Board of Governors.

29. Access and participation plan

Consolidated and University	OfS plan	AFR return including disability	Actual 2022-23	Variance	Actual 2021-22
	£000	£000	£000	£000	£000
Access investment	552	552	761	(209)	716
Disability	-	309	732	(423)	524
Financial support	1,102	1,102	1,575	(473)	1,815
Research and evaluation	58	58	46	12	46
Total	1,712	2,021	3,114	(1,093)	3,101

Approved plan: <https://www.solent.ac.uk/about/documents/solent-access-and-widening-participation-plan-2020-21.pdf>





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