

FALMOUTH UNIVERSITY

FINANCIAL

STATEMENTS

to 31 July 2024



Falmouth University

Board of Governors (at the date of signing)

Chair	Helen Owers
Deputy Chair and Senior Independent Member	Julie Fielding
Vice-Chancellor & Chief Executive	Professor Emma Hunt
Audit Committee Chair	Diane Grannell
Independent Governors	Cathrine Armour
	Iain Ellwood
	Bob Fahy
	David Harland
	Dr Tadhg Leane
	Evelyn Timpson
	Francois Woodward
Academic Staff Member	Professor Ruth Heholt
Co-opted Professional Services Staff Member	Rob Ingram
Students' Union President - Falmouth	Jadelle Luckman

Other Officers (at date of signing)

Pro Vice-Chancellor (Academic Services)	Professor Russell Crawford
Pro Vice-Chancellor (Research & Knowledge Exchange)	Professor David Prior
Pro Vice-Chancellor (Marketing & Engagement)	Justin Scott
Executive Director, Estates, Infrastructure & Operations	Simon Foster
Executive Director, Finance, Audit & Risk	Rob Holmes
Executive Director, People & Culture	Christine Turton
Secretary to the Board	Robyn Wyatt

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External Auditor

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BRISTOL
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Internal Auditor

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M1 6FQ

Falmouth University
Report of the governing body

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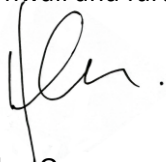
Introduction from the Chair of the Board of Governors

It was a privilege to take up the position of Chair in April 2024. Having served as a governor for four years, I have truly come to appreciate the University's unique local and educational position. Falmouth is sustaining excellence in higher education and research, while continuing to push boundaries with new and creative initiatives that will position the University for success for years to come.

It is widely recognised that the sector is facing an exceptionally challenging set of financial, social and logistical headwinds. We have reacted by re-balancing our delivery models, focusing this transformation on sustainable growth and academic excellence, while ensuring continued strategic investment. I am pleased to report that despite this difficult economic environment, we remain in a strong, financially sustainable position.

The Board has adopted new working practices to increase engagement and collaboration with the executive team, enabling us to explore and develop our strategic responses. We have implemented new governance arrangements and have appointed new Board members ensure we have the necessary skills and experience to enable effective governance. I am delighted with the way the Board and executive team are working together, endorsed by the results of a full independent review in 2024. This underlined the strength of our team and our governance arrangements, which were commended as robust and effective.

The Board is grateful for the hard work and dedication evident across the University's staff, campus community and partners, as well as for the continued support of our stakeholders across Cornwall and further afield.



Helen Owers
Chair of the Board of Governors

Introduction from the Vice-Chancellor & Chief Executive

The creative world never stands still. While our sights are always set on the future, it's worth stopping for a moment to reflect on an outstanding year of achievement for Falmouth University and where our ambitious approach to creativity has taken us.

A record £7 million funding boost from Research England for our research programme was an undoubted highlight, enabling us to explore entirely new art forms in the field of blended realities – an exciting fusion of creativity and technology and an area in which we're proud to be pioneers. The year saw the restructuring of our online course delivery, the evolution of our venture studio and business incubator, Launchpad Futures, and the trail-blazing development of our educational methods through initiatives such as the development of our Learning & Teaching Philosophy and the launch of the Academy for Continuing Education.

It's our ethos to make impact that matters, by finding ingenious solutions to ever-more complex problems. From a surfboard made from sewage that helped galvanise public outrage about water pollution, to a heartwarming octopus-shaped IV drip stand for children's hospital wards, the brilliant [stories](#) from our students, staff and alumni celebrate the curious minds and collaborative approaches we nurture here.

As Cornwall's university, we are embracing our civic role to support the Duchy's growth through skills development, innovation, and pioneering research, and I'm proud of the partnerships that have strengthened this year.

At a time when universities face intense pressures, we are successfully navigating these challenges – not only returning a surplus, but also investing in and safeguarding the experiences of our students and staff. It's clear that our future is exciting.



Professor Emma Hunt
Vice-Chancellor & Chief Executive

Strategic Review

The Board of Governors approved the Second Edition of the 2030 Strategy in July 2022.

Our Mission, Vision, and Values define who we are, what we do and why we do it, and are at the core of decision-making, strategic planning, policy development and ways of working across the University.

We believe that the combination of creativity and technology is the foundation of the future economy, and we seek to leverage this fusion across existing and emerging disciplines to problem-solve, innovate and address global challenges.

OUR MISSION

To deliver exceptional higher education and research, harnessing the fusion of creativity and technology as foundations of the future economy.

To use our knowledge and expertise in these disciplines to generate positive and sustainable opportunities for all.

OUR VALUES

CREATIVE

Knowing that creativity is the vanguard of progress, we're constantly seeking new ways of thinking, doing and creating.

ACHIEVE

We value the pursuit of excellence and enrichment as a collective aspiration to be the very best we can be.

RESPECTFUL

We have an open mind, we respect differing views, we listen and enable, and we work towards an equitable and diverse world.

SHARING

We collaborate and share knowledge to co-create a positive impact.

OUR VISION

- To be the leading institution for the nexus between creativity and technology.
- To establish Cornwall as the County for Creative Learning, using innovative and open pedagogies as an integral part of its education and business eco-system.
- To develop the next generation of creative leaders and explorers, who will change the world through their curious minds, creative impact and unique skillsets.
- To build on our strengths in research and knowledge exchange to deliver experimental, environmental and societal impact.

OUR STRATEGY



Key numbers

It has been a strong year. This image showcases a snapshot of the key numbers and milestones achieved in 2023/24:

81472
students studied on campus, online and through academic partnerships

2,905
Students celebrated their graduation

No.2
THE UK'S NO. 2 ARTS UNIVERSITY
The Times and Sunday Times
Good University Guide 2024

5TH
IN THE UK FOR STUDENT STARTUPS
HESA IP, startups and spin offs, April 2024

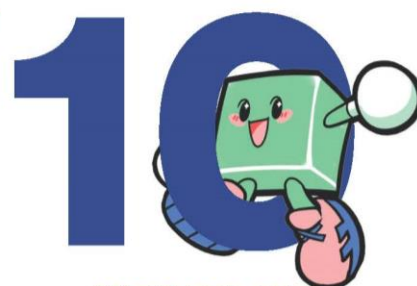
£76.9 million
INCOME GENERATED

{£917,000}
SURPLUS



£11 MILLION

EXTERNAL FUNDING AWARDS



10
YEARS OF GAMING EXCELLENCE, since our Games Academy was founded in 2014.

63

local companies supported through our UK Shared Prosperity Fund projects

Falmouth University
Report of the governing body

Annual Plan

In 2022/23, the Board of Governors approved a new methodology for articulating strategic ambition and monitoring performance known as the Annual Plan. In a rapidly evolving external landscape, this methodology enables agility while retaining a clear long-term strategic focus, and we have continued to embed and refine this approach in 2023/24.

The Annual Plan links key strategic actions (*Actions with Impact*) to key, Board-approved performance indicators and targets (*Metrics*), and enables regular oversight of progress and performance in delivering excellence and sustainable growth.

Annual Plan - Metrics

A summary of key metrics from the growth and excellence pillars of the Annual Plan are as follows:

Growth

Annual Plan Metric	2021-22	2022-23	2023-24 Target	2023-24 Result (and difference from 2022-23)	Against target*
Total income £(000)	£63,105	£73,903	£72,713	£76,872 (+£2,969)	●
Tuition fee income £(000)	£53,096	£60,460	£65,633	£65,300 (+£4,840)	●
Surplus/deficit £(000)	(-£4,911)	£153	(£-17)	£917 (+£764)	●
Number of on campus students	4,769	4,986	5,018	5,040 (+54)	●
Number of online students	398	632	918	933 (+301)	●
Number of franchise partnership students	900	1,164	1,333	1,445 (+281)	●

Excellence

Annual Plan Metric	2021-22	2022-23	2023-24 Target	2023-24 Result (and difference from 2022-23)	Against target*
B3 Continuation (OfS) (1-year)	89%	87.4%	87.9%	87.7% (+0.3%)	●
B3 Completion (OfS) (1-year)	89.7%	89.3%	89.6%	87.7% (-1.6%)	●
B3 Progression (OfS) (1-year)	61.6%	65.6%	66%	67.2% (+1.6%)	●
NSS Teaching on my course	80.4%	84.3%	80.8%	83.5% (-0.8%)	●
3-star and 4-star research outputs**	6.3%	13.7%	45%	30.3% (+16.6%)	●

*Green: within 1% of target; amber within 3% of target; red more than 3% outside of target

**Cumulative % of target number of three- and four-star research outputs required for REF, which was delayed from 2028 to 2029 since the last report

The pages that follow provide a supporting narrative for our strategic performance.

Falmouth University
Report of the governing body

Annual Plan - Actions with Impact

This year, a number of positive, transformative *Actions with Impact* have been implemented to ensure that we are providing our students and communities with the very best that creative higher education can offer, in a challenging environment for the sector.

Cross-cutting strategic *Actions with Impact* delivered within the reporting period include:

- targeted activity to support student and staff success – including the progression of our commitment to achieving University Mental Health Charter accreditation, enabling all of our people to thrive;
- sustained investment into our facilities, including the redevelopment of Falmouth Campus library; and
- strengthening the University’s financial sustainability while assuring and ensuring the quality and continuous improvement of our learning, teaching, assessment, research and knowledge exchange.

A high-level summary of key *Actions with Impact* delivered in the reporting period linked to our four vision statements include:

Vision: to be the leading institution for the nexus between creativity and technology	Vision: to establish Cornwall as the County for Creative Learning	Vision: to develop the next generation of creative leaders and explorers	Vision: to build on our strengths in research and knowledge exchange
We reviewed the University’s online provision, and invested £300k in a multi-year project to transition courses delivered in partnership with Cambridge Education Group Digital through Falmouth Flexible to be delivered fully in house through the University’s Falmouth Online portfolio .	We established the Academy of Continuing Education, a new portfolio of on demand short, executive, summer, and leisure short courses which will be further developed in 2024/25. In 2023/24, 7 new courses were piloted, supported by two funding awards of £192k through the UK Shared Prosperity Fund.	We enhanced frontline employability initiatives, emphasising transferable skills for job readiness across industries. Highlights included a Dragon’s Den event showcasing student ingenuity and creativity. Additionally, a £221k Turing Scheme award funded our Go Abroad programme.	We developed our Research and Knowledge Exchange (RKE) environment, Philosophy, and Plans, which together have enabled strategically aligned external funding successes during the reporting period totalling £11m gross for Falmouth in 2023/24, with £2.4m worth of submissions awaiting outcome in 2024/25.

Our Learning and Teaching Philosophy

This year, we articulated our Learning and Teaching Philosophy, an academic-led extension of our Mission, Vision and Values through the lens of learning and teaching. The philosophy was developed collaboratively with our academic community to describe our ethos, strengths and aspirations for the undergraduate and postgraduate taught experience at Falmouth University. It is a guiding light for the continued development and enhancement of our curricula, academic practices and the student experience.

Learning and Teaching Philosophy

Falmouth University cultivates an innovative, challenging, and inclusive learning community, drawing upon Cornwall's rich heritage in creativity and innovation. Guided by the expertise of our experienced academic and technical staff, our approach is built on creative contextual learning that places the student experience at its core, preparing them to excel in a dynamic professional world.

We seek to develop the next generation of creative leaders and explorers who make a positive impact through their knowledge, skills, and attitudes. They are equipped to embrace opportunities with confidence, resilience, and adaptability, contributing to a more equitable, sustainable world.

We take novel approaches to physical and digital learning spaces. Through an integrated and multi-modal journey, students have access to technical facilities and production resources, on campus and within an enriched virtual learning environment.

Nexus between creativity and technology	We encourage a culture of playful exploration and experimentation as a critical site for exploring the possibilities that creativity unlocks in technology and vice-versa. Believing the combination of creativity and technology to be the foundation of the future economy, we seek to leverage this fusion across existing and emerging disciplines to problem-solve, innovate, and address global challenges by identifying new solutions.
Creative contextual learning	Engaging in authentic and experiential learning, students develop as creative, analytical, and critical thinkers, effective collaborators, and gain confidence as storytellers. We embrace risk-taking, and learning from each other and from failure as integral components of growth. Our pedagogy, underpinned by reflective practice, instils creative habits of imagination, inquisitiveness, persistence, collaboration, and discipline.
The convergence of teaching, research and knowledge exchange	We take an integrated approach to teaching, research, and knowledge exchange. Developed as a symbiosis, our research expertise informs and drives our teaching, enriching the learning experience through engagement with cutting-edge thinking, exploratory practice, new knowledge, and industry connection, while our students in turn contribute their talent to academic activity.
Future skills for the future world	Our professionally aligned, forward-facing curriculum emphasises transdisciplinary research and development, and a diversification of delivery modes. Interdisciplinary engagement, collaboration, and the questioning of traditional boundaries, empower our learners to be cognitively agile and flexible, with transferable skills and competencies; not just job seekers but job creators, entrepreneurs, and future leaders, capable of driving positive change.
Student wellbeing and inclusivity	Our curriculum is designed to acknowledge and value difference, and our inclusive approaches to assessment, contribute to a positive and equitable learning environment built for all. Within our community of learning, students co-create knowledge, bringing their own experiences, developing self-efficacy and curiosity.
Innovating for the future	Creativity is regenerative. With a recognition that local and global challenges will continue to emerge, our approach is to develop a curriculum that actively seeks to find innovative new solutions.

Sustainable student growth and excellence in learning, teaching, research and knowledge exchange

Student growth

Falmouth University increased its position to become the 2nd largest university for creative arts subjects in the UK in 2023. We increased our market share despite the decline in creative arts subject accepts and broader market decline – UCAS end of 2023 cycle data report showed the total number of placed on-campus students at all higher education institutions reduced by 7%.

On-campus student recruitment

Our on-campus community is at the heart of what we do. We are committed to providing our students with the very best creative education, harnessing the fusion of creativity and technology so that students leave Falmouth equipped with the skills sought by employers now, and in the future.

Falmouth enrolled 1,640 new undergraduate students in September 2023 vs an annual plan target of 1,673. In addition, 252 new, on-campus postgraduate students enrolled. This compares to 1,862 and 231 respectively at the same point the previous year.

We will continue to monitor the sector using a 'market model' which calculates and forecasts demand and market share changes from population rates, higher education participation rates, subject area and course level demand changes. The model uses several sources including ONS, UCAS and HESA data to derive an outlook/forecast at a national, institutional and at course level for all our on-campus courses.

Online and partner student recruitment

Most of our online courses and some of our partnership courses have multiple intakes each year (January, May and September), which means we recruit students across multiple academic years.

Student enrolments to the Falmouth online portfolio continues to grow and we exceeded our annual plan target for the total number of online students studying at Falmouth (933 students enrolled vs the Annual Plan target of 918).

Our franchise partners also contributed to our growth in off-campus student recruitment and enrolled 1,445 students vs the Annual Plan target of 1,333.

Student retention

The University continues to exceed the overall minimum threshold standards for the Office for Students B3 Conditions of Registration. As this data is lagged, internal data is used to enable swift identification of areas to target support and interventions.

Falmouth University internal year-end data on student retention demonstrates a continuous positive improvement overall when compared with the previous two years. Specifically, +0.4% compared with the year-end data point in 2023, and +1.53% compared with the year-end data point in 2022.

There are a range of persistent and emergent sector-wide factors that impact on and contribute to our ability to retain students. These include the increasing cost of living and increasing complexity of student needs to support wellbeing and academic achievement. This positive retention trend shows beneficial returns on retention planning and focus on improvements across the University, and we continue to proactively investigate and respond to retention data trends in an evidence and data-informed way.

Falmouth University
Report of the governing body

Student experience – National Student Survey

The National Student Survey (NSS) is an annual survey of final year undergraduate students. It is a key source of feedback from students about their academic experience that informs continuous improvement and enhancement activities.

There are gains and losses within the University’s 2024 NSS results, overall showing a slight loss of relative position compared with the previous year:

NSS theme (metric)	Falmouth University 2024 result and difference from the 2023 result (+/- %)	Difference between Falmouth University and the sector (+/- %)
Learning resources	87.33 (+0.18)	+0.44
Academic support	85.03 (-0.18)	-0.52
Teaching on my course	83.03 (-1.07)	-2.37
Assessment and feedback	80.10 (-1.12)	+1.82
Learning opportunities	80.08 (+0.89)	-2.31
Student voice	72.64 (-0.97)	-1.36
Organisation and management	68.08 (-0.61)	-7.22

The University’s continuous improvement processes proactively support the enhancement of courses performing lower in the NSS and in other metrics. These processes also help identify and share effective and innovative practices across the institution. Through focused oversight and collaboration, the University remains committed to improving specific, high-priority aspects of the student experience.

Student outcomes – employability and the Graduate Outcome Survey

The Graduate Outcomes Survey (GOS) is an annual survey of graduate outcomes 15 months after leaving university. Our goal is to enhance employability by integrating it into all aspects of education, strengthening student engagement and improving career prospects.

The overall GOS score serves as a comprehensive summary of essential outcomes for graduates, including their employment status, involvement in further studies, and overall satisfaction with their educational experience. We continue to make progress - our overall GOS score, unemployment rates and graduate salary measures improved in 2024:

Overall GOS score	Improved by 1% compared with the previous year (71% to 72%).
B3 measures (Progression)	The University continues to exceed the overall B3 measure for progression.
Graduate retention	Continues to show a pattern of graduates working for national employers. 20% of graduates are employed in the Southwest with 10% in occupations in TR postcodes.
Self-employment rates	Self-employment rates continue to be a Falmouth University strength. Our success in supporting student start-ups was recognised in the Higher Education Statistics Agency (HESA) data – an article on Intellectual property, start-ups and spinoffs published by HESA on 4 April 2024 showed that Falmouth University ranks 5th in the UK for student start-ups and 2nd in the UK for start-ups with some higher education provider ownership.
Unemployment	Dropped by 0.4% vs last year and is in-line with the sector average.
Graduate level work	Remains below sector average at 61%.
Salary	The median Falmouth University graduate salary is £25,000, an increase of £2,000 on the previous year, below the sector average (£29,000).
Survey response rate	Improved by 1% compared with the previous year (13.9% ahead of the sector average of 44%).

Workshops, activities and events delivered during the period included Career Essentials, Be Your Own Boss, a postgraduate study event, placement support sessions, micro-internships, as well as other events including a part time jobs fair and Dragon’s Den. We continue to expand our industry collaborations, leveraging transferrable skills to create ongoing engagement between students, employers and alumni.

Research and Knowledge Exchange

Research and Knowledge Exchange Philosophy

This year, we developed our Research and Knowledge Exchange Philosophy, which articulates the University's Mission, Vision and Values through the lens of our approach to research and knowledge exchange:

Research and Knowledge Exchange Philosophy

Research and Knowledge Exchange (RKE) are vital characteristics of academic endeavour. They underpin our curriculum and nourish our teaching, positioning the university at the forefront of our disciplines, and supporting the next generation of creative leaders and explorers.

Proud of our location, and status as an anchor institution, RKE is integral to the value we bring to Cornwall, offering expertise, facilities, talent pipelines, and global networks to the communities we serve. We work closely with the public, private, and third sector, delivering real benefit to the ecosystems that we lead and contribute to, increasing the level and quality of Research and Development in Cornwall.

Working at the nexus of creativity and technology, we are researchers, thinkers and professional practitioners at the forefront of our respective fields. Rooted in the creative arts, we undertake research *in, through* and *for* our disciplines, bringing new insights, creating new experiences, and shaping the future of the industries in which we work.

Beyond our own disciplines, some of the most complex and intractable global problems will only be solved by interdisciplinary and diverse collaborations where creative people bring uniquely valuable expertise. Our research and knowledge exchange portfolio needs to balance the disciplinary with the interdisciplinary, and blue-sky discovery research with tightly applied, impact-focused and challenge-based approaches.

And we're very good at it. [Our research](#) is internationally recognised for its excellence. In the Research Excellence Framework 2021 (REF2021), 100% of the Impact Case Studies, 100% of our research environment, and 63.4% of our research outputs were judged to be world-leading or internationally excellent.

We strive to enable staff and students at every career stage to lead and collaborate within, and beyond their disciplines. We recognise and reward staff for their collegiality, as well as their personal performance, using effective management and rigorous governance to create a diverse and inclusive community that is more than the sum of its parts.

We uphold the highest standards of research integrity and ethics, and we are committed to sharing our knowledge, insight, understanding, and good practice for the benefit of our staff, students, partners, and society at large. Our research and knowledge exchange supports the development of a regenerative and distributive economy, where we contribute towards developing a solid social foundation through research practices that stay within sustainable ecological boundaries.

Enabled by comprehensive staff development and internal funding schemes, world-class technical facilities, and dedicated services for the translation, application and commercialisation of research, we are committed to nurturing an environment in which research, scholarship and creative practice are valued intrinsically, and for the contribution they make to some of the most complex and intractable problems of our times.

Falmouth University **Report of the governing body**

Research Funding

In 2023/24 we submitted 21 applications for funding, across eight funding agencies which ranged from the AHRC, Innovate, Research England, Leverhulme, British Academy and British Council. 19% of the submissions received funding, with 28.5% still awaiting a decision, equating to a c.27% success rate, well above the sector benchmark. Awarded funding equated to c.£11m gross for Falmouth, with £2.4m worth of submissions awaiting potential funding. Overall, over £15m of Research & KE funding applications were supported during the 2023/24 financial year through to submission.

The Research England Quality-Related (QR) funding we receive through our expanding research excellence has led to the establishment of an innovative new position funded through the Policy Support Scheme. Supported by 50% match funding from key stakeholders including the Cornwall and Isles of Scilly Local Enterprise Partnership and Cornwall Council. The individual appointed to this role, seconded from the Department for Digital, Culture, Media & Sport (DCMS), brings extensive expertise in policy development, enriching both our research and approach to local policy development.

Postgraduate Research

Postgraduate Research Degrees recruited a cohort of 15 new students in 2023/24. At the end of the year there were 62 enrolled postgraduate research students. All 15 new students had their Applications for Registration approved within the year. There were 12 Confirmations of Route approved and four students successfully completed and graduated in July 2024. A further eight students were post-submission and in various stages pre/post viva. In September 2024 we welcomed a cohort of 22 students into the 2024/25 academic year.

Knowledge Exchange

The Launchpad Futures programme, launched in October 2023, is built on over 23 years of investment in Cornwall's research, development and innovation infrastructure. The programme aims to strengthen entrepreneurial culture at a local level by providing business with access to a facilitated community of entrepreneurs, researchers and technicians offering opportunities for peer-to-peer learning and a gateway to regional, national and global business and investor networks.

The programme has connected researchers, technicians, students and alumni from Falmouth's academic faculties with businesses across Cornwall. To date the programme has engaged with over 60 companies, raised over £500,000 worth of investment for innovative start-ups, created 14 new jobs, realised 10 new products and services, whilst having a significant impact on the level of productivity and enabling research and development with small and medium sized businesses.

The fourth iteration of the Knowledge Exchange Framework (KEF) was released in September 2024. Falmouth's performance is in line with the last iteration of the KEF and represents a higher level of collaborative activity with the public and third sector. Further information can be found on the [KEF website](#).

Environment

Estate and infrastructure

Spread across two campuses ([Falmouth Campus](#), and [Penryn Campus](#)), approximately four miles apart, our facilities and spaces are carefully developed and maintained with professional consultation and ongoing investment to ensure that Falmouth graduates are equipped to succeed in their chosen professions. In line with the Business Plan, overall investment levels of between 4% and 4.5% are required to maintain and enhance the facilities. This year has seen continued investment in our estate and infrastructure to a value of £3.7m (4.7%).

A significant investment in the refurbishment of the Falmouth Campus library and seminar rooms as well as creating a new studio space for the MA Fine Art course was delivered over the summer. The improved library provides more quiet spaces for individual study and research, alongside access to thousands of library materials, and will help to ensure an excellent student experience for Falmouth Campus students. Games Academy labs were also refurbished over the summer and a new Integrated Foundation Year space was created.

Our statutory and mandatory maintenance compliance has remained at over 99.5% and we have made further investment in carbon projects and cyber security alongside our regular refresh of equipment in our academic departments for student use.

Environmental sustainability

We understand the importance of Falmouth University's contribution to the fight against the environmental and climate crises. As a thought leader in creative education, we can equip tomorrow's change makers with the knowledge and skills they need to make a difference, and as an anchor institution for our region, we must lead from the front, setting an example by minimising the impact of our estate and operations.

As a conscious community of students, academics, researchers and professionals working in this space, we utilise both creative thinking and technology initiatives to help us meet our sustainability goals.

During the period, the Board of Governors approved a new [Environmental Sustainability Commitment](#) with a supporting action plan and targets. Our net zero vision is 2040 for Scope 1 and 2 emissions, and 2050 for Scope 3 emissions, which remain key Annual Plan Metrics monitored by the University's three Boards.

Our commitment and supporting activity is split into three key themes: Learning & Teaching, Research & Knowledge Exchange, and Physical Estate and Operations. More about our progress against each theme in our Annual Environmental Sustainability Report, can be found on our [environmental sustainability website](#).

People

Our commitment to a sustainable future

At Falmouth University, we deeply appreciate the invaluable contributions of our dedicated people. Their commitment to our organisation is the cornerstone of our journey towards a sustainable future.

Recognising this, we are investing in our culture and ways of working, ensuring every member of our community feels valued and empowered in a vibrant campus environment where innovation thrives, and every individual is encouraged to reach their full potential.

As part of our ongoing commitment to support our community, while balancing the financial pressures facing the sector, this year, we introduced a voluntary severance scheme. This initiative was designed to offer our staff the opportunity to explore new paths while receiving support and recognition for their service. We understand that career journeys are diverse, and this scheme provided a respectful and supportive option for those considering a change.

We are enhancing our talent management and development programmes, creating pathways for growth and excellence. Our performance and reward agendas are designed to celebrate achievements and inspire continuous improvement, driving excellence in teaching, research, and the overall student experience.

By fostering a culture where everyone feels they belong, we enable both our staff and students to excel. This inclusive environment ensures that our Mission, Vision and Values are lived in our daily interactions and experiences are embedded into our everyday ways of working.

Our People

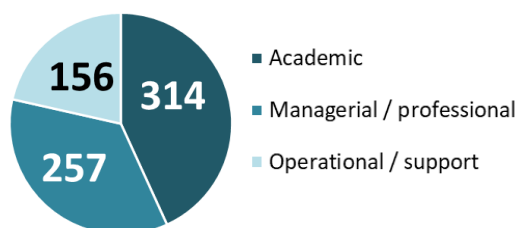
Total substantive staff: 711 (576 FTE)

Staff who hold both an academic and professional services role will be counted twice within the sub-categories but will only be counted once in the overall total.

Total additional staff*: 131 (30.5 FTE)

** Associate Lecturers & casual staff excluding Student Workers
(Figures for end of 2023/24 at 31 July 2024)*

Substantive headcount by staff group:



Talent and development

In response to our evolving business needs, we have been shifting our focus towards nurturing our internal talent. This strategic move has not only reduced our reliance on more expensive and scarce external talent but has also fostered a culture of growth and opportunity within Falmouth University. Over the past year, from August 2023 to July 2024, we are proud to share that 66% of our new appointments were secured through internal promotions. This achievement highlights our commitment to recognising and rewarding the potential of our talented people.

Our Dynamic Workforce Modelling (internal talent mobility) pilot initiative has been a great success, offering our staff an opportunity to develop their skills and gain valuable experience in other areas of the University. This approach has created a flexible workforce that can adapt and thrive, supporting Falmouth's growth ambitions and enabling agility – a key example being the creation of the team that established the Academy of Continuing Education.

Falmouth University Report of the governing body

To further empower our employees, we have simplified our Performance and Development Review (PDR) process with the introduction of an in-house app. This tool, along with embedded academic career frameworks, progression procedures, and mentoring programmes, has enriched PDR discussions. It enables our people to take charge of their career development, setting clear paths for their future. By developing our internal talent, we are creating a robust and adaptable workforce equipped to navigate the future.

Wellbeing and belonging

We understand that good mental health and wellbeing are essential for our entire University community. To underscore our commitment, we have proudly joined the University Mental Health Charter (UMHC) programme. The UMHC Working Group, led by our Vice-Chancellor, is dedicated to enhancing support for both staff and student mental health. This group is actively addressing the priorities identified in our 2023 Wellbeing & Belonging Staff Survey, ensuring that our initiatives are aligned with the needs of our community. By participating in the UMHC programme, we are not just making a statement; we are taking concrete steps to foster a supportive and inclusive environment. Our efforts are focused on creating a sense of belonging and ensuring that everyone at Falmouth University feels valued and supported.

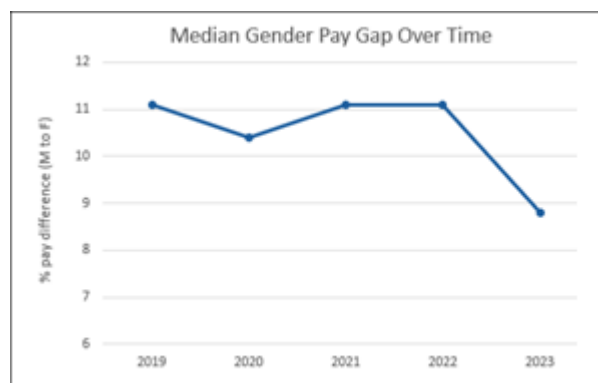
Equality, Diversity & Inclusion

We believe that fostering a culture of inclusivity empowers everyone who works and studies at Falmouth to achieve excellence.

Following a comprehensive review of our Equality Duty, the Board of Governors approved a new [Equality, Diversity & Inclusion Statement of Commitment](#) in 2022/23.

This statement was collaboratively developed by staff and student representatives, reflecting our collective dedication to these principles, and in 2023/24 we have continued to embed and refine this approach.

Our progress towards our equality objectives is transparently shared in Falmouth's [Equality, Diversity and Inclusion Annual Report](#). Additionally, our [Gender Pay Gap Report](#) provides crucial metrics on the differences between men's and women's average pay within the University, which highlights the strides we are making towards closing this gap



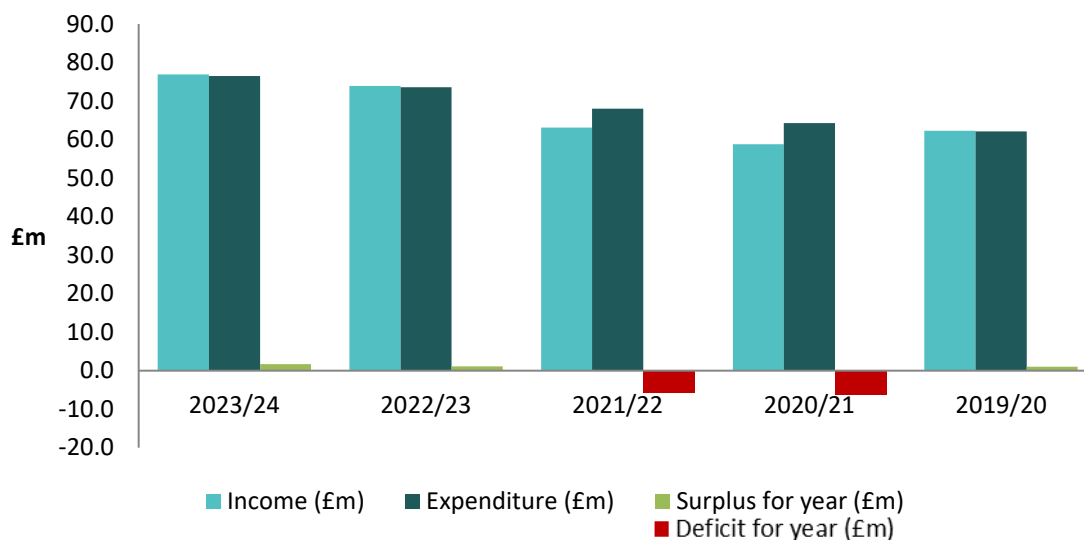
Falmouth University
Report of the governing body

Financial overview

The results for the year show a surplus which is just ahead of the target approved by the Board.

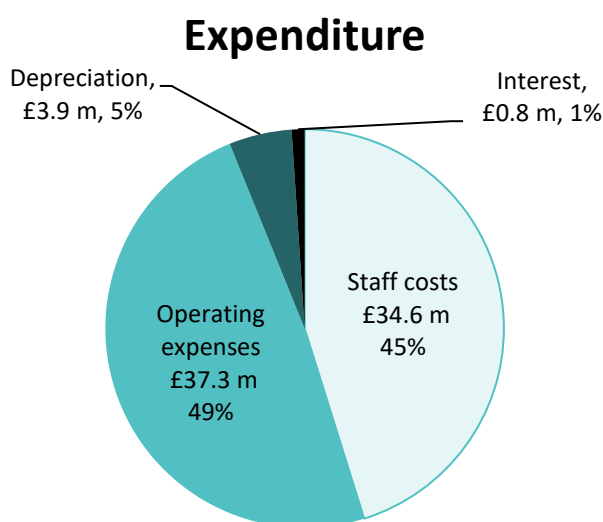
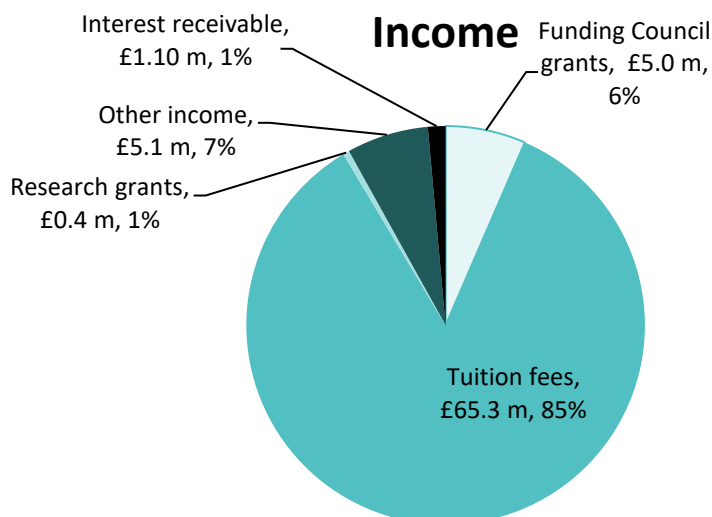
Group financial highlights:

	2023/24	2022/23	2021/22	2020/21	2019/20
	£(000)	£(000)	£(000)	£(000)	£(000)
Income	76,872	73,903	63,105	58,790	62,280
Expenditure	(76,644)	(73,630)	(68,020)	(64,303)	(62,130)
Earnings Before Interest, Taxes, Depreciation and Amortisation (EBITDA)	3,064	2,561	748	(2,289)	2,520
Net assets	82,898	81,982	72,251	35,702	49,386
Net assets excluding pension liability	82,898	81,982	79,594	70,108	76,840
Cash at bank and in hand	27,133	24,343	22,675	24,714	29,060
Net funds	17,103	13,516	11,015	12,111	16,249



During the financial year 2023/24 income rose due to higher overall student numbers compared with the previous year whilst costs were higher through staffing costs and partnership franchise fees (increased partner student numbers).

Falmouth University
Report of the governing body



We recorded a surplus for the year of £0.9m (2022/23 – deficit £0.2m) which was just ahead of the level approved by the Board.

Income and costs rose by 4% due to higher tuition fee receipts from on-campus and online students and higher partner student fees and higher staff and non-pay costs (primarily due to franchise fees payable).

Tangible fixed asset additions during the year amounted to £1.2m, including building refurbishments and equipment purchases. These related to property enhancements and equipment for a new research-related project plus the annual renewal and updating of IT and equipment.

The University operated four subsidiary companies during the year: Falmouth Enterprises Limited, Falmouth Agency Limited, Falmouth Staffing Limited and Falmouth Ventures Ltd. In addition, the University owns 50% in Falmouth Exeter Plus, a jointly controlled entity with the University of Exeter. Any surpluses generated by the subsidiaries are transferred under deed of covenant. In the current year, the surpluses generated by these subsidiaries was £103k (2022/23 - £103k).

Falmouth University
Report of the governing body

Cash flows and liquidity

Cash flow from operating activities recorded a net inflow of £4.8m (2022/23 – inflow £3.7m). The overall net cash inflow was £2.8m (2022/23 – inflow £1.7m) which meant that cash held at the year-end increased to £27.1m (2022/23 – £24.3m).

In total, the face of the balance sheet shows that borrowings remain relatively modest although it should however be noted that the University guarantees 50% of the loans within Falmouth Exeter Plus which are funded by income from student residences. At the year end the value of this guarantee stood at £16m.

Payment performance

The Late Payment of Commercial Debts (Interest) Act 1998 requires Universities to make payments to suppliers within 30 days of either the provision of goods or services or the date on which the invoice was received. The target set by the Treasury for payment to suppliers within 30 days is 90%. During the year ended 31 July 2024, the University paid 87% of its invoices within 30 days. The University incurred no interest charges in respect of late payment for this period.

Financial KPIs

KPI	2023/24 Actual	2023/24 Forecast	2022/23 Actual
Historical cost surplus (exc. pension) %	1.2%	0.3%	0.2%
Historical cost surplus (exc. pension) £	£0.9m	£0.2m	£0.2m
EBITDA	£3.1m	£2.2m	£2.5m
Loan covenant Gearing	3.5%	4.0%	3.7%
Total Debt : Total Funds	36%	41%	39%
I&E Reserves : Total Income	112%	108%	111%
I&E Reserves £	£83m	£81m	£82m

Going concern

As part of the Board’s consideration of the appropriateness of adopting the going concern basis in preparing the annual report and financial statements, a range of scenarios have been reviewed. These consider student recruitment (particularly against a fixed UK undergraduate fee), income from online provision, partnerships and research and knowledge exchange.

Given that, at the time of approving the financial statements, recruitment for the coming year is known with much more certainty; numbers are in line with the forecasts and Business Plan approved by the Board. This Plan sees the University continue to generate cash on an annual basis.

As such, the Board considers that the University has adequate resources to continue in operational existence for the at least the next twelve months and it is appropriate to adopt the going concern basis in preparing the financial statements.

Falmouth University
Statement of Corporate Governance and Internal Control

Statement of Corporate Governance and Internal Control

This statement applies to the financial year 2023/24 and the period up to the approval of the audited financial statements.

Constitution and Charitable Status

Falmouth University is a Higher Education Corporation created by statute and an exempt charity, with the Office for Students acting as its principal regulator.

The institution was established as a Higher Education Corporation on 1 April 1989 under the Education Reform Act 1988. The institution was incorporated as Falmouth School of Art and Design. On 10 December 2012, the Privy Council granted consent to change the name to Falmouth University.

The core charitable purpose of the University, as defined in the Charities Act 2011, is the advancement of education for the public benefit. Members of the University's Board of Governors are the Trustees of the charity and are responsible for ensuring compliance with charity legislation.

In setting and reviewing the University's strategic objectives, the Board of Governors paid and continue to have due regard to the Charity Commission's guidance on public benefit and particularly upon its supplementary guidance on the advancement of education. The principal beneficiaries of the University's services are our students and the public at large.

Corporate Governance

The University's corporate governance framework is established through the Articles & Instrument of Government which define the powers and responsibilities of the Board of Governors, Academic Board and the Vice-Chancellor & Chief Executive. The Articles and Instrument of Government are published in full on the University's [governance web page](#).

The University is committed to demonstrating best practice in all aspects of corporate governance and conducts its business responsibly, transparently and in accordance with:

- Falmouth University's Articles and Instrument of Government;
- the seven principles identified by the Committee on Standards in Public Life, the Nolan Principles: selflessness, integrity, objectivity, accountability, openness, honesty and leadership;
- the requirements of the Higher Education regulator, the Office for Students (inclusive of upholding the Public Interest Governance Principles);
- the Committee of University Chairs' (CUC) Higher Education Code of Governance 2020 ('Higher Education Code of Governance'); Higher Education Audit Committees Code of Practice 2020 ('Higher Education Audit Committees Code'); and Higher Education Senior Staff Remuneration Code 2018 ('Higher Education Remuneration Code') – all of which have been formally adopted by the University;
- relevant Charity Commission Guidance; and
- other sources of recommended practice, as in so far as applicable to the Higher Education sector.

In adopting the Higher Education Code of Governance, the University has regularly reviewed its governance arrangements and is satisfied that it complies with the provisions of the Code. There are robust systems in place to ensure compliance with regulatory and other legal obligations, including compliance with the Office for Students' ongoing Conditions of Registration, which are overseen via the University's Corporate Compliance Risk Register.

Falmouth University
Statement of Corporate Governance and Internal Control

The external governance effectiveness reviews conducted by Halpin and AdvanceHE in 2024 and 2021 respectively each confirmed that the University demonstrated good governance against the provisions of the Higher Education Code of Governance, and good compliance with the Office for Students' ongoing Conditions of Registration.

Board of Governors

The Board of Governors ('the Board') is the University's governing body, established in accordance with the Articles and Instrument of Government. The members of the Board are the trustees of the charity.

The Board's responsibilities are set out in the Articles of Government, Statement of Primary Responsibilities and in directives from the Office for Students. Key responsibilities include determining the educational character and mission of the University, the establishment and monitoring of systems of control and accountability, ensuring that systems are in place for meeting the University's legal and regulatory obligations, ensuring the solvency of the University, ensuring effective and efficient use of resources, and approving the annual budget and financial statements. The Board's responsibilities are published in full in the Statement of Primary Responsibilities on the University's [governance webpage](#). A detailed statement on the Board's responsibilities in respect of the preparation of the Annual Report and Financial Statements is provided on pages 30-31.

The membership of the Board of Governors is predominantly independent, and no individual or group dominates its decision-making process. The Board considers that each of its non-executive members is independent of management and free from any business or other relationship which could materially interfere with the exercise of their independent judgement, and there is clear separation between the roles of Chair and Vice-Chancellor & Chief Executive. Members of the Board of Governors do not receive remuneration for their service on the Board, but are entitled to claim reasonable expenses incurred in undertaking their duties as trustees. See note 7 for details of expenses.

Any new appointments to the Board are a matter for the consideration of the Board as a whole. Prior to the appointment as a Member of the Board of Governors an assessment is undertaken in respect of the nominee meeting the requirements of the Office for Students' 'fit and proper persons' Public Interest Governance Principle, which is reassessed annually thereafter.

The composition of the Board of Governors is determined in accordance with the Instrument of Government, as follows: an independent Chair, a further nine Independent Members, the Vice-Chancellor and one representative each for the student body, academic staff body, and professional services staff body.

Following a thorough recruitment and selection process, independently led by the Deputy Chair of the Board of Governors, the Board appointed existing independent member Helen Owers to succeed Christopher Pomfret OBE as Chair in October 2023, allowing for a transition period to the end of March 2024. Further, following two separate recruitment campaigns, the Board made five new independent Board member appointments during the period, and approved a new determination of membership numbers in May 2024, increasing the independent membership by one to ten independent members including the independent Chair.

During the period, the Board of Governors co-developed a new [Team Charter](#) that encapsulates the objectives and ethos of the Board as well as providing clarity about the behaviours and standards of conduct expected of its Members. The Charter provides a strong foundation for a positive and

Falmouth University
Statement of Corporate Governance and Internal Control

impactful boardroom culture that supports the sustainable delivery of the institutional mission, the highest standards of governance, and the best possible outcomes for our students.

Membership of the Board of Governors serving during 2023/24

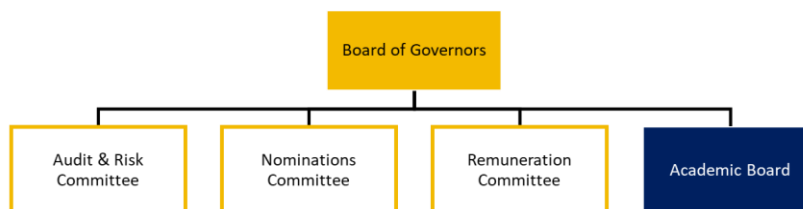
Member	Date of appointment	Term of office	Expiry of term	Role	Committees served	Attendance (Board and committees)
H Owers	1 April 2024	Second term	31 Mar 2028	Chair of the Board of Governors	Nominations Committee (Chair), Remuneration Committee	100%
	1 July 2019	First term	1 April 2024	Independent Member	Nominations Committee, Remuneration Committee	100%
C Armour	1 Mar 2024	First term	28 Feb 2028	Independent Member	Remuneration Committee	83%
I Ellwood	1 Jan 2024	First term	31 Dec 2027	Independent Member	Nominations Committee	100%
B Fahy	1 Apr 2023	First term	31 Mar 2027	Independent Member	Remuneration Committee	100%
J Fielding	1 Aug 2021	First term	31 Jul 2025	Deputy Chair and Senior Independent Member	Remuneration Committee (Chair), Audit & Risk Committee	80%
Professor R Heholt	1 Sep 2023	First term	31 Aug 2025	Academic Staff Member		100%
D Grannell	1 Dec 2022	First term	20 Nov 2026	Independent Member	Audit & Risk Committee (Chair), Nominations Committee	100%
D Harland	1 Apr 2023	First term	31 Mar 2027	Independent Member	Audit & Risk Committee	78%
Dr T Leane	1 Sep 2024	First term	31 Aug 2028	Independent Member	n/a	100%
J Luckman	1 July 2024	First term	30 June 2025	Student Member	Academic Board	100%
Professor E Hunt	1 Jan 2022	n/a	n/a	Vice-Chancellor & Chief Executive	Nominations Committee	100%
R Ingram	1 Dec 2022	First term	30 Nov 2024	Co-opted Staff Member		100%
E Timson	1 Mar 2024	First term	28 Feb 2028	Independent Member	Audit & Risk Committee	80%
F Woodward	1 Mar 2024	First term	28 Feb 2028	Independent Member	Academic Board link Governor	83%
<i>C Pomfret OBE</i>	<i>1 Sep 2015</i>	<i>Second term</i>	<i>31 Mar 2024</i>	<i>Chair of the Board of Governors</i>	<i>Nominations Committee (Chair), Remuneration Committee</i>	<i>83%</i>
<i>T Jones</i>	<i>1 Nov 2016</i>	<i>Second term</i>	<i>31 Oct 2024</i>	<i>Independent Member</i>	<i>Audit & Risk Committee</i>	<i>100%</i>
<i>H de Oliveira Whitlock</i>	<i>1 Jul 2023</i>	<i>n/a</i>	<i>30 June 2024</i>	<i>Student Member</i>	<i>Academic Board</i>	<i>80%</i>
<i>Professor K Straughan</i>	<i>1 Aug 2021</i>	<i>First term</i>	<i>28 Sep 2023</i>	<i>Independent Member</i>	<i>Academic Board link Governor</i>	<i>0%</i>
<i>C Wace</i>	<i>1 Sep 2015</i>	<i>Second term</i>	<i>31 Aug 2023</i>	<i>Deputy Chair of the Board of Governors</i>	<i>Remuneration Committee (Chair)</i>	<i>-</i>

Falmouth University
Statement of Corporate Governance and Internal Control

Conduct of business

The Board of Governors formally meets six times per year with provision for extraordinary meetings as required. The Board met six times in 2023/24, plus one strategic and team development away day.

To assist in the effective discharge of its duties, the Board has three independently chaired sub-committees, each of which have clearly defined delegated responsibilities:



The formal meetings of the Board were supplemented by informal briefing and ‘Q&A’ sessions on relevant issues in-between Board meetings, attendance at University events, and an open invitation for all Independent Members to attend Academic Board. In 2023/24, two Advisory Panels (People & Culture Advisory Panel, and Strategic Estates Development Advisory Panel) convened on four and six occasions respectively to enable the Executive to discuss key matters and emergent proposals under these two key themes with relevant members of the Board.

The Board’s sub-committees and Academic Board each provide timely, regular reports to the Board, making recommendations as appropriate. The Terms of Reference of the Board’s Committees are published in full on the University’s [governance web page](#).

Audit & Risk Committee

Audit & Risk Committee ([Terms of Reference](#)) met three times during 2023/24. In November 2023, following an internal review of committee effectiveness, the title of the Committee was expanded from Audit Committee to more clearly express the Committee’s risk oversight and assurance remit. The Committee’s key responsibilities include:

- Agreeing the scope of internal and external audits and reviews, discussing with the auditors and with management any matters arising from the audits, and agreeing and overseeing appropriate action.
- Reviewing the draft annual report and financial statements prior to submission to the Board and monitoring external audit findings, compliance with statutory requirements, accounting standards and best practices for financial reporting.
- Monitoring the adequacy and effectiveness of the accounting, risk management, internal control and governance arrangements.
- The production of an annual report for the Board providing an opinion on the adequacy and effectiveness of the University’s arrangements for:
 - risk management, internal control and governance;
 - sustainability, economy, efficiency and effectiveness (value for money); and
 - the management and quality assurance of data submitted to regulatory bodies.

Audit & Risk Committee operates in accordance with the Higher Education Audit Committees Code of Practice, regulatory requirements and other sources of recommended practice, as applicable to the higher education sector. The membership of Audit & Risk Committee is wholly independent, and to avoid potential conflicts of interest the Chair of the Board is not a member of the Committee. The Vice-Chancellor & Chief Executive and Executive Director of Finance, Audit & Risk attend all meetings of the Committee, with processes in place to enable independent discussions between members and auditors without the presence of the University’s Executive or management teams.

Falmouth University
Statement of Corporate Governance and Internal Control

Nominations Committee

Nominations Committee ([Terms of Reference](#)) met twice during 2023/24. The Committee's primary responsibilities include:

- Advising the Board on the appointment and re-appointment of Board members.
- Compilation and maintenance of a matrix of skills and experience required by the Board.
- Overseeing succession planning for, and recruitment of, Board members.

Further to the annual meeting, during the period the Committee formed the interview panels for two recruitment campaigns which resulted in the successful appointment of five new independent members of the Board (C Armour, I Ellwood, Dr T Leane, E Timpson, F Woodward).

Supplementary to the work of the Committee, the full Board considers Board membership, vacancies, diversity and skills in every meeting.

Remuneration Committee

Remuneration Committee ([Terms of Reference](#)) met once during 2023/24. Remuneration Committee's primary responsibilities include:

- To provide independent oversight of senior staff remuneration and the University's approach to reward and recognition.
- Making decisions on behalf of the Board on the remuneration for the Vice-Chancellor and other senior designated postholders.

Remuneration Committee operates in accordance with the Committee of University Chairs' Higher Education Senior Staff Remuneration Code, regulatory requirements and other sources of recommended practice, as applicable to the Higher Education sector.

Further information about the work of Remuneration Committee and senior staff remuneration is provided in the Remuneration Annual Statement in note 7.

Governance and board effectiveness

The University is committed to the continuous improvement and enhancement of its governance. In accordance with good practice and the Higher Education Code of Governance, the Board regularly reviews governance and board effectiveness, including that of its sub-committees. The University's framework for reviewing effectiveness includes the following:

- External Board effectiveness reviews which take place at least every three years.
- In the years in-between the external reviews, internally conducted reviews of effectiveness.
- Chair 1:1 meetings with members.

The most recent external review of effectiveness, undertaken by Halpin Partnership ('Halpin') took place in July 2024. The review included meeting observations, surveys and interviews with members, as well as an extensive documentation review, and an assessment against Halpin's Governance Maturity Framework and Academic Assurance Maturity Framework. Outcomes were positive, with the report noting that:

"Our assessment identifies the University as one of the top-performing institutions among the 40+ governance reviews that Halpin Partnership ('Halpin') has conducted: when benchmarked against other institutions, Falmouth is in the upper top quartile. Falmouth should take pride in its current governance arrangements, which are commendable for their effectiveness and robustness."

Falmouth University
Statement of Corporate Governance and Internal Control

“The review indicates that Falmouth is already demonstrating good to leading-edge governance practices. In the face of considerable pressures within the higher education sector, Falmouth has effectively managed these challenges, reflecting a clear commitment to continually improving governance for the benefit of the University community.”

“Our evaluation focused on assessing Falmouth’s governance structures, processes and culture, aiming to identify opportunities for further improvement.”

The report set out a suite of commendations and developmental recommendations to further strengthen governance and support leading practice. Rigorous processes are in place to oversee the implementation of the recommendations, which will be monitored by the Board in 2024/25.

In the previous year effectiveness reviews were undertaken for Audit & Risk Committee (assessing alignment with the CUC Higher Education Audit Committees Code), and Remuneration Committee (assessing alignment with the CUC Higher Education Senior Staff Remuneration Code). The whole Board completed an effectiveness self-assessment in summer 2023, the report and recommendations arising from which was received by the Board in September 2023. Each of these activities produced developmental recommendations, the implementation of which was monitored by the relevant sub-committee or whole Board as appropriate, with all actions arising from the recommendations confirmed as complete by the Board in 2023/24.

Board training and development

Newly appointed members participate in an individual induction programme, tailored to their specific needs and experience. In addition, all members are invited to attend conferences and events for Governors offered by organisations such as AdvanceHE, CUC, Uniac, and BDO.

In May 2024, the whole Board participated in a strategic and team development away day independently facilitated by AdvanceHE, which included: a roundtable discussion with key local stakeholders, a comprehensive introduction to the higher education sector and insight into the policy and regulatory environment, stress test strategic scenario exploration, exploration of members’ backgrounds and expertise, and a session on effective boardroom dynamics.

Register of interests

As part of the University’s commitment to good governance and conducting its affairs in a responsible and transparent way, all members of the Board and its Committees are required to exercise independent judgement, have due regard for the impact their personal and professional behaviour has on the University, its people, the environment, and the local community, and at all times put the University’s interests above their own.

This includes fully disclosing any actual, potential, or perceived conflicts of interests as they arise and, if necessary, abstaining from any involvement in the decision-making process, including withdrawing from a meeting. The University’s systems for managing any actual or perceived conflicts of interest are outlined in a Conflict of Interest Policy. There were no related party transactions during the period.

The University maintains a full Register of Interests of Board Members which is reviewed by the Board three times a year. A summary of the individual interests of Members of the Board is published within the respective profiles on the University’s [governance webpage](#).

Falmouth University
Statement of Corporate Governance and Internal Control

Academic governance arrangements

Academic Board is the University's senior academic authority, established in accordance with the Articles. Academic Board's responsibilities include the quality and continuous improvement of the student academic experience, the quality and standards of the University's awards, and approval of new editions and revisions to academic regulations and policy. Academic Board's responsibilities are published in the Articles and Terms of Reference on the University's [governance webpage](#).

Academic Board is chaired by the Vice-Chancellor & Chief Executive and its membership includes the Pro Vice-Chancellors of Academic Services and Research & Knowledge Exchange, Deans of Faculty, one elected representative from each of the following groups: professoriate, academic staff, professional services staff, and technical staff, as well as the Students' Union President (student governor) and other co-opted staff members. The work of Academic Board is supported by a range of specialist sub-committees, including Learning, Teaching & Quality Committee, Research & Knowledge Exchange Committee, and Research Integrity & Ethics Committee each with clearly described remits and delegated authorities.

Academic Board assists the Board of Governors in discharging its responsibility for ensuring that the University's academic governance arrangements are effective. In addition to receiving reports of the Academic Board meetings, the Board of Governors also receives academic assurance reports relating to the student academic experience, student outcomes and the setting and maintenance of academic standards. There is intentional cross-representation on the membership of the Academic Board and the Board of Governors to help to enhance the links between the two Boards, and all independent members have an open invitation to observe Academic Board meetings, with five members taking up this opportunity during the period.

The University undertakes periodic reviews of the effectiveness of its academic governance arrangements, the most recent of which took place in July 2024, conducted independently by Halpin within the scope of the external review of governance effectiveness. Outcomes were positive, with the report noting that:

“Following a comprehensive review, it has been determined that the Academic Board is effectively fulfilling its designated responsibilities. The review has highlighted the Academic Board’s good approach to academic oversight, strategic decision making, and maintenance of high educational standards.”

“The academic governance supports the University’s higher education mission and strategic direction, by ensuring related policies and plans are coherent and consistently applied. Through collaboration with staff, students and external stakeholders, Falmouth develops, implements and communicates policies and procedures that maintain the institution’s academic standards.” Halpin

The report set out a suite of commendations and developmental recommendations to further strengthen academic governance and assurance, and to support leading practice, including strengthening the protocols by which the Board of Governors receives and tests assurance that academic governance is effective. Rigorous processes are in place to oversee the implementation of the recommendations, which will be monitored by Academic Board and the Board of Governors in 2024/25.

Falmouth University

Statement of Corporate Governance and Internal Control

Students' Union

The Students' Union (SU) represents students from Falmouth University and the University of Exeter (UoE), Cornwall Campus and provides advice and support and student voice representation, meaning that the student experience is understood and considered at every level of the University's decision making.

Student representatives sit on all major committees of the University so that the student voice is heard. Financially, and as an independent registered charity, the SU accounts for and reports separately and the annual accounts are not consolidated into our figures within this report.

During the year, a strategic review of the SU was undertaken ('Refine and Refresh'), in partnership with key stakeholders from the SU, Falmouth University and UoE. Key recommendations included strengthening student voice representation for our shared Penryn Campus community, our Falmouth Campus community, and our academic partnership and off campus communities, which will be implemented during the 2024/25 year.

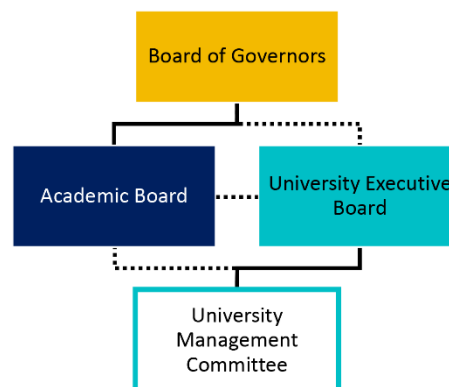
Leadership and management

The Vice-Chancellor & Chief Executive ('Vice-Chancellor') is responsible to the Board of Governors for the organisation, direction and management of the University and the leadership of its staff, and is the Accountable Officer for the purposes of the Office for Students' terms and conditions of funding. The Vice-Chancellor's responsibilities are published in the Articles on the University's [governance webpage](#).

The Vice-Chancellor Chairs and is advised by a University Executive Board, which comprises of: three Pro Vice-Chancellors; three Executive Directors; the Deputy Director of Estates Operations and Planning; and the Head of Governance Services & Secretary to the Board.

University Executive Board (UEB), is the senior executive decision-making forum within the University. Its sub-committees include University Management Committee and Finance & Planning Committee. University Executive Board plays a crucial role in developing and implementing the University's Strategy (Mission, Vision, Values and Annual Plan). This includes overseeing the effective management of the University's resources, obligations and risks, as well as leading the development of a culture that supports delivery.

University Management Committee plays a crucial role in the operational implementation of the University's strategy. The interface between the Board of Governors, Academic Board, University Executive Board, and University Management Committee is shown in the diagram.



Internal control

The Board of Governors ('Board') is responsible for maintaining a sound system of internal control that supports the achievement of the University's strategic aims and objectives while safeguarding the public and other funds and assets for which it is responsible, and in accordance with the regulatory requirements of the Office for Students. The Board, both directly and through its Audit & Risk Committee, ensures that it uses public funds only for the purposes for which they were provided and that the University complies with the terms and conditions of funding.

Falmouth University
Statement of Corporate Governance and Internal Control

The system of internal control is designed to manage, rather than eliminate, the risk of failure to achieve the University's 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 principle risks to the achievement of the University's aims and objectives, to evaluate the nature and extent of those risks, and to manage them efficiently, effectively, and economically. The system of internal control has been in place during the year ended 31 July 2024 and up to the date of approval of the financial statements, and accords with the guidance provided by the Office for Students.

The system of internal control is supported by a number of policies, procedures, processes and authorities that have been approved by the Board (either directly or through delegated responsibility to Audit & Risk Committee) to help to prevent and detect corruption, fraud, bribery and other irregularities. These include but are not limited to: Risk Management Policy; Financial Limits and Authorities; Anti-fraud Policy; Anti-money Laundering Policy; Anti-bribery Policy; Criminal Finances Act Policy; Conflicts of Interest Policy.

The following internal control processes are well established and have been in place during the period:

- The Board meets formally at least six times per year to consider the plans, strategic direction and performance of the University.
- The Board receives regular reports on key performance indicators and targets that measure financial and other performance (*Annual Plan Metrics*), and which are re-approved annually by the Board.
- The University operates within a clear and dynamic risk management framework which identifies, evaluates and manages risks systematically across all service areas. A University-wide risk register is in place, designed to identify and prioritise the risks to the achievement of University's strategic aims and compliance obligations, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically.
- A designated member of the executive, the Executive Director of Finance, Audit & Risk, has responsibility for ensuring the effectiveness of the risk and internal control frameworks and associated reporting.
- Three times per year, the Audit & Risk Committee and Board considers the risks facing the University and the controls and mitigating actions that are in place to address them, with a deeper-dive horizon scanning exercise scheduled annually. The risk horizon scanning exercise considers internal and external developments as well as analysis of risk registers and risk management good practice across the sector.
- Audit & Risk Committee receives regular reports from the independent Internal Audit function, including any recommendations for improvement. Progress reports on the implementation of recommendations are monitored by University Executive Board as well as Audit & Risk Committee. These regular reports include an annual independent opinion on the adequacy and effectiveness of the University's risk, internal control, and assurance framework. The work of the Internal Audit function is guided by the University's strategic objectives and Strategic and Corporate Compliance Risk Registers, and is determined by the Audit & Risk Committee.
- The Board regularly receives periodic and annual financial reports which indicate financial performance against forecast.
- A clearly defined schedule of financial limits and authorities is in place, which is periodically reviewed and approved by the Board.

A proactive approach to the continuous improvement of the internal control framework has been demonstrated throughout the period.

Falmouth University
Statement of Corporate Governance and Internal Control

Summary of key risks

A summary of the top ten strategic risks that could impact on the University’s ability to deliver our strategic objectives as at the year-end is shown below:

Strategic Risk Register	
Cyber security	Trade Union relations and industrial action
Student growth	Campus security
Student retention and progression	Falmouth & Exeter Plus service delivery
Student experience	Attraction and retention of staff
Graduate outcomes	Impact of partnerships

The Corporate Compliance Risk Register sits alongside the Strategic Risk Register, enabling greater ownership, visibility and control of the University’s Corporate Compliance responsibilities. The top risks at the year-end include:

Corporate Compliance Risk Register	
OfS Conditions of Registration	Information governance
Student data	Visa sponsorship status
Bank covenant compliance	Equality Act 2010 as it relates to students

Effectiveness of the system of internal control

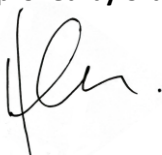
University Executive Board has undertaken its annual review of the effectiveness of internal control arrangements for the period. No significant internal control weaknesses or failures have been identified during the financial year or prior to the signing of the financial statements. This review is informed by:

- The work of the internal and external auditors and other external sources of assurance;
- Comments made by the University’s external auditors in their management letters and other reports; and
- The work of the executive managers within the University who have responsibility for the development and maintenance of the internal control framework.

The outcome of University Executive Board’s review of the effectiveness of the University’s internal control arrangements was presented alongside the Audit & Risk Committee Annual Report and the annual reports of the internal and external auditors, and has been reviewed and endorsed by the Audit & Risk Committee.

Based on the advice of the Audit & Risk Committee and the Vice-Chancellor & Chief Executive, the Board is of the opinion that the University has an adequate and effective framework for governance, risk management and internal control, and has fulfilled its statutory responsibility for the effective and efficient use of resources, the solvency of the institution and the safeguarding of its assets.

Approved by order of the members of the Board on 22 November 2024 and signed on its behalf by:


Helen Owers
Chair of the Board of Governors


Professor Emma Hunt
Vice-Chancellor & Chief Executive

Statement of responsibilities of the Board of Governors in respect of the annual report and the financial statements

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

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

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

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

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

The Board of Governors is also responsible for ensuring that:

- funds from whatever source administered by the Group or the University for specific purposes have been properly applied to those purposes and managed in accordance with relevant legislation;
- income has been applied in accordance with the University's Articles of Government funds provided by the Office for Students, UK Research and Innovation (including Research England) and the Education and Skills Funding Agency and the Department for Education have been applied in accordance with the terms and conditions attached to them;
- ensuring that there are appropriate financial and management controls in place to safeguard public funds and funds from other sources; and

Falmouth University
Statement of Corporate Governance and Internal Control

- securing the economical, efficient and effective management of the University's resources and expenditure.

The Board of Governors is responsible for the maintenance and integrity of the corporate and financial information included on the University's website. Legislation in the UK governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.



Robyn Wyatt
Secretary to the Board of Governors

22 November 2024

**Independent auditor's report to the
Board of Governors of
Falmouth University**

Independent Auditor's Report to the Board of Governors of Falmouth University

Opinion

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

In our opinion, the financial statements:

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

Basis for opinion

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

Conclusions relating to going concern

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

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

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

Other information

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

**Independent auditor's report to the
Board of Governors of
Falmouth University**

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

We have nothing to report in this regard.

Responsibilities of Board of Governors

As explained more fully in the Statement of Responsibilities of the Board of Governors set out on pages 30 -31, the Board of Governors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial statements

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

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

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

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

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

- Inquiring of management and, where appropriate, those charged with governance, as to whether the Group is in compliance with laws and regulations, and discussing their policies and procedures regarding compliance with laws and regulations;

**Independent auditor's report to the
Board of Governors of
Falmouth University**

- Inspecting correspondence, if any, with relevant licensing or regulatory authorities;
- Communicating identified laws and regulations to the engagement team and remaining alert to any indications of non-compliance throughout our audit; and
- Considering the risk of acts by the Group which were contrary to applicable laws and regulations, including fraud.

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

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

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

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

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

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

Other Required Reporting

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

In our opinion, in all material respects:

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

**Independent auditor's report to the
Board of Governors of
Falmouth University**

Matters on which we are required to report by exception

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

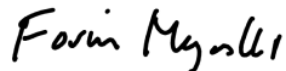
We have nothing to report in respect of the following matters in relation to which the OfS Audit Code of Practice requires us to report to you if, in our opinion:

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

Use of the audit report

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

Signed:



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

Falmouth University
Consolidated and University
Statement of comprehensive income
for the year ended 31 July 2024

	Note	Year to 31/7/24 Group £ (000)	Year to 31/7/24 University £ (000)	Year to 31/7/23 Group £ (000)	Year to 31/7/23 University £ (000)
Income					
Funding body grants	2	4,978	4,978	4,796	4,796
Tuition fees and education contracts	3	65,300	65,300	60,460	60,460
Research grants and contracts	4	377	377	758	758
Other income	5	5,093	5,117	7,340	7,437
Endowment and investment income	6	1,124	1,121	549	549
Total income		76,872	76,893	73,903	74,000
Expenditure					
Staff costs	7	34,578	34,703	33,365	33,545
Restructuring costs	8	1,140	1,140	-	-
Other operating expenses	8	36,211	36,101	35,591	35,504
Depreciation	11	3,946	3,946	3,826	3,826
Interest and other finance costs	9	769	769	848	848
		76,644	76,659	73,630	73,723
Surplus before other gains and share of jointly controlled entity		228	234	273	277
Impairment loss on non-revalued assets		-	-	(135)	(135)
Loss on investments		(100)	-	-	-
Share of operating surplus/(deficit) in jointly controlled entity	12	789	-	(374)	-
Surplus/(Deficit) before tax and surplus/(deficit) for year		917	234	(236)	142
Actuarial gain in respect of pension schemes	21	-	-	9,968	7,732
Total comprehensive income for the year		917	234	9,732	7,874

All income relates to continuing operations.

The notes on pages 40 to 67 form an integral part of the financial statements.

Falmouth University
Consolidated and University
Statement of changes in reserves
for the year ended 31 July 2024

Group

	Income & Expenditure Account <i>Restricted</i> £ (000)	Income & Expenditure Account <i>Unrestricted</i> £ (000)	Revaluation Reserve £ (000)	Non- controlling Interest £ (000)	Total £ (000)
Balance at 1 August 2022	27	59,287	12,932	5	72,251
Deficit from the income and expenditure statement	-	(236)	-	(1)	(237)
Other comprehensive income	-	9,968	-	-	9,968
Transfers between revaluation and income and expenditure reserve	-	260	(260)	-	-
Balance at 1 August 2023	27	69,279	12,672	4	81,982
Surplus/(deficit) from the income and expenditure statement	-	917	-	(1)	916
Other comprehensive income	-	-	-	-	-
Transfers between revaluation and income and expenditure reserve	-	260	(260)	-	-
Balance at 31 July 2024	27	70,456	12,412	3	82,898

University

	Income & Expenditure Account <i>Restricted</i> £ (000)	Income & Expenditure Account <i>Unrestricted</i> £ (000)	Revaluation reserve £ (000)	Total £ (000)
Balance at 1 August 2022	27	56,376	-	56,403
Surplus from the income and expenditure statement	-	142	-	142
Other comprehensive income	-	7,732	-	7,732
Transfers between revaluation and income and expenditure reserve	-	-	-	-
Balance at 1 August 2023	27	64,250	-	64,277
Surplus from the income and expenditure statement	-	234	-	234
Other comprehensive income	-	-	-	-
Transfers between revaluation and income and expenditure reserve	-	-	-	-
Balance at 31 July 2024	27	64,484	-	64,511

The notes on pages 40 to 67 form an integral part of the financial statements.

Falmouth University
Consolidated and University
Statement of Financial Position
as at 31 July 2024

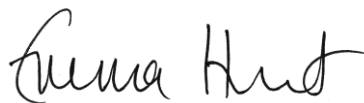
	Note	Group 2024 £ (000)	University 2024 £ (000)	Group 2023 £ (000)	University 2023 £ (000)
Non-current assets					
Tangible assets	11	104,995	104,966	107,736	107,707
Investment in subsidiary undertakings	12	-	4	-	4
Investment in associates	12	543	527	633	527
Interest in jointly controlled entity	12	18,544	-	17,755	-
		<u>124,082</u>	<u>105,497</u>	<u>126,124</u>	<u>108,238</u>
Current assets					
Trade and other receivables	13	4,742	4,722	5,605	5,595
Cash at bank and in hand		27,133	27,084	24,343	24,222
		<u>31,875</u>	<u>31,806</u>	<u>29,948</u>	<u>29,817</u>
Less: Creditors – amounts falling due within one year	14	<u>(13,765)</u>	<u>(13,498)</u>	<u>(12,464)</u>	<u>(12,152)</u>
Net current assets		<u>18,110</u>	<u>18,308</u>	<u>17,484</u>	<u>17,665</u>
Total assets less current liabilities		142,192	123,805	143,608	125,903
Less: Creditors - amounts falling due after more than one year	15	(58,854)	(58,854)	(61,130)	(61,130)
Provisions					
Pension provision	21	-	-	-	-
Other provisions	16	(440)	(440)	(496)	(496)
Net assets		<u>82,898</u>	<u>64,511</u>	<u>81,982</u>	<u>64,277</u>
Restricted reserves					
Income and expenditure-Endowments	17	27	27	27	27
Unrestricted reserves					
Income and expenditure account		70,456	64,484	69,279	64,250
Revaluation reserve	18	12,412	-	12,672	-
Minority interest		3	-	4	-
Total reserves		<u>82,898</u>	<u>64,511</u>	<u>81,982</u>	<u>64,277</u>

The notes on pages 40 to 67 form an integral part of the financial statements.

The financial statements on pages 36 to 67 were approved by the Board of Governors on 22 November 2024 and signed on its behalf by:



Helen Owers
Chair of Governors



Professor E Hunt
Vice-Chancellor & Chief Executive

Falmouth University
Consolidated statement of cashflows
for the year ended 31 July 2024

	Year to 31/7/24	Year to 31/7/23
	£ (000)	£ (000)
Cash flow from operating activities		
Surplus/(Deficit) for the year	917	(236)
Adjustment for non-cash items		
Depreciation	3,946	3,826
Deferred capital grants released	(1,672)	(1,593)
Decrease/(increase) in debtors	1,236	(342)
Increase in creditors	1,475	1,150
Increase in pension provision	-	130
Decrease in other provisions	(56)	(61)
Share of operating deficit/surplus in jointly controlled entity	(789)	374
Loss on disposal of assets	-	135
Loss on investments	100	-
Minority interest	(1)	(1)
Adjustment for investing or financing items		
Investment income	(1,124)	(549)
Interest payable	769	848
Net cash inflow from operating activities	<u>4,801</u>	<u>3,681</u>
 Cash flow from investing activities		
Deferred capital grants received	80	989
Investment income	1,162	629
Investments	(10)	(56)
Payments made to acquire fixed assets	<u>(1,261)</u>	<u>(2,164)</u>
	(29)	(602)
 Cash flows from financing activities		
Interest paid	(786)	(577)
New loan granted	(400)	-
Loan repayments in year	<u>(809)</u>	<u>(826)</u>
	<u>(1,995)</u>	<u>(1,403)</u>
 Increase in cash and cash equivalents in the year	2,777	1,676
Cash and cash equivalents at the beginning of the year	<u>24,338</u>	<u>22,662</u>
 Cash and cash equivalents at the end of the year	<u>27,115</u>	<u>24,338</u>

The notes on pages 40 to 67 form an integral part of the financial statements.

Falmouth University
Notes to the consolidated financial statements
for the year ended 31 July 2024

1 Principal accounting policies

Basis of preparation

These financial statements have been prepared in accordance with the Statement of Recommended Practice (SORP): Accounting for Further and Higher Education 2019 and in accordance with Financial Reporting Standard (FRS) 102. The University is a public benefit entity and therefore has applied the relevant public benefit requirement of FRS 102. The financial statements are prepared in accordance with the historical cost convention.

Judgements made by management, in the application of these accounting policies, that have significant effect on the financial statements and estimates with a significant risk of material adjustment in the next year, are discussed below.

Going concern

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

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

The Board of Governors has prepared cash flow forecasts for a period of 12 months from the date of approval of these financial statements (the going concern period), which indicate that, taking account of severe but plausible downsides, the Group and parent University will have sufficient funds to meet their liabilities as they fall due. In reaching this conclusion, the Board of Governors has considered the following factors.

Scenarios modelled included the impact of modified delivery for an extended period, reductions in student enrolments, and even delays to the start of the academic year. The key input to forecasts are student enrolments and retention and these have been stress-tested. Mitigating actions which could be taken following a decline in student numbers include a reduction in staff and direct costs. Currently, no need for further borrowing is foreseen.

The Board of Governors believe the Group and parent University have sufficient funding in place and expect the parent University to be in compliance with its debt covenants even in severe but plausible downside scenarios.

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

Basis of consolidation

The consolidated financial statements include the University and its subsidiary companies, Falmouth Enterprises Limited, Falmouth Staffing Limited, Falmouth Agency Limited and Falmouth Ventures Limited. Intra-group sales and profits are eliminated fully on consolidation.

The 50% holding in the FX Plus Group represents an interest on a long-term basis which is jointly controlled with another party. As such the arrangement is treated as a jointly controlled entity and is accounted for using the equity method.

Falmouth University
Notes to the consolidated financial statements
for the year ended 31 July 2024

The University's policy is to consolidate the Students' Union only if its operations are material and if the University, at such time, is exercising significant influence on Union policy. The University does not currently consolidate the Students' Union on the basis that it does not exercise control.

Accounting estimates and judgements

The University makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are addressed below.

Useful economic lives of tangible assets

The annual depreciation charge for tangible assets is sensitive to changes in the estimated useful economic lives of the assets so these are re-assessed annually and amended when necessary to reflect current estimates. See note 11 for the carrying amount of the property, plant and equipment, and note 1 for the useful economic lives for each class of assets.

Impairment of debtors

The University makes an estimate for the recoverable value of trade and other debtors. When assessing impairment of trade and other debtors, management considers factors including the current credit rating of the debtor, the ageing profile of debtors and historical experience. See note 13 for the net carrying amount of the debtors and associated impairment provision.

Pensions

FRS102 requires that certain assumptions are made in order to determine the amount to be recorded for retirement benefit obligations and pension plan assets, in particular for defined benefit plans. These are mainly actuarial assumptions such as expected inflation rates, employee turnover, expected return on plan assets and discount rates. Substantial changes in the assumed development of any one of these variables may significantly change the University's retirement benefit obligation and pension assets.

Provisions

The University calculates provisions for enhanced pension payments using the 10 year gilt yield index. The relocation provision assumes that eligible staff will claim the maximum agreed sum.

Recognition of income

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

Fee income is stated gross of any expenditure which is not a discount and credited to the Consolidated Statement of Comprehensive Income over the period in which students are studying. 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.

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

Falmouth University
Notes to the consolidated financial statements
for the year ended 31 July 2024

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 funding

Grant funding including funding council block grant, research grants from government sources and 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.

Donations and endowments

Non exchange transactions without performance related conditions are donations and endowments. Donations and endowments with donor imposed restrictions are recognised in income when the University is entitled to the funds. Income is retained within the restricted reserve until such time that it is utilised in line with such restrictions at which point the income is released to general reserves through a reserve transfer.

Donations with no restrictions are recognised in income when the University is entitled to the funds.

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

There are four main types of donations and endowments identified within reserves:

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

Capital grants

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

Pension schemes

Retirement benefits for the employees of the University are provided by the Teachers' Pension Scheme (TPS) for academic staff and by the Cornwall Council (CC) Superannuation Scheme for non-academic staff. These are defined benefit schemes which are contracted out of the State Earnings Related Pension Scheme. CC is a funded scheme and is valued every three years by professionally qualified independent actuaries.

TPS is a multi-employer scheme for which it is not possible to identify the assets and liabilities to the University's members due to the mutual nature of the scheme and therefore this scheme is accounted for as a defined contribution retirement benefit scheme.

Falmouth University
Notes to the consolidated financial statements
for the year ended 31 July 2024 (continued)

Defined Contribution Plan

A defined contribution plan is a post-employment benefit plan under which the University pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts. Obligations for contributions to defined contribution pension plans are recognised as an expense in the income statement in the periods during which services are rendered by employees.

Defined Benefit Plan

Defined benefit plans are post-employment benefit plans other than defined contribution plans. Under defined benefit plans, the University's obligation is to provide the agreed benefits to current and former employees, and actuarial risk (that benefits will cost more or less than expected) and investment risk (that returns on assets set aside to fund the benefits will differ from expectations) are borne, in substance, by the University. The Group should recognise a liability for its obligations under defined benefit plans net of plan assets. This net defined benefit liability is measured as the estimated amount of benefit that employees have earned in return for their service in the current and prior periods, discounted to determine its present value, less the fair value (at bid price) of plan assets. The calculation is performed by a qualified actuary using the projected unit credit method. As the present value of the defined benefit obligation at the reporting date is less than the fair value of plan assets at that date, the plan has a notional surplus. As management do not consider that the University will be able to recover the surplus either through reduced contributions in the future or through refunds from the plan, the surplus has not been recognised in these financial statements in line with paragraph 28.22 of FRS102.

Enhanced Pensions

The actual cost of any enhanced on-going pension to a former member of staff is paid by the University annually. An estimate of the expected future cost of any enhancement to the on-going pension of a former member of staff is charged in full to the University's income statement in the year that the member of staff retires. The provision is calculated based on the total capital cost with an allowance for future investment returns in excess of inflation.

The provision set up is shown in note 16 and will be released each year in line with payments made and changes in the assumptions.

Employment benefits

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

Termination benefits and loss of office are expensed at the earlier of when the Group can no longer withdraw the offer of those benefits and when the Group recognises costs for a restructuring.

Repairs and maintenance

The University has a five-year rolling long-term maintenance plan, which forms the basis of the on-going maintenance of the estate. Expenditure on long term maintenance which does not either enhance an asset beyond its original condition or increase its expected economic life; and expenditure on all routine corrective maintenance, is charged to the income statement as incurred.

Finance leases

Leases in which the University assumes substantially all the risks and rewards of ownership of the leased asset are classified as finance leases. Leased assets acquired by way of finance lease and the corresponding lease liabilities are initially recognised at an amount equal to the lower of their fair value and the present value of the minimum lease payments at inception of the lease.

Falmouth University
Notes to the consolidated financial statements
for the year ended 31 July 2024 (continued)

Minimum lease payments are apportioned between the finance charge and the reduction of the outstanding liability. The finance charge is allocated to each period during the lease term so as to produce a constant periodic rate of interest on the remaining balance of the liability.

Operating leases

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

Foreign Currencies

Transactions denominated in foreign currencies are recorded at the rate of exchange ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated into sterling at year-end rates. Resulting exchange differences are included in the Statement of Comprehensive Income for the financial year.

Tangible fixed assets

Fixed assets are stated at deemed cost less accumulated depreciation and accumulated impairment losses. Certain items of fixed assets that had been revalued to fair value on the date of transition to the 2019 FE HE SORP were measured on the basis of deemed cost, being the revalued amount at the date of that revaluation. The revaluation reserve was transferred to the income and expenditure reserve during a prior year as assets are no longer being revalued. A gain or loss on disposal of fixed assets is calculated as disposal proceeds less net book value brought forward at the date of disposal.

Land and buildings

Freehold land is not depreciated. Buildings are stated at cost and endowment assets are valued at market valuation on donation. Buildings and associated capital works are depreciated over their expected useful lives of 50 years (freehold) or the period of the lease (leasehold).

An impairment review of a fixed asset is carried out if events or changes in circumstance indicate that the carrying amount of the fixed asset may not be recoverable.

Finance costs on associated loans from third parties that are directly attributable to the purchase of land or the construction of buildings are capitalised during the construction period but, thereafter, are not capitalised as part of the costs of those assets but are shown as interest payable.

Buildings under construction are accounted for at cost, based on the value of architects' certificates, contractor claims that are substantiated and other direct costs incurred to 31 July 2024. They are not depreciated until they are brought into use.

Fixtures, fittings & equipment

Equipment, including computers and software, costing less than de minimis threshold of £5,000 per individual item is recognised as expenditure. All other equipment is capitalised.

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

Computers and equipment	- 4 years
Motor vehicles	- 4 years
Musical instruments	- 10 years

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

Falmouth University
Notes to the consolidated financial statements
for the year ended 31 July 2024 (continued)

Accounting for goodwill and intangible fixed assets

Goodwill arises on consolidation and is based on the difference between the fair value of the consideration given for the undertaking acquired and the fair value of its net assets at the date of acquisition. Goodwill is amortised over its estimated economic life. Impairment tests are carried out at the end of the first year and thereafter subject to normal periodic reviews for indications of impairment.

Investments

Non-current investments are included in the balance sheet at amortised cost less impairment. Investments in jointly controlled entities, associates and subsidiaries are carried at cost less impairment in the University's accounts.

Current asset investments are held at fair value with movements recognised in the Surplus or Deficit for the year.

Cash and cash equivalents

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

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

Provisions, contingent liabilities and contingent assets

Provisions are recognised when the University has a present legal or constructive obligation as a result of a past event, it is probable that a transfer of economic benefit will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. The amount recognised as a provision is discounted to present value where the time value of money is material. The discount rate used reflects current market assessments of the time value of money and reflects any risks specific to the liability.

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

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

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

Accounting for Joint Operations, Jointly Controlled Assets and Jointly Controlled Operations

The University accounts for its share of jointly controlled entities using the equity method. The University accounts for its share of transactions from joint operations and jointly controlled assets in the Consolidated Statement of Comprehensive Income.

Taxation

The University is an exempt charity within the meaning of Part 3 of the Charities Act 2011, and, as such, is a charity within the meaning of Section 506 (1) of the Income and Corporation Taxes Act 1988. It is therefore a charity within the meaning of Para 1 of schedule 6 to the Finance Act 2010 and accordingly, the University is potentially exempt from taxation in respect of income or capital

Falmouth University
Notes to the consolidated financial statements
for the year ended 31 July 2024 (continued)

gains received within categories covered by section 478-488 of the Corporation Tax Act 2010 (CTA 2010) or section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied to exclusively charitable purposes.

The University receives no similar exemption in respect of Value Added Tax and falls under the partial exemption regime so that it can only recover a minor element of VAT charged on its inputs. Irrecoverable VAT on inputs is included in the costs of such inputs. Any irrecoverable VAT allocated to fixed assets is included in their cost.

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

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

Reserves

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

Other restricted reserves include balances where the donor has designated a specific purpose and therefore the University is restricted in the use of these funds.

The revaluation reserve has been transferred to the income and expenditure reserve as assets are no longer being revalued.

Falmouth University
Notes to the consolidated financial statements
for the year ended 31 July 2024 (continued)

2 Funding body grants

	Group	University	Group	University
	31/7/24	31/7/24	31/7/23	31/7/23
	£ (000)	£ (000)	£ (000)	£ (000)
OfS recurrent grant	2,405	2,405	2,271	2,271
Research England grant	1,849	1,849	1,887	1,887
OfS deferred capital grants released in year				
- Buildings	321	321	321	321
- Equipment	403	403	317	317
	<hr/> 4,978	<hr/> 4,978	<hr/> 4,796	<hr/> 4,796

3 Tuition fees and education contracts

	Group	University	Group	University
	31/7/24	31/7/24	31/7/23	31/7/23
	£ (000)	£ (000)	£ (000)	£ (000)
Full-time students	56,507	56,507	53,235	53,235
Full-time students charged overseas fees	6,396	6,396	5,334	5,334
Part-time students	2,226	2,226	1,701	1,701
Research fees	171	171	190	190
	<hr/> 65,300	<hr/> 65,300	<hr/> 60,460	<hr/> 60,460

4 Research grants and contracts

	Group	University	Group	University
	31/7/24	31/7/24	31/7/23	31/7/23
	£ (000)	£ (000)	£ (000)	£ (000)
Other contracts	377	377	758	758
	<hr/> 377	<hr/> 377	<hr/> 758	<hr/> 758

The source of grant and fee income, included in notes 2 to 4 is as follows:

	Group	University	Group	University
	31/7/24	31/7/24	31/7/23	31/7/23
	£ (000)	£ (000)	£ (000)	£ (000)
Grant income from the OfS	3,129	3,129	2,909	2,909
Grant income from other bodies	2,226	2,226	2,645	2,645
Fee income for taught awards	65,129	65,129	60,270	60,270
Fee income for research awards	171	171	190	190
Fee income from non-qualifying courses	57	57	52	52
Total grant and fee income	<hr/> 70,712	<hr/> 70,712	<hr/> 66,066	<hr/> 66,066

Falmouth University
Notes to the consolidated financial statements
for the year ended 31 July 2024 (continued)

5 Other income

	Group	University	Group	University
	31/7/24	31/7/24	31/7/23	31/7/23
	£ (000)	£ (000)	£ (000)	£ (000)
Other income generating activities	138	55	80	68
Residences and catering operations	796	796	752	752
Other income (including European grants)	2,894	3,001	5,226	5,335
Recharges for the provision of combined services	317	317	327	327
Deferred capital grants	948	948	955	955
	5,093	5,117	7,340	7,437

Falmouth University has received funding from the UK Shared Prosperity Fund via Cornwall Council during the year.

6 Endowment and investment income

	Group	University	Group	University
	31/7/24	31/7/24	31/7/23	31/7/23
	£ (000)	£ (000)	£ (000)	£ (000)
Bank deposit interest	1,124	1,121	549	549
	1,124	1,121	549	549

7 Staff costs

	Group	University	Group	University
	31/7/24	31/7/24	31/7/23	31/7/23
	£ (000)	£ (000)	£ (000)	£ (000)
Wages and salaries	28,055	28,180	27,390	27,570
Social security costs	1,992	1,992	1,858	1,858
Other pension costs	4,531	4,531	4,117	4,117
	34,578	34,703	33,365	33,545

Senior Staff Remuneration Annual Statement

Approach to remuneration

a) Remuneration Committee Membership and Terms of Reference

The Membership of Remuneration Committee is determined in the published [Terms of Reference](#), the Vice-Chancellor & Chief Executive is not a Member of Remuneration Committee.

The Remuneration Committee has formally adopted the Higher Education Senior Staff Remuneration Code (2021) and this statement complies with the reporting requirements of the Code.

Postholders within the remit of Remuneration Committee for the 2023-24 pay decisions were the Vice-Chancellor & Chief Executive and Head of Governance Services & Secretary to the Board of Governors.

b) The competitive environment

Falmouth University is a specialist creative university, that harnesses the fusion of creativity and technology through its learning, teaching, research and knowledge exchange, as foundations for the future economy. With over 7,000 students, the University operates in the UK, EU and international

Falmouth University
Notes to the consolidated financial statements
for the year ended 31 July 2024 (continued)

student markets for undergraduate, Masters level and PhD programmes. [The Second Edition of the University's 2030 Strategy](#) sets out the Mission, Vision and Values approved by the Board of Governors.

c) Remuneration Policy

Base pay is reviewed for each designated post-holder and this is considered in two distinct areas:

- **Cost of Living:** Consideration is given on whether any inflationary increase to base pay should be made to reflect cost of living pressures. In reaching this decision the committee consider a range of inflation indices, the trend of these over the year as well as considering the outcome of the annual New JNCHES pay negotiations. Any decision to apply a cost-of-living increase to base pay would be applied equally to all designated post-holders.

Regarding Cost of Living, the Remuneration Committee decided that, in line with national HE sector pay negotiations, a 3% cost of living increase was to be provided for Designated Post Holders for 2023-24. Furthermore, in line the national HE sector, an additional 2% cost of living increase was provided to Designated Post Holders as an interim pay uplift with effect from 1 February 2024.

- **Individual base pay:** Separately to the decision on cost of living, the committee will also consider individual base pay to see whether the remuneration for the role has become out of kilter with the market.

In order to undertake this analysis, data published by the Universities and Colleges Employers Association is used to benchmark across relevant groups of institutions in the Higher Education sector, specifically:

- All institutions (income £40m-£100m)
- Post-1992 institutions (income £40m-£100m)
- Rest of England (up to £100m income)
- Mean of the median for the above
- In addition to the above, Xpert HR comparative salary data for posts not focused on academic leadership

The committee also considers analysis of internal salary distributions, and considers any changes or developments to the role during the period that may justify an amendment to remuneration.

d) Total remuneration for the Vice-Chancellor & Chief Executive

The Vice-Chancellor & Chief Executive's remuneration, along with comparisons against the previous year, are shown in the table below:

Remuneration for the Vice-Chancellor	2023/24	2022/23
Salary	£204,996	£197,182
Benefits	£2,654	£2,394
Subtotal	£207,650	£199,576
Pension / payment in lieu of pension costs	£42,639	£41,014
Total	£250,289	£240,590

e) Pay multiples

The Remuneration Committee also note the requirement to consider and publish the pay multiple of the Vice-Chancellor & Chief Executive in comparison to the rest of the organisation.

It is noted that the calculation required by the Committee of University Chairs' (CUC) Senior Staff Remuneration Code differs slightly from the calculation required by the Office for Students Accounts Directions and therefore for clarity each ratio is published below.

Falmouth University
Notes to the consolidated financial statements
for the year ended 31 July 2024 (continued)

Using the CUC directed calculation, the pay multiple of the Vice-Chancellor & Chief Executive and the median earnings of the institutions whole workforce is 5.22 (2022/23: 5.20).

Using the OfS directed calculation, the pay multiple of the Vice-Chancellor & Chief Executive and the median earnings of the institutions whole workforce is 5.22 (2022/23: 5.22).

Using the OfS directed calculation, the total remuneration multiple of the Vice-Chancellor & Chief Executive and the total remuneration earnings of the institutions whole workforce is 5.18 (2022/23: 5.76).

External Appointments and Expenses

It is often helpful to the University for its staff to hold non-executive director or trustee roles, or undertake other external engagements. The University's policy is that any such appointment is agreed in advance with the line manager, including any declaration of income to be received.

The Vice-Chancellor & Chief Executive holds the following external appointments:

Current directorships of:

- Falmouth Agency Ltd
- Falmouth Staffing Ltd

Whilst not formal appointments, the Vice-Chancellor & Chief Executive also sits on a number of Boards where this develops a wider network that is advantageous to the University:

Board Memberships – by Invitation

Cornwall Council Fairer Cornwall Commission Development Group	Chair
Cornwall & Isles of Scilly Local Enterprise Partnership	Interim Chair
Cornwall & Isles of Scilly LEP Creative Industries Sector Board	Member
Cornwall & Isles of Scilly Workforce & Skills Board	Chair
Cornwall & Isles of Scilly Economic Forum	Vice Chair
Cornwall & Isles of Scilly Civic University Partnership Board	Member
Cornwall & Isles of Scilly Executive Group	Member
Cornwall & Isles of Scilly Leadership Board	Member
Cornwall Growth Board	Member
Great South West Partnership Board	Member
The All-Party Parliamentary University Group	Member
Universities UK Specialist Institutions Forum	Member
Universities UK Skills England Advisory Group	Member
Universities UK Student Experience, Education and Skills Network	Member
Universities UK Funding & Regulation Network	Member
Universities UK Research & Innovation Policy Network	Member

The University has a single scheme for payment of expenses that is applicable to all employees.

Falmouth University
Notes to the consolidated financial statements
for the year ended 31 July 2024 (continued)

Basic salary of higher paid staff excluding Vice-Chancellor (excluding employer's pension contributions):

	Group	University	Group	University
	31/7/24	31/7/24	31/7/23	31/7/23
	Number	Number	Number	Number
£115,000 - £119,999 pa	1	1	1	1
£135,000 – £139,999 pa	-	-	1	1
£155,000 - £159,999 pa	-	-	1	1

Average staff numbers (FTEs) by major category:

	Number	Number	Number	Number
Academic departments	378	301	341	264
Research & innovation	21	10	30	11
Academic support services	65	29	93	36
Administration	134	50	140	55
	<u>598</u>	<u>390</u>	<u>604</u>	<u>366</u>

Termination benefits

The total amount of any compensation for loss of office payable by the University for the year ended 31 July 2024 was £1,211k and relates to 33 posts (£292k for 13 posts to 31 July 2023). These figures include statutory redundancy and voluntary severance payments.

Key management personnel

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the University. The University views its University Executive Group (UEB) as its key management personnel. This consists of following roles:

Vice-Chancellor & Chief Executive Officer
Provost & Deputy Vice-Chancellor (to 31 August 2023)
Pro Vice-Chancellor (Academic Services)
Pro Vice-Chancellor (Research and Knowledge Exchange)
Pro Vice-Chancellor (Marketing and Engagement)
Executive Director of Estates, Infrastructure & Operations
Executive Director of Finance, Audit & Risk
Executive Director of People & Culture
Head of Governance Services & Secretary to the Board of Governors
Deputy Director of Estates, Operations & Planning

Staff costs includes compensation paid to key management personnel.

	Group	University	Group	University
	31/7/24	31/7/24	31/7/23	31/7/23
	£ (000)	£ (000)	£ (000)	£ (000)
Key management personnel remuneration	<u>1,021</u>	<u>1,021</u>	<u>1,040</u>	<u>1,040</u>

Governors acting as Trustees

No governor has received any remuneration or waived payments from the group during the year (2023: none). The total expenses paid to or on behalf of nine governors was £3,896 (2022/23: £2,797 paid to seven governors). This represents travel and subsistence expenses incurred in attending Board, committee meetings and charity events in their official capacity.

Falmouth University
Notes to the consolidated financial statements
for the year ended 31 July 2024 (continued)

8 Other operating expenses

	Group	University	Group	University
	31/7/24	31/7/24	31/7/23	31/7/23
	£ (000)	£ (000)	£ (000)	£ (000)
Teaching materials and expenses	3,115	3,115	4,747	4,747
Franchise partnership teaching costs	11,163	11,163	9,268	9,268
Library and learning resource costs	1,383	1,383	1,380	1,380
IT support costs	3,638	3,638	2,361	2,361
Student support costs	1,813	1,813	1,979	1,979
Recruitment and restructuring costs	88	88	333	333
Research costs	509	509	640	640
Auditors remuneration - external audit fees	85	82	82	79
Auditors remuneration - internal audit fees	33	33	28	28
Auditors remuneration - non audit fees	-	-	-	-
Administrative expenses	2,586	2,479	3,625	3,552
Advertising and promotional expenses	2,576	2,576	2,285	2,285
Bursaries payable	882	882	942	942
Heat, light, rates and water	2,479	2,479	2,380	2,380
Repairs and maintenance to premises	5,640	5,640	5,266	5,266
Inter-campus transport	30	30	30	30
Rents and property leases	64	64	54	54
Other income generation costs	127	127	191	180
	36,211	36,101	35,591	35,504
Restructuring costs	1,140	1,140	-	-

During the year the University undertook significant restructuring in the form of a voluntary severance scheme. The restructuring costs above relate to severance costs as well as payments in lieu of notice.

9 Interest and other finance costs

	Group	University	Group	University
	31/7/24	31/7/24	31/7/23	31/7/23
	£ (000)	£ (000)	£ (000)	£ (000)
On bank loans not wholly repayable within five years	769	769	589	589
Pension finance costs	-	-	259	259
	769	769	848	848

Falmouth University
Notes to the consolidated financial statements
for the year ended 31 July 2024 (continued)

10a Analysis of 2023/24 expenditure by activity - Group

	Staff costs	Other operating expenses	Depreciation	Interest payable	2023/24 Total	2022/23 Total
	£ (000)	£ (000)	£ (000)	£ (000)	£ (000)	£ (000)
Academic departments	23,265	14,396	870	-	38,531	36,207
Academic support services	2,086	5,298	362	-	7,746	6,837
Research grants & contracts	902	509	-	-	1,411	1,988
Residences and catering	295	596	-	-	891	1,158
Premises	-	8,213	2,586	769	11,568	10,688
Administration & central services	7,593	8,209	128	-	15,930	16,204
Other services	437	130	-	-	567	548
Total	34,578	37,351	3,946	769	76,644	73,630

The depreciation charge has been funded by:

Deferred capital grants	1,672
General income	2,274
	<u>3,946</u>

10b Access and Participation

	Group 31/7/24	University 31/7/24	Group 31/7/23	University 31/7/23
	£ (000)	£ (000)	£ (000)	£ (000)
Access Investment	1,805	1,805	1,751	1,751
Financial Support (i)	648	648	745	745
Disability Support	839	839	771	771
Research and Evaluation (ii)	189	189	188	188
	<u>3,481</u>	<u>3,481</u>	<u>3,455</u>	<u>3,455</u>

- (i) Included in Financial Support in 2022/23 is additional expenditure following the receipt of hardship funding from OfS.
- (ii) £172k (2022/23: £170k) of these costs are already included in the overall staff costs figures included in the financial statements, see note 7.

The University's Access and Participation plan can be found at the following link:

<https://www.falmouth.ac.uk/study/tuition-fees/undergraduate#access-and-participation>

Falmouth University
Notes to the consolidated financial statements
for the year ended 31 July 2024 (continued)

11 Fixed asset schedule

Group	Assets in the course of construction £ (000)	Land and buildings £ (000)	Fixtures, fittings & equipment £ (000)	Total £ (000)
Cost or valuation				
B/f as at 1 August 2023	600	124,252	23,907	148,759
Additions	-	436	769	1,205
Transfers	(600)	-	600	-
Disposals	-	-	(1,192)	(1,192)
C/f as at 31 July 2024	-	124,688	24,084	148,772
Depreciation				
B/f as at 1 August 2023	-	19,478	21,545	41,023
Charge for the year	-	2,580	1,366	3,946
Disposals	-	-	(1,192)	(1,192)
C/f as at 31 July 2024	-	22,058	21,719	43,777
Net book value				
As at 31 July 2023	600	104,774	2,362	107,736
As at 31 July 2024	-	102,630	2,365	104,995
University				
Cost or valuation				
B/f as at 1 August 2023	600	124,336	23,568	148,504
Additions	-	436	769	1,205
Transfers	(600)	-	600	-
Disposals	-	-	(1,192)	(1,192)
C/f as at 31 July 2024	-	124,772	23,745	148,517
Depreciation				
B/f as at 1 August 2023	-	19,478	21,319	40,797
Charge for the year	-	2,580	1,366	3,946
Impairment	-	-	(1,192)	(1,192)
C/f as at 31 July 2024	-	22,058	21,493	43,551
Net Book Value				
As at 31 July 2023	600	104,858	2,249	107,707
As at 31 July 2024	-	102,714	2,252	104,966

Land and buildings have previously been revalued in accordance with the old basis of accounting (2007 SORP) and on transition to FRS 102. The valuations as at the date of transition have been taken as deemed cost.

Land and buildings were professionally valued on the basis of depreciated replacement cost by Alder King, Chartered Surveyors, Newham Road, Truro on 31 July 2014. Properties have been valued on the basis of depreciated replacement cost.

Falmouth University
Notes to the consolidated financial statements
for the year ended 31 July 2024 (continued)

12 Investment assets

	Group	University	Group	University
	2024	2024	2023	2023
	£ (000)	£ (000)	£ (000)	£ (000)
Investment in subsidiary companies	-	4	-	4
Interest in associates	543	527	633	527
Interest in jointly controlled entity	18,544	-	17,755	-
	<u>19,087</u>	<u>531</u>	<u>18,388</u>	<u>531</u>

The University owns 100% of the issued share capital of the following companies:

Name	Company registered number
Falmouth Enterprises Limited (FEL) (dormant)	2517317
Falmouth Ventures Limited (FVL)	10720916
Falmouth Agency Limited (FAL)	11105902
Falmouth Staffing Limited (FSL)	11578921

FVL has been set up to hold Launchpad activity. The accounts of FVL are unaudited as it has claimed exemption under s479A Companies Act 2006. The University has provided a guarantee in respect of all of the company's outstanding liabilities at 31 July 2024.

The principal activity of FAL is the operation of an employment agency for student workers and the provision of services to businesses carried out on behalf of the University.

The principal activity of FSL is the provision of human resources for professional services and academic staff. The accounts of FSL are unaudited as it has claimed exemption under s479A Companies Act 2006. The University has provided a guarantee in respect of all of the company's outstanding liabilities at 31 July 2024.

All of the above are companies registered in England and Wales

The University also owns 50% of Falmouth Exeter Plus (FX Plus); a company limited by guarantee which in turn owns 100% of the issued share capital (100 £1 Ordinary Shares) in Tremough Development Vehicle Ltd (TDV) and 100% of the issued share capital (2 £1 Ordinary Shares) in Cornwall Plus Limited. These jointly controlled entities with University of Exeter (UoE) have been established to provide the operational aspects (through FX Plus and Cornwall Plus) and construction (through TDV) of the Penryn campus.

The objects of FX Plus are to advance the education of the public by providing and assisting in the provision of higher education facilities in Cornwall.

Falmouth University
Notes to the consolidated financial statements
for the year ended 31 July 2024 (continued)

In accordance with FRS 102, the Group is required to disclose its share of assets and liabilities in FX Plus. As at the year end these were as follows:

	2024	2023
	£ (000)	£ (000)
Share of fixed assets	35,218	36,908
Share of current assets	2,145	1,019
Share of current liabilities	(3,852)	(3,848)
Share of long-term liabilities	(14,967)	(16,324)
Share of pension liability	-	-
	<u>18,544</u>	<u>17,755</u>
Share of income	<u>18,780</u>	<u>18,091</u>
Share of surplus/(deficit) for the year	789	(374)
Share of tax payable	-	-
Share of total comprehensive income	789	1,862

Interest in associates comprises:

Name	Company number	Shares	% shareholding
Hertzian Limited	9753777	302	18.6
Waterbear Education Limited	11023994	4,037,222	9.5

Hertzian is a spin-out company mentored by the University. Shares in this company were gifted on incorporation. No value has been included in the financial statements on the basis that it is not material.

In August 2020 the University invested £0.5m for a 10% share in Waterbear Education Ltd. This company provides music education in Brighton with values that mirror those of the University.

Other non-current investments of the University comprise:

Name	Company number	Shares	% shareholding
Stream TV Limited	8471003	100	5.0

Shares in this company were gifted to the University and no value was attributed on acquisition. The company was dissolved on 30 July 2024.

All companies are registered in England and Wales and operate in the UK.

Falmouth University
Notes to the consolidated financial statements
for the year ended 31 July 2024 (continued)

13 Debtors

	Group 2024 £ (000)	University 2024 £ (000)	Group 2023 £ (000)	University 2023 £ (000)
Fees and charges	3,000	3,000	3,715	3,715
Trade debtors	436	421	816	813
Prepayments and accrued income	1,587	1,581	1,008	1,001
ERDF and ESF grants due	98	99	970	970
Short term loan	400	400	-	-
Sundry debtors	52	52	35	35
Bad debt reserve	(831)	(831)	(939)	(939)
	<u>4,742</u>	<u>4,722</u>	<u>5,605</u>	<u>5,595</u>

14 Creditors – amounts falling due within one year

	Group 2024 £ (000)	University 2024 £ (000)	Group 2023 £ (000)	University 2023 £ (000)
Bank loan	809	809	809	809
Bank overdraft	18	18	5	5
Trade creditors	1,176	1,176	1,607	1,607
Accruals and deferred income	10,226	9,957	8,328	8,063
Social security and other taxation	1,229	962	1,308	988
Amounts owed to group undertakings	-	269	-	273
Amounts owed to jointly controlled entities	260	260	334	334
Other creditors	47	47	73	73
	<u>13,765</u>	<u>13,498</u>	<u>12,464</u>	<u>12,152</u>

15 Creditors – amounts falling due after more than one year

	Group and University	
	2024 £ (000)	2023 £ (000)
Accruals and Deferred income	49,650	51,117
Bank loans	9,204	10,013
	<u>58,854</u>	<u>61,130</u>

Deferred income includes grants receivable in respect of funding for construction costs of the buildings at Penryn. Funders include the Ministry of Housing, Communities and Local Government, and Cornwall Council.

	Group and University	
	2024 £ (000)	2023 £ (000)
Amounts repayable on loans:		
In one year or less	809	809
In more than one year but not more than two years	809	809
In more than two years but not more than five years	7,272	7,897
In more than five years	1,123	1,307
	<u>10,013</u>	<u>10,822</u>

Falmouth University
Notes to the consolidated financial statements
for the year ended 31 July 2024 (continued)

	Amount £ (000)	Term	Interest rate %
Lloyds Bank plc	1,888	2035	2.25% above base rate
RBS	8,125	2027	1.3% above base rate
	10,013		

16 Provisions for liabilities

Group & University	Enhanced Pension Provision £ (000)	Relocation costs £ (000)	Total £ (000)
Balance at 1 August 2023	442	54	496
Transferred from Income and expenditure	26	20	46
Utilised in the year	(48)	(54)	(102)
Balance at 31 July 2024	420	20	440

The enhanced pension provision represents an estimate of the expected future cost of enhancements to the pensions of qualifying staff. These have been negotiated on an individual basis with staff taking early retirement, or in two cases, have been inherited as part of contractual terms. The number of employees to which the pension relates was 15 at 31 July 2024. The provision is calculated based on the total capital cost with an allowance for future investment returns in excess of inflation.

Provision has also been made for relocation costs of up to £8,000 per employee less amounts already claimed expected to relocate. The number of employees to which the provision relates was 5.

17 Endowments

	Group and University	
	2024	2023
	£ (000)	£ (000)
Permanent and expendable endowments		
Balance brought forward	27	27
Bursaries awarded	-	-
Balance carried forward	27	27

Endowment assets relate to two Denis Mitchell sculptures and a Michael Finn painting donated to and held in the University at valuation.

During the year, four paintings by Tom Cross were donated to the University for displaying in areas to be seen by students and visitors. No value has been recognised in the financial statements but this is estimated to be in the region of £24k for insurance purposes.

18 Revaluation reserve

	Group 2024 £ (000)	University 2024 £ (000)	Group 2023 £ (000)	University 2023 £ (000)
Balance brought forward	12,672	-	12,932	-
Share of movement in jointly controlled entity's revaluation reserve	(260)	-	(260)	-
	12,412	-	12,672	-

Falmouth University
Notes to the consolidated financial statements
for the year ended 31 July 2024 (continued)

19 Analysis of changes in net funds

	At 1 Aug 2023	Cashflow: £ (000)	At 31 July 2024
	£ (000)	£ (000)	£ (000)
Cash and cash equivalents	24,343	2,790	27,133
Overdraft	(5)	(13)	(18)
Total	<u>24,338</u>	<u>2,777</u>	<u>27,115</u>

20 Consolidated reconciliation of net funds

	31 July 2024
	£ (000)
Net funds 1 August 2023	13,516
Movement in cash and cash equivalents	2,777
Other non-cash changes	809
Net funds 31 July 2024	<u>17,102</u>

Analysis of net funds:	31 July 2024	31 July 2023
	£ (000)	£ (000)
Cash and cash equivalents	27,133	24,343
Borrowings: amounts falling due within one year		
Secured loans	(809)	(809)
Bank Overdraft	(18)	(5)
	<u>(827)</u>	<u>(814)</u>
Borrowings: amounts falling due after more than one year		
Secured loans	(9,204)	(10,013)
	<u>(9,204)</u>	<u>(10,013)</u>
Net funds	<u>17,102</u>	<u>13,516</u>

21 Pension schemes (Group and University)

The University's employees belong to two principal pension schemes, the Teachers' Pensions Scheme (TPS) and the Cornwall Pension Fund. The total pension cost for the period was as follows:

	31/7/24	31/7/23
	£ (000)	£ (000)
CC Pension Scheme: Charge to the Income and expenditure account (note 7)	1,482	1,733
USS Pension Scheme: exit charge paid less creditor brought forward (note 7)	-	(21)
Teachers' Pension Scheme: contributions paid (note 7)	3,049	2,405
	<u>4,531</u>	<u>4,117</u>
Enhanced pension charge to Income and expenditure account (note 16)	26	(9)
Total pension cost for the year	<u>4,557</u>	<u>4,108</u>

Falmouth University
Notes to the consolidated financial statements
for the year ended 31 July 2024 (continued)

Teachers' Pension Scheme (TPS)

The Teachers' Pension Scheme is accounted for as a defined contribution pension scheme on the basis that it is not possible for the scheme to separately identify the University's share of the underlying assets and liabilities in the scheme on a consistent and reasonable basis.

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

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

The Teachers' Pensions Regulations require an annual account, the Teachers' Pension Account, to be kept of receipts and expenditure (including the cost of pensions' increases). From 1 April 2001, the account will be credited with a real rate of return (in excess of price increases and currently set at 3.5%), which is equivalent to assuming that the balance in the account is invested in notional investments that produce that real rate of return.

Not less than every four years, with a supporting interim valuation in-between, the Government Actuary (GA), using normal actuarial principles, conducts a formal actuarial review of the TPS. The aim of the review is to specify the level of future contributions.

Contributions are assessed in two parts. Firstly, a standard contribution is determined. This is the contribution, expressed as a percentage of the salary of a teacher / lecturer entering service, which would defray the cost of benefits payable in respect of that service. Secondly, a supplementary contribution is payable if, as a result of the actuarial investigation, it is found that accumulated liabilities of the Account for benefits to past and present teachers, are not fully covered by normal contributions to be paid in future and by the fund built up from past contributions.

The last valuation of the TPS was carried out as at 31 March 2020. The GA's report revealed that the total liabilities of the Scheme (pensions currently in payment and the estimated cost of future benefits) amounted to £262,000m. The value of the assets (estimated future contributions together with the proceeds from the notional investments held at the valuation date) was £222,200m. A copy of the latest valuation report can be found by following this link: [teachers pensions 2023/10 valuation result](#)

Employees pay tiered contribution rates ranging from 7.4% to 11.7% according to their salary band. Employer rates are 28.6% from 1 April 2024 (previously 23.68%).

Retirement benefits disclosure

The University is a member of the Cornwall Council Pension Scheme, a funded defined benefit scheme in the UK. The total contribution made for the year ended 31 July 2024 was £1,845k (2023: £1,874k) of which employer's contributions totalled £1,467k (2023: £1,467k) and employees' contributions totalled £378k (2023: £407k).

Falmouth University
Notes to the consolidated financial statements
for the year ended 31 July 2024 (continued)

The actuarial valuation of the scheme at 31 March 2022 showed a deficit of £100m. Employers' contribution rates during the year were 23.1% plus an annual lump sum of £166,000. Employees pay tiered contributions and these were between 5.5% and 12.5% (2023: 5.5% to 12.5%).

The following information is based upon a full actuarial valuation of the fund at 31 March 2022 rolled forward to 31 July 2024 by a qualified independent actuary. For this purpose the rate used to discount the liabilities is based on the rate of return of an AA rated corporate bond and the investments have been valued at bid value.

Actuarial assumptions

The major assumptions used by the actuary were:

	2024	2023
	%	%
Rate of increase in salaries	2.75	3.00
Inflation - CPI	2.75	3.00
Rate of increase for pensions in payment	2.75	3.00
Discount rate for liabilities	5.00	5.05
Commutation of pensions to lump sums- membership post April 2008	60.0	60.0

Commutation

An allowance is included for future retirements to elect to take 40% of the maximum additional tax-free cash up to HMRC limits for pre-April 2008 service and 60% of the maximum tax-free cash for post-April 2008 service.

	Males	Females
Current Pensioners (65 years of age as at last triennial valuation)	21.8 years	24.1 years
Future Pensioners (45 years of age as at last triennial valuation)	22.5 years	25.5 years

Scheme assets

The fair value of the scheme's assets, which are not intended to be realised in the short term and may be subject to significant change before they are realised, and the present value of the scheme's liabilities, which are derived from cash flow projections over long periods and thus inherently uncertain, were:

	Long-term rate of return expected at 31 July 2024	Bid value at 31 July 2024	Long-term rate of return expected at 31 July 2023	Bid value at 31 July 2023
	%	£(000)	%	£(000)
Equities	2.75	27,064	3.0	22,850
Bonds	2.75	14,434	3.0	14,957
Property	2.75	2,706	3.0	2,908
Cash	2.75	903	3.0	831
Estimated employers' share of scheme assets		45,107		41,546
Present value of scheme liabilities- Funded		(42,765)		(40,853)
Non-recognition of pension asset *		(2,342)		(693)
Deficit in the scheme		-		-

- As the present value of the defined benefit obligation at the reporting date is less than the fair value of plan assets at that date, the plan has a notional surplus. As management do not consider that the University will be able to recover the surplus either through reduced contributions in the future or through refunds from the plan, the surplus has not been recognised in these financial statements in line with paragraph 28.22 of FRS102.

Falmouth University
Notes to the consolidated financial statements
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The University employs a building block approach in determining the rate of return on fund assets. Historical markets are studied and assets with higher volatility are assumed to generate higher returns consistent with widely accepted capital market principles. The assumed rate of return on each asset class is set out within this note. The overall expected rate of return on assets is then derived by aggregating the expected rate of return for each asset class over the actual asset allocation for the Fund as at 31 July 2024.

Analysis of the amount charged to Income and Expenditure account

	2024	2023
	£(000)	£(000)
Current service cost	1,019	1,597
Non-recognition of pension asset movement	(1,019)	-
Total operating charge	<u>-</u>	<u>1,597</u>

Analysis of pension finance costs

	2024	2023
	£(000)	£(000)
Interest income on plan assets	(2,123)	(1,501)
Interest on pension scheme liabilities	2,077	1,760
Non-recognition of pension asset movement	46	-
Net cost	<u>-</u>	<u>259</u>

Amount recognised in other comprehensive income (OCI)

	2024	2023
	£(000)	£(000)
Actuarial gain recognised in OCI in the year	-	7,732
Cumulative actuarial gain recognised in OCI at 1 August	17,775	10,043
Cumulative actuarial gain/(loss) recognised in OCI at 31 July	<u>17,775</u>	<u>17,775</u>

Asset and Liability Reconciliation

	2024	2023
	£ (000)	£ (000)
Reconciliation of Liabilities		
Liabilities at start of period	40,853	49,667
Current service cost	1,019	1,597
Interest cost	2,077	1,760
Employee contributions	378	407
Remeasurements *1	(729)	(11,889)
Estimated benefits paid	(833)	(689)
Liabilities at end of period	<u>42,765</u>	<u>40,853</u>
Reconciliation of Assets		
Assets at start of period	41,546	42,324
Interest income on plan assets	2,123	1,501
Remeasurements *2	426	(3,464)
Employer contributions	1,467	1,467
Employee contributions	378	407
Estimated benefits paid (net of transfers in)	(833)	(689)
Assets at end of period	<u>45,107</u>	<u>41,546</u>

Falmouth University
Notes to the consolidated financial statements
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There has been a change in approach in allowing for inflation experience at 31 July 2023 to make allowance for the exceptionally high inflation over the period since September 2021. The Defined Benefit Obligation (DBO) at 31 July 2023 includes allowance for emerging experience up to July 2023.

	2024	2023
	£(000)	£(000)
*1 Remeasurements of liabilities	729	11,889
*2 Remeasurements of assets	426	(3,464)
Non-recognition of pension asset	(1,155)	(693)
Actuarial gain recognised in OCI at 31 July- University	-	7,732
Share of joint venture's actuarial gain	-	2,236
Actuarial gain recognised in OCI at 31 July- Group	-	9,968

History of liabilities, assets and experience adjustments

	2024	2023	2022	2021	2020
	£(000)	£(000)	£(000)	£(000)	£(000)
Scheme liabilities	(42,765)	(40,853)	(49,667)	(74,437)	(61,415)
Scheme assets	45,107	41,546	42,324	40,031	33,961
Non-recognition of pension asset	(1,155)	(693)	-	-	-
Deficit	-	-	(7,343)	(34,406)	(27,454)
Experience adjustments on Scheme liabilities	729	11,889	29,674	(8,831)	(6,623)
Experience adjustments on Scheme assets	426	(3,464)	153	3,987	(1,796)

In June 2023 the High Court ruled in the case of Virgin Media Limited v NTL Pension Trustees. The ruling was that certain pension scheme rule amendments were invalid if they were not accompanied by the correct actuarial confirmation.

This High Court ruling was appealed. In a judgment delivered on 25 July 2024, the Court of Appeal unanimously upheld the decision of the High Court.

At the date of approval of these financial statements, while it is known there is potential for additional pension liabilities to be recognised as a result of this ruling, the impact in monetary terms is not known and it is reasonable to form the view that it is not reasonably estimable. Accordingly, no adjustments to reflect the impact of the ruling have been made in these financial statements.

22 Capital commitments

	Group and University	
	2024	2023
	£ (000)	£ (000)
Authorised but not committed	106	119
Commitments contracted at 31 July	2	33

Amounts authorised are in respect of works on capital projects for the Penryn and Falmouth campuses less commitments to date. Funding for these projects will be from internally generated cash. Commitments contracted relate to the design work that had been awarded to contractors at the year end date.

Falmouth University
Notes to the consolidated financial statements
for the year ended 31 July 2024 (continued)

23 Financial commitments

The University guarantees 50% of FX Plus' bank loans totalling £16m as at the year end (total loans are £33m). These term loans are repayable over various terms up to 39 years and £11.5m is at a fixed interest rate. The commitment that sits with Falmouth has an annual repayment requirement of £1.5m whilst the remainder rests with FX Plus and is met through the annual rental income which, for 2024/25, is projected to be £10m.

The University and UoE have undertaken to pass on sufficient funds (including specific grants) to the FX Plus group to enable it to meet its contractual commitments to deliver the campus buildings and student accommodation at Penryn and to enable the group to continue to trade.

24 Related-party transactions

Due to the nature of the University's operations and the composition of the Board (with members being drawn from local, public and private sector organisations) it is inevitable that transactions will take place with organisations in which a Board member may have an interest. All transactions involving organisations in which a Board member may have an interest are conducted at arm's length and in accordance with the University's financial regulations and normal procurement procedures, which require individuals to declare any interest.

The University has taken advantage of the exemption under FRS 102 not to disclose transactions with subsidiaries that are 100% owned.

The University holds a 50% share of FX Plus, a company limited by guarantee, having no share capital and for which exempt charitable status has been obtained. FX Plus is a jointly controlled entity owned equally by the University and UoE.

FX Plus has been established to operate student and commercial services for the Penryn Campus under a shared services agreement.

The University and UoE have continued to guarantee sums of £9.3m and £6.25m each to Lloyds Bank Plc, in respect of the borrowings of £18.6m and £12.5m respectively to FX Plus. They have also guaranteed £10.25m each to Barclays Bank plc in respect of borrowings of £20.5m and £4m each to the European Investment Bank and Lloyds Bank plc in respect of borrowings of £8m.

Cornwall Plus Limited is a wholly owned subsidiary of FX Plus. It has been established to operate the commercial, non-charitable activities of the jointly controlled entity primarily relating to non-student letting of residences, non-academic conferences, external events and corporate hospitality for third parties.

TDV is a wholly owned subsidiary of FX Plus. It was established to provide the construction of the main campus for the Combined Universities in Cornwall project based at Penryn and is now dormant.

The FX Plus Group has capital commitments as follows:

	2024	2023
	£ (000)	£ (000)
Authorised but not committed	211	62
Commitments contracted at 31 July 2024	4	14

Amounts authorised are in respect of various projects at the Penryn campus less commitments to date. These projects will be fully funded by the two institutions.

Falmouth University
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Transactions between the University and FX Plus (which are all shown on an arms' length basis) were as follows:

	Purchases from related parties £ (000)	Sales to related parties £ (000)	Amounts owed to related party £ (000)	Amounts owed by related party £ (000)
Falmouth Exeter Plus Group				
2024	14,620	52	259	-
2023	14,028	141	333	-

Balances due to and from the jointly controlled entity are shown in note 13 Debtors and note 14 Creditors – amounts due within one year.

Students' Union

The Students' Union has not been consolidated in the University's financial statements because the University does not exercise a significant influence over its operations. Grants were paid to the Students' Union during the year as follows:

	Year to 31/7/24 £ (000)	Year to 31/7/23 £ (000)
Block grant	500	570
Sports	-	30
	<u>500</u>	<u>600</u>

25 US Department of Education financial responsibility supplemental schedule

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

The amounts presented within the schedules have been:

- Prepared under the historical cost convention
- Prepared using United Kingdom generally accepted accounting practice, in accordance with Financial Reporting Standard 102 (FRS102) and the Statement of Recommended Practice: Accounting for Further and Higher Education (2019 edition);
- Presented in pounds sterling

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

Falmouth University
Notes to the consolidated financial statements
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Description- supplemental schedule	Description- UK GAAP accounts	Notes	31 July 2024 £ (000)	31 July 2023 £ (000)
<u>Primary reserve ratio</u>				
Expendable net assets				
Net assets without donor restrictions	Income and expenditure reserve-unrestricted reserves	Balance sheet	82,871	81,955
Net assets with donor restrictions	Income and expenditure reserve-endowment reserve	Note 17	27	27
Related party receivable and related party note disclosure	Amounts owed to jointly controlled entities	Note 14	260	334
Property, plant and equipment, net	Fixed assets consolidated net book value	Note 11	104,995	107,736
Property, plant and equipment-pre-implementation	Fixed assets consolidated net book value at 1 August 2019 less depreciation and disposals, excluding service concessions	Note 11	110,845	110,845
Property, plant and equipment-post-implementation without outstanding debt for original purchase	Freehold land and buildings and equipment additions and transfers since 1 August 2019, excluding service concessions	Note 11	(5,850)	(3,709)
Construction in progress	Assets in the course of construction	Note 11	-	600
Note payable and line of credit for long-term purposes (both current and long term) and line of credit for Construction in progress	Borrowings	Note 15	10,013	10,822
Total expenses and losses				
Total operating expenses	Total expenditure	CSCI	76,544	73,630
Investment return appropriated for spending	Investment income	CSCI	(1,124)	(549)
Investments, net of annual spending gain (loss)	Loss on investments	CSCI	100	-
Pension-related charges other than net periodic pension costs	Actuarial gain on pension scheme	CSCI	-	(9,968)
Other gains (losses)	Share of operating surplus/(deficit) in jointly controlled entity	CSCI	(789)	374
Investments, net of annual spending, gain (loss)	Net investment losses	CSCI	(1,024)	(549)
<u>Equity ratio</u>				
Modified net assets				
Net assets without donor restrictions	Net assets without donor restrictions	Balance sheet	82,871	81,955
Total net assets with donor restrictions	Net assets with donor restrictions	Balance sheet	27	27
Related party receivable and related party note disclosure	Amounts owed by related parties	Note 14	260	334
Modified assets				
Total assets	Non-current assets	Balance sheet	124,082	126,124
Total assets	Current assets	Balance sheet	31,874	29,948
Related party receivable and related party note disclosure	Amounts owed by related parties	Note 14	260	334

Falmouth University
Notes to the consolidated financial statements
for the year ended 31 July 2024 (continued)

Description- supplemental schedule	Description- UK GAAP accounts	Notes	31 July 2024 £ (000)	31 July 2023 £ (000)
<u>Net income ratio</u>				
Change in net assets without donor restrictions	Total comprehensive income for the year	CSCI	917	9,732
Total operating revenue and other additions and sale of fixed assets, gains (losses)	Total income and loss on disposal of fixed assets, less investment income	CSCI	75,648	73,219