

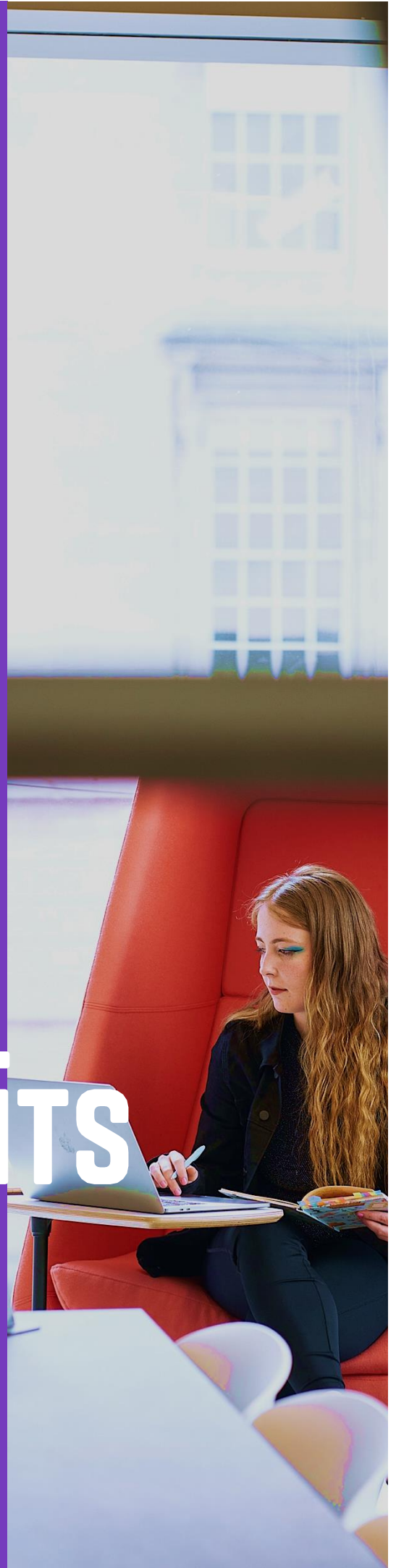


LEEDS  
BECKETT  
UNIVERSITY

# FINANCIAL STATEMENTS

FOR THE YEAR ENDED  
31 JULY 2022

[leedsbeckett.ac.uk](https://leedsbeckett.ac.uk)



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## VICE CHANCELLOR'S FOREWORD

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At Leeds Beckett University, our work is dedicated to making a difference. Our students and academics work together on research projects that have real-life impact, delivering social, economic, and cultural benefit for the communities we serve. This focus shapes our place in the city and region, our people, and our purpose.

As an organisation, we have a strong sense of momentum, and we have shown tremendous resilience in the face of huge challenges during the pandemic. The lessons we have learned in the last two years will stand us in good stead as we navigate the challenges ahead. We will build on this momentum, evolving our culture and putting the infrastructure in place to support our progression.

The University has agreed a strategic plan to steer our course for the next five years. We have clearly articulated our purpose: to make a positive and decisive difference to people, organisations and communities through excellent education, research, and service.

Our new strategy is based on seven key plans, setting our direction, and sharpening our focus to meet the challenges ahead. One of the main drivers of our strategy is to equip Leeds Beckett to navigate the anticipated government reforms of higher education, and to enable us to thrive in the new environment these changes will create.

These financial statements cover the financial year ended 31 July 2022. During the 2021/22 year, we have continued to adapt to the post-COVID environment. We have looked to embrace the positive changes we developed through our response to the pandemic as well as supporting a full campus experience for our students once again.

Professor Peter Slee, Vice Chancellor

November 2022

## ABOUT THE UNIVERSITY

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Leeds Beckett University is a modern, professional university with ambition. We are proud of our history of education, which began with the founding of the Leeds Mechanics Institute in 1824.

Leeds Polytechnic was established in 1970 and it brought together a number of specialist colleges to meet an increasing demand for professional and technical education in the city. It was the largest polytechnic in Yorkshire with 3,000 full-time students and 4,000 part-time students, with around 450 full-time teaching colleagues.

Today, the University has 2,223 dedicated and talented members of staff who are based across the University's two campuses: the City Campus in the civic quarter of Leeds and its leafy Headingley Campus.

Leeds Beckett University is a community of 23,366 students, of whom 19,831 are in full-time study and 3,535 study part-time. International students come to study with us from over 140 different countries.

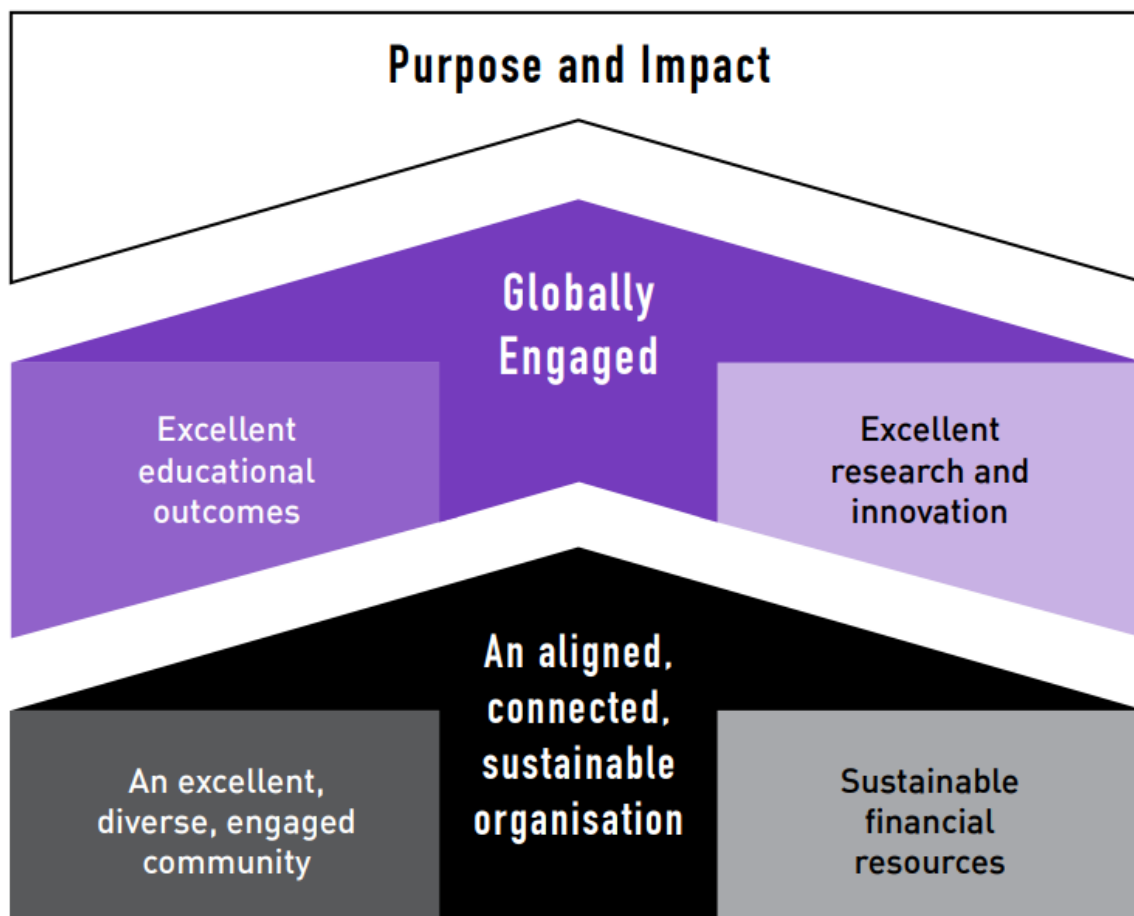
We place huge importance on our role as an anchor institution for Leeds and the wider region, maximising the benefit our presence delivers directly and indirectly to our communities. Leeds Beckett makes a significant impact to the economy, through our teaching and learning, our research and the value of our spending. Every year, the University delivers a £1.43bn impact on the UK economy.

Our vision is to be an excellent, accessible and globally engaged university, contributing positively to a thriving northern economy and our mission is to make a positive and decisive difference to people, organisations and communities through excellent education, research and service.

We aspire to create graduates who will become exceptional employees, dynamic citizens and enterprising leaders. We work closely with employers and partners to ensure that our graduates are ready for work, ready for life, and ready to seize all the opportunities that lie ahead.

## STRATEGIC REVIEW 2021/22

The University's Strategic Planning Framework 2021-2026 sets out our future ambitions. Our new strategy is based on seven key plans, setting our direction, and sharpening our focus to meet the challenges ahead.



The following review outlines our successes and challenges during the last financial year.

### Excellent Educational Outcomes

The University's current evaluation of "Silver" within the Teaching Excellence and Student Outcomes Framework (TEF) was further extended, until the end of the 2021/22 academic year, while the Office for Students (OfS) concluded consultation on the new structure of the TEF, to be implemented in 2022/23. At the same time, the OfS has strengthened condition B3, which focuses on student outcomes and introduced thresholds of baseline performance which, should they not be met, and any shortfall deemed to be significant or systemic, would lead to intervention. These thresholds focus upon continuation after one year of study, overall completion of the intended award and progression to a recognised graduate outcome (either a graduate-level job, or further study).

Our performance in all three measures showed consistent improvement during the past year, with a significant growth in returned completion data, all of which situates the University on, or slightly above our benchmark (which is reflected by the OfS as a benchmark for a highly performing sector and deemed as "very high performance" in the terminology of the TEF). We have received our TEF data for the new exercise, which shows us, in almost all measures, to be deemed to be broadly in-line with benchmarks, our consistent area of challenge being in completion, which, despite recent improvements, is below benchmark (TEF measures being

consolidated over four years). We continue to focus on this measure, along with continuation, as areas of further development which are completely in keeping with the philosophy of our Education Plan.

Through the University's Centre for Learning and Teaching (CLT), research-informed investigation, analysis, creation, evaluation and dissemination of effective academic practices was focused on enhancing course designs, pedagogies and student-focused strategies to achieve excellent educational outcomes. Enhancement focused on developing academic practices that are known to positively impact on student outcomes, maximising the impact of effective academic practices by engaging as many stakeholders as possible, and effectively managing risks relating to course design and pedagogy.

Through the University's Developing Excellent Academic Practice (DEAP) Framework and supporting educational research, development and consultancy programme, colleagues were offered a wide array of integrated opportunities to research, innovate, collaborate, access support, enhance and gain professional recognition for their learning and teaching practice.

A range of research work and project activity addressed the University priorities relating to student progression and continuation. These specifically focused on support and resources for the academic advisor role for all academic staff (including Degree Apprenticeship colleagues), inclusive practice, student pre-arrival transition, decolonisation of the curriculum, research into teaching, and assessment descriptors for postgraduate students.

In 2021/22 CLT worked to empower academic practitioners to expertly design and deliver fully online, hybrid and blended courses using a model of consultancy, advice, guidance and training.

The DEAP Educational Development programme was widely supported with excellent participation from across all Schools and Services. The 2021/22 DEAP programme further supported the operationalisation of the Education Strategy and focused on enhancing course identity and course integrity. Our DEAP Fellowships CPD Scheme provides a route for colleagues to gain HEA Associate Fellowships, Fellowships and Senior Fellowships as professional recognition for their commitment to teaching and supporting student learning and has successfully supported over a hundred colleagues through the current Scheme, who work across Schools and Services in a wide variety of roles that support learning and teaching. We currently have ten National Teacher Fellows (NTFs) all of whom contribute to the support and development of others, and five of whom work directly for the University's Centre for Learning and Teaching. In June 2022, the DEAP22 Conference was held in person for the first time since 2019. It worked to reconnect our learning and teaching community and celebrated the positive reflections of the learning from the work undertaken in this last year and the successful responses colleagues were adopting to the new and emerging challenges.

### ***Student Satisfaction***

The National Student Survey (NSS) 2022 satisfaction scores show a sector still recovering from the impact of the pandemic on students. The University's scores were largely unchanged from those returned in 2021 although we were pleased to note that three quarters of our students agreed with the question "overall, I am satisfied with the quality of the course". The University sits 72<sup>nd</sup> out of 123 universities surveyed.

We had some outstanding achievements: English, Computer Science, Physiotherapy, Human Geography and Planning are in the English top ten for overall satisfaction and our English Literature, Creative Media Technologies, Music Industries Management, and Product Design courses all scored 100% satisfaction.

There are plenty of positives for the University in the 2022 results, nonetheless, like most universities our student satisfaction scores are ten percent lower than they were pre-pandemic. So we, in common with colleagues across the sector, have much to do to support and encourage our students in the year ahead.

### ***Graduate Employment***

The Business Engagement teamwork across our key stakeholders (students/ graduates/ employers and academics) to provide externally informed and professional careers & employability support, education and consultation.

The 2021/2022 academic year has seen the Business Engagement Service continue to build and capitalise on the legacy of the pandemic through greater use of our digital capabilities to engage our students and graduates with a broader suite of services. We have continued to build the team, and introduced some new strategic roles into our services, which supports our ambitions to meet the changeable employability policy landscape, whilst supporting our students to achieve their full potential. These roles include an APP consultant who works to develop differentiated careers support for students who may face real or perceived barriers to progression; and an Enterprise and self-employment consultant to target bespoke services of support for self-employment and freelance progression.

A key agenda over the last year has been to drive a culture of efficient growth and delivery through greater connectivity and alignment across our Service. In addition, we have been developing a 'whole service' approach to employer engagement to offer a strategic and 'joined up' service for employers which promoted broad and deep partnerships regionally, nationally and internationally. This evolving approach will extend our outreach and promote strategic business development which complements not only our Service objectives, but an aligned University wide approach.

Influenced by the policy landscape and the increased scrutiny of employability metrics, we have been rapidly developing our digital and data capabilities. We have recruited a distinct digital content and data insights consultant within the team. This role is of critical value in enabling us to not only analyse our operational data but seek to develop greater intelligence and insight into our student population to drive strategic development of our services. As such in 2021/22 we have piloted a career readiness 'tracker' which we have rolled out as a compulsory component of enrolment and re-enrolment in 2022/23. This data will allow us to better target our services and develop a greater understanding of the preparedness of our students prior to and upon leaving the University.

Our approach to employability at Leeds Beckett during the 2021/22 academic year has been recognised as best practice by the Association of Graduate Careers Advisory Services (AGCAS) through publication in their HE Careers journal, '*Phoenix*', and recognition through an AGCAS Award for Excellence for Equality, Diversity and Inclusion.

### ***School Centred activities***

In 2021/22 we have evolved our approach to employability support within Schools, blending consultancy and delivery to enable academic disciplines to respond to their bespoke employability challenges.

Over the academic year we have seen 233 activities delivered within the curriculum across 76 programmes (75% within OfS defined priority areas), with our largest footprint in Business, Sport, and Arts. This has included in-curriculum module development in partnership with academic colleagues in target programmes, including in Social Sciences. Student module

feedback has been excellent, scoring on average 4.5 out of 5:

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*“I think the module helped me to self-assess and reflect on my motivations, interests, strengths, weaknesses and development needs”*

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*“The module has helped to equip me with the employability skills I need to successfully apply for jobs”*

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*“The module has helped me to engage with career planning and making connections”*

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We continue to ensure that our careers education is informed by the external landscape. As such we have facilitated over 40 partners contributing to lecture and seminars and live projects across our Schools.

### School Specific Developments:

- *Interdisciplinary connections:* Re-aligning our School Consultant Leads to create synergies across subject areas and facilitate interdisciplinary opportunities across School areas for example, our ‘STEM’ cluster bringing together Health and Built Environment, Engineering & Computing; and our connection across Business Management, Sport Management and Event Management. This creates greater scope for cross student, academic and employer collaboration.
- *Micro-teams.* Establishing ‘micro teams’ for each of our Schools. Bringing expert input and representation of colleagues across all aspects of our Service, to driver greater connectivity to employability in/co and ex-curricular and to provide support through the extended student lifecycle and post-graduation.
- *School Planning.* Agreed School objectives jointly owned to facilitate collaboration between Business Engagement and School colleagues to meet specific employability objectives at course, subject and School level and ultimately impact upon institutional KPIs on educational outcomes. These high-level objectives are agreed with the Dean of School and are operationalised by the micro-teams in conjunction with academic colleagues.

### **Central Interdisciplinary Careers Support**

The ‘open to all’ programme is strongly aligned with the rapidly changing student and graduate labour market. This has meant working in an agile manner to introduce various new career development learning interventions and activities throughout the year.

With a strong emphasis on employer-led delivery, students and graduates have continued to access a range of networking opportunities with external organisations. Our professional



## STRATEGIC REVIEW 2021/22

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development programmes have played an important role in fostering an interdisciplinary culture amongst students and graduates. All are delivered in partnership with local employers and have been informed by regional skills shortages. Feedback has shown that these programmes have successfully highlighted non-linear career pathways to students and supported with the development skills that are in demand in the graduate labour market.

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*Before Digital LEAP I was considering strictly careers in Criminology such as Police Officer, Probation Officer but [now], I will consider tech and digital careers. I could see myself in IT support. I loved all the sessions, all of them were helpful. I learnt so much about jobs and all the opportunities in the tech and digital sector that I had no idea about before.” Criminology Student, 2<sup>nd</sup> year*

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2021/22 also saw our award nominated, professional development programme, *Women in Leadership*, head into its 5<sup>th</sup> year supporting a new cohort of students through the 6-month programme. The feedback post programme from the participants continues to highlight the positive impact it is delivering. 100% cited they would recommend the programme to others and that participating in the programme had met their objectives.

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*“The programme was great, I got to meet so many like-minded women. The programme also taught me how to ensure I got the most out of my career and life, for example connecting with like-minded people who can help me progress”*

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Over the last year we have continued to strengthen our digital offer through our systems, My Hub, Abintegro and Beckett Connect (Graduate Support). We have also built traction on our social media platforms; on Instagram we have grown our followers from under 100 at the start of the year to 1,300. Our You Tube channel has developed, with bespoke content, to broaden our ‘catch up’ offer, and we have launched a new ‘*Student Matters*,’ podcast series.

Students have engaged with a vast array of our online employability self-directed learning tools, included CV reviews, video interviews, career assessments and freelance support. The number of job vacancies promoted by the Service continues to be significant, with 3,176 vacancies promoted to students and graduates. These vacancies were generated from 433 organisations the majority being in Yorkshire and Humber (83%).

Finally, in response to the University’s ambitions to increase our international student numbers, we have developed a bespoke and targeted International student careers provision. This includes developing a new partnership with *Student Circus* which launches in 2022/23. This will provide online and workshop support for international students seeking employment in the UK and in their home countries and will support and strengthen our collaboration with the Global Engagement team. The number of international students accessing our central support provision has therefore seen a positive return in 2021/22. In total 36% of all the students who access our central interdisciplinary careers education offer, were international students. Our newly launched workshop provision for international students attracted 1,677 bookings and was informed by an insights survey led by the Business Engagement Team.

Our APP focused programme ‘Elevate’ has continued to build traction with students who may face barriers to progression because of their distinct characteristics. In 2021/22 we have

introduced some innovative collaborative initiatives which have impacted positively upon self-efficacy, confidence and aspirations. For example, our 7-week REACTION 24/7 partnership initiative attracted 378 student applicants from LBU, with 59 participating in live and asynchronous content. Participants reflected that following the programme they felt three times more certain of the steps they need to take to achieve their career goals, and 88% more certain they could achieve those goals.

### ***Experiential Learning and Placements support***

We have continued to work with the Schools to diversify their experiential learning provision and have been working to embed the realignment of the experiential learning team within the Service. The Service is seeking to not only support embedded School activity but provide alternative extended interdisciplinary provision through a centrally focused service which drives scalable experiential learning options, responsive to both student and employer needs.

To further embed our evolving and agile approach, we recognise the need to build on our current policies and definitions. We have recruited a new strategic lead for the team, with vast experience in this field; and commissioned an externally conducted audit and analysis of our current position, with recommended policy developments. The findings will inform the next stages of development to build a robust experiential learning offer for our students and employers, with clarity and consistency of approach for all Schools.

Throughout the academic year we have continued to support our Schools to provide students with opportunities for sandwich and modular placements, supporting over 1,000 students with curriculum-based placement and work-based learning opportunities, and promoting over 1,500 experiential learning opportunities. In addition to this, the team has continued to work closely with Schools across the University, not only to increase the number of opportunities and disciplines in which our students can gain experience with one of our employer partners, but also to diversify the type of opportunities that we are promoting to students across these Schools.

In 2021/22, we have operated a hybrid support provision for experiential learning. This has included on campus workshops and drop-in services combined with a suite of online experiential learning resources and support. Alongside the opportunities for sandwich placements and work-based learning, we have also promoted several summer internships, virtual experiences, part-time work and CPD opportunities. This has included cohorts taking part in virtual internships and employer challenges, increasing their global mobility via exposure to international employers. This is an aspect of the service we are looking to grow in 2022/23.

### ***Graduate Progression Support***

The graduate progression team provide early careers support for our graduates over an extended period, following completion of their studies. Critical to ensuring we deliver services to the right graduates, is the expansion of our data and insights into our graduate populations. In 2021/22, we have embedded a finalist's survey, which has given us invaluable intelligence to allow us to target our provision at graduates in most need. The survey has captured the career plans of over 2,500 of this year's graduates and our 2021 graduates. Over 1,000 of our class of 2022 respondents, indicated that they had no firm career plans at the point of course completion. This data will enable targeted outreach activities to ensure maximum return and impact upon the graduate outcomes survey for our 2022 graduates. The insights we have gained from our 2021 graduates (who were surveyed this September), has enabled us to make personal calls to 563 graduates. These calls are designed to congratulate our graduates, sensitise them to the Graduate Outcomes Survey and connect them back into the University.

In addition to our data capabilities, we have also focused on developing and enhancing our graduate support services to better equip our graduates and stimulate meaningful opportunities. During the last 12 months our 'Business Recovery Programme' has been rebranded and is now referred to as 'Business Growth Funding'. Criteria for this funding have been broadened to extend our reach with employers both locally and nationally. These changes are in direct response to recent research into graduate mobility. This offer has been highlighted during meetings with the West Yorkshire Combined Authority as being an important USP for Leeds Beckett. On average the Graduate Progression Team receives 5 new employer queries regarding the bursary every month. Over 20 different organisations have successfully recruited a new graduate in the last 12 months through using the funding. These organisations all had fewer than 50 employees at the time of recruitment.

We have also launched our new Leeds Beckett Summer Graduate Programme, which is our own distinct professional development initiative delivered in partnership with employer stakeholders. Graduates are able to access a bursary to support their engagement with the scheme and to ensure no graduates are disadvantaged in taking part. The initiative is designed to support graduates in obtaining work experience and offset any costs incurred (e.g., sacrificing a shift at work) through undertaking graduate development activities. Eligibility criteria for this bursary are linked to the University Access and Participation Plan. This year's inaugural programme supported 29 graduates from priority courses in accessing over 75 hours of experiential learning each (2,175 in total), and training/development activities with 16 different organisations. Feedback from participants and employers has been incredibly positive:

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*"The impact of this programme has been immeasurable! The work the graduates have done is astonishing in such a short space of time - they really were engaged and have produced excellent work. My services (and the Council in some areas) will benefit massively from the work these 4 graduates have provided. The detail and amount of work in such a small space of time is outstanding."*

*Heather Barden, Head of Service, Prevention and Promoting Independence at Leeds City Council*

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### **Globally Engaged**

The University continues to have a broad and diverse portfolio of collaborations and partnerships, and currently has 25 collaborative partnership agreements under which academic awards of the University are delivered. Of the 25 collaborative partnerships 15 are overseas and the remaining 10 are in the UK. The University also has partnership agreements in place with 109 other organisations, which are Exchange/Study Abroad, Articulation or Memorandum of Understanding agreements. Of these 36 are in the UK, with 73 located overseas.

The University continues to work closely with overseas regulatory and quality assurance agencies, including the Botswana Qualifications Authority (BQA), Education Bureau (EDB) in Hong Kong, Tertiary Education Commission (TEC) in Mauritius, Malaysian Qualifications Agency (MQA), Ministry of Education (MOE) in Nepal and the Council for Private Education (CPE) in Singapore.

### **Enhancing Academic Quality**

The University has robust processes in place which provide assurance for the quality of teaching, standards, course design and the academic experience of all students.

An Academic Quality and Standards Committee meets throughout the year, overseeing the implementation and operation of the Quality Assurance Framework and provides assurance to the Academic Board and the Board of Governors of the effectiveness of the Framework.

Our provision and practice are fully aligned to the Office for Students (OfS) conditions of registration, and our track record in quality assurance makes us well placed to respond to future reviews by the OfS or other designated quality body and reflects our commitment to continuous improvement.

### **Excellent Research and Innovation**

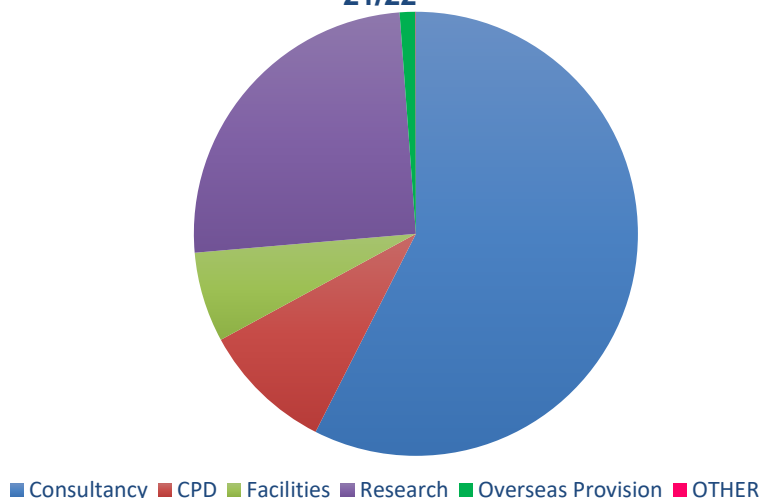
Leeds Beckett University's (LBU) institutional strategic framework for 2021-2026 identifies our ambitions of *'achieving excellent research and innovation at the University'* with a KPI *'of 80% of our academics/ independent researchers producing work of national and international significance'*.

We intend to achieve this goal through:

1. **World leading Research and Innovation:** Supporting academics and schools to generate quality research and innovation that creates benefit and impact locally and globally.
2. **Collaborative knowledge exchange (KE):** Enabling the University to be recognised for excellent knowledge exchange and the positive difference we make as an inclusive anchor to businesses and communities.
3. **An excellent diverse and engaged community:** Engaging colleagues in growing high quality research, innovation, and knowledge exchange and to feel supported to fulfil their potential.
4. **An aligned, connected, sustainable organisation:** Encouraging continuous improvement and providing progressive and accountable compliance assurance across all research, innovation, and knowledge exchange activities.

The current income 2021/22 profile for this portfolio is shown in Figure 1 overleaf. We intend to grow the income profile associated with research to £10m by 2026 and to grow our associated KE activities to £30m.

**Figure 1:  
University Income Profile by HE-BCI Category  
21/22**



### Key successes in 2021/22 in Research and Enterprise

- 59.1% of our overall research quality has been judged either world-leading or internationally excellent.
- Top 10% for research partnerships and top 20% for working with public & 3rd sector in KEF (2020/21)
- Grown KTP programme to 14 which puts us in Top 20 of all universities
- Maintained HE-BCI income at a steady state during the difficult covid period despite significant losses of certain income streams.
- LBU ranks 17<sup>th</sup> in UK for consultancy and 5<sup>th</sup> for the number of SMEs supported (AY 20/21).
- Grown a Degree Apprenticeship programme worth £3.6m (2020/21)

### World Leading Research and Innovation

#### REF 2021

Our REF 2021 submission included 352.7 research staff across 15 units of assessment, almost double the number of staff included in REF 2014. Table 1 shows the results of 2021 compared to 2014 where the significant gains can be seen. 59.1% of our REF 2021 submission was rated 3\* and 4\* (internationally excellent or world leading) up from 34%. The GPA<sup>1</sup> has risen from 2.16 to 2.68 and Power<sup>2</sup> has more than doubled to 945.

**Table 1: Comparison of Institutional results 2014/2021**

Year	FTE of submitted staff	Profile	4*	3*	2*	1*	UC	GPA	Power
2014	201	Overall	8	26	41	21	3	2.16	435
2021	352.7	Overall	15.9	43.2	34.4	6.1	0.4	2.68	945

Table 2 below shows the institutional results across each profile. We submitted 52 Impact case studies, and these were the highest rated part of the submission with 21.6% rated as 4\* or world leading (59.9% rated 3\* and 4\*). Environment was the lowest part of the submission reflecting the relative immaturity of our institution and particularly the low levels of research income when compared to other institutions.

**Table 2: Institutional Results across each Profile**

FTE of submitted staff	Profile	4*	3*	2*	1*	UC	GPA	Power
352.7	Overall	15.9	43.2	34.4	6.1	0.4	2.68	945
	Outputs	15.1	48.1	29.5	6.8	0.6	2.70	953
	Impact	21.6	38.3	38.0	2.1	0.0	2.79	986
	Environment	9.9	33.0	45.7	11.4	0.0	2.41	851

#### Research Innovation

#### Knowledge Transfer Partnerships (KTPs)

The University has achieved significant success in the number of KTPs it has in progress working with businesses. In 2021/22 this stands at 14 KTPs with 3 more KTPs currently in the pipeline for submission. This number places us in the top 20 universities nationally for KTPs.

<sup>1</sup> GPA is an average quality score (4x4\*+3x3\*+2x2\*+1x1\*)

<sup>2</sup> Power = GPA x number of full-time equivalent staff submitted

The Table 3 below shows the KTPs we had in 2021/22.

**Table 3: LBU KTPs 2021/22**

Business name	KTP/mKTP	School	Value	Status
Bensons Control Panels	mKTP	LBS	£203k	Awarded and in recruitment
iKoustic	mKTP	LBS	£176k	Awarded and live (October 2021)
ARC	KTP	BEEC	£185k	Awarded and live (November 2021)
Tomrods	mKTP	LBS	£185k	Awarded and live (March 2022)
Ardent Ltd	mKTP	LBS	£201k	Awarded and live (February 2022)
Aggregate Industries	KTP	SS	£167k	Awarded and live (April 2022)
WSG Interiors	mKTP	LBS	£176k	Awarded and in recruitment
600 UK Ltd	KTP	LBS	£162k	Awarded and live (September 2022)
Sampling International	mKTP	LBS	£162k	Awarded and in recruitment
Riverside Greetings	mKTP	LBS/BEEC	£169k	Awarded and live (June 2022)
Medasil Surgical	mKTP	LBS	£173k	Awarded and in recruitment
Inspired Pet Nutrition	KTP	BEEC/LBS	£187k	Awarded and in recruitment
Aber Instruments (Double Associate Project)	mKTP	LBS	£365k	Awarded and in recruitment

### Research Projects

The scale and range of our research projects is growing, with many of the projects receiving continuation funding and yielding excellent results:

- The €7.4m **REDWoLF** project is now in its final year of delivery, an application for a nine-month extension to September 2023 is underway.
- **Compete In:** An Interreg project facilitating internationalisation of SMEs and policy implications at regional and national government. The project is working closely with the WYCA in addressing key barriers to internationalisation referenced in the draft West Yorkshire International Trade Strategy 2022 – 2025.
- **Erasmus+:** three projects coordinated by LBU (COLECO in LBS, PROMISE in the School of Education, and IMAGE in LSA) came to an end on 31 December 2021. Final reports were submitted and have been graded 'good' or 'very good'. All projects were praised for the level of international co-operation and management at LBU.
- **UKRI/UK:** contracting is underway for £900k (School of Social Sciences) ESRC project, and £120k AHRC (School of Health) projects. An additional £177k (School of Social Sciences) has been secured to further work previously funded by Yorkshire Cancer Research into an EU setting.
- Phase one of the **KTN Cyber accelerator programme** (School of Built Environment, Engineering and Computing) is nearing completion. As the proof of concept has been successful, the project will now access another tranche of available funding. The programme provides commercial support for technology.
- The largest ever secured **ESRC** bid for LBU of just under £1m of funding to carry out a significant over study into unregulated online sperm donation has been awarded.
- A €3m **Horizon Europe** bid has been awarded looking at innovative research on global governance and democracies. The project involved 17 partners in 10 countries and will run for 3 years. Following the Government's decision on Horizon/ EU research funding

for the UK the University will still be an active partner but will no longer be able to take a lead role and funding will be redistributed amongst bid partners to reflect this accordingly.

- **Carnegie Great Outdoors** will be delivering a summer full of activities to around 2,500 young people in a contract funded by the National Children's Society, worth around £275K.

### ***Collaborative Knowledge Exchange***

The University successfully submitted its action plan to the Knowledge Exchange Concordat (KEC) Pilot and is looking forward to engaging with the full KEC Concordat programme. We are also preparing for the outcomes of the review of the Knowledge Exchange Framework (KEF) and our future commitment with it.

In September 2022, we soft launched "The Knowledge Exchange" in Leeds Business School (LBS); a full launch will take place in January 2023 championed by the incoming Pro-Vice Chancellor for Research and Innovation. It includes a range of facilities for hybrid meetings (in person and on-line), collaborations, and informal gatherings which aim to encourage meetings between businesses, academics and students and showcase research and innovation from across the University.

Our University Business Centre (UBC) Leeds is working closely with the Employability and Careers team, LBS's Entrepreneurs in Residence and The Knowledge Exchange to support student start-ups. It will offer less office accommodation and concentrate more on the virtual office services to enable staffing resources to be directed towards its new focus.

UBC Halifax is on track for a managed exit from Piece Mill in December 2022. Working closely with colleagues from Calderdale Council, alternative accommodation is being found for clients to ensure the University has a future active role to support businesses in the area.

Several new and continuation projects for KE continue to develop our profile. They include:

- ERDF – Accelerate part of the Leeds City Region ERDF Ad:Venture project which has supported over 90 businesses since Autumn 2019. The 9th Cohort started with 8 businesses in May 2022.
- The #WECAN project is a £1.7m ESF project lead by LBS which builds leadership skills of women in the region. Running until December 2023 the project has now begun to evidence participant outputs including ILM Level 3 qualifications and to produce research papers and insights.
- Help to Grow Management – A nationwide BEIS-funded programme has now been extended to March 2025. Over the next three years LBS will deliver at least 11 cohorts to around 275 businesses.
- Integrated Healthy Lifestyles Suffolk – The contract with Suffolk County Council, delivered by MoreLife, has been extended and will continue until September 2023. The annual budget is c.£2.7m.
- Our Degree Apprenticeships Acquisition Team have grown a programme worth £3.6m as of 2020/21. They are also recruiting 100 apprentices for September 2022 in the School of Health (Registered Nurse Top Up, Advanced Clinical Practice, District Nurse and Social Work).

### ***Outstanding and Inclusive Community***

The University was awarded the Athena Swan Bronze kitemark this year and we are proud that this highlights the significant work that the University is undertaking to foster an outstanding and inclusive community.



## STRATEGIC REVIEW 2021/22

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We have grown our development and training in support of enhancing our research culture including working with Vitae to launch a Researcher development programme focused on improving research skills. We have also linked up our academics at all stages of their career to Impact Case Study training and development through a programme called Impact Integrators.

With the support of Research England funding, we have launched a Black and Global Majority Research Network. The new Black and Global Majority Researcher Network was launched on 11th May with 36 initial members and interest growing weekly. The network is a collaboration across University services and schools. The purpose of the network is to bring together emerging and established talent to span LBU and foster interaction, collaboration, profile-raising and career development. Also, with the support of Research England we have launched an Equity and Inclusion Fund supporting researchers and the careers of underrepresented groups at the University. A total of 16 projects have been funded.

We are also working with Advance HE who are providing an additional researcher development programme with a primary research project on the barriers that underrepresented academics/researchers face in their careers at LBU.

During the year, 208 staff have attended 27 Research and Enterprise development and training workshops additionally, with a 94% satisfaction rate.

### ***Progressive, Accountable and Sustainable Service***

Our commitment to continuous improvement in pursuit of our research innovation and KE ambitions and more widely against the sector have resulted in the introduction of new measures and some changes.

The Graduate School moved to the Registrar and Secretary's Office this year to align the graduate student experience more closely with the sector.

A new school level subcommittee has been created and approved at academic board, this comes into force in this academic year with a specific remit to support the growth and oversight of Research and Knowledge Exchange and to raise that profile. The Research and Knowledge Exchange Sub-committee will be chaired by School Directors of Research.

A new Research and Information and Governance team was formed in 2021 which will work closely with the University governance team to support the statutory and fiduciary requirements around research governance and knowledge exchange specifically.

A new post of Associate Director for Research and Innovation was created and recruited to. The post will help drive both the quality and scale of research projects being developed by the University over the next five years to fulfil its KPI ambitions.

The University has been awarded Cyber Essentials accreditation which will crucially support future research and innovation particularly around collaborative activities across the sector.

We have begun a full review of our University research systems and infrastructure, and future proofing those systems for the many changes to the sector in this portfolio. A University Research Ecosystem (URE) stakeholder group was formed in 2021 which has just provided an initial report and details of a draft Functional Requirements document to the University Research and Enterprise Committee. The URE has also set up several demos with leading Research Information Systems Platform suppliers over the summer to review what is on the market and its potential.

A new Apprenticeship system, Aptem has been introduced and is now being used to onboard all new apprenticeship students and plans are in place to migrate the first group of our existing apprentices to that system. The University has subscribed to Research Professional to provide and grow funding opportunities and research policy and practice insight

### **An Excellent, Diverse and Engaged Community**

Our mission is to ensure we use our knowledge and resources to make a positive and decisive difference to people, communities, and organisations. Our people are vital to our success and to ensuring our students learn from the most talented academics and have a great experience supported by our colleagues in professional support services.

We are a large, diverse organisation and pride ourselves on our friendly and supportive approach, and our positive role within the city of Leeds. We employ around 2,750 colleagues who ensure we can deliver our commitment to student success, innovation and enterprise, and strong local impact.

Our workforce is relatively stable. We have seen an increase of 46 FTE (full-time equivalent based on HESA data) in overall staffing levels in the last year. We have established a continuous planning process so that we can strategically manage our people and financial resources to deliver the teaching, learning and other services that our students need in an efficient and effective way.

We have emerged from the Covid-19 global pandemic and welcomed students back to campus to a safe, friendly, and welcoming environment for everyone to work and learn. We continue to explore new ways of working, and how we can harness the benefits we have experienced working and delivering learning activity remotely with the vibrant on-campus experience that both students and colleagues enjoy. Many of our staff continue to work flexibly, spending time working remotely with time on campus as needed and we have invested time in understanding the experience of staff working in this way. We have created a 'hub' for professional services staff to create multi-use space where colleagues can meet, work, and collaborate.

We are committed to ensuring that the learning environment of the University reflects the richness of the diversity of our student and colleague body. We continue to adapt our wellbeing support so that colleagues have access to a range of resources to support their continued good mental and physical health. The University has committed to achieve the University Mental Health Charter which recognises best practise in student and staff mental health provision.

The Workforce Plan within the University strategy sets the direction for the development of our workforce for the next five years. One of our first-year priorities has been connecting with, and embedding, the University values of Ambition, Inclusiveness, Integrity, Teamwork, Pragmatism and Purposefulness. Our values shape our culture, they give us clarity, consistency, and a common purpose. They have a direct impact on everybody in our community and act as a touchpoint which helps guide our interactions and decisions.

The employee relations landscape is unsettled, with increased tensions around pay, pensions, and the political context at a national level.

### ***Equality, Diversity and Inclusion***

Equality, Diversity and Inclusion (EDI) are integral to our culture and at the core of how we work with all members of our community. Drawing together our EDI vision, principles, and objectives, we ensure these are embedded within our policies, frameworks, and university life. By promoting EDI, we seek to embrace the rich diversity of our student, academic and professional services colleagues to develop further as a fully inclusive learning organisation and as the best possible place to work and study.

We successfully achieved Athena Swan Bronze Award in recognition of our work on gender equality. The Race Equality Charter agenda is ongoing, and we plan to apply for accreditation in February 2023. We continue to develop and publish EDI dashboards to facilitate detailed analysis of our workforce data from a diversity perspective. We have also published our equality data externally with other Anchor institutions to demonstrate our commitment to improvement and transparency.

We developed and delivered a policy on Preventing and Addressing Bullying, Harassment and Misconduct as part of our readiness to launch Support, Report, Respect at the start of the academic year through the work of a staff/student cross functional group. Our institutional statement is published on the website. Our online reporting tool is available for staff and students to register complaints and/or concerns supported by a cohort of 20 Dignity and Respect advisers to support and encourage staff who need informal trained help.

We have used funding from Research England to deliver three specific interventions with the purpose of:

- Improving access to, and participation in, research, including postgraduate research study, for people from currently under-represented groups
- Improving research leadership skills across all career stages
- Securing and supporting the careers of researchers and associated professions

The Equity and Inclusion Fund provided small grants for research projects that that will further understanding of equity and inclusion. A new Black and Global Majority Researcher Network has been established and directed funding to network members for bespoke career support and collaborative activities. A Researcher Development Programme delivered by Advance HE, focused on developing a research impact and profile and the associated skills needed, attracting applications from under-represented groups.

The University's mean Gender Pay Gap decreased from 10.69% in 2020 to 8.3% in 2021. Our mean Gender Pay Gap is lower than the Higher Education sector average of 16.2% in 2021, and lower than the whole economy average of 15.4%. This data informs our future EDI provisions and a strategic plan for all Schools and Services is to be developed to reflect our commitment to addressing the Gender Pay Gap and meeting Public Sector Equality Duty expectations.

### **An aligned, connected, sustainable organisation**

#### ***Our Estate***

The University's Estates Masterplan was approved by the Board of Governors in October 2019. The Masterplan directly links to the delivery of our Academic and Research Strategy, providing detailed analysis of our estate needs based on directly supporting student learning and teaching, and supporting our research and community-based activities. We are currently reviewing our Estates Masterplan to reflect the whole University community's needs resulting

from the changes in our ways of working initiated as part of our response to the pandemic.

As part of the implementation of the Masterplan we continue to consolidate our portfolio through the disposal of outlying, underutilised buildings. During the year we sold two freehold properties forming part of the University's residential estate, namely Woodhouse Flats and Sugarwell Court, and a third site, Kirkstall Brewery is being actively marketed for sale. The Woodhouse flats sale completed in October 2021 and Sugarwell Court's sale completed in February 2022. We are anticipating that Kirkstall Brewery will be sold within the next twelve months.

We also have a rolling programme of maintenance improvement works to address the condition of the estate in the short to medium term, and to ensure the timely replacement of assets in order to manage the risk of operational disruption.

We have continued to invest in our student experience. During the year we have constructed a new Clinical and Multi-Professional Skills Suite and a Biomedical Science Laboratory in our School of Health at City Campus. This project allows us to offer better facilities to more of our students and it also helps to contribute to the University's anchor strategy: responding to national skills gaps and regional skills priorities. As part of the annual Office for Students, capital funding bidding we successfully secured £2m of funding to help support the costs for this project. These facilities are ready for use in the 2022/23 academic year.

We also started work on creating sustainable and high-quality accommodation for our School of Education in Caedmon Hall. This project is on-going. Alongside this we are looking to create a dedicated building for our Law School at our City Campus; this project is at an early stage, but we anticipate progressing it through the 2022/23 academic year.

### **Sustainability**

As part of our Strategic Planning Framework 2021-2026, we have committed to:

- Use the 17 United Nations Sustainable Development Goals (UN SDG's) to influence the stewardship of all our resources and our role within the regional community
- Achieve annual progress in the Sustainability Leadership Scorecard

### **Sustainability Leadership Scorecard and UN SDG's**

In our last financial statements, we reported that our Sustainability Advisory Group (SAG) has conducted an in-depth gap analysis of AUDE's Sustainability Leadership Scorecard (the scorecard) and found we need to focus on the following areas:

- Climate Change Adaptation
- Food and Drink
- Research (into sustainability and researching in a more sustainable way)
- Learning and teaching (Education for Sustainable Development)
- Risk

The diagram overleaf shows the scorecards main sections, how we have scored ourselves (darker shades) and the achievement target we have set ourselves (lighter shades) for each section.

The overall aim being to achieve a Silver ranking:

Figure 2: Radar Diagram, AUDE Sustainability Leadership Scorecard

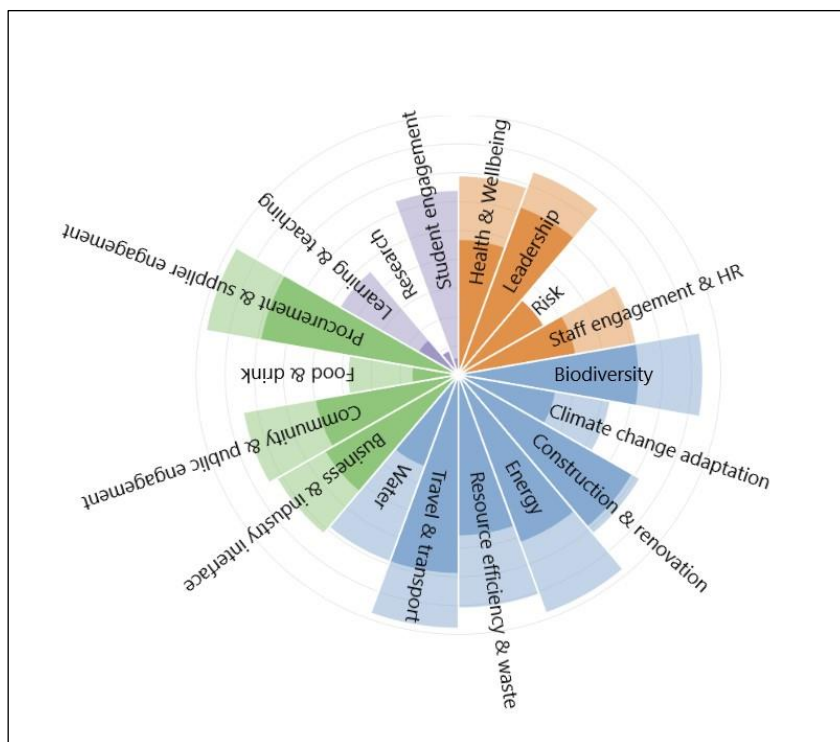


Table 4 below shows the UN SDG’s associated with each priority area identified using the scorecard.

**Table 4: Sustainability Leadership Scorecard priorities mapped against the UN SDGs**

Scorecard priority action	UN SDG
Climate Change Adaptation	No 13 Climate Action No 7 Affordable and Clean Energy
Food & Drink	No 2 Zero Hunger No 12 Responsible Consumption & Production
Research	No 4 Quality Education
Learning and Teaching	No 4 Quality Education
Risk	No 8 Decent Work & Economic Growth No 9 Industry, Innovation & Infrastructure

We highlight below the progress we have made during the year against these objectives.

***Progress on Climate Change Adaptation and Risk***

Recent global events have put the risk associated with energy into stark focus. As a result, we have merged these two priority areas into one and set up an energy strategy group. This group is tasked with developing:

- A roadmap to achieving net-zero carbon emissions,
- Reducing our energy consumption, and
- Identifying on-site renewable energy generation options.

A list of projects has been identified and mapped against our Estates Strategy and Maintenance Investment Programme. We have also completed a major capital development which links four of our largest city centre buildings to the councils District Heating Network, providing low carbon heat to meet our demands whilst moving us away from the use of fossil fuels.

### ***Progress on Food and Drink***

The impact of COVID and the successful introduction of flexible work and study has meant our food provision is currently under review. When the results of this review are made available we will assess how best to progress the actions around a Sustainable Food and Drink Policy, Health and Local Suppliers.

### ***Progress on Research into Sustainability***

To understand how much research into the subject of sustainability has taken place within our University we identified 16 common words and phrases associated with sustainability and the UN SDG's and ran a query on the Leeds Beckett Research Repository.

These queries identified 714 pieces of research activity (13.3% of total records) that have links to the UN SDG's.

Again, a sub-group has been set up develop a suitable strategy to increase our research into sustainability and how to research in a more sustainable way. This group will also report to the SAG.

### ***Progress on Learning and Teaching***

A high-level audit of our curriculum showed:

- 8 out of 11 schools deliver one or more modules within their subject areas that can be considered to deal with a UN SDG directly.
- 10 out of 11 schools deliver a module that touches on some areas of the UN SDG's.
- Less than 25% of all subject areas within our schools deliver a module that maps well to one or more of the SDG's.
- There appears to be no Education for Sustainable Development (ESD) or Sustainability specific modules being delivered.

To understand where and how we can integrate ESD into our curriculum a sub-group has been set up, reporting to the Sustainability Advisory Group (SAG), which is responsible for developing a strategy to enhance our provision of ESD over the next four years. This in turn will progress the UN SDG 4, but more specifically enhance our progress towards 4.7:

*“By 2030, ensure that all learners acquire the knowledge and skills needed to promote sustainable development, including, among others, through education for sustainable development and sustainable lifestyles, human rights, gender equality, promotion of a culture of peace and non-violence, global citizenship and appreciation of cultural diversity and of culture's contribution to sustainable development”.*

### Assessing Environmental Sustainability

There are common metrics used by all business and educational establishments to assess environmental sustainability. We use them to support our ISO 14001 certification and to complete the Estates and Operations section in the scorecard. The metrics are:

- Carbon reduction
- Water reduction
- Waste and Recycling
- Travel and Transport

### Progress on Carbon Reduction

**Table 5: Absolute carbon reduction figures for scope 1 & 2 emissions**

Year	2005 (Baseline)	2015- 16	2016- 17	2017- 18	2018- 19	2019- 20	2020- 21	2021- 22
<b>Scope 1 &amp; 2 Carbon Emissions (tCO<sub>2</sub>e)</b>	17,675	11,534	9,837	9,909	7,524	6,705	7,100	5,632
<b>Reduction (%) against baseline year</b>	0	35	44	44	57	62	60	68

The carbon reductions associated with our Scope 1 and 2 emissions (electricity, gas and vehicle fuel) are attributed to the following:

- National Grid decarbonisation
- Salix energy efficiency projects
- Onsite electricity generation, our Photovoltaic (PV) arrays and Combined Heat and Power (CHP) units generate 11% of the electrical demand for our non-residential buildings,
- Use of CHP units, which generate electrical energy as a byproduct of heating our buildings, have a lower carbon emissions factor,
- Increased efficiencies made by automating the control of building systems, such as lighting, ventilation and heating, through our Building Energy Management System (BEMS)
- Increased monitoring and targeting through our BEMS
- Reduction in our University vehicle fleet and replacement of one diesel vehicle for an electric vehicle.

Whilst our focus on Climate Change Adaptation and Risk will reduce our carbon emissions to zero, it should be noted that the rising cost of energy, due to the aftermath of COVID and the war in Ukraine, is likely to continue in the short term. This makes the case for onsite renewable generation of heat and electrical power, energy efficiency and reduction in consumption at source a top priority.

### Progress on Water Reduction

**Table 6: Reduction in water consumption from across the estate**

Year	2011-2012 (Baseline)	2019-20	2020-21	2021-22
<b>Volume (m<sup>3</sup>)</b>	100,777	85,328	66,699	79,704
<b>Reduction (%) against baseline year.</b>	0	15	34	21

The decrease in water consumption can be attributed to the following:

- Improved leak detection on campus
- Increase metering and monitoring of water consumption at a building level
- Improved repair times due to improved data
- Installation of water saving equipment such as waterless urinals in the new Carnegie School of Sport (CSS) building

Note:

- Although consumption for 2019-2020 shows a 15% reduction, consumption for this year was still quite high as buildings weren't occupied for 5 months of the year due to COVID (March 2020-July 2020).
- Consumption for 2020-2021 is an anomaly due to COVID and the reduced occupancy of our buildings during this period.

### Progress on Waste and Recycling

The figures in Table 7 below are for our Non-Residential Buildings only. Previous reports have included Residential and Construction waste. However, over the reporting period we have sold half of our residential property, so there is no meaningful comparison year-on-year.

Construction waste has been pulled out as it varies to such a large extent each year that it skews the tables, making a year-on-year comparison and setting targets worthless. Instead, we will continue to set a construction and refurbishment target of 90% recycling of all waste for all projects and report on construction waste separately.

Waste generated through our non-residential buildings, offices, lecture theatres, shops etc is comparable year-on-year and can be used to set targets. The weights and associated scope 3 carbon tables are listed in Table 7 below:

**Table 7: Non-residential waste and recycling figures with associated scope 3 carbon emissions**

Year	2018-19 (Baseline)	2019-20	2020-21	2021-22
<b>Waste stream</b>	<b>Weight (tonnes)</b>	<b>Weight (tonnes)</b>	<b>Weight (tonnes)</b>	<b>Weight (tonnes)</b>
Recycled	327.86	198.57	157.9	249.8
Incineration	0.31	0.26	0.0	0.2
Composting	15	15	15.0	15.0
Anaerobic Digestion	36.11	24.97	3.8	19.6
Landfill	7.64	2.97	0.0	0.0
Used to create energy	284.15	163.3	69.9	124.0
Other	0	0	0.0	0.0
<b>Total</b>	<b>671.06</b>	<b>405.06</b>	<b>246.7</b>	<b>408.5</b>
<b>Recycled waste as a percentage of total waste generated (%)*</b>	57	59	72	70
<b>Total carbon (tCO<sub>2</sub>e)</b>	<b>14.78</b>	<b>8.44</b>	<b>5.1</b>	<b>8.3</b>

\*Recycled waste includes anaerobic digestion and composting. Re-use is counted towards this target.



The increase in our recycling rates can be attributed to the following:

- In January 2020 we employed Forge Recycling as our waste contractor as they provide a detailed breakdown of weights for individual bins and skips around the campus, have an average recycling rate of 90% for skips (based on their sites performance) and can ensure 75% of all Dry Mixed Recycling (DMR) and 40% of general waste is recycled.
- Our Waste Co-ordinator has worked with Forge to raise awareness of which waste streams can and cannot be recycled. This has had a significant impact on diverting waste away from general waste bins, especially at our Carnegie Village Halls of Residence, where contamination of recycling bins was a regular occurrence.
- The introduction of well-designed waste recycling points in our new builds and refurbishment projects has resulted in better segregation of waste in high footfall areas.

### **Progress on Travel and Transport**

The 2022 Staff and Student travel survey was carried out between 7th March – 17th April 2022 using online surveys undertaken remotely and face to face. 685 staff and 395 students responded. Key findings include:

- A significant group of staff are now living further from campus. 24% of staff travel more than 20 miles to work, compared to 14% in 2020, and 7% of staff travel over 50 miles, compared to 2.5% in 2020.
- Staff travel behaviour has shifted significantly due to flexible and remote working. 27% of staff reported working from home 5 days a week during the survey window.
- Despite large increases in staff lone car usage, modelled Scope 3 emissions from travel have fallen by nearly 1,000 tonnes CO<sub>2</sub>e, nearly 50% of the 2020 pre pandemic estimation for staff and a more modest 10% for students.
- At our Headingley campus, where car park permits for staff have been temporarily suspended, 62% of staff drove to work as the sole occupant of a car in March 2022 compared to 48% in March 2020. An increase of 14%. Our City campus has also seen a 14% increase in staff traveling to work as the sole occupant of a car, from 17% in March 2020 to 31% in March 2022. The increase at our City campus is more significant, as there are less car parking spaces available, 270 verses 733 at Headingley, and reflects a decrease in the use of public transport due to the pandemic.
- Of staff who visited campus there was a broadly even split of people having 1-3 days on campus at each site, this comprises 58% of staff, the remainder reporting no current weekly pattern.
- Student travel behaviour seems essentially back to pre-pandemic patterns. 63% of students walk or take the bus, although walking rates have fallen as bus rates have risen and car use has fallen once more.

The continued support of the Vice Chancellor, University Executive Team, Board of Governors and commitment to sustainability in our strategic planning framework has been key in progressing a significant amount of work on the sustainability agenda.

### **Student Recruitment**

The University derives 78% of its annual income from the recruitment of students. The sustainability of the University is reliant on the accurate forecasting and successful recruitment of students at a range of levels:

- a. Degree Apprenticeships
- b. Undergraduate (home and overseas)
- c. Postgraduate Taught (home and overseas)
- d. Postgraduate Research (home and overseas)

## STRATEGIC REVIEW 2021/22

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A sophisticated data model was developed in 2019/20 which has significantly enhanced the institution's forecasting accuracy. As a result, while there are small variations across the range of recruitment routes, overall, the University is on track to meet its student recruitment target.

Home full-time undergraduate enrolment for 2022/23 is anticipated to be approximately 5,400, which is in line with the Semester 1 target of 5,486. This is up significantly on the 4,995 students recruited in 2021/22.

The University continues to raise entry grades (now in its fourth consecutive year), having introduced an institution-wide entry grade floor in 2019.

Home postgraduate taught recruitment has been more challenging. A similar enrolment outcome is expected for 2022/23, despite a decline in applications for postgraduate Initial Teacher Education.

The University continues to benefit from a strong and growing reputation overseas. The University has seen a substantial increase in international applications, acceptances, and enrolments this year. We anticipate recruiting over 2,000 international students in 2022/23 in Semester 1.

## FINANCIAL REVIEW 2021/22

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The University has delivered a strong financial performance as we saw a return to the campus following the lifting of the pandemic restrictions. Total income remained stable at £230.9m (£232.0m in 2020/21). This reflected a £10.3m decline in Home undergraduate income, across full and part-time, which was offset by £9.1m (54.1%) growth in our international income. Funding body grants were down on last year as the prior year contained a one-off capital grant release of £3.5m and the additional Office for Students hardship funding resulting from the pandemic. This was offset by increased revenue in 2021/22 from our student accommodation and catering, as we saw a return to campus, and an increase in Knowledge services income as we saw a growth in our mental health and weight management offerings. Costs have been closely managed throughout the period and so we have been able to deliver an underlying operating surplus of £15.9m, equivalent to 6.9% of income.

Underlying operating surplus is calculated before £18.4m of non-cash pension charges that are sensitive to the performance of financial markets and determine the discount and inflation rates used to define the current service costs of our defined benefit pension schemes. It is also before £2.9m of exceptional charges representing £1.8m of fixed asset diminution charges and £1.1m of restructuring costs.

Total expenditure fell during the year, due to non-underlying items in 2020/21 when we incurred £19.2m of exceptional costs associated with the restructuring of our financing facilities. Underlying costs actually increased year on year driven by a higher number of staff, increased travel expenses following the lifting of COVID restrictions and increased energy costs driven by current market conditions including the impact of the war in Ukraine.

Our underlying operating surplus generated net cash inflow from operational activities of £45.4m, equivalent to 19.7% of total income. This strong operational performance allowed us to invest £11.5m in capital and intangible assets during the period, including in our new Biomedical Laboratory and Clinical Skills suite in the School of Health and to fund £19.9m of debt servicing costs including a £10m voluntary prepayment of bank debt during the year. Cash and investment balances increased to £109.8m reflecting a lower level of capital expenditure than we have seen in prior years, as the large capital projects (Leeds School of Arts and Carnegie School of Sports) are now both complete. At the end of July 2021, our cash and investment balances were equivalent to 205 days' worth of recurrent expenditure.

Our balance sheet continues to be strong with net assets before pension liabilities of £301.5m. Our pension liabilities have significantly reduced year on year although they continue to depress the reported value of our net assets. The valuation of our pension liabilities is driven by market conditions at the balance sheet date. In the current year, our largest scheme, the West Yorkshire Pension Fund, has seen positive investment performance compounded by a decrease in the associated liabilities driven by higher interest rates.

The restructuring of our funding arrangements in the prior year has provided us with a solid funding base as we embark on our 2021-26 Strategic Plan. Our robust financial performance and position places us well to respond to continuing uncertainty and change in our funding and control environment, and in the markets in which we operate. Our robust yet prudent planning aims to protect the University from any sudden adverse changes whilst simultaneously providing the experience and facilities that our students and stakeholders need and want.

The University has adequate resources to continue to operate for the foreseeable future and therefore our financial statements are prepared on a going concern basis. We have assessed our financial forecasts, and performed sensitivity analysis of potential scenarios, in reaching this conclusion and we are satisfied that they demonstrate we have appropriate financial

# FINANCIAL REVIEW 2021/22

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strategies in place to support the University's Strategic Plan. We are not reliant on the availability of any funds not already drawn and are in full compliance with our loan covenants.

## PUBLIC BENEFIT STATEMENT

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### Charitable Status

Leeds Beckett University is a not-for-profit organisation with the charitable purpose of advancing education for the public benefit. Delivery of its charitable purpose is at the heart of the University's Strategic Planning Framework 2021–2026, which sets out its vision, mission, values and KPIs that provide stretching targets to advance teaching, learning, research and enterprise. The University's students and colleagues are the charity's immediate beneficiaries, but its reach is extended further to a range of stakeholders including local, national, and international charities, communities, schools, colleges, businesses, and partners. Surpluses generated by the University are reinvested solely for the benefit of our students and our wider University and local community.

The University is an exempt charity within the definition of the Charities Act 2011 and its principal regulator is the OfS. The Board of Governors are the charity's trustees, and they have due regard to the University's charitable purpose when developing and overseeing strategic matters. Membership of the Board for the financial year ending 31 July 2022 is provided in our Corporate Governance Statement on page 31.

The University's charitable status relies on ensuring its activities are in line with its charitable aims. In confirming this statement and in setting and reviewing the University's objectives and activities, the Board of Governors confirms that the trustees have complied with their duty of paying due regard to the Charity Commission's guidance on the reporting of public benefit and particularly to its supplementary public benefit guidance on the advancement of education. This statement has been included in conformance with the formal reporting requirement introduced by the OfS as the principal regulator of English higher education (HE) institutions.

### Advancing Higher Education

The University has a strong tradition of, and continuing commitment to, providing socially-inclusive and life-enhancing HE opportunities for all our students, regardless of their background. We invest in bursary schemes and progression activities to encourage students into HE who traditionally would not have considered this as an option. These students are further supported, as are all our students, by our academic and student services who provide tailored support to give them every opportunity to realise their full potential.

We set our tuition fees to enable the University to provide the highest quality environment and to continuously enhance our academic and pastoral support to our students to promote their success and progression. The fee for all home/EU students beginning a full-time undergraduate Bachelor's degree at the University in the academic year 2021/22 was £9,250. This same fee level was charged on a pro-rata basis for all home/EU students beginning a part-time undergraduate Bachelor's degree.

The University remains committed to supporting students throughout their university career, particularly with overcoming the additional challenges the pandemic has presented.

In 2021/22 the University made over 2,000 awards to support our students, spending over £1.5m through a number of schemes, including our Hardship Fund, Care Leavers and Estranged Student's Bursary and Digital Access Fund.

Our Hardship Fund alone made awards to 1,250 students, delivering £1.1m of awards to support them with their essential living costs.

Since 2020, the University has sought to support students with the additional costs of remote learning through our Digital Access Fund, providing means-tested support up to £500,

## PUBLIC BENEFIT STATEMENT

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towards the cost of IT equipment required for remote study. Through this fund we supported 106 students, spending £51k.

We continue to support students undertaking professional development through our Work Placement and CPD Bursary, supporting low-income students on short and longer-term work placements. We spent £34k through this fund.

We supported 151 students who were either care leavers or estranged from their parents, through our Care Leaver and Estranged Students Bursary. Through this bursary we spent a total of £174k. We continue to also support students who are responsible for the care of another adult, through our Primary Carer Bursary, with a total expenditure of £41k.

The University spent over £94k supporting disabled students to access a range of support, including diagnostic testing and contributions towards the costs of a laptop through Disabled Students' Allowances.

In 2022/23, we will invest £3.0m in financial support for students. We have doubled the amount allocated to hardship to reflect that we expect to see higher demand on our Hardship Fund due to the increases in the cost of living and a continued reduction in the dependence on remote learning now that pandemic restrictions have been relaxed. In addition, we will divert funding previously allocated to our Digital Access Fund, into our Hardship Fund. This will mean we are able to place greater emphasis on more general support. Requests for support for remote learning will be managed through our Hardship Fund on a case-by-case basis.

### **Working with Schools and Colleges to Promote Access to Higher Education**

The University has implemented an innovative and comprehensive programme of events for schools and colleges to raise awareness of HE. Activities include talks and workshops held in schools, which cover topics such as applying to university and preparing personal statements, student finances and student life. Some events are hosted on-campus, including campus tours and HE experience days. Following the pandemic, the University has again increased the scope of our online and on demand activities which have been recognised for their quality in schools and colleges.

We believe longitudinal programmes are the most effective way to raise the attainment of individuals from disadvantaged or underrepresented backgrounds and have responded positively to the Office for Students call to increase attainment raising activities in pre-16 groups. We are proposing three new initiatives across the primary and secondary ages which are currently under review by the regulator. Each programme will focus on building deep partnerships with participating schools to measurably increase attainment amongst the target students. This year our Progression Module programme (a year-long structured programme which aims to support students in Year 12 in their preparation for both higher education and employment) was awarded Gold in the 2022 HEIST awards. The programme which has run for more than 20 years and is delivered in partnership with the University of Huddersfield has reached more than 20,000 students.

We consistently recruit large numbers of students from state schools and from low-participation neighbourhoods and welcome the diversity and drive these students bring to our community. Our Larkia and Ujima programmes, work with South Asian girls and Black African & Black Caribbean boys. We have achieved success in raising the confidence and attitudes of students attending this programme and ultimately show high entry rates into HE. For the first time since 2019 we were able to run these as full residential programmes with students staying in our halls.

## PUBLIC BENEFIT STATEMENT

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We work closely with Go Higher West Yorkshire a diverse partnership of 13 HE providers in West Yorkshire, working together to reduce inequalities in higher education access, success and progression for people from groups who are under-represented in further and higher education. Working with colleges across the partnerships the University has reaffirmed our commitment to supporting students who have previously been in care experienced by signing the Care Leavers' Covenant.

LBU provides inclusive learning pathways combined with a flexible framework of student support. Each academic School monitors a student's engagement with their course of study so we can offer individualised support where a student is identified as being 'at risk' of early withdrawal. In addition, Student Services colleagues are dedicated to ensuring our students get the most from their time at the University and are the central delivery arm of our Student Support Framework strand of our Education Strategy. They provide specialist services to those with particular support needs and act as a signpost to other sources of help and information from across our academic Schools, professional services, the Students' Union and external agencies.

### **Anchor Institution**

The University is a founding member of the Leeds Anchors Network, which aims to increase the impact member organisations have on the Leeds economy, and in particular in promoting inclusive growth. Work is focused on problems defined by the local community and on co-creating effective solutions to them.

Part of the University's 2021–2026 strategy is to be recognised globally and locally as an inclusive Anchor with the people, organisations and diverse communities of the Leeds City Region. We place huge importance on our role as an anchor institution for Leeds and the wider region, maximising the benefit our presence delivers directly and indirectly to our communities. Leeds Beckett makes a significant impact to the economy, through our teaching and learning, our research and the value of our spending.

We commissioned London Economics, leading specialist economic and policy consultants, to analyse the University's economic impact on the UK economy. Every year, the University delivers a £1.43bn impact on the UK economy. This represents a return of more than £6 for every £1 spent on university operations. Every student completing a first degree experiences a net earnings benefit of £67,000 and delivers a net benefit to the public purse of £60,000.

This economic benefit sits alongside the broader impact of the thousands of highly skilled graduates we produce every year, and our world-leading research making a difference to the major challenges of the 21st Century such as climate change, health and inequality.

An example from 2021/22 of our engagement as an Anchor Institution and using our knowledge and skills for the wider public benefit is how History students, led by Dr Simon Morgan from our School of Humanities and Social Sciences, have been working with Leeds Civic Trust to create an interactive map of the statues and commemorative sites in Leeds.

Their project helps deliver one of the key recommendations made by Honorary Alderwoman Alison Lowe OBE (now Deputy Mayor for West Yorkshire Policing and Crime) after her independent review of statues in Leeds. Leeds City Council asked her to identify any statues in Leeds which might commemorate individuals connected directly with the oppression of black people during the slave trade. No such connections could be found. But her report recommended that descriptions of the statues should be refreshed and given a more detailed historical description explaining why they were commissioned.

## PUBLIC BENEFIT STATEMENT

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Our students have completed this task as part of their Public History Project module, and the result is the Monument Map, the first detailed (and interactive) map setting out the location of every commemorative site in Leeds (including the mural on our Students' Union building of Rob Burrow MBE ) and a clear and concise description of who is being commemorated and why.

This is a wonderful example of our role as an anchor institution in our city. Here, the knowledge and skills of our students and staff have been deployed to enhance the cultural understanding of part of our city's past and the way it informs our present. It is also demonstrates how good anchor projects are win-win. Our community has access to our valuable expertise. But our students also gain through access to an innovative and collaborative research project which develops their skills as historians and develops qualities which will pave the way to new employment opportunities.

### **Commitment to Corporate Social Responsibility**

The University is committed to operating in an ethical manner and is involved in a range of activities that support the social wellbeing of the wider community.

The University actively encourages students and colleagues to volunteer, signposting them to opportunities to use their skills to give something back and shape the society in which they live. Local schemes range from helping school children with their reading, to supporting a city or neighbourhood event. The University continues to support the local economy through procurement. Discretionary spend in West Yorkshire is 58%, in Leeds 52% and over 50% with small and medium sized enterprises.

The University continues to work collaboratively with local organisations to make a positive socio-economic impact on the communities of the Leeds City Region.

The University works in partnership with the City Council and other universities and colleges in Leeds to run a Neighbourhood Helpline, which assists in the resolution of issues in the wider community that involve students, including noise nuisance and antisocial behaviour, and promotes the importance of community and being a good neighbour.

We will continue to play a pivotal role in the region as a driver of economic, social and cultural development. Working with our partners across the region, we will continue to develop a flexible and skilled workforce which will meet these needs.



## CORPORATE GOVERNANCE STATEMENT

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Leeds Beckett University is a higher education corporation established under the Education Reform Act 1988 ('ERA').

The University is committed to upholding the principles of good corporate governance and public interest governance. The University considers that its Board of Governors has fully complied with the Higher Education Code of Governance during the financial year ended 31 July 2022.

The University is registered with and regulated by the Office for Students. As a registered provider of higher education, the University is subject to the general ongoing conditions of registration which include requirements relating to access and participation, quality and standards, student protection, financial viability and sustainability and governance and management in the public interest.

The University has exempt charitable status as defined in the Charities Act 2011. This means that it does not need to register with the Charity Commission and is accountable to the OfS. The charitable purpose of the University is the advancement of education for the public benefit. The Board of Governors, both collectively and individually as trustees, has complied with the duty to have due regard to the guidance on public benefit published by the Charity Commission and its supplementary public benefit guidance on the advancement of education. Further information on the delivery of the University's charitable objectives for the public benefit can be found in the Public Benefit Statement on page 27.

The University's framework of governance is set out in its Instrument and Articles of Government which are supplemented by Standing Orders and a Code of Conduct for Governors.

The Board of Governors is committed to maintaining the highest standards in all aspects of the University's governance. The University aims to conduct its business in accordance with the seven principles of Public Life (selflessness, integrity, objectivity, accountability, openness, honesty, and leadership) and during the financial year ended 31 July 2022, has complied with the six primary elements of governance as set out in the Higher Education Code of Governance produced by the Committee of University Chairs as well as the Public Interest Governance Principles of the Office for Students.

### **Board of Governors**

The Board of Governors is the governing body of the University and is chaired by Mr David Lowen.

In 2021/22, the board had a membership of 21 governors, comprised of:

- thirteen independent governors
- two external co-opted governors, including one with experience in the provision of education, as required by our Constitution
- two internal co-opted governors including one Dean of school and one member of professional services staff
- one governor who is a member of academic staff nominated by the Academic Board
- two governors nominated by the Students' Union
- the Vice Chancellor, who is its only executive member.

The Board continued to operate virtually for the most part in 2021/22 due to the Covid-19 pandemic but began to resume activities on campus in the spring of 2022. Its meetings in May and July of 2022 were held on campus. The Board received frequent communication from management throughout the pandemic in relation to its impact on the University's

## CORPORATE GOVERNANCE STATEMENT

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operations, and preparations for welcoming students back to campus in September 2021 in line with UK Government guidelines. The Board has been pleased with and has supported continued measures taken by the University to support students to graduate and progress in their studies, and to maintain the University's infrastructure and effective services.

### Board Evaluation

The Board of Governors undertakes effectiveness reviews on a three-year cycle, with an internal review process supported by the Registrar & Secretary and Secretariat team alternating with independent, externally facilitated reviews.

At its meeting in November 2021 the Board agreed that an externally facilitated review of its effectiveness should take place in 2021/22 under the auspices of a steering group chaired by Dr Andrew West, Chair of the Governance & Nominations Committee.

Advance HE was appointed to conduct the review and fieldwork completed in July 2022. The overall conclusion is that governance is very effective at the University with a number of key strengths identified along with some developmental areas for further consideration. A draft report was considered by the Governance & Nominations Committee in October 2022, and the final report and associated action plan will be submitted to the Board at its meeting in November 2022.

The last independent review took place in 2014/15 facilitated by the Higher Education Consultancy Group. Since then, there has been considerable change in the higher education landscape, among the most notable the implementation of the Higher Education & Research Act 2017 and the establishment of the Office for Students.

### Board Composition

The Board's membership underwent a number of changes during the academic year 2021/22. Andy Brown stood down as independent governor and Deputy Chair and Professor Andrew Cooper as a governor nominated by Academic Board on 31 August 2020. In January 2022 Dr Oliver Bray was appointed as a governor nominated by Academic Board. In March 2022, the Board approved the appointments of independent governors Stephen Magora and David Morgan and external co-opted governor Shwetal Shah. On 7 October 2022, Professor Lisa Stansbie stood down as a co-opted governor.

As of December 2021, Anouska Ruane is no longer a member of the Board. Student governors Pango Simwaka and Meg Darroch stepped down at the end of their terms of office on 30 June 2022.

Lucy MacDonald and Ashleigh Pinnock joined the Board as student governors on 22 July 2022 following their respective elections as SU President and Welfare Officer in the Students' Union.

The Board remains committed to improving its diversity profile and to developing senior governors of the future as well as investing in the development of Board talent generally for non-executive roles and potentially improving the pipeline of diverse talent. This has been a key consideration in recruitment searches for new governors during the 2021/22 year.

Membership of the Board during 2021/22 and up to the date of signing of the Financial Statements is set out in the Table 8 below:

## CORPORATE GOVERNANCE STATEMENT

**Table 8: Membership of the Board during 2021/22**

<b>BOARD OF GOVERNORS 2021/22</b>		
David Lowen (Chair)	Independent Governor	
Qari Asim	Independent Governor	
Dr Oliver Bray	Academic Board Nominee	Appointed 04 January 2022
Andy Brown	Independent Governor	Stood down 31 August 2021
Cielo Cartwright	Independent Governor	
Professor Andrew Cooper	Academic Board Nominee	Stood down 31 August 2021
Meg Darroch	Student Governor	Stood down 30 June 2022
Alan Gay	Independent Governor	
Rachel Hewitt	Independent Governor	
Professor Christina Hughes	Co-opted Governor	
Professor Nicki Latham	Independent Governor	
Lucy MacDonald	Student Governor	Appointed 22 July 2022
Stephen Magora	Independent Governor	Appointed 11 March 2022
Barry Matthews	Independent Governor	Stood down 31 August 2022
David Morgan	Independent Governor	Appointed 11 March 2022
Jo Norry	Co-opted Governor	
Ashleigh Pinnock	Student Governor	Appointed 22 July 2022
Rob Purdy	Independent Governor	
Anouska Ruane	Independent Governor	Ended 17 December 2021
Mphango Simwaka	Student Governor	Stood down 30 June 2022
Shwetal Shah	Co-opted Governor	Appointed 11 March 2022
Professor Peter Slee	Vice Chancellor	
Professor Lisa Stansbie	Co-opted Governor	Stood down 07 October 2022
Dr Andrew West	Independent Governor	
Nick Whitaker (Deputy Chair)	Independent Governor	

The University offers a comprehensive induction programme to new governors which is tailored to their individual needs. The core offering provides an overview of the higher education sector, details about how the University is governed and regulated as well as briefings on key strategic, financial and operational matters for the Board. This was offered virtually during 2021/22. New governors have the opportunity as part of their induction to meet the Chair of the Board and other governors, the Vice Chancellor and members of the

## CORPORATE GOVERNANCE STATEMENT

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University Executive Team and are offered the opportunity to pair with a longer standing independent member of the Board as part of a “buddy” scheme.

All governors are supported to take part in relevant training and development. In 2021/22 governors attended a variety of sessions run by AdvanceHE through its governor development programme, including the annual higher education governance conference and targeted development sessions for staff and student governors. Our student governors also took part in Coole Insight’s Student Governor Support Programme, delivered in partnership with Aaron Ross Porter Consultancy.

In 2021/22 we launched a programme of informal briefings to provide governors with an opportunity for more in-depth knowledge about areas identified as priorities. A number of informal briefing sessions were also held with the aim of providing governors with a more in-depth overview of particular areas. Sessions included presentations from the Leeds School of Arts, Leeds Business School and Carnegie School of Sport, business engagement and student progression and employability, the Research Excellence Framework and international student recruitment. The programme will continue in 2022/23.

Governors are offered the opportunity to share their perspectives and experience with different Schools and Services of the University through a pairing scheme. This also affords them the chance to learn more about the area with which they are paired and familiarise themselves with different areas of the University’s activity.

In line with the University’s Instrument of Government, the Board of Governors is authorised to remunerate independent governors in acknowledgement of the services they perform for the University as:

- Chair of the Board
- Chairs of Board committees.

In November 2021 the Board approved an additional proposal that the outgoing Deputy Chair be remunerated at the same level as that of the Committee chairs, as exceptionally in 2021/22 the Deputy was not also a chair of a Committee. The Board has reverted to the practice of appointing a Deputy Chair from among the Committee chairs from 2022/23.

The decision regarding payments is made by the Board following the completion of an annual review process for the chairs and on the recommendations made by the Governance & Nominations Committee which oversees and considers the outcomes of the annual review process. Note 9 to the financial statements shows the remuneration paid to governors in 2021/22 for the contribution of chairs in the financial year ended 31 July 2021.

All governors are entitled to reimbursement of out-of-pocket expenses incurred in discharging their responsibilities and these amounts are published on our website on a quarterly basis.

The University maintains a register of interests of governors, senior managers and managers with budgetary responsibility which is available for inspection on request to the University Registrar & Secretary’s office. The register is an important part of the way in which the University evidences objectivity and impartiality in decision making and also provides transparency of the steps it takes to avoid any conflicts of interest as a publicly-funded body.

Caroline Thomas was the Registrar & Secretary and Clerk to the Board of Governors, as defined in the Articles, and held the position throughout 2021/22.

## CORPORATE GOVERNANCE STATEMENT

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### The Work of the Board and its Committees

The Board's responsibilities are set out in the University's Articles of Government and the Board has a Statement of Primary Responsibilities. All members of the Board are expected to observe the seven Principles of Public Life (the Nolan Principles, 1995), the Six Key Elements of Higher Education Governance set out in the Committee of University Chairs' Higher Education Code of Governance (2020), and the Office for Students' Public Interest Governance Principles, notably Principle IX, which requires members of the Board to be "fit and proper" persons.

Responsibilities reserved for the Board's decision include:

- Approving the mission and strategic direction of the University.
- Ensuring the financial health, solvency and probity of the institution.
- Safeguarding the good name, reputation and values of the University.
- Making appropriate provision for the support, advice, guidance and welfare of students in consultation with the Academic Board.
- Appointing the Vice Chancellor of the institution as chief executive, and to put in place suitable arrangements for monitoring his/her performance.
- Appointing a Clerk to the governing body.

In 2021/22, the Board met formally on four occasions. In addition, a virtual 'Away Day' was held in October 2021 at which the Board focused on the University executive's priorities for 2021/22 and the University's vision to 2026. This builds on the Strategic Planning Framework 2021 to 2026, approved by the Board on 16 July 2021.

Two informal "Away Day" sessions were held prior to the formal meetings on 11 March and 20 May 2022, focusing respectively on the Office for Students' consultation on new approaches to regulating student outcomes, and the Research Excellence Framework results.

This year the Board has continued to focus on the University's financial sustainability, emerging higher education policy, the regulation and assurance of academic quality and standards, compliance with the regulatory requirements, student recruitment, setting tuition fees and future shape and sustainability of its Estate. It has also had oversight of the Advance HE review of its effectiveness and considered its future composition and membership and succession planning, with several new independent governors joining the Board in March 2022.

The Board met remotely in the first part of 2021/22 as the sector emerged from Covid-19 restrictions and continued to monitor the impact of the virus on University operations. Governor meetings on campus resumed in May 2022 and the Board continues to provide scrutiny and constructive support to the University's management as it responds to the fast developing and changing national economic and policy context for higher education.

The University's financial position and various scenarios informed by estimates for student recruitment and progression were considered by governors. The Board remains satisfied that the University's financial position is stable for 2022/23 and looking ahead to 2022/23, remains sustainable despite the disruptions caused by the pandemic and the impact of inflation and the wider economic climate.

In undertaking its responsibilities, the Board operates a committee structure which includes the following five committees:

- Finance, Staffing and Resources Committee

## CORPORATE GOVERNANCE STATEMENT

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- Audit Committee
- Governance and Nominations Committee
- Senior Staff Remuneration Committee
- Chairs' Committee

These committees are formally constituted with terms of reference and are made up of predominantly independent members of the Board. Each committee chair reports to every meeting of the Board on the areas of activity delegated to the Committee and any matters for Board approval.

### Finance, Staffing and Resources Committee

Membership 2021/22
Alan Gay (Chair)
Cielo Cartwright
Stephen Magora (joined 11/03/2022)
Jo Norry (joined 04/01/2022)
Professor Peter Slee
Anouska Ruane (ended 17/12/2021)
Pango Simwaka (stepped down 30/06/2022)
Professor Lisa Stansbie (stepped down 07/10/2022)

During the reporting period, the Finance, Staffing and Resources Committee met four times. An informal session was held prior to the main meeting in April in order to allow focused discussion of the development of an institutional digital, data and information technology strategy for the University.

The Committee advises the Board on matters including the University's financial strategy, the solvency of the institution and the safeguarding of its assets, its human resources strategy, estates, capital expenditure and compliance with any related legal and regulatory frameworks including health and safety. The Committee receives standing updates on these matters at each meeting.

Key areas of focus for 2021/22 have been:

- The review and endorsement of the annual financial statements
- Approval of the University's capital and expenditure budgets
- Equality, Diversity & Inclusion
- Staffing matters and the implementation of Human Resources' priorities for 2021/22
- Approving proposals for capital projects which will create new homes and improved accommodation for the School of Health, the Carnegie School of Education and the Leeds Law School as part of the estates masterplan
- IT strategic portfolio and the development of a digital strategy
- Financial sustainability

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### Audit Committee

<b>Membership 2021/22</b>
Nick Whitaker (Chair)
Qari Asim
Professor Christina Hughes
Barry Matthews
David Morgan
Rob Purdy

The Audit Committee is responsible for reviewing the effectiveness of the University's system of risk management and internal control. It reviews the University's financial statements and makes recommendations to the Board for their approval or otherwise in accordance with the OfS Accounts Direction.

In the reporting period, the Audit Committee met on four occasions by Microsoft Teams.

The Audit Committee met with the internal and external auditors separately and without the presence of management at least once during the academic year. Each meeting was attended by representatives of the internal auditors. The external auditors were present for the review of the University's financial statements.

The Committee considered detailed internal audit reports and recommendations for the improvement of the University's systems of internal control, together with management responses and implementation plans. This year the internal audit programme comprised nine reviews, including: a review of the University's approach to Student Health and Wellbeing; Creditors; Insurance Arrangements; Data Quality – HESES; Financial Accounting; Management of Overseas Agents; HR Data Management; CRM Project Assurance; and Governance of Concordat for Research Integrity. Additionally, throughout the year the internal auditors completed in-depth follow-up work on cyber security recommendations from the 2020/21 audit.

During the year, the Committee considered 'deep-dive' analysis reports on several different areas of the Corporate Risk Register, including themes on HR, Cyber Security and Financial Services. Additionally, the Committee received regular reports and assurances on our apprenticeship delivery and compliance with Education and Skills Funding Agency (ESFA) and Office for Standards in Education, Children's Services and Skills (OfSTED) expectations.

The Committee completed a tender exercise for the appointment of internal auditors, with new internal auditors approved by the Board of Governors to begin on 1 August 2022.

In 2022/23, a tender process for the appointment of external auditors will be overseen by the Audit Committee, with final approval of appointments being sought from the Board of Governors.

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### Governance and Nominations Committee

<b>Membership 2021/22</b>
Dr Andrew West
Dr Oliver Bray (joined 04/01/2022)
Meg Darroch (stepped down 30/06/2022)
Rachel Hewitt
Tracey Lancaster
David Lowen
Professor Peter Slee
Nick Whitaker
Shwetal Shah (joined 11/03/2022)

The Governance and Nominations Committee advises the Board on its composition and membership, succession planning and the appointment of governors, remuneration of chairs and best practice in governance, including recommendations from the Committee of University Chairs. It also oversees compliance with regulatory requirements, in particular progress against the Access & Participation Plan and other student related governance and regulatory matters such as reports from the University on student complaints and appeals and OIA referrals to gain assurance that the procedures for their management are operating satisfactorily. The Committee keeps a general overview on OfS regulatory notices and advice and the management of requests under the Freedom of Information Act 2000 and the Data Protection Act 2018.

In 2021/22 the Governance and Nominations Committee met 3 times and its work included:

- Developing the scope and monitoring the progress of the governance effectiveness review
- Governor recruitment and appointments
- Student wellbeing and safety
- Consideration of the University's compliance with UKVI requirements
- Monitoring progress against the University's Access and Participation Plan targets
- Board Equality, Diversity & Inclusion activity particularly with regard to governor recruitment practices and induction, development and retention
- Monitoring of the constitutional arrangements of the University's subsidiary and associated companies
- Monitoring the University's compliance with the Modern Slavery Act
- Reviewing proposals for the operation of the Board and its committees in 2021/22.

In July 2022 the Board approved an amendment to the Committee's terms of reference, to include the monitoring of student wellbeing and safety matters. This follows a particular focus on this area during the 2021/22 year through a series of reports considered at each meeting. The Committee will receive an annual report on student wellbeing from 2022/23 onwards.



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### Chairs' Committee

Membership 2021/22
Chair of the Board - David Lowen Chair of the Audit Committee and Deputy Chair of the Board – Nick Whitaker Chair of the Senior Staff Remuneration Committee – Professor Nicki Latham Chair of the Finance, Staffing & Resources Committee – Alan Gay Chair of the Governance and Nominations Committee – Dr Andrew West Vice Chancellor - Professor Peter Slee (ex-officio)

The Chairs' Committee has delegated authority to take decisions on matters of importance which would normally be referred to the Board of Governors (except those matters expressly reserved to the Board by the Articles of Government or by formal resolution of the Board), but which are agreed by the Chair, the Registrar & Secretary and the Vice Chancellor to require decisions as a matter of urgency.

In 2021/22 the Chairs' Committee met regularly in advance of each Board meeting and away day to agree the agenda, discuss the development of the new Strategic Planning Framework and to receive key strategic updates from the Vice Chancellor.

### Senior Staff Remuneration Committee

Membership 2021/22
Nicki Latham (Chair) Cielo Cartwright David Lowen Nick Whitaker Dr Andrew West

The Senior Staff Remuneration Committee is responsible for agreeing the policy and framework for the remuneration of senior staff, reviewing and determining the salaries and terms and conditions of employment of senior staff within the agreed policy and framework and monitoring the performance of the Vice Chancellor, Deputy Vice Chancellors and the University Secretary & Registrar as designated senior post holders.

The Committee makes decisions in line with the Operating framework for Senior Pay which was approved by the Board of Governors in May 2022. The Committee meets twice a year and the HR department service the meetings.

In accordance with the Committee of University Chairs' Higher Education Senior Staff Remuneration Code, the University published its annual report in August 2022 on its website. The report was approved by the Board of Governors and summarises the work and key decisions made by the Senior Staff Remuneration Committee.

The details are included in the Annual Report on Senior Staff Remuneration on page 47. The University considers that it is fully compliant with the requirements of the Remuneration Code.

### Academic Board

The Academic Board is the University's principal academic authority. Subject to the powers of the Board of Governors and the Vice Chancellor, it is responsible for overseeing the academic affairs of the University, the design and implementation of the academic

## CORPORATE GOVERNANCE STATEMENT

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regulatory framework, and for general issues relating to learning, teaching and research. It has thirty-five members drawn entirely from staff and students and it is chaired by the Vice Chancellor.

The Academic Board provides a summary report of its proceedings to the Board of Governors after every meeting.

The Academic Board met four times during 2021/22 and in addition to its routine business it considered:

- OfS consultations on the future regulation of higher education quality and standards
- Access and Participation and proposed variations for the 2023/24 plan
- The outcomes of the Research Excellence Framework
- Preparations for the next Teaching Excellence Framework
- Degree Apprenticeships and the establishment of a new DA governance framework
- A review of proposals relating to degree algorithms
- National Student Survey outcomes
- Amendments to the Academic Engagement Policy
- The establishment of School Research & Knowledge Exchange Sub-Committees
- Academic Regulations.

Members of the Board of Governors have a standing invitation to attend meetings of the Academic Board.

The terms of reference and membership of the Boards and their committees are reviewed annually.

### **Executive Management**

Professor Peter Slee is the Vice Chancellor and as the Chief Executive Officer is responsible to the Board of Governors for the organisation, direction and executive management of the University.

The Vice Chancellor is the 'Accountable Officer' for the University under the regulatory framework of the OfS.

### **Public Disclosure**

The agendas and unreserved papers and minutes of the meetings of the Board of Governors and its committees are publicly available on the University's website.

### **Modern Slavery**

The University has a zero-tolerance approach to modern slavery and is committed to acting ethically and with integrity in its operations.

The University mitigates risks in this area by:

- Promoting awareness and training to all key stakeholders including a communication anti-slavery day.
- Embedding compliance with the Modern Slavery Act 2015 in procurement procedures, policies and activities.
- Working collaboratively with consortia to identify and assess potential risk areas in our supply chains.
- Having a Whistleblowing policy in place for colleagues to raise a concern about wrongdoing by the University.

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The Board of Governors has approved a statement in relation to modern slavery and human trafficking, in compliance with the Modern Slavery Act 2015, which is published on the University's website and reviewed and updated annually.

### **Financial Control**

The Board is required to secure the economical, efficient and effective management of the University's resources (value for money) in accordance with the terms and conditions of any funding and to safeguard its assets, including the prevention and detection of fraud.

The Board is responsible for ensuring the University's financial sustainability and it is an ongoing condition of registration with the OfS that the University is financially viable and sustainable, has the necessary financial resources to provide and fully deliver the HE courses that it has advertised and is contracted to deliver to students, and has the necessary financial resources to comply with all the conditions of registration.

Key elements of the University's financial control system include a comprehensive, strategic planning process, underpinned by annual income, expenditure, capital and cashflow budgets, and monthly reviews of financial performance. The Finance, Staffing & Resources Committee undertakes detailed reviews of financial planning and performance on behalf of the Board. The Board receives regular forecasts of financial out-turn. Comprehensive financial regulations and procedures are in place and define the system for approval and control of expenditure, including the responsibilities and levels of authority of managers. These are reviewed at least annually and are subject to Board approval. Capital investment is subject to rigorous appraisal and review. The system of financial control is also reviewed by the internal auditor which reports its findings to the Audit Committee.

The Board has placed significance on the annual report and opinion of the Audit Committee in relation to the University's risk management, control and governance, and its value for money, and the management and the quality assurance of data submitted to HESA, the Student Loans Company, the OfS and other bodies. In coming to its opinion, the Audit Committee and the Board has been mindful of the reports presented to it from both management and external assurance providers, in particular the work of the internal and external auditors.

David Lowen, Chair of the Board

## RISK MANAGEMENT

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The OfS Regulatory Framework sets out public interest principles which are applicable to all registered providers. Amongst these is the requirement for providers to operate comprehensive risk management and control arrangements to ensure the sustainability of the provider's operations and its ability to comply with the conditions of registration. In line with OfS requirements and the Higher Education Code of Governance, the Board of Governors has received assurance that an effective system for managing risk is in place across the University.

The Board of Governors has ultimate responsibility for risk management and internal control. The Board, supported by the Audit Committee, and the University Executive Team set the tone for risk management across the University, through their respective oversight and ownership of strategic risks relating to the full range of business, financial, operational and compliance activities. The Board approves the corporate strategy and budget, reviews progress against KPIs, and takes account of opportunities and risks in decision-making. The Audit Committee has delegated authority to monitor and review management of the University's framework for risk management and the effectiveness of the University's internal controls system.

The University's approach to risk management is to be risk aware rather than risk averse, and to operate on the understanding that risk can be minimised to within tolerance but not eliminated. In line with the Risk Management Policy, a system for identifying, reporting and managing risk is in place, and is considered as part of the University's strategic and annual planning process. The University incorporates dialogue with the Insurance Team into the risk review process to identify where insurance cover may transfer and mitigate against the impact of risks, should they occur.

The University's risk appetite statement and Risk Management Policy was last reviewed in 2021. The statement of risk appetite is regularly reviewed by the Audit Committee and changes approved by the Board of Governors. The Risk Management Policy and risk appetite statement will be reviewed and aligned with the revised approach to managing strategic risks.

The new Corporate Risk Framework was presented to the University Executive Team and signed off by the Audit Committee in February 2022.

The Corporate Risk Register documents significant institutional risks and ensures that the latest sector insights inform the overall risk profile and related mitigations. The Corporate Risk Register is owned at Executive level and is reviewed quarterly, presented at each meeting of the Audit Committee and considered by the Board of Governors on an annual basis. The Corporate Risk Register identifies three core risks areas: 'Quality', 'Business Continuity', and 'Financial Sustainability'; this framework supports wider leadership team discussion of specific risks. A Board Assurance Framework captures information on controls and assurances, linked to institutional performance through KPIs. This is reviewed annually by Audit Committee and informs the annual internal audit plan. The Corporate Risk Register is also shared with Schools and Services to inform operational risk management.

Each School and Service has an operational risk register, owned by local management and reviewed on a quarterly basis. Risks are linked to strategic priorities to ensure risks are appropriately focused on achieving the University's objectives. Maintenance of operational risk registers across the University allows risks to be identified, managed and escalated as appropriate, and this is further supported by an annual review of operational risk management. Significant risks that do not meet the threshold for the Corporate Risk Register are reflected and actively managed across the University by risk leads.

## RISK MANAGEMENT

### Principal Risks and Uncertainties

The University's Risk Management Framework and its system of internal controls is designed to mitigate the most significant risks. The Framework recognises that the sector and the global economy are facing significant uncertainty and the pandemic has heightened some risks.

The University regularly reviews its principal risks as part of its strategic planning process. Table 9 below sets out key strategic risk areas and explains, in brief, how each area is addressed.

**Table 9: Key Strategic Risk areas and how they are addressed**

<b>Risk area</b>	<b>University's approach</b>
<p><b>R1 - OfS Registration</b> This risk reflects the complexity of the current regulatory environment and the wide-ranging actions required to ensure ongoing compliance with OfS registration conditions.</p>	<p>The University's corporate governance structure oversees OfS compliance, monitoring performance metrics and implementation of wide-ranging actions required to ensure ongoing compliance, and this is reported to the Board.</p>
<p><b>R2 - OfSTED/apprenticeships</b> This risk outlines the challenges of the regulatory framework for apprenticeship delivery.</p>	<p>The University has detailed plans for OfSTED inspections, monitoring of action plans and addressing requirements for continued improvement with our apprenticeship delivery.</p>
<p><b>R3 - Staff engagement and performance</b> This risk reflects the importance of staff engagement and performance in delivering the University's strategic objectives.</p>	<p>Working with schools and services, HR oversees performance monitoring, staff survey actions, a workforce framework and range of policies, procedures, guidance and training to support staff, as set out in our Workforce Plan. The Finance, Staffing &amp; Resources Committee has strategic oversight and is responsible for advising the Board on human resources strategy.</p>
<p><b>R4 - Business Continuity</b> The University is required to have adequate plans to manage incidents and support business continuity in order to reduce business interruption and subsequent longer-term impact.</p>	<p>Major Incident management and business continuity plans, coupled with skilled and experienced staff, support incident management and business recovery arrangements. Regular testing and training ensure plans remain fit for purpose.</p>
<p><b>R5 - Cyber security</b> The impact of this cross-cutting risk is reflected across the full range of the University's activities as well as impacting on our general management of business continuity.</p>	<p>To support our IT Strategy, protect the University's core infrastructure and responsiveness to cyber threats, cyber resilience resources and mitigations, skilled and experienced staff, colleague training and cyber security policies are in place.</p>
<p><b>R6 - IT and digital infrastructure</b> This risk reflects the complexity of managing our digital infrastructure to support evolving business needs.</p>	<p>The ICT Strategic Board oversees ongoing management of performance and requirement needs alongside long-term insight into future digital requirements. Regular updates are reported to the Audit Committee.</p>

## RISK MANAGEMENT

Risk area	University's approach
<p><b>R7 - Capacity to withstand impact of inflation</b> This risk reflects the challenge of managing our costs and financial sustainability in response to rising inflation.</p>	<p>The University deploys a range of financial planning approaches (including budgeting and forecasting tools), supported by a comprehensive procurement framework to drive value for money and cost control. The Finance, Staffing &amp; Resources Committee has strategic oversight and is responsible for advising the Board on financial strategy.</p>
<p><b>R8 - Sustainability of staff cost base</b> This risk reflects the significance of staff costs as a proportion of our overall running costs, in an environment where resources also need to be aligned with evolving delivery needs.</p>	<p>HR oversees the development of an effective workforce through a data-informed approach to understanding staffing needs alongside control of staff recruitment. The Finance, Staffing &amp; Resources Committee has strategic oversight of staffing matters.</p>
<p><b>R9 - Restrictions on recruitment</b> A wide range of potential risks, such as changes to Government Policy and other impacts relating to funding rules, could impact on our recruitment plans and subsequently on financial sustainability.</p>	<p>Intelligence-informed market analysis, data-informed curriculum development and detailed planning and analysis of student numbers supports our management of student recruitment risks.</p>

## STATEMENT ON INTERNAL CONTROL

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The Board of Governors is responsible for ensuring that the University has a sound system of internal control and a robust Risk Management Framework in place, and that it has reviewed and is assured of their effectiveness.

The University's system of internal control is designed to manage rather than eliminate risk and to provide reasonable, but not absolute, assurance of effectiveness. It supports the achievement of the University's aims and objectives and safeguards public and other funds and assets for which it is responsible.

The University's approach to internal control is risk-based, examining the likelihood of risks materialising and the impact on the University should risks materialise.

The Board has received assurance, through reports from the University Executive and Audit Committee, that the University's arrangements for risk management and internal control are robust and embedded in the University's ongoing operations.

The Audit Committee undertakes detailed review and monitoring of the system of internal controls on behalf of the Board. The Audit Committee is informed by a range of assurance sources, including meetings with and reports from its internal and external auditors, and reports from the University Executive on risk and control matters.

The Audit Committee provides an annual report to the Board of Governors setting out how risks have been identified and managed and considers the arrangements in place for the detection of fraud, bribery and corruption, and other irregularities.

The Audit Committee considered the Internal Audit opinion on risk management and internal control at its meeting on 4 November 2022 and was satisfied with the outcome.

Assessment of the effectiveness of the University's internal control and risk management is informed by a variety of supporting processes and reporting mechanisms, which include:

- Reports and recommendations provided by internal and external auditors
- Risk-based internal audits are undertaken and form part of the internal audit opinion
- Observations of the external auditors and management letter
- Maintenance and monitoring of the Risk Management Framework by the Executive and Audit Committee, including Board level review of the University's process for identifying, evaluating and managing the University's most significant risks
- Regular reports to the Audit Committee about management of the University's business, data assurance, compliance, financial and operational risks
- Audit Committee review of the adequacy of the University's policies and procedures in respect of fraud and irregularity, bribery, public interest disclosure ('whistleblowing'), and compliance with the Prevent duty. The Audit Committee also receives notification of any action taken in these areas.
- Regulatory updates to the Board at each of its meetings and annual assurance of compliance with OfS conditions of registration to the Audit Committee. Interim updates are provided by correspondence where appropriate.
- Annual data assurance report.
- Review of the University's Financial Statements, procurement and Financial Regulations.
- Annual report on research misconduct and research integrity.

The Board of Governors receives reports from the Chair of the Audit Committee concerning internal controls and risk management and requires regular reports from managers on steps taken to manage the risks to delivery of objectives including progress reports on key strategies and initiatives.

## STATEMENT ON INTERNAL CONTROL

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During 2021/22, the University's internal audit service was provided by KPMG LLP. The University's internal audit function provides the Board of Governors, through the Audit Committee, and senior management with independent assurance on the adequacy and effectiveness of the University's risk management, control and governance; value for money arrangements; data quality; as well as informing the Board's review of the effectiveness of the system of internal control. It covers all the activities of the University's operations, resources and responsibilities through an annual programme of work that is agreed between the Audit Committee, the Executive and the internal auditors. The internal auditors submit regular reports to the Audit Committee, which includes an annual independent opinion on the adequacy and effectiveness of the system of internal control, together with any recommendations for improvement where identified. The Audit Committee's work is further informed by reports from management on the implementation and development of audit recommendations.

From 1 August 2022, Uniac provides the University's internal audit service. Appropriate handover and continuity arrangements have been put in place.

BDO LLP provided the University's external audit service during 2021/22. As outlined in the University's Financial Regulations, the primary role of external audit is to report on the University's financial statements and to carry out such examination of the financial statements and underlying records and control systems as are necessary to reach their opinion on the financial statements and to report on the appropriate use of funds.

No significant internal control weaknesses have been identified for the year ended 31 July 2022 and up until the date the financial statements were signed.



## ANNUAL REPORT ON SENIOR STAFF REMUNERATION

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This statement is based on the report made to the Board to provide assurance on the work of the Senior Staff Remuneration Committee (SSRC) in accordance with the Higher Education Senior Staff Remuneration Code.

By visibly adopting the Remuneration Code, governing bodies demonstrate leadership and stewardship in relation to remuneration within their institutions, and in doing so help to protect institutional reputation and provide greater assurances to key stakeholders and partners, including the student community and wider society. The Code is voluntary, and Leeds Beckett University is pleased to comply with the minimum requirements of this Code.

The Code states that fair and appropriate remuneration requires three key elements:

- a fair, appropriate, and justifiable level of remuneration;
- procedural fairness; and
- transparency and accountability.

The Committee's work is split into separate meetings:

- Meeting A is concerned with all remuneration issues covered by the TOR except for the Vice-Chancellor
- Meeting B is concerned with the remuneration of the Vice-Chancellor only

Membership of the Committee over the reporting period was:

- Nicki Latham, Independent Governor and Chair of SSRC
- David Lowen, Independent Governor and Chair of the Board
- Nick Whitaker, Independent Governor and Chair of Audit Committee
- Andrew West, Independent Governor and member of Governance and Nominations Committee
- Andy Brown, Independent Governor (stepped down at the end of his 3rd and final term on 31 August 2021 resulting in a vacancy for one independent Governor)

In attendance: Peter Slee, Vice Chancellor (for Meeting A only)

In attendance: Heather Paver, Executive Director of HR

In attendance: Sarah Swales, Deputy Director, HR acting as Secretary to the Committee

### Approach to Remuneration

The SSRC meets in accordance with the Operating Framework approved by the Board of Governors in July 2018. The Operating Framework ensures transparency, best practice, and alignment with the HE Sector's regulatory framework.

The SSRC meetings take place twice a year. On 30 April 2021 the policy and process for determining remuneration within the University was reviewed and the pay review process for the Vice-Chancellor and Senior Post-holders approved. Senior Postholders are the three Deputy Vice-Chancellors and the University Secretary. The SSRC also has oversight of the remuneration of senior staff within the University.

The autumn meeting on 22 October 2021 was split into two parts; Meeting A reviewed the performance of the Senior Post-holders and was attended by the Vice-Chancellor. Meeting B focused on the performance and pay of the Vice-Chancellor. The Vice Chancellor does not attend Meeting B. Both meetings determine any pay award.

At the October meetings the SSRC received papers setting out the context for the performance and remuneration review including the impact of COVID-19 and information about senior pay externally and within the Higher Education sector (Appendix 3 paragraph5).

## ANNUAL REPORT ON SENIOR STAFF REMUNERATION

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The Committee gives due consideration to equality data in relation to pay. A pay award of 1.5% on average was made to colleagues on the National Pay Framework in 2021. In addition, incremental awards were made in line with our local terms and conditions, and this amounted to a further average increase of 1.2%.

### Remuneration of Senior Postholders

During Meeting A held in October 2021 the SSRC received a report on the performance of the Senior Post-holders from the Vice-Chancellor. The Vice Chancellor recommended that the Senior Post-holders should be treated in the same way as for all other colleagues at the University and receive a pay award of 1.5%. SSRC endorsed the Vice-Chancellor's recommendation; a pay award of 1.5% was enacted for Senior Post-holders.

SSRC also noted that the Senior Staff Pay Award process had taken place and that all senior staff at the University had received a pay award of 1.5%. A small number of senior staff received a discretionary award based on performance outcomes and some had their pay adjusted in line with internal and external benchmarks.

### Remuneration of the Vice-Chancellor

During Part B the SSRC received a report on the performance of the Vice-Chancellor from the Chair of the Board of Governors. The Chair of the Board of Governors recommended that the Vice-Chancellor should be treated in the same way as for all other colleagues at the University and receive a pay award of 1.5%. SSRC endorsed the Chair of the Board of Governor's recommendation; a pay award of 1.5% was enacted for the Vice-Chancellor.

The Vice-Chancellor's basic salary is 6.7 times the median pay of basic salary of staff as of 31 July 2021, where the median pay is calculated on a full-time equivalent basis for the salaries paid by the provider to its staff. In terms of total remuneration, the Vice-Chancellors' total remuneration is 7.4 times the median total remuneration of staff where the median is calculated on a full-time equivalent basis for the total remuneration paid by the provider to its staff.

The Vice-Chancellor does not receive any additional remuneration or non-standard benefits in addition to base salary and standard employer pension contributions.

### Equal Pay

SSRC gives due consideration to the principle of equal pay for work of equal value and notes analysis of relative pay by gender, and detailed benchmarking data to provide assurance of the senior staff pay process.

## RESPONSIBILITIES OF THE BOARD OF GOVERNORS

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In accordance with the Articles of Association, the Board of Governors of Leeds Beckett University is responsible for the administration and management of the affairs of the University and is required to prepare and publish audited financial statements for each financial year. The Board is responsible for keeping proper accounting records which disclose, with reasonable accuracy, at any time, the financial position of the University, and which ensure that the financial statements are prepared in accordance with applicable UK accounting standards and statutory requirements.

Due regard has been given to applicable laws and accounting standards, including the 'Statement of Recommended Practice (SORP): Accounting for further and higher education' the OfS Accounts Direction and FRS 102.

In the preparation of the financial statements, the Board has taken reasonable steps to ensure that:

- suitable accounting policies are selected and applied consistently
- judgements and estimates are made that are reasonable and prudent
- applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements
- it is appropriate for the financial statements to be prepared on the going concern basis.

The Board of Governors has taken reasonable steps to:

- ensure that there are appropriate financial and management controls in place to safeguard public funds and funds from other sources
- safeguard the assets of the University and to prevent and detect fraud and other irregularities
- ensure that funds, grants and income for specific purposes are used only for the purposes for which they have been given
- secure the economical, efficient and effective management of the University and the group's resources and expenditure.

In so far as the Board of Governors is aware:

- there is no relevant audit information of which the auditor is unaware
- the Board of Governors have taken all reasonable steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

David Lowen  
Chair of the Board

Professor Peter Slee  
Vice Chancellor

## INDEPENDENT AUDITOR'S REPORT

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### INDEPENDENT AUDITOR'S REPORT TO THE BOARD OF GOVERNORS OF LEEDS BECKETT UNIVERSITY

#### Opinion on the financial statements

In our opinion, the financial statements:

- give a true and fair view of the state of the Group's and of the University's affairs as at 31 July 2022 and of the Group's and the University's income and expenditure, gains and losses, changes in reserves and of the Group's and the University's cash flows for the year then ended; and
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice.

We have audited the financial statements of Leeds Beckett University ("the University") and its subsidiaries ("the Group") for the year ended 31 July 2022 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 Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

#### Basis for opinion

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

#### Independence

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

#### Conclusions relating to going concern

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

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

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

## INDEPENDENT AUDITOR'S REPORT

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### Other information

The board of governors is responsible for the other information. 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 we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information including the Vice Chancellor's Foreword, About the University, Strategic Review 2021/22, Financial Performance 2021/22, Public Benefit Statement, Corporate Governance Statement, Statement of Internal Control, Annual Report on Senior Staff Remuneration, Responsibilities of the Board of Governors, and, in doing so, consider whether the other information is materially inconsistent with the financial statements, or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information we are required to report that fact.

We have nothing to report in this regard.

### Opinion on other matters required by the Office for Students ("OfS") and Research England

In our opinion, in all material respects:

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

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

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

### Responsibilities of the Board of Governors

As explained more fully in the responsibilities of the board of governors statement set out on page 42, the board of governors is responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the board of governors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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



## INDEPENDENT AUDITOR'S REPORT

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

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

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

Based on our understanding of the Group and the sector in which it operates, we identified that the principal risks of non-compliance with laws and regulations are related to their registration with the Office for Students ("OfS) and their ongoing conditions of registration, and we considered the extent to which non-compliance might have a material effect on the Group Financial Statements or their continued operation. We also considered those laws and regulations that have a direct impact on the financial statements such as compliance with the OfS's Accounts Direction and tax legislation. Auditing standards limit the required audit procedures to identify non-compliance with these laws and regulations to enquiry of the Board and other management and inspection of regulatory and legal correspondence if any.

We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls) and determined that the principal risks were related to posting inappropriate journal entries to manipulate financial results and management bias in accounting estimates.

The audit procedures to address the risks identified included:

- Reading minutes of meetings of those charged with governance, reviewing internal audit reports and reviewing correspondence with relevant regulators to identify any actual or potential frauds or any potential weaknesses in internal control which could result in fraud susceptibility
- Discussions with management, including consideration of known or suspected instances of non-compliance with laws and regulations and fraud, including direct representation from the Accountable Officer
- Challenging assumptions made by management in their significant accounting estimates in particular in relation to the pension scheme liabilities, debtor recoverability and the useful economic lives of fixed assets
- In addressing the risk of fraud, including the management override of controls and improper income recognition, we tested the appropriateness of certain manual journals, reviewed the application of judgements associated with accounting estimates for the indication of potential bias and tested the application of cut-off and revenue recognition
- Identifying and testing journal entries, in particular any journal entries posted by key management, manual journals posted to payroll and round number journals
- Testing a sample of research grants income recognised during the year, and amounts deferred at year end, to ensure they have been classified and recognised correctly
- Testing a sample of other income recognised during the financial year to ensure they have been accounted for in the correct accounting period
- Testing a sample of tuition fees for courses which span the year end to ensure they have been accounted for in the correct accounting period.



## INDEPENDENT AUDITOR'S REPORT

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

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

In addition, we also report to you whether income from funding bodies, grants, and income for specific purposes and from other restricted funds administered by the University have been properly applied only for the purposes for which they were received and whether income has been applied in accordance with the Statutes and, where appropriate, with the Terms and Conditions of Funding with the OfS and Research England.

### Use of our report

This report is made solely to the governors, as a body, in accordance with Section 75 of the Higher Education Research Act 2017. Our audit work has been undertaken so that we might state to the University's board of governors those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the University and the board of governors as a body, for our audit work, for this report, or for the opinions we have formed.

[Signature]

James Aston (Senior Statutory Auditor)  
For and on behalf of BDO LLP, Statutory Auditor  
London, UK

[Date]

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



# CONSOLIDATED AND UNIVERSITY STATEMENT OF COMPREHENSIVE INCOME

	Notes	Consolidated		University	
		31 July 2022 £'000	31 July 2021 £'000	31 July 2022 £'000	31 July 2021 £'000
<b>Income</b>					
Tuition fees and education contracts	1	180,049	181,290	180,049	181,290
Funding body grants	2	13,737	19,432	13,737	19,432
Research grants and contracts	3	4,480	4,202	4,480	4,202
Other income	4	32,305	26,858	25,065	21,246
Investment income	5	296	190	796	190
Donations and endowments	6	37	54	37	54
<b>Total income</b>		<b>230,904</b>	<b>232,026</b>	<b>224,164</b>	<b>226,414</b>
<b>Expenditure</b>					
Staff costs	8	143,183	136,938	135,070	129,759
Fundamental restructuring expenses	8	1,061	2,963	1,061	2,963
Other operating expenses	10	61,054	76,208	62,105	77,777
Depreciation and Impairment	12	21,712	27,170	21,499	27,043
Interest and other finance costs	11	9,306	8,204	9,306	8,203
<b>Total expenditure</b>	12	<b>236,316</b>	<b>251,483</b>	<b>229,041</b>	<b>245,745</b>
<b>(Deficit) before taxes, gains and losses</b>		<b>( 5,412)</b>	<b>( 19,457)</b>	<b>( 4,877)</b>	<b>( 19,331)</b>
Gain / (loss) on disposal of fixed assets	16	7,242	( 4,200)	7,242	( 4,200)
<b>Surplus / (deficit) for the year before tax</b>		<b>1,830</b>	<b>( 23,657)</b>	<b>2,365</b>	<b>( 23,531)</b>
Taxation	14	49	( 58)	-	-
<b>Surplus / (deficit) for the year</b>		<b>1,879</b>	<b>( 23,715)</b>	<b>2,365</b>	<b>( 23,531)</b>
Actuarial gain in respect of pension schemes	28	194,558	25,655	194,558	25,655
<b>Total comprehensive income for the year</b>		<b>196,437</b>	<b>1,940</b>	<b>196,923</b>	<b>2,124</b>
Represented by:					
Endowment comprehensive income for the year		-	26	-	26
Restricted comprehensive income for the year		( 97)	( 1,410)	( 97)	( 1,410)
Unrestricted comprehensive income for the year		196,325	3,141	197,020	3,508
Attributable to the University		196,228	1,757	196,923	2,124
Attributable to the non-controlling interest		209	183	-	-
		196,437	1,940	196,923	2,124
<b>Surplus / (deficit) for the year after tax attributable to:</b>					
Non-controlling interest		209	183	-	-
University		1,670	( 23,898)	2,365	( 23,531)
<b>Total comprehensive income for the year after tax attributable to:</b>					
Non-controlling interest		209	183	-	-
University		196,228	1,757	196,923	2,124

All items of income and expenditure relate to continuing activities.  
The accompanying notes and policies on pages 58 to 85 form part of these financial statements.





## CONSOLIDATED AND UNIVERSITY CHANGES IN RESERVES

Consolidated	Endowments	Restricted	Unrestricted	Total excluding non- controlling interest	Non- controlling interest	Total
	£'000	£'000	£'000	£'000	£'000	£'000
<b>Balances at 1 August 2020</b>	<b>70</b>	<b>6,340</b>	<b>29,645</b>	<b>36,055</b>	<b>1,072</b>	<b>37,127</b>
Surplus / (deficit) for the year	26	26	( 23,950)	( 23,898)	183	( 23,715)
Other comprehensive income	-	-	25,655	25,655	-	25,655
Transfers between reserves	-	-	-	-	-	-
Release to unrestricted reserves	-	( 1,436)	1,436	-	-	-
<b>Balances at 1 August 2021</b>	<b>96</b>	<b>4,930</b>	<b>32,786</b>	<b>37,812</b>	<b>1,255</b>	<b>39,067</b>
Surplus / (deficit) for the year	-	26	1,644	1,670	209	1,879
Other comprehensive income	-	-	194,558	194,558	-	194,558
Dividends to Non-controlling interest reserve	-	-	-	-	( 500)	( 500)
Transfers between reserves	-	-	-	-	-	-
Release to unrestricted reserves	-	( 123)	123	-	-	-
<b>Balances at 31 July 2022</b>	<b>96</b>	<b>4,833</b>	<b>229,111</b>	<b>234,040</b>	<b>964</b>	<b>235,004</b>

University	Endowments	Restricted	Unrestricted	Total excluding non- controlling interest	Non- controlling interest	Total
	£'000	£'000	£'000	£'000	£'000	£'000
<b>Balances at 1 August 2020</b>	<b>70</b>	<b>6,340</b>	<b>28,061</b>	<b>34,471</b>	<b>-</b>	<b>34,471</b>
Surplus / (deficit) for the year	26	26	( 23,583)	( 23,531)	-	( 23,531)
Other comprehensive income	-	-	25,655	25,655	-	25,655
Transfers between reserves	-	-	( 4)	( 4)	-	( 4)
Release to unrestricted reserves	-	( 1,436)	1,436	-	-	-
<b>Balances at 1 August 2021</b>	<b>96</b>	<b>4,930</b>	<b>31,565</b>	<b>36,591</b>	<b>-</b>	<b>36,591</b>
Surplus / (deficit) for the year	-	26	2,339	2,365	-	2,365
Other comprehensive income	-	-	194,558	194,558	-	194,558
Transfers between reserves	-	-	-	-	-	-
Release to unrestricted reserves	-	( 123)	123	-	-	-
<b>Balances at 31 July 2022</b>	<b>96</b>	<b>4,833</b>	<b>228,585</b>	<b>233,514</b>	<b>-</b>	<b>233,514</b>

# CONSOLIDATED AND UNIVERSITY STATEMENT OF FINANCIAL POSITION

	Notes	Consolidated		University	
		31 July 2022 £'000	31 July 2021 £'000	31 July 2022 £'000	31 July 2021 £'000
<b>Non-current assets</b>					
Intangible assets	15	8,322	9,403	8,020	9,062
Tangible assets	16	357,791	375,237	357,771	375,207
Investments	17	37	37	37	37
Trade and other receivables		678	765	678	765
		<b>366,828</b>	<b>385,442</b>	<b>366,506</b>	<b>385,071</b>
<b>Current assets</b>					
Stock		1	1	1	1
Trade and other receivables	19	15,759	11,079	14,873	13,031
Investments	20	55,900	15,899	55,900	15,899
Cash and cash equivalents	21	53,872	62,534	51,631	58,798
		<b>125,532</b>	<b>89,513</b>	<b>122,405</b>	<b>87,729</b>
Less: Creditors: amounts falling due within one year	22	( 55,954)	( 45,142)	( 53,995)	( 45,463)
<b>Net current assets</b>		<b>69,578</b>	<b>44,371</b>	<b>68,410</b>	<b>42,266</b>
<b>Total assets less current liabilities</b>		<b>436,406</b>	<b>429,813</b>	<b>434,916</b>	<b>427,337</b>
Creditors: amounts falling due after more than one year	23	( 133,784)	( 147,405)	( 133,784)	( 147,405)
<b>Provisions</b>					
Pension provisions	28	( 66,484)	( 241,820)	( 66,484)	( 241,820)
Other provisions	29	( 1,134)	( 1,521)	( 1,134)	( 1,521)
<b>Total net assets</b>		<b>235,004</b>	<b>39,067</b>	<b>233,514</b>	<b>36,591</b>
<b>Restricted Reserves</b>					
Income and expenditure reserve - endowment reserve	30	96	96	96	96
Income and expenditure reserve - restricted reserve	31	4,833	4,930	4,833	4,930
<b>Unrestricted Reserves</b>					
Income and expenditure reserve - unrestricted reserve		229,111	32,786	228,585	31,565
		<b>234,040</b>	<b>37,812</b>	<b>233,514</b>	<b>36,591</b>
Non-controlling interest		964	1,255	-	-
<b>Total Reserves</b>		<b>235,004</b>	<b>39,067</b>	<b>233,514</b>	<b>36,591</b>

The financial statements on pages 54 to 85 were approved by the Board of Governors on 25 November 2022 and were signed on 28 November 2022 on its behalf by:

D LOWEN  
Chair of the Board

P SLEE  
Vice Chancellor

P HARRISON  
Director of Finance



# CONSOLIDATED STATEMENT OF CASH FLOWS

	Notes	Year ended 31 July 2022 £'000	Year ended 31 July 2021 £'000
<b>Cash flow from operating activities</b>			
Surplus / (deficit) for the year before taxation		1,830	(23,657)
<b>Adjustment for non-cash items</b>			
Depreciation and Impairment	12	21,712	27,170
(Increase) / decrease in stock		-	-
(Increase) / decrease in debtors	19	(4,184)	1,047
Increase / (decrease) in creditors	22	10,409	4,455
Increase / (decrease) in pension provisions	28	15,192	12,423
Increase / (decrease) in other provisions	29	(387)	(992)
<b>Adjustments for investing or financing activities</b>			
Interest receivable		(296)	(190)
Interest payable	11	9,306	8,204
(Gain) / loss on sale of tangible assets		(7,242)	4,200
Capital grant income		(998)	(5,913)
Exceptional expenses relating to refinancing		-	19,228
<b>Cash flows from operating activities</b>			
		<u>45,342</u>	<u>45,975</u>
Taxation	14	49	(58)
<b>Net cash inflow/(outflow) from operating activities</b>			
		<u>45,391</u>	<u>45,917</u>
<b>Cash flows from investing activities</b>			
Proceeds from the sale of tangible assets		15,567	8
Capital grants receipts		2,419	1,604
Movement on deposits		(40,001)	(108)
Investment income		(163)	190
Payments made to acquire tangible assets		(10,894)	(29,684)
Payments made to acquire intangible assets		(612)	(1,862)
Dividends paid to non-controlling interests		(500)	-
Lease Premium		(559)	(555)
		<u>(34,743)</u>	<u>(30,407)</u>
<b>Cash flows from financing activities</b>			
Interest paid		(5,276)	(4,723)
New bank loans		-	30,000
New finance leases		-	-
New lease and leaseback arrangement		807	59,700
Repayment of amounts borrowed		(14,575)	(40,256)
Capital element of finance lease rental payments		(266)	(55,658)
Other interest-free loans repaid		-	(127)
		<u>(19,310)</u>	<u>(11,064)</u>
<b>Increase / (decrease) in cash and cash equivalents in the year</b>			
	21	<u>(8,662)</u>	<u>4,446</u>
Cash and cash equivalents at beginning of the year	21	62,534	58,088
Cash and cash equivalents at end of the year	21	53,872	62,534



# STATEMENT OF PRINCIPAL ACCOUNTING POLICIES

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## 1. Basis of preparation and consolidation

These financial statements have been prepared in accordance with the Statement of Recommended Practice (SORP): Accounting for Further and Higher Education issued in 2019 and in accordance with Financial Reporting Standards (FRS 102). The University is a public benefit entity and therefore has applied the relevant public benefit requirement of FRS 102. The financial statements are prepared in accordance with the historical cost convention and following the Governors' review of our long-term sustainability.

The material accounting estimates and judgements applied in these financial statements relate principally to the pension provisions made and also to amounts provided for bad debts, reinstatement of alterations to leasehold properties on termination and the lives estimated for fixed assets.

Assumptions relating to the pension provisions made and, in particular, in respect of the funded LGPS scheme with WYPF, are set out in Note 27. In making these judgements the University has taken note of advice from Aon Hewitt Limited, who prepared calculations of the provisions. The calculations of the WYPF provision is sensitive to the choice of discount rate and the estimate of changes to salaries, pensions and mortality. A change of 0.1% in discount rate would change the provision made by around £8.5m; a change in the rate of salary increase of 0.1% would change the provision made by around £1.1m; a change in the rate of pension increase of 0.1% would change the provision made by around £7.4m; and a change one year in mortality would change the provision made by around £11.4m. Changes in these assumptions would also affect the projected annual service cost by up to £0.4m in the case of the mortality assumptions.

The Governors are satisfied that Universities Superannuation Scheme meets the definition of a multi-employer scheme, which under Section 28 of FRS102 means that we have recognised the discounted fair value of our contractual contributions under the deficit funding plan in existence at the date of approving the financial statements.

Debtors are reviewed annually and amounts which are deemed to be irrecoverable are written off, subject to approval of the Board of Governors. Remaining balances at the year-end are then reviewed on the basis that amounts that appear to be more than twelve months overdue are provided for. This is adjusted for in specific circumstances, including adding in accounts that are less than twelve months overdue but are demonstrably not recoverable, and reduced by a percentage estimated to be recoverable for some groups of overdue debt.

Where leases of property require that property to be handed over in a certain condition at the end of the lease, the value of alterations made is estimated and a proportion of this is used as the amount likely to be required for reinstatement. This provision is then built up evenly over the life of the lease but is reviewed annually and re-estimated as properties approach the end of each lease, with advice provided by the University's estates management team and their professional advisors.

Depreciation is based on the estimated life of the asset and, additionally buildings are depreciated based on their individual components, both for new buildings and where a valuation was used as deemed cost for the conversion to FRS102. The information used to identify different components and their costs is based on advice from the University's professional advisors. For alterations to existing buildings and other assets the colleagues

## STATEMENT OF PRINCIPAL ACCOUNTING POLICIES

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who are responsible for proposing and managing the project provide the relevant advice and estimates.

These financial statements have also been prepared in accordance with the Office for Students Accounts Direction dated October 2019.

The consolidated financial statements combine the financial statements of the University and all its subsidiaries for the current financial year. The results of subsidiaries acquired or disposed of during the period are included in the Consolidated Statement of Income and Expenditure from the date of acquisition or up to the date of disposal. Intra-group transactions are eliminated on consolidation. Associated companies and joint ventures are accounted for using the equity accounting method.

The consolidated financial statements accounts do not include the income and expenditure of the Students' Union as the University does not have the power or ability to exert control or dominant influence over policy decisions.

The financial statements are prepared in sterling which is the functional currency of the group and rounded to the nearest £'000.

### 2. Going Concern

In preparing the financial statements, the Governors have considered whether the going concern basis of preparation is appropriate. This involved the preparation and review of forecasts and scenario testing covering a period of at least 12 months from the date of these financial statements. These scenarios considered the impact of an unexpected reduction in income, significant inflationary pressure and the associated impact on borrowing covenants.

The scenarios modelled clearly demonstrate that the University has sufficient liquid resources and existing facilities to meet its obligations as they fall due and that all covenant requirements can be met.

The resilient financial performance of the University through the period of COVID-19 restrictions including the generation of strong operating cashflows means the University has cash reserves in the event of future stresses on our financial performance. The Governors expect the University to demonstrate similar resilience over the forecast period. The actual scenarios which materialise in the period ahead will undoubtedly be different to the scenarios modelled. In the event that the actual position is worse than that modelled in the forecasts, the University has significant headroom in liquid assets and facilities to manage the position and this is without considering the full extent of available mitigations to reduce costs.

Taking into account the above, the Governors believe that whilst uncertainty exists, this does not pose a material uncertainty that would cast doubt on the University's ability to continue as a going concern for at least 12 months from the signing of the financial statements. The Governors therefore considers it appropriate for the accounts to be prepared on a going concern basis.

### 3. Income recognition

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

## STATEMENT OF PRINCIPAL ACCOUNTING POLICIES

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**Tuition fee income** is stated net of any discount or waiver and credited to the Consolidated Statement of Income and Expenditure over the period in which students are studying. Related payments such as agents fees are accounted for as expenditure and not deducted from income.

**Government grants** are recognised within the Consolidated Statement of Income and Expenditure when any performance related conditions have been met, except for grants given to create a specific fixed asset, which are recognised within the Consolidated Statement of Income and Expenditure over the period that the asset is expected to be used.

**Research grants and contracts** are recognised within the Consolidated Statement of Income and Expenditure when any performance related conditions have been met, except where the income is from a government source for a specific capital equipment, in which case income is recognised over the expected life of the equipment. Performance conditions mean that income is recognised according to a specified level of service, which could be one single occasion in the middle or end of the work required. Where there are no conditions the income is recognised as soon as it is reasonably certain to be received.

**Other non-exchange income**, including grants and income from non-government sources are recognised within the Consolidated Statement of Income and Expenditure when any performance related conditions have been met.

**Donations and endowments** are recognised within the Consolidated Statement of Income and Expenditure when any performance conditions have been met or restrictions lifted. Endowments are donations where usually only the income generated by the gift can be used or where the donation is for a specific purpose and may be repayable if the funds cannot be utilised for that purpose.

**Investment income** and dividends or other returns from investment assets are recognised as they become receivable, either as restricted or unrestricted income, according to the terms of the restriction applied to the individual endowment fund. Gains or losses in the value of the holdings are not income or expenditure but are shown separately in the Consolidated Statement of Income and Expenditure as realised or unrealised gains or losses as appropriate.

**Restricted Reserves** record all non-exchange income that has been given for a specific purpose within the University's usual range of activity to the extent that the income has not been applied for the use specified.

**Agency Funds** where funds are received but disbursed as paying agent on behalf of a third party are excluded from both income and expenditure.

#### 4. Accounting for retirement benefits

The University provides retirement benefits for most of its employees by making contributions to the Teachers' Pension Scheme (TPS), University Superannuation Scheme (USS) and the West Yorkshire Pension Fund (WYPF).

The **TPS** is a defined benefit multi-employer scheme but due to its mutual nature, it is not possible to identify the assets and liabilities of individual members and therefore it is accounted for as a defined contribution retirement benefit scheme. The cost of providing pensions is the contributions payable in the period. There is no obligation on employers to fund any deficit in the scheme.

## STATEMENT OF PRINCIPAL ACCOUNTING POLICIES

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The **USS** is a defined benefit multi-employer scheme where, due to its mutual nature, it is not possible to identify the assets and liabilities of individual members and therefore it is accounted for as a defined contribution retirement benefit scheme. The cost of providing pensions is therefore the basic contribution rate payable in the period. There is an agreement to fund a share of any deficit in the scheme by paying a higher rate of contributions for a period of time, which is reviewed triennially. The estimated cost of this, discounted at an appropriate rate, is recognised as a liability within Pension Provisions.

The **WYPF** is a defined benefit multi-employer scheme where the assets and liabilities of members are identified. The charge in the Consolidated Statement of Income and Expenditure is the estimated cost of providing a pension benefit for the additional years' service. The net liability to provide future pension benefits, discounted at an appropriate rate, less the fair value of assets in the fund are shown in the Balance Sheet as a provision. Any changes in assumptions and valuations are shown as an Actuarial Gain or Loss in the Consolidated Statement of Income and Expenditure. The calculation is performed by a qualified actuary using the projected unit credit method. When the calculation results in a benefit to the Group, the recognised asset is limited to the total of any unrecognised past service costs and the present value of benefits available in the form of any future refunds from the plan, reductions in future contributions to the plan or on settlement of the plan and takes into account the adverse effect of any minimum funding requirements.

### 5. Employment benefits

Employment benefits are recognised as an expense in the year in which the services have been rendered. The difference between services rendered and the payments made are recognised as an asset or liability.

### 6. Tangible fixed assets

Fixed assets are stated at cost or, in case of freehold land and buildings at 1 August 2014, deemed cost, less accumulated depreciation and accumulated impairment losses. The deemed cost represents the fair value as at 1 August 2014.

Staff costs are capitalised only when incurred in direct consequence of specific fixed asset projects.

Borrowing costs are not capitalised.

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

Depreciation methods, remaining useful lives and residual values are reviewed at each balance sheet date and all assets are subject to periodic impairment reviews when appropriate.

#### Freehold land

Freehold land is not depreciated as it is considered to have an indefinite useful life.

#### Freehold buildings

Freehold buildings are depreciated on a straight-line basis over their expected remaining useful lives to the University. This can range from 10 years to 80 years. Subsequent additions to buildings are depreciated on a straight-line basis over their expected useful lives of those

## STATEMENT OF PRINCIPAL ACCOUNTING POLICIES

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changes. Depreciation is not charged on assets in the course of construction.

### **Leasehold land and buildings**

Leasehold land and buildings are depreciated over the life of the lease up to a maximum of 50 years. Where leasehold land and buildings are modified, the cost is depreciated over shorter of the expected useful life of the modifications or the remaining lease period.

The estimated cost of restoring the asset to the condition required by the lease is recognised in the Consolidated Statement of Income and Expenditure on a straight-line basis over the remaining period of the lease and the accumulated liability is recorded as a provision for dilapidations.

### **Leased equipment, furniture & fittings**

Leased equipment, furniture & fittings are depreciated over the life of the lease and are accounted for as fixed assets. It is depreciated on a straight line basis over the expected useful lives of between 3 to 5 years for IT equipment and 3 to 25 years for all other equipment. Where the lease permits modifications to the asset but the asset needs to be returned to its original state at the end of the lease, a provision is created for the expected cost of these dilapidations over the remaining life of the lease.

### **Equipment, furniture & fittings**

Items or groups of items that together cost £5,000 or more (incl. VAT) and with an expected useful life exceeding 2 years are accounted for as fixed assets and depreciated on a straight line basis over their expected useful lives of between 3 and 10 years for IT equipment and 3 and 25 years for all other equipment.

## **7. Heritage assets**

Individual works of art and other valuable artefacts valued at over £5,000 (including VAT) are capitalised and recognised at their cost or value where reasonably obtainable. Assets initially received as donations are initially recognized at fair value. Heritage assets are not depreciated.

## **8. Intangible assets**

Initial costs of acquiring rights to software and the costs of creating corporate information systems, including consultancy services and essential staff recruited specifically for that purpose. Intangible assets are capitalised and depreciated on a straight line basis over their expected useful lives of between 3 and 15 years. Intangible assets, including any goodwill, are subject to periodic impairment reviews when appropriate.

## **9. Impairment**

Where there is reasonable evidence that the net book value of any asset may exceed its net realisable value, the fair value is determined, and an impairment charge is made to reduce the asset value to its net realisable value. If in any subsequent period it is identified that the realisable value of any asset exceeds its carrying value, the carrying value can be increased, but only to the extent of any previous impairment charges, less any depreciation that would have been charged if no impairment charge had been made.

## **10. 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 and recognised as a fixed asset and as a

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## STATEMENT OF PRINCIPAL ACCOUNTING POLICIES

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liability. The asset is valued initially at an amount equal to the lower of its fair value and the present value of the minimum lease payments at inception of the lease, depreciated over the shorter of the lease term and the estimated useful lives and subject to an impairment test where appropriate.

The minimum lease payments are accounted for as a reduction of the liability and a finance charge. 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 lease.

Where the lease permits modifications to the asset but the asset needs to be returned to its original state at the end of the lease, a provision is created for the expected cost of these dilapidations over the remaining useful life of the lease.

### 11. Service Concession Arrangements

Buildings held under service concession arrangements are recognised in the Balance Sheet at the present value of the minimum lease payments when the building was brought into use, with a corresponding financial liability.

Payments under the service concession arrangement are allocated between service costs, finance charges and financial liability repayments to reduce the financial liability to zero over the life of the arrangement.

### 12. Operating leases

Operating lease payments are charged on a straight-line basis over the lease term. Any lease premiums or incentives are spread over the minimum lease term.

Where the lease permits modifications to the asset but the asset needs to be returned to its original state at the end of the lease, a provision is created for the expected cost of these dilapidations over the remaining life of the lease.

### 13. Inventories

Stocks and work in progress are stated at the lower of cost and net realisable value.

### 14. Investments

Non-current investments are held on the Balance Sheet at amortised cost less impairment.

Current asset investments are held at fair value with movements recognised in the Consolidated Statement of Income and Expenditure.

Investments in associate companies and subsidiaries are carried at cost less impairment.

### 15. Cash and cash equivalents

Cash at bank and in hand includes cash in hand and deposits repayable 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. Therefore, an investment normally qualifies as a cash equivalent only when it has a short maturity of, say, three months or less from the date of acquisition. Bank overdrafts are normally considered financing activities



## STATEMENT OF PRINCIPAL ACCOUNTING POLICIES

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similar to borrowings. However, if they are repayable on demand and form an integral part of an entity's cash management, bank overdrafts are a component of cash and cash equivalents.

### 16. Foreign currency

Transactions in foreign currencies are translated into sterling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are retranslated to the functional currency at the foreign exchange rate ruling at that date. Foreign exchange differences arising on translation are dealt with in the determination of income and expenditure for the financial year.

### 17. Associated companies

Associated companies' results are consolidated under the equity accounting method. Any increase or decrease in the share of each associated company's net assets is added to or deducted from the value of the investment.

### 18. Provisions, contingent liabilities and contingent assets

Provisions are recognised in the financial statements when:

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

The amount recognised as a provision is determined by discounting the expected future cash flows at a pre-tax rate that reflects risks specific to the liability. The University recognises provisions for ex-gratia pensions, with the cost charged to the Consolidated Statement of Income and Expenditure in the period the pension was agreed and for the expected cost of dilapidations, where a lease requires that the asset needs to be returned to its original state at the end of the lease.

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

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.

### 19. Tax

The University is an exempt charity within the meaning of Part 3 of the Charities Act 2011. It is therefore a charity within the meaning of Para 1 of schedule 6 to the Finance Act 2010 and accordingly, the University is potentially exempt from taxation in respect of income or capital gains received within categories covered by section 478-488 of the Corporation Tax Act 2010

## STATEMENT OF PRINCIPAL ACCOUNTING POLICIES

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(CTA 2010) or section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied to exclusively charitable purposes.

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

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

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



# NOTES TO THE FINANCIAL STATEMENTS

## Note 1. Tuition fees and education contracts

	Consolidated		University	
	31 July 2022 £'000	31 July 2021 £'000	31 July 2022 £'000	31 July 2021 £'000
<b>HE course fees</b>				
<b>Home and EC domicile students</b>				
Full-time undergraduate	130,754	141,065	130,754	141,065
Full-time postgraduate	11,102	11,526	11,102	11,526
Part-time undergraduate	5,434	5,394	5,434	5,394
Part-time postgraduate	4,832	5,052	4,832	5,052
<b>Overseas (non-EC) domicile students</b>				
Overseas students	25,798	16,739	25,798	16,739
<b>Sub-total HE course fees</b>	<b>177,920</b>	<b>179,776</b>	<b>177,920</b>	<b>179,776</b>
Research Studentships	-	-	-	-
Short course fees	940	595	940	595
Education contracts UK	532	491	532	491
Education contracts overseas	657	428	657	428
	<b>180,049</b>	<b>181,290</b>	<b>180,049</b>	<b>181,290</b>

## Note 2. Funding body grants

	Consolidated		University	
	31 July 2022 £'000	31 July 2021 £'000	31 July 2022 £'000	31 July 2021 £'000
<b>Recurrent grants:</b>				
Office for Students	6,551	6,336	6,551	6,336
Research England	6,188	5,900	6,188	5,900
<b>Specific grants:</b>				
Office for Students	-	1,283	-	1,283
Capital grants	998	5,913	998	5,913
	<b>13,737</b>	<b>19,432</b>	<b>13,737</b>	<b>19,432</b>

## Note 3. Research grants and contracts

	Consolidated		University	
	31 July 2022 £'000	31 July 2021 £'000	31 July 2022 £'000	31 July 2021 £'000
Research councils	273	272	273	272
UK based charities	678	515	678	515
UK central government, local, health and hospital authorities	1,791	1,880	1,791	1,880
UK industry, commerce, public corporations	779	482	779	482
EU government bodies	520	643	520	643
EU other	177	209	177	209
Other overseas	100	67	100	67
Other	162	134	162	134
	<b>4,480</b>	<b>4,202</b>	<b>4,480</b>	<b>4,202</b>

## Note 4. Other income

	Consolidated		University	
	31 July 2022 £'000	31 July 2021 £'000	31 July 2022 £'000	31 July 2021 £'000
Knowledge services	12,018	9,065	9,088	7,166
Other grants receivable	962	1,001	962	1,001
Residences, catering and conferences	15,685	13,188	15,583	12,916
Other income	3,640	3,604	(568)	163
	<b>32,305</b>	<b>26,858</b>	<b>25,065</b>	<b>21,246</b>

A government grant of £0.1m (2021: £0.9m) was received in the year in respect of employees placed on furlough under the Job Retention Scheme.



# NOTES TO THE FINANCIAL STATEMENTS

## Note 5. Investment income

	Consolidated		University	
	31 July 2022 £'000	31 July 2021 £'000	31 July 2022 £'000	31 July 2021 £'000
Investment income on endowments	(3)	(2)	(3)	(2)
Investment income from short-term investments	236	152	236	152
Other investment income	63	40	563	40
	<b>296</b>	<b>190</b>	<b>796</b>	<b>190</b>

## Note 6. Donations and endowments

	Consolidated		University	
	31 July 2022 £'000	31 July 2021 £'000	31 July 2022 £'000	31 July 2021 £'000
New endowments	-	32	-	32
Donations with restrictions	26	8	26	8
Unrestricted donations	11	14	11	14
	<b>37</b>	<b>54</b>	<b>37</b>	<b>54</b>

Donations are primarily to provide bursaries and prizes for University students.

## Note 7. Grant and fee income

The source of grant and fee income, included in notes 1 to 2 is as follows:

	Consolidated		University	
	31 July 2022 £'000	31 July 2021 £'000	31 July 2022 £'000	31 July 2021 £'000
Grant income from the OfS	7,549	13,532	7,549	13,532
Grant income from other bodies	6,188	5,900	6,188	5,900
Fee income for research awards (exclusive of Vat)	1,967	1,832	1,967	1,832
Fee income from non-qualifying courses (exclusive of Vat)	2,129	1,514	2,129	1,514
Fee income for taught awards (exclusive of Vat)	175,953	177,944	175,953	177,944
	<b>193,786</b>	<b>200,722</b>	<b>193,786</b>	<b>200,722</b>

## Note 8. Staff costs

Staff costs	Consolidated		University	
	31 July 2022 £'000	31 July 2021 £'000	31 July 2022 £'000	31 July 2021 £'000
Wages and salaries	98,045	96,079	90,429	89,304
Social security costs	10,477	10,024	10,113	9,710
Pension costs - WYPF	21,475	19,949	21,475	19,949
Pension costs - TPS	10,683	10,294	10,683	10,294
Pension costs - USS	2,370	502	2,370	502
Pension costs - NEST	133	90	-	-
	<b>143,183</b>	<b>136,938</b>	<b>135,070</b>	<b>129,759</b>

A further breakdown of pension costs has been included in Note 27.

### Average full-time equivalent

	FTE 2022	FTE 2021
Academic staff	833	808
Professorial and Research	142	135
Support staff	1,248	1,233
	<b>2,223</b>	<b>2,176</b>

### Senior staff pay

The number of staff with a basic salary of over £100,000 per annum has been included below. Figures do not include staff who joined or left part-way through a year but would have received a salary in these bands in a full year. Where staff are on reduced pay due to parental, maternity or sickness leave, these have been disclosed on a full-time equivalent basis, as for other staff in accordance to paragraph 12(a) of the Office for Students (OfS) Accounts Direction issued in October 2019.

# NOTES TO THE FINANCIAL STATEMENTS

	Year ended 31 July 2022	Year ended 31 July 2021
<b>Basic salary per annum</b>	<b>Number of staff</b>	<b>Number of staff</b>
£100,000 - £104,999	-	1
£105,000 - £109,999	3	2
£110,000 - £114,999	-	-
£115,000 - £119,999	1	-
£120,000 - £124,999	-	-
£125,000 - £129,999	1	2
£130,000 - £134,999	-	1
£135,000 - £139,999	3	4
£145,000 - £149,999	-	-
£150,000 - £154,999	3	3
£235,000 - £239,999	1	1
	<b>12</b>	<b>14</b>

	£'000	£'000
<b>Emoluments of the Vice-Chancellor</b>		
Basic salary	238	235
University's pension contributions to the Teachers' Pensions Agency	56	56
Total emoluments of the office of Vice-Chancellor.	<b>294</b>	<b>291</b>

### Rationale for Vice-Chancellor's pay

The Vice Chancellor's salary is benchmarked annually against UCEA benchmark data for Universities with a similar turnover operating outside London, with particular reference to other post-92 Universities. It is also considered against other external comparative data provided by the CUC pay survey and internally against the salaries of the senior management group. It currently sits just above the lower quartile of the externally benchmarked datasets.

The Vice Chancellor's performance is reviewed annually by the Chair of the Board of Governors within a framework agreed by the full Board each year. A recommendation for any uplift in the Vice Chancellor's pay is made by the Chair of the Board to the Senior Staff Remuneration Committee (SSRC) in October each year. The SSRC is chaired by an independent governor who is not Chair of the Board. The recommendation is accompanied by a written report which reflects the Performance Development Review discussion and includes an assessment of the Vice Chancellor's performance and the achievement of University objectives.

A 1.5% increase to basic salary was awarded to the Vice Chancellor in 2021/22 in recognition of his considerable contribution to the University in a challenging competitive environment and with reference to the national pay settlement for all staff. The Vice Chancellor does not receive any additional remuneration or non standard benefits in addition to base salary and standard employer pension contributions.

Further information can be found in the Annual Report on Senior Staff Remuneration on page 40.

### Pay ratios

The Office for Students requires Universities to publish two key ratios to show the relationship of the remuneration of the Vice-Chancellor to that of employees within the University. This has been prepared in accordance with paragraph 12(d) of the OfS Accounts Direction issued in October 2019.

The Vice Chancellor's basic salary is 6.7 times the median pay of basic salary of staff as at 31 July 2022 (2021: 6.7 times), where the median pay is calculated on a full-time equivalent basis for the salaries paid by the provider to its staff.

The Vice Chancellor's total remuneration is 7.4 times the median total remuneration of staff as at 31 July 2022 (2021: 7.4 times), where the median total remuneration is calculated on a full-time equivalent basis for the total remuneration by the provider of its staff.

The data has been provided for all colleagues in post on 31 July 2022 and includes people employed on a variable hours contract whether or not they were working on this date i.e. part-time lecturers, disability support workers. It is based on the median pay of each position where colleagues have more than one job rather than on a headcount basis. All atypical workers are included who were paid in the period 01 August 2021 to 31 July 2022 with the exception of 99 atypical colleagues (6.5% of the atypical total) for whom we don't have enough information to calculate a salary. For atypical colleagues it is based on an average salary derived from the amount paid divided by the amount of hours worked, potentially across multiple positions due to the variable nature of the work. Total remuneration has been calculated in line with OfS guidance.

### Key management personnel

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the University and are represented by the University Executive Team (UET). UET consists of the Vice-Chancellor, Deputy Vice-Chancellors, Pro Vice-Chancellors, Director of Finance, Director of Human Resources, Director of Strategic Insight and Business Analysis and the University Secretary. Staff costs include compensation paid to key management personnel including any employer's pension contributions.

	Year ended 31 July 2022	Year ended 31 July 2021
	<b>£'000</b>	<b>£'000</b>
Key management personnel compensation	<b>1,614</b>	<b>1,543</b>



# NOTES TO THE FINANCIAL STATEMENTS

## Severance payments

Compensation for loss of office, including pension costs and provisions for terminations agreed but not completed before 31 July 2022, paid to former employees during the year amounted to £1.1m (2021: £3.0m). The number of people to whom this was payable to as at 31 July 2022 was 52 (2021: 129).

## Note 9. Governor remuneration

In accordance with the Instrument of Government, the Board of Governors has the power to remunerate independent governors who either Chair the Board or one of the Board committees. Remuneration is offered on the basis of an annual review of contribution to the Board. The review is undertaken retrospectively each year in relation to the previous year's service. The amounts paid and waived in 2021/22, were for contributions made to the Board in 2020/21, are as follows:

	Year ended 31 July 2022	Year ended 31 July 2021
	£	£
David Lowen, Chair of the Board	15,000	15,000
Alan Gay, Chair of Finance, Staffing and Resources Committee	7,500	-
Jean Dent, Chair of Finance, Staffing and Resources Committee	-	7,500
Andrew West, Chair of Governance and Nominations Committee	7,500	-
Peter Marsh, Chair of Governance and Nominations Committee	-	7,500
Nick Whitaker, Chair of Audit Committee	7,500	7,500
Nicki Latham, Chair of Senior Staff Remuneration Committee	7,500	-
Ann Bishop, Chair of Senior Staff Remuneration Committee	-	7,500
Andy Brown, Deputy Chair	7,500	-
Total Remuneration	<u>52,500</u>	<u>45,000</u>

No governors waived their entitlements to all or part of their remuneration

## Reimbursement of expenses

All Governors are entitled to reimbursement of expenditure incurred directly in attending meetings, provided that the claim is in accordance with the requirements that all senior employees have to meet in order to reclaim expenditure, for example, the production of relevant receipts.

	Year ended 31 July 2022	Year ended 31 July 2021
	£	£
Andrew West	825	234
Qari Asim	-	386
Megan Darroch	1,563	-
Shwetal Shah	333	-
Stephen Magora	582	-
Lisa Stansbie	525	386
David Lowen	629	-
Rachel Hewitt	378	-
Pango Simwaka	1,563	1,074
Nick Whitaker	169	-
Dineo Ledwaba-Chapman	-	1,500
Total reimbursement	<u>6,568</u>	<u>3,580</u>

## Note 10. Other operating expenses

	Consolidated		University	
	31 July 2022	31 July 2021	31 July 2022	31 July 2021
	£'000	£'000	£'000	£'000
Student support	5,766	6,385	5,596	6,385
Teaching support	6,533	5,769	6,533	5,934
Staff support	4,593	4,578	8,013	8,056
Rents & rates	11,821	12,192	11,424	12,004
Other facilities management	4,371	6,544	4,371	6,544
Utilities	5,726	2,930	5,726	2,930
Equipment	6,202	5,900	6,202	5,900
Consumables	1,065	1,190	1,065	1,190
Catering	742	179	742	179
Travel and subsistence	1,121	348	1,043	299
Professional services	3,082	2,321	2,749	1,812
Advertising and marketing	2,394	2,369	2,349	2,232
Insurance and financial expenses	4,883	5,385	4,136	4,445
Other expenses	2,755	879	2,156	628
Exceptional expenses	-	19,239	-	19,239
	<u>61,054</u>	<u>76,208</u>	<u>62,105</u>	<u>77,777</u>



## NOTES TO THE FINANCIAL STATEMENTS

The following costs are included within the above figures:

External auditors' remuneration for:

University audit services	126	119	126	119
Subsidiaries audit services	26	24	-	-
Non-audit work	16	15	16	15
Internal auditors' remuneration	107	121	107	121
Operating lease rentals - buildings	10,518	11,364	10,518	11,364
Operating lease rentals - plant & equipment	27	28	27	28
Student Union grant	1,376	1,349	1,376	1,349

The exceptional expenses in 2021 relate to the costs associated with the restructuring of our finance facilities.

### Note 11. Interest and other finance costs

	Consolidated		University	
	31 July 2022 £'000	31 July 2021 £'000	31 July 2022 £'000	31 July 2021 £'000
Finance charges in respect of Service Concession Agreements and finance leases	1,589	2,956	1,589	2,956
Finance charges in respect of pension provisions	4,030	3,458	4,030	3,458
Bank loans not wholly repayable within 5 years	-	524	-	524
Other interest payable	3,687	1,266	3,687	1,265
<b>Total</b>	<b>9,306</b>	<b>8,204</b>	<b>9,306</b>	<b>8,203</b>

Service Concession Agreements are secured on residential properties.

### Note 12. Analysis by activity

#### Consolidated

2021/22 Activity	Staff Costs £'000	Re-organisation costs £'000	Other Operating Expenses £'000	Depreciation £'000	Interest Payable £'000	Total £'000
Academic departments	72,816	630	12,088	844	-	86,378
Academic services	17,218	266	8,414	4,134	-	30,032
Research grants and contracts	4,687	(76)	3,608	44	-	8,263
Residences, catering and conferences	1,474	68	10,644	46	1,589	13,821
Premises	5,360	3	12,666	11,474	-	29,503
Administration	34,217	85	6,776	4,948	7,717	53,743
Other services rendered	2,877	85	5,457	10	-	8,429
Other	4,534	-	1,401	212	-	6,147
<b>Total</b>	<b>143,183</b>	<b>1,061</b>	<b>61,054</b>	<b>21,712</b>	<b>9,306</b>	<b>236,316</b>

Intangible asset depreciation [Note 15]

1,693

Tangible asset depreciation [Note 16]

20,019

21,712

#### 2020/21 Activity

Academic departments	71,355	1,681	8,787	847	-	82,670
Academic services	16,783	795	7,743	3,750	-	29,071
Research grants and contracts	3,989	76	3,162	37	-	7,264
Residences, catering and conferences	1,679	24	11,790	44	2,955	16,492
Premises	5,317	27	10,659	18,938	-	34,941
Administration	31,081	335	28,862	3,415	5,248	68,941
Other services rendered	2,776	25	4,213	13	-	7,027
Other	3,958	-	992	127	1	5,078
<b>Total</b>	<b>136,938</b>	<b>2,963</b>	<b>76,208</b>	<b>27,170</b>	<b>8,204</b>	<b>251,483</b>

Intangible asset depreciation [Note 15]

1,337

Tangible asset depreciation [Note 16]

25,833

27,170





# NOTES TO THE FINANCIAL STATEMENTS

## Note 13. Access and participation expenditure

	31 July 2022			31 July 2021		
	£'000	£'000	£'000	£'000	£'000	£'000
		<b>Other Operating Expenditure</b>	<b>Total</b>		<b>Other Operating Expenditure</b>	<b>Total</b>
	<b>Staff</b>			<b>Staff</b>		
Access investment	1,438	536	1,974	829	387	1,216
Financial support provided to students	386	1,530	1,916	369	2,959	3,328
Support for disabled students	2,336	180	2,516	2,187	111	2,298
Research and evaluation	29	13	42	28	31	59
	<b>4,189</b>	<b>2,259</b>	<b>6,448</b>	<b>3,413</b>	<b>3,488</b>	<b>6,901</b>

Included above are staff costs of £4,189k which are already reflected in the overall staff cost figures included in the financial statements (see note 8).

The University has an access and participation plan that has been approved by the OfS's Director of fair access and participation. This can be located on the University's web page under public information.

[https://www.leedsbeckett.ac.uk/-/media/files/our-university/access-and-participation-plan/app-access\\_participation\\_plan\\_202021.pdf](https://www.leedsbeckett.ac.uk/-/media/files/our-university/access-and-participation-plan/app-access_participation_plan_202021.pdf)

## Note 14. Taxation

	Consolidated		University	
	31 July 2022 £'000	31 July 2021 £'000	31 July 2022 £'000	31 July 2021 £'000
<b>Recognised in the statement of comprehensive income</b>				
<b>Current tax</b>				
Current tax (credit) / expense	( 49)	58	-	-
Adjustment in respect of previous years	-	-	-	-
<b>Current tax (credit) / expense</b>	<b>( 49)</b>	<b>58</b>	<b>-</b>	<b>-</b>

## Note 15. Intangible assets

	Consolidated			University		
	Software purchased £'000	Assets under development £'000	Total £'000	Software purchased £'000	Assets under development £'000	Total £'000
<b>Cost</b>						
At 1 August 2021	12,457	1,408	13,865	12,001	1,408	13,409
Assets brought into use	1,350	( 1,350)	-	1,350	( 1,350)	-
Additions at cost	434	215	649	270	215	485
Disposals and transfers in year	( 37)	-	( 37)	( 37)	-	( 37)
At 31 July 2022	<b>14,204</b>	<b>273</b>	<b>14,477</b>	<b>13,584</b>	<b>273</b>	<b>13,857</b>
<b>Accumulated depreciation</b>						
At 1 August 2021	( 4,462)	-	( 4,462)	( 4,347)	-	( 4,347)
Charge for year	( 1,693)	-	( 1,693)	( 1,490)	-	( 1,490)
Eliminated on disposals and transfers	-	-	-	-	-	-
At 31 July 2022	<b>( 6,155)</b>	<b>-</b>	<b>( 6,155)</b>	<b>( 5,837)</b>	<b>-</b>	<b>( 5,837)</b>
<b>Net book value at 31 July 2022</b>	<b>8,049</b>	<b>273</b>	<b>8,322</b>	<b>7,747</b>	<b>273</b>	<b>8,020</b>
Net book value at 31 July 2021	7,995	1,408	9,403	7,654	1,408	9,062

## Note 16. Tangible assets

	Consolidated					
	Land £'000	Freehold Buildings £'000	Leasehold Buildings £'000	Equipment £'000	Assets under construction £'000	Total £'000
<b>Cost</b>						
At 1 August 2021	37,630	504,170	12,661	69,056	1,458	624,975
Assets brought into use	-	131	-	200	( 331)	-
Additions at cost	-	1,363	-	3,981	5,518	10,862
Disposals and transfers in year	( 4,050)	( 25,283)	-	( 301)	-	( 29,634)
At 31 July 2022	<b>33,580</b>	<b>480,381</b>	<b>12,661</b>	<b>72,936</b>	<b>6,645</b>	<b>606,203</b>
<b>Accumulated depreciation</b>						
At 1 August 2021	-	( 200,795)	( 6,047)	( 42,896)	-	( 249,738)
Charge for year	-	( 12,274)	( 503)	( 5,420)	-	( 18,197)
Diminution of fixed asset values	-	( 1,822)	-	-	-	( 1,822)
Eliminated on disposals and transfers	-	21,011	-	334	-	21,345
At 31 July 2022	<b>-</b>	<b>( 193,880)</b>	<b>( 6,550)</b>	<b>( 47,982)</b>	<b>-</b>	<b>( 248,412)</b>
<b>Net book value at 31 July 2022</b>	<b>33,580</b>	<b>286,501</b>	<b>6,111</b>	<b>24,954</b>	<b>6,645</b>	<b>357,791</b>
Net book value at 31 July 2021	37,630	303,375	6,614	26,160	1,458	375,237



## NOTES TO THE FINANCIAL STATEMENTS

University	Land	Freehold Buildings	Leasehold Buildings	Equipment	Assets under construction	Total
	£'000	£'000	£'000	£'000	£'000	£'000
<b>Cost</b>						
At 1 August 2021	37,630	504,173	12,661	69,001	1,458	624,923
Assets brought into use	-	131	-	200	(331)	-
Additions at cost	-	1,361	-	3,980	5,518	10,859
Disposals and transfers in year	(4,050)	(25,283)	-	(309)	-	(29,642)
At 31 July 2022	<b>33,580</b>	<b>480,382</b>	<b>12,661</b>	<b>72,872</b>	<b>6,645</b>	<b>606,140</b>
<b>Accumulated depreciation</b>						
At 1 August 2021	-	(200,796)	(6,047)	(42,873)	-	(249,716)
Charge for year	-	(12,274)	(503)	(5,410)	-	(18,187)
Diminution of fixed asset values	-	(1,822)	-	-	-	(1,822)
Eliminated on disposals and transfers	-	21,012	-	344	-	21,356
At 31 July 2022	-	<b>(193,880)</b>	<b>(6,550)</b>	<b>(47,939)</b>	-	<b>(248,369)</b>
<b>Net book value at 31 July 2022</b>	<b>33,580</b>	<b>286,502</b>	<b>6,111</b>	<b>24,933</b>	<b>6,645</b>	<b>357,771</b>
Net book value at 31 July 2021	37,630	303,377	6,614	26,128	1,458	375,207

All assets are valued at cost but for freehold land and buildings at 1 August 2014, the costs used were based on the 2014 valuation taken as deemed cost. Subsequent additions are at cost. Leasehold buildings relate to buildings on land not owned by the University and are valued at original cost.

Freehold buildings includes the capital cost of buildings that are subject to one Service Concession Agreement [see Note 25] as the other agreement terminated in the year. The buildings are on land that is owned by the University and the buildings will become the property of the University when the agreement ends. The cost of the asset is £24,994,000 [2021: £24,994,000] and the net book value is £17,245,000 [2021: £17,840,000].

On 18 December 2020, the University entered into a lease and leaseback arrangement with Lime Property Fund Limited Partnership (LPFLP). The lease is secured on the Carnegie Sports Centre (included in Freehold Buildings) and the lease to LPFLP was granted for a period of 155 years in consideration for a premium of £60m; this lease can be broken by the University after 30 years. Under the terms of the arrangement the premium will be repaid over 30 years. At the same time a lease was granted by LPFLP to the University to use the property for thirty years.

A £1.8m diminution charge has been recognised in the year in respect of certain property held by the University. This charge is reflected within 'accumulated depreciation' in the Consolidated and University Statement of Financial Position and within the 'depreciation' in the Consolidated and University Statement of Comprehensive Income.

Equipment includes two heritage assets which comprises of a painting "The Golden Trees" by Joash Woodrow, this is valued at £25,000 being the purchase cost and a 'Rob Ward' sculpture, purchase cost of £8,500. As these are heritage assets, they are not depreciated.

### Note 17. Non-current investments

	Consolidated		University	
	31 July 2022	31 July 2021	31 July 2022	31 July 2021
	£'000	£'000	£'000	£'000
CVCP Properties plc	37	37	37	37
	<b>37</b>	<b>37</b>	<b>37</b>	<b>37</b>

CVCP Properties plc is an unquoted company, originally set up by the members of Universities UK to finance property acquisition, and the shares are stated at cost. In the Governor's opinion, the market value of the investment is not materially different from the cost at the balance sheet date.

### Note 18. Subsidiary undertakings

**Leeds Beckett University Enterprises Limited [LBUEL]** is a wholly owned company limited by guarantee which undertakes consultancy, applied research and conference letting activities. It prepares financial statements to 31 July.

**MyPeakPotential Limited [MPP]** is a company registered in England & Wales which provides accommodation facilities for outdoor activities and its base is in Germany. It prepares financial statements to 31 July and the University owns a 51% holding. Last year the company received notification that the main customer would be terminating its contract. After consideration of the impact of this on the operation of the company and consideration of options, the directors have decided to cease trading and close the company. The company was dissolved on 10th August 2021.

**MoreLife (UK) Limited [MoreLife]** is a company registered in England & Wales which provides services to tackle childhood obesity. It prepares financial statements to 31 March and the University owns a 50% holding. The results of MoreLife have been consolidated as at 31 July 2022 based on management accounts at that date.



# NOTES TO THE FINANCIAL STATEMENTS

## Note 19. Trade and other receivables

	Consolidated		University	
	31 July 2022 £'000	31 July 2021 £'000	31 July 2022 £'000	31 July 2021 £'000
<b>Amounts falling due within one year:</b>				
Trade receivables	10,497	6,257	8,910	5,777
Prepayments and accrued income	4,761	4,417	5,109	4,719
Amount due from third party loan	94	94	94	94
Amount due from subsidiary companies	-	-	352	2,130
VAT debtor	407	311	407	311
	<b>15,759</b>	<b>11,079</b>	<b>14,872</b>	<b>13,031</b>

The university entered into a loan agreement with a third party on 14 August 2020. The term of the loan is until 30 June 2030 and the rate of interest on the loan is margin (1.35% per annum) and SONIA (LIBOR up until 20th December 2021). £678k of the loan payable is more than one year and has been classified as a non-current asset.

The amount due from subsidiary companies is repayable on demand and attracts no interest.

## Note 20. Current asset investments

	Consolidated		University	
	31 July 2022 £'000	31 July 2021 £'000	31 July 2022 £'000	31 July 2021 £'000
Fixed interest deposits	55,900	15,899	55,900	15,899
	<b>55,900</b>	<b>15,899</b>	<b>55,900</b>	<b>15,899</b>

The Governors believe that the carrying value of the investments is supported by the underlying net assets.

All current asset investments comprise fixed interest deposits, which are invested on a regular basis. The total income recognised on these investments in the year was £1k (2021: £107k) representing the fair value remeasurement of £154k (2021: £368k) and interest received of £155k (2021: £476k).

## Note 21. Cash and cash equivalents

	Consolidated		
	At 1 August 2021 £'000	Cash Flows £'000	At 31 July 2022 £'000
Cash and cash equivalents	62,534	( 8,662)	<b>53,872</b>
	<b>62,534</b>	<b>( 8,662)</b>	<b>53,872</b>

## Note 22. Creditors: amounts falling due within one year

	Consolidated		University	
	31 July 2022 £'000	31 July 2021 £'000	31 July 2022 £'000	31 July 2021 £'000
Trade creditors	4,673	8,946	4,673	8,946
Loans and obligations (Note 24)	4,693	4,534	4,693	4,534
Other taxation and social security	3,554	3,557	3,357	3,051
Accruals	16,026	16,845	16,039	19,316
Deferred income	26,591	10,872	24,970	9,353
Interest accrued	263	263	263	263
Other creditors	154	125	-	-
	<b>55,954</b>	<b>45,142</b>	<b>53,995</b>	<b>45,463</b>

The University has a payable of £0.2m (2021: £2.4m) with Leeds Beckett University Enterprises Ltd which is shown in Accruals in the above table.

## Note 23. Creditors: amounts falling due after more than one year

	Consolidated		University	
	31 July 2022 £'000	31 July 2021 £'000	31 July 2022 £'000	31 July 2021 £'000
Loans and obligations (Note 24)	100,419	114,663	100,419	114,663
Deferred income	33,357	32,735	33,357	32,735
Taxation	8	7	8	7
	<b>133,784</b>	<b>147,405</b>	<b>133,784</b>	<b>147,405</b>

# NOTES TO THE FINANCIAL STATEMENTS

## Note 24. Borrowings

### (a) Bank loan

The bank loan is repayable as follows:

	Consolidated		University	
	31 July 2022 £'000	31 July 2021 £'000	31 July 2022 £'000	31 July 2021 £'000
In one year or less	4,575	4,575	4,575	4,575
Between one and two years	4,575	4,575	4,575	4,575
Between two and five years	13,725	13,725	13,725	13,725
In five years or more	263	14,838	263	14,838
	<b>23,138</b>	<b>37,713</b>	<b>23,138</b>	<b>37,713</b>

The bank loan is a £50m facility with HSBC repayable by November 2027.

### (b) Obligations under finance leases

The net obligations to which the University is committed are:

	Consolidated		University	
	31 July 2022 £'000	31 July 2021 £'000	31 July 2022 £'000	31 July 2021 £'000
In one year or less	178	181	178	181
Between one and two years	96	178	96	178
Between two and five years	-	96	-	96
	<b>274</b>	<b>455</b>	<b>274</b>	<b>455</b>

These leases principally relate to office equipment and vehicles.

### (c) Service Concession Arrangements

The net obligations to which the University is committed are:

	Consolidated		University	
	31 July 2022 £'000	31 July 2021 £'000	31 July 2022 £'000	31 July 2021 £'000
In one year or less	152	85	152	85
Between one and two years	127	152	127	152
Between two and five years	471	395	471	395
In five years or more	21,051	21,254	21,051	21,254
	<b>21,801</b>	<b>21,886</b>	<b>21,801</b>	<b>21,886</b>

The loan for UPP2 is repayable between the year-end and 2045 and is secured on the University's student accommodation [see Note 25].

### (d) Other interest-free loans

The net obligations to which the University is committed are:

	Consolidated		University	
	31 July 2022 £'000	31 July 2021 £'000	31 July 2022 £'000	31 July 2021 £'000
In one year or less	-	-	-	-
Between one and two years	-	-	-	-
Between two and five years	-	-	-	-
In five years or more	200	200	200	200
	<b>200</b>	<b>200</b>	<b>200</b>	<b>200</b>

These are interest-free, unsecured loans to support improving the University's sustainable use of resources.

### (e) Lease and leaseback arrangement

The net obligations to which the University is committed are:

	Consolidated		University	
	31 July 2022 £'000	31 July 2021 £'000	31 July 2022 £'000	31 July 2021 £'000
In one year or less	(212)	(307)	(212)	(307)
Between one and two years	(143)	(217)	(143)	(217)
Between two and five years	127	(179)	127	(179)
In five years or more	59,928	59,646	59,928	59,646
	<b>59,700</b>	<b>58,943</b>	<b>59,700</b>	<b>58,943</b>

On 18 December 2020, the University entered into a lease and leaseback arrangement with Lime Property Fund Limited Partnership (LPFLP). The lease is secured on the Carnegie Sports Centre and the lease to LPFLP was granted for a period of 155 years in consideration for a premium of £60.0m; this lease can be broken by the University after 30 years. Under the terms of the arrangement the premium will be repaid over 30 years. At the same time a lease was granted by LPFLP to the University to use the property for 30 years.

## Note 25. Service Concession Arrangements

The University has a lease agreement with UPP Leeds Metropolitan 2 Limited to finance the building of the Carnegie Village student accommodation comprising 475 beds on the Headingley campus. This also included a similar arrangement to manage and operate the residences in close co-operation with the University.



## NOTES TO THE FINANCIAL STATEMENTS

The lease is shown as a fixed asset under freehold land & buildings [see Note 16], as the buildings are on land owned by the University, with a corresponding liability shown as borrowings [see Note 24(c)]. The contract also provides for a facilities management charge which is subject to annual adjustment in respect of inflation. The total payments are scheduled to increase each year reflecting expected increases in the University's income.

The total amounts committed under the agreement and the maintenance commitment are shown below. These exclude inflation on the maintenance costs, which depends on the RPI index and is reviewed annually.

	Consolidated and University			
	Gross Payments		Maintenance costs	
	31 July 2022	31 July 2021	31 July 2022	31 July 2021
	£'000	£'000	£'000	£'000
In one year or less	3,086	2,949	1,351	1,275
Between two and five years	12,235	11,920	5,403	5,099
In five years or more	62,595	64,324	22,964	22,947
<b>Total payable</b>	<b>77,916</b>	<b>79,193</b>	<b>29,719</b>	<b>29,321</b>
less future facility maintenance costs	(29,719)	(29,321)		
less future financing costs	(26,396)	(27,985)		
<b>Net borrowing [Note 24(c)]</b>	<b>21,801</b>	<b>21,886</b>		

### Note 26. Consolidated reconciliation of net debt

	At 31 July 2022
	£'000
<b>Net debt 1 August 2021</b>	<b>(56,663)</b>
Movement in cash and cash equivalents	(8,662)
Net repayment of finance	14,559
Other non-cash changes	(475)
<b>Net debt 31 July 2022</b>	<b>(51,241)</b>
<b>Change in net debt</b>	<b>5,422</b>

	31 July 2022	31 July 2021
	£'000	£'000
Cash and cash equivalents	53,872	62,534
<b>Borrowings: amounts falling due within one year</b>		
Obligations under finance leases	(178)	(181)
Service Concession Arrangements [Note 24(c)]	(152)	(85)
Lease and leaseback arrangement	212	307
Unsecured loans	(4,575)	(4,575)
	<b>(4,693)</b>	<b>(4,534)</b>
<b>Borrowings: amounts falling due after more than one year</b>		
Obligations under finance leases	(96)	(274)
Service Concession Arrangements [Note 24(c)]	(21,649)	(21,801)
Lease and leaseback arrangement	(59,912)	(59,250)
Unsecured loans	(18,763)	(33,338)
	<b>(100,420)</b>	<b>(114,663)</b>
<b>Net debt</b>	<b>(51,241)</b>	<b>(56,663)</b>

### Note 27. Pension schemes

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

The LGPS is regulated by statute, with separate regulations for (a) England & Wales and (b) Scotland. The benefits of the LGPS are determined nationally by regulation and meets the definition of a defined benefit scheme. The LGPS is a funded scheme, with some 100 separate funds administered locally by administering authorities. Each fund has many employing authorities. The City of Bradford Metropolitan District Council is the administering authority for the West Yorkshire Pension Fund (WYPF), i.e. the LGPS local fund. The metropolitan councils in West Yorkshire, and other bodies, for example the University, are employing bodies within the WYPF. The WYPF is a funded defined benefit scheme.

The University reports pension costs in accordance with Financial Reporting Standard 102 (FRS102): Retirement Benefits requiring detailed disclosures for defined benefit schemes. The TPS and USS are multi-employer schemes for which it is not possible to identify assets and liabilities to University members and are therefore accounted for as if they were defined contribution schemes.

The total pension cost for the University, and its subsidiary companies, was:



# NOTES TO THE FINANCIAL STATEMENTS

The total pension cost for the University, and its subsidiary companies, was:

	Year ended 31 July 2022 £'000	Year ended 31 July 2021 £'000
Costs of TPS	( 10,683)	( 10,294)
Costs of USS	( 2,370)	( 502)
Costs of WYPF (See below)	( 21,475)	( 19,949)
Other pension costs and accruals	( 133)	( 90)
Total pension cost (Note 8)	<u>( 34,661)</u>	<u>( 30,835)</u>

The number of staff who are members of the various schemes are as follows:

	Year ended 31 July 2022 Number	Year ended 31 July 2021 Number
TPS	1,423	1,392
USS	48	46
WYPF	1,045	1,153
	<u>2,516</u>	<u>2,591</u>

## Teachers' Pension Scheme (TPS)

The TPS is a statutory, contributory, defined benefit scheme. The regulations under which the TPS operates are the Teachers' Pensions Regulations 1997, as amended. These apply to teachers in schools and other educational establishments in England & Wales maintained by local authorities, to teachers in many independent and voluntary-aided schools, and to teachers and lecturers in establishments of further and higher education. All eligible academics are contractually enrolled into the scheme on appointment. They then have the option to opt out.

Although teachers and lecturers are employed by various 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. The teachers' contributions and employers' contributions are credited to the Exchequer under arrangements governed by the above Act.

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

With effect from 1 April 2015 the scheme changed to a career average basis with some protection for employees who were active before 1 April 2012. The University's contribution rate remains at 23.68% which has been in place since September 2019. The employees' contribution rate is based on earnings and ranged from 7.4% to 11.7%.

There was a balance of £1k owing to the University as at 31 July 2022 (2021: £0 owed by the University).

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

The Government Actuary (GA), using normal actuarial principles, conducts a formal actuarial review of the TPS, not less than every four years. The aim of the review is to specify the level of future contributions. The last valuation of the TPS was at 31 March 2016 and can be found on the Teacher Pensions website at: [www.teacherspensions.co.uk](http://www.teacherspensions.co.uk). The GA's report published in March 2019 revealed a deficit of £22.0 billion as the total liabilities of the Scheme (pensions currently in payment and the estimated cost of future benefits) amounted to £218.1 billion and the value of the assets (estimated future contributions together with the proceeds from the notional investments held at the valuation date) was £196.1 billion. The assumed real rate of return is 2.8% in excess of prices (using the CPI measure). Pensions increases are assumed at CPI + 2%, while earnings growth is assumed to be CPI + 2.2%. The 2016 valuation amended the 'Corrected employer contribution rate' from 16.4% to 22.8% of pensionable pay, which is reflective from September 2019. As a consequence of this, an additional 0.8% of pay will be payable until 31 March 2023 (resulting in total employer contributions of 23.68% (including the administration levy of 0.08%) payable for the period 1 September 2019 to 31 March 2023).

## Universities Superannuation Scheme (USS)

The University participates in USS which covers academic and academic-related staff. The Scheme is a hybrid pension scheme, providing defined benefits (for all members), as well as defined contribution benefits. The assets of the scheme are held in a separate trustee-administered fund. USS have confirmed that the University participates in the scheme on a 'Limited' basis based on our deeds of accession.

Because of the mutual nature of the scheme, the assets are not attributed to individual University's and a scheme-wide contribution rate is set. The University is therefore exposed to actuarial risks associated with other University's' employees and is unable to identify its share of the underlying assets and liabilities of the scheme on a consistent and reasonable basis. As required by Section 28 of FRS 102 "Employee Benefits", the University therefore accounts for the scheme as if it were a wholly defined contribution scheme. As a result, the amount charged to the Consolidated Statement of Comprehensive Income represents the contributions payable to the scheme. Since the University has entered into an agreement (the Recovery Plan) that determines how each employer within the scheme will fund the overall deficit, the University recognises a liability for the contributions payable that arise from the agreement (to the extent that they relate to the deficit) with related expenses being recognised through the Consolidated Statement of Comprehensive Income.

The total cost charged to the Consolidated Statement of Comprehensive Income and Expenditure is £1.743 million (2021: £0.106 million).

Deficit recovery contributions due within one year are £649k (2021: £655k)

The latest available complete valuation of the Retirement Income Builder is at 31 March 2020 (the valuation date), and was carried out using the projected unit method.

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

# NOTES TO THE FINANCIAL STATEMENTS

The 2020 valuation was the sixth valuation for the scheme under the scheme-specific funding regime introduced by the Pensions Act 2004, which requires schemes to have sufficient and appropriate assets to cover their technical provisions. At the valuation date, the value of the assets of the scheme was £66.5 billion and the value of the scheme's technical provisions was £80.6 billion indicating a shortfall of £14.1 billion and a funding ratio of 83%.

The key financial assumptions used in the 2020 valuation are described below. More detail is set out in the Statement of Funding Principles ([uss.co.uk/about-us/valuation-and-funding/statement-of-funding-principles](https://uss.co.uk/about-us/valuation-and-funding/statement-of-funding-principles)).

CPI assumption	Term dependent rates in line with the difference between the Fixed Interest and Index Linked yield curves, less 1.1% p.a. to 2030, reducing linearly by 0.1% p.a. to a long-term difference of 0.1% p.a. from 2040.
Pension increases (subject to a floor of 0%)	CPI assumption plus 0.05%
Discount rate (forward rates)	Fixed interest gilt yield curve plus: Pre-retirement: 2.75% p.a. Post retirement: 1.00% p.a.

The main demographic assumption used relates to the mortality assumptions. These assumptions are based on analysis of the scheme's experience carried out as part of the 2020 actuarial valuation. The mortality assumptions used in these figures are as follows:

## 2020 valuation

Mortality base table	101% of S2PMA "light" for males and 95% S3PFA for females.
Future improvements to mortality	CMI 2019 with a smoothing parameter of 7.5, an initial addition of 0.5% p.a. and a long term improvement rate of 1.8% pa for males and 1.6%

The current life expectancies on retirement at age 65 are:

	2022 valuation	2021 valuation
Males currently aged 65 (years)	23.9	24.6
Females currently aged 65 (years)	25.5	26.1
Males currently aged 45 (years)	25.9	26.6
Females currently aged 45 (years)	27.3	27.9

A new deficit recovery plan was put in place as part of the 2020 valuation, which requires payment of 6.2% of salaries over the period 1 April 2022 to 31 March 2024 at which point the rate will increase to 6.3%. The 2022 deficit recovery liability reflects this plan. The liability figures have been produced using the following assumptions:

	2022	2021
Discount rate	3.31%	0.87%
Pensionable salary growth	4.15%	1.50%

The reduction in the term of the deficit recovery plan has given rise to a reduction in the deficit provision which has increased from £1.107 million to £2.850 million as set out in note 28. £1.803 million of this increase is attributable to the change in the deficit contributions contractual commitment. See also staff costs note 8 in respect of significant one-off pension costs / gains.

## West Yorkshire Pension Fund (WYPF)

The actuaries to the WYPF completed a valuation of the Fund as at 31 March 2019 in accordance with the Regulations governing the LGPS. The results of the valuation were set out in the Rates and Adjustments Certificate dated 31 March 2020. Based on that valuation, the required employer contribution rate for the University was set at 16.4% (previously 13.1%) of pensionable remuneration per annum, from 1 April 2020 to 31 March 2021. However, agreed additional amounts paid to the fund (£1,024,000 in 2017/18, increasing annually to £1,091,600 in 2019/20) ceased with effect from 1 April 2020. Further additional contributions will be required in respect of the costs arising from non-ill health early retirements prior to Normal Pension Age occurring in the period of the Rates and Adjustments Certificate. The 2019 valuation was carried out using the projected unit actuarial method. The University's current contribution rate is 17.8% which came into effect 1 April 2022. The employees' contribution rate ranged from 5.5% to 12.5%. There was a balance of £3k owing to the University as at 31 July 2022 (2021: £0).

Reconciliation of funded status to balance sheet		
	Value as at 31 July 2022 £m	Value as at 31 July 2021 £m
Fair value of assets	315.903	300.059
Present value of liabilities	( 367.756)	( 527.190)
Net pension asset / (liability) (Note 28)	<b>( 51.853)</b>	<b>( 227.131)</b>



## NOTES TO THE FINANCIAL STATEMENTS

Analysis of income and expenditure charges		
	Year ending 31 July 2022 £m	Year ending 31 July 2021 £m
Current service cost	(21,091)	(20,018)
Past service cost charged in staff costs	(0,220)	-
Total included under Staff costs	(21,311)	(20,018)
less contributions already charged	6,958	7,180
Curtailement cost	-	(0,604)
Settlement cost	-	-
Payroll accrual to maintain current service costs per FRS102	(14,353)	(13,442)
Interest cost	(8,919)	(6,756)
Expected return on assets	5,116	3,496
Interest expense recognised	(3,803)	(3,260)
Total (charge)/credit	<b>(18,156)</b>	<b>(16,702)</b>

Analysis of gains and losses recognised in Consolidated Statement of Comprehensive Income and Expenditure		
	Year ending 31 July 2022 £m	Year ending 31 July 2021 £m
Asset (losses)/gains	9,083	46,022
Liability (losses)/gains	184,351	(20,346)
Total (loss)/gain in SOCI	<b>193,434</b>	<b>25,676</b>

Changes to the present value of liabilities during the accounting year		
	Year ending 31 July 2022 £m	Year ending 31 July 2021 £m
Current service cost	21,091	20,018
Interest cost	8,919	6,756
Contributions by participants	2,828	2,757
Actuarial (losses)/gains on liabilities	(184,351)	20,346
Net benefits paid out	(8,141)	(8,086)
Past service cost	0,220	-
Curtailement cost	-	0,604
Net increase/(decrease) in liabilities	(159,434)	42,395
Opening present value of liabilities	527,190	484,795
Closing present value of liabilities	<b>367,756</b>	<b>527,190</b>

Changes to the fair value of assets during the accounting year		
	Year ending 31 July 2022 £m	Year ending 31 July 2021 £m
Expected return on assets	5,116	3,496
Actuarial (losses)/gains on assets	9,083	46,022
Actual return on assets	14,199	49,518
Contributions by the employer	6,958	7,180
Contributions by participants	2,828	2,757
Net benefits paid out	(8,141)	(8,086)
Net (decrease)/increase in assets	15,844	51,369
Opening fair value of assets	300,059	248,690
Closing fair value of assets	<b>315,903</b>	<b>300,059</b>

Asset allocation		
	Asset split at 31 July 2022 (%)	Asset split at 31 July 2021 (%)
Equities	79.3	80.1
Property	4.0	3.7
Government bonds	6.9	8.0
Corporate bonds	4.3	4.4
Cash	4.0	2.3
Other	1.5	1.5
Total	<b>100.0</b>	<b>100.0</b>





# NOTES TO THE FINANCIAL STATEMENTS

## Assumptions

The latest actuarial valuation of the University's liabilities took place as at 31 March 2019. The principal assumptions used by the independent qualified actuaries in updating the latest valuation of the Fund for FRS102 purposes were:

Principal financial assumptions		
	31 July 2022	31 July 2021
Percentage rates per annum:		
Discount rate	3.40%	1.70%
CPI inflation	2.60%	2.60%
Pension increases	2.60%	2.60%
Pension accounts revaluation rate	2.60%	2.60%
Salary increases	3.85%	3.85%
The assumed life expectations of members are as follows:		
Members aged 65 at accounting date:		
Males	21.8	20.7
Females	24.6	23.8
Members aged 45 at accounting date:		
Males	22.5	23.1
Females	25.7	26.0

## 2023 Pension Increase Order

The 2023 Pension Increase (PI) Order is used to set the level of pension increases, deferred revaluation and CARE revaluation with effect from 1 April 2023. This is expected to be significantly higher than the CPI assumption as at 31 July 2022. The PI order is typically set with reference to the change in CPI inflation over the 12 months to the previous September (announced in October), so the 2023 PI Order is expected to be set with reference to the September 2022 CPI. The change in the CPI over the 12 months to September 2022 was 10.1%.

The actual 2023 PI Order is not automatically set with reference to the September CPI. This is only known with certainty in March, once this has been approved by Parliament. It is possible that the actual PI Order will be lower than the change in CPI over the 12 months to September 2022. It is due to this uncertainty that the standard assumptions and approach as at 31 July 2022 make no allowance for a 2023 PI Order of the order of 10.1%. It is common practice for pensions disclosures to recognise experience as and when this materialises, and so recognition of the 2023 PI Order would ordinarily be made when this is known with certainty, i.e. when preparing pensions disclosures as at 31 July 2023.

The effect of recognising the 2023 PI order in the balance sheet as at 31 July 2022 would increase the value of the obligations by £13.9m

## Note 28. Pension provisions

	Consolidated and University			Total
	Defined Benefit Pensions	Unfunded Pensions	USS Deficit payments	
	£'000	£'000	£'000	£'000
At 1 August 2020	236,105	14,276	1,213	251,594
Charged under Staff Costs	20,622	(3)	(56)	20,563
Charged under Reorganisation Costs	-	-	-	-
Expenditure in year	(7,180)	(901)	(59)	(8,140)
Charged under Finance Costs (Note 11)	3,260	189	9	3,458
Charged under Actuarial (gains)/losses	(25,676)	21	-	(25,655)
At 31 July 2021	227,131	13,582	1,107	241,820
Charged under Staff Costs	21,091	48	1,803	22,942
Charged under Reorganisation Costs	220	-	-	220
Expenditure in year	(6,958)	(942)	(70)	(7,970)
Charged under Finance Costs (Note 11)	3,803	217	10	4,030
Charged under Actuarial (gains)/losses	(193,434)	(1,124)	-	(194,558)
At 31 July 2022	51,853	11,781	2,850	66,484

The Defined Benefit Pension provision relates to benefits provided by our LGPS, which is administered by the WYPF. Details of this provision and the other Defined Benefit Schemes that the University offers to staff are set out in Note 27.

Unfunded pensions are provided for where the University agrees to pay a pension in addition to the normal scheme entitlements at the time, for example in certain instances of redundancy. The provision estimate is calculated by our actuaries, Aon Hewitt, based on the expected life of the obligation and discounted at a rate appropriate to this year. The assumptions used are similar to those used in calculating the LGPS provision and are set out in Note 27.

The obligation to fund the past deficit on the USS arises from the contractual obligation with the USS to deficit payments in accordance with the deficit recovery plan. In calculating this provision, management have estimated future staff levels within the USS scheme for the duration of the contractual obligation and salary inflation. Key assumptions are provided in Note 27.

Following the completion of the 2020 actuarial valuation, a new deficit recovery plan has been agreed of which more detail is given in Note 27. This new plan requires deficit payments of 6.2% of salaries over the period 1 April 2022 to 31 March 2024 at which point the rate will increase to 6.3%. The 2022 deficit recovery liability reflects this plan. As a consequence, the deficit provision has increased from the prior year of which £1.803m is due to the change in the deficit contributions contractual commitment.

The liability figures have been produced using the following assumptions:

	2022	2021
Discount rate	3.31%	0.87%
Pensionable salary growth	4.15%	1.50%

## Sensitivity analysis

As set out in the accounting policies, there are some critical judgements made in estimating the obligation to fund the USS deficit. The sensitivity of the principal assumptions used to measure the USS deficit provision are set out below:

- 0.5% decrease in discount rate increases the liability by £0.119 million to £2.969 million
- 0.5% increase in salary inflation over duration increases the liability by £0.118 million to £2.968 million
- 0.5% increase in salary inflation year 1 only increases the liability by £0.014 million to £2.864 million
- 0.5% increase in staff changes over duration increases the liability by £0.122 million to £2.972 million
- 0.5% increase in staff changes year 1 only increases the liability by £0.014 million to £2.864 million
- 1% increase in deficit contributions increases the liability by £0.453 million to £3.303 million



# NOTES TO THE FINANCIAL STATEMENTS

## Note 29. Other provisions

	Consolidated and University	
	31 July 2022	31 July 2021
	£'000	£'000
Liability for costs of restoration of leasehold properties		
At 1 August	1,521	2,513
Expenditure in the year	(456)	(1,072)
Charged in income and expenditure account	69	80
<b>At 31 July 2022</b>	<b>1,134</b>	<b>1,521</b>

## Note 30. Income and expenditure reserve - endowment reserves

	Consolidated and University		
	Permanent Restricted	Expendable Restricted	Total
	£'000	£'000	£'000
At 1 August 2020	33	37	70
New endowments	32	-	32
Investment income	-	-	-
Direct expenditure for year	(6)	-	(6)
<b>At 31 July 2021</b>	<b>59</b>	<b>37</b>	<b>96</b>
New endowments	-	-	-
Investment income	-	-	-
Direct expenditure for year	-	-	-
<b>At 31 July 2022</b>	<b>59</b>	<b>37</b>	<b>96</b>

Endowment funds are held with the University's current investments. Their purpose is primarily to provide bursaries and prizes for University students.

## Note 31. Income and expenditure reserve - restricted reserves

	Consolidated and University			
	Capital grants	Revenue grants	Donations	Total
	£'000	£'000	£'000	£'000
At 1 August 2020	4,440	1,845	55	6,340
New grants and donations	-	52	1	53
Investment income	-	-	-	-
Direct expenditure for year	-	(27)	-	(27)
Released to unrestricted reserves	(1,436)	-	-	(1,436)
<b>At 31 July 2021</b>	<b>3,004</b>	<b>1,870</b>	<b>56</b>	<b>4,930</b>
New grants and donations	-	59	-	59
Investment income	-	-	-	-
Direct expenditure for year	-	(32)	(1)	(33)
Released to unrestricted reserves	(123)	-	-	(123)
<b>At 31 July 2022</b>	<b>2,881</b>	<b>1,897</b>	<b>55</b>	<b>4,833</b>

## Note 32. Related Party Disclosures

The University has taken advantage of the disclosure exemption under FRS102, which applies to transactions and balances between wholly-owned subsidiaries.

Members of the Board of Governors are required to declare any outside interests that they held during the year. When an item arises in which a member has a pecuniary, business, family, or other personal interest, it must be declared and the member concerned may not take part in the consideration of the matter nor vote on it.

Due to the nature of the University's operations and the composition of the Board of Governors (many of whom are involved with other local public and private sector organisations), there are transactions with organisations in which a member of the Board of Governors or senior staff, or those closely connected to them, may have an interest. All such transactions are conducted at arm's length and in accordance with the University's Financial Regulations.

One member of University staff is a spouse of University Senior Management, and is paid on a salary range in keeping with their peers on equivalent grades.

All transactions totalling more than £1,000 are summarised below by organisation and the relevant governor or staff member:

Organisation	Name and position held	University Income		University Expenditure		Balance owed to/(owing by University) £'000
		£'000	in respect of	£'000	in respect of	
Axis WEB	Ms L Stansbie - Chair	-	-	3	Franchising Fees	-



## NOTES TO THE FINANCIAL STATEMENTS

Organisation	Name and position held	University Income		University Expenditure		Balance owed to/(owing by University)
		£'000	in respect of	£'000	in respect of	£'000
Committee of University Chairs	Mr D Lowen - Trustee & Deputy Chair	-	-	2	Corporate Memberships	-
JISC Services Ltd	Mr M Stow - Board Member (Student Services Advisory Board)	22	Sale of Fixed Assets	391	Information Resources, Software, Corporate Memberships	( 13)
Leeds Beckett Students' Union	Ms M Darroch - Trustee Ms M Simwaka - Trustee	37	Hospitality, Telephone Charges	1,402	Advertising, Hospitality, Venue Hire	2
Leeds BID Ltd	Ms T Lancaster - Chair	-	-	21	Venue Hire, Rates	-
Leeds Learning Alliance	Professor P Slee - Trustee Mr S Burton - Director	-	-	15	Corporate Memberships	-
Northern Consortium	Professor J Keay - Trustee	-	-	115	Advertising, Agent Commission	-
SHARE Multi Academy Trust	Professor J Keay - Trustee	4	Academic Services, Tuition Fees	3	Franchising Fees	-
The Universities' Chaplaincy in Leeds Trust	Professor P Cardew - Trustee	-	-	25	Support Services Contracts	-
UCAS	Mr D Lowen - Chair	-	-	188	Corporate Memberships	-
Unipol Student Homes	Ms C Thomas - Director and Charitable Trustee Ms J Norry - Trustee Ms M Simwaka - Trustee	-	-	151	Advertising, Corporate Membership, Leases, Venue Hire	( 73)
University Alliance	Professor P Slee - Trustee	-	-	60	Corporate Memberships	( 60)
UPP Leeds Student Residences Ltd	Mr T Armour - Director	-	-	1,631	Facilities Management	-
Yorkshire Building Society	Mr R Purdy - Director Balance Sheet Management (permanent role), Interim Chief Financial Officer (temporary role)	3	Tuition Fees	-	-	-

## NOTES TO THE FINANCIAL STATEMENTS

### Note 33. National College for Teaching and Leadership training bursaries

Training bursaries have been provided in the year in order that eligible post-graduate trainee teachers can receive their entitlement to a tax-free bursary whilst they train.

	<b>Consolidated and University</b>	
	<b>31 July 2022</b>	<b>31 July 2021</b>
	<b>£</b>	<b>£</b>
Amount held in creditors due within one year at 1 August	<b>35,300</b>	74,200
<b>Funding body grants</b>	<b>233,300</b>	1,797,300
<b>Expenditure</b>	<b>( 253,700)</b>	( 1,836,200)
Amount held in (debtors)/creditors due within one year at 31 July	<u><b>14,900</b></u>	<u>35,300</u>

### Note 34. Capital and other commitments

Provision has not been made for the following capital commitments at 31 July:

	<b>Consolidated and University</b>	
	<b>31 July 2022</b>	<b>31 July 2021</b>
	<b>£'000</b>	<b>£'000</b>
Capital commitments	<u><b>16,065</b></u>	<u>2,037</u>

### Note 35. Lease obligations

At 31 July the University had future minimum lease payments due under operating leases as follows:

	<b>Consolidated and University</b>	
	<b>31 July 2022</b>	<b>31 July 2021</b>
	<b>£'000</b>	<b>£'000</b>
<b>Land and buildings</b>		
Not later than 1 year	9,838	9,955
Later than 1 year and not later than 5 years	39,024	39,123
Later than 5 years	<u>13,015</u>	<u>22,771</u>
	<u><b>61,877</b></u>	<u>71,849</u>
<b>Other</b>		
Not later than 1 year	9	11
Later than 1 year and not later than 5 years	3	12
Later than 5 years	<u>-</u>	<u>-</u>
	<u><b>12</b></u>	<u>23</u>

### Note 36. Financial Responsibility Supplemental Schedule

We have an obligation as part of our participation in the US Federal Loans program to include Supplemental Information which complies with Federal Register/Vol. 84, No. 184 / Monday, September 23, 2019 / Rules and Regulations.



## NOTES TO THE FINANCIAL STATEMENTS

Reference to Primary Statement	Expendable Net Assets	Described in SORP	31/07/2022 £'000	31/07/2022 £'000	31/07/2021 £'000	31/07/2021 £'000
Statement of Financial Position and Statement of Changes in Reserves	Statement of Financial Position - Net assets without donor restrictions	Net assets without donor restrictions		229,111		32,786
Statement of Financial Position and Statement of Changes in Reserves	Statement of Financial Position - Net assets with donor restrictions	Net assets with donor restrictions		4,929		6,281
Statement of Financial Position	Statement of Financial Position - Related party receivable and Related party note disclosure	Secured and Unsecured related party receivable			-	
Statement of Financial Position	Statement of Financial Position - Related party receivable and Related party note disclosure	Unsecured related party receivable				-
Statement of Financial Position	Statement of Financial Position - Property, Plant and equipment, net	Property, plant and equipment, net (includes Construction in progress)	357,791		314,547	
Statement of Financial Position	Note of the Financial Statements - Statement of Financial Position - Property, plant and equipment - pre-implementation	Property, plant and equipment - pre-implementation		270,047		347,353
Statement of Financial Position	Note of the Financial Statements - Statement of Financial Position - Property, plant and equipment - post-implementation with outstanding debt for original purchase	Property, plant and equipment - post-implementation with outstanding debt for original purchase		40,644		17,606
Statement of Financial Position	Note of the Financial Statements - Statement of Financial Position - Property, plant and equipment - post-implementation without outstanding debt for original purchase	Property, plant and equipment - post-implementation without outstanding debt for original purchase		40,455		-
Statement of Financial Position	Note of the Financial Statements - Statement of Financial Position - Construction in progress	Construction in progress		6,645		10,278
Statement of Financial Position	Statement of Financial Position - Lease right-of-use assets, net	Lease right-of-use asset, net	-		60,690	
Statement of Financial Position	Note of the Financial Statements - Statement of Financial Position - Lease right-of-use asset pre-implementation	Lease right-of-use asset pre-implementation		14,538		17,090
Statement of Financial Position	Note of the Financial Statements - Statement of Financial Position - Lease right-of-use asset post-implementation	Lease right-of-use asset post-implementation		44,042		43,600
Statement of Financial Position	Statement of Financial Position - Goodwill (and other intangibles)	Intangible assets		8,322		-
Statement of Financial Position	Statement of Financial Position - Post-employment and pension liabilities	Post-employment and pension liabilities		66,484		241,820
Statement of Financial Position	Statement of Financial Position - Note Payable and Line of Credit for long-term purposes (both current and long term) and Line of Credit for Construction in process	Long-term debt - for long term purposes	23,138		37,713	
Statement of Financial Position	Statement of Financial Position - Note Payable and Line of Credit for long-term purposes (both current and long term) and Line of Credit for Construction in process	Long-term debt - for long term purposes pre-implementation		- 26,862		7,713
Statement of Financial Position	Statement of Financial Position - Note Payable and Line of Credit for long-term purposes (both current and long term) and Line of Credit for Construction in process	Long-term debt - for long term purposes post-implementation		46,433		17,606

## NOTES TO THE FINANCIAL STATEMENTS

Reference to Primary Statement	Expendable Net Assets	Described in SORP	31/07/2022 £'000	31/07/2022 £'000	31/07/2021 £'000	31/07/2021 £'000
Statement of Financial Position	Statement of Financial Position - Note Payable and Line of Credit for long-term purposes (both current and long term) and Line of Credit for Construction in process	Line of Credit for Construction in process		-		10,278
Statement of Financial Position	Statement of Financial Position - Lease right-of-use asset liability	Lease right-of-use asset liability	-		81,284	
Statement of Financial Position	Statement of Financial Position - Lease right-of-use asset liability pre-implementation	Pre-implementation right-of-use leases		21,124		21,284
Statement of Financial Position	Statement of Financial Position - Lease right-of-use asset liability post-implementation	Post-implementation right-of-use leases		60,651		60,000
Statement of Financial Position and Statement of Changes in Reserves	Statement of Financial Position - Annuities	Annuities with donor restrictions		-		-
Statement of Financial Position and Statement of Changes in Reserves	Statement of Financial Position - Term endowments	Term endowments with donor restrictions		-		-
Statement of Financial Position and Statement of Changes in Reserves	Statement of Financial Position - Life Income Funds	Life income funds with donor restrictions		-		-
Statement of Financial Position and Statement of Changes in Reserves	Statement of Financial Position - Perpetual Funds	Net assets with donor restrictions: restricted in perpetuity		4,929		5,026
Reference to Primary Statement	Total Expenses and Losses	Described in SORP	31/07/2022 £'000	31/07/2022 £'000	31/07/2021 £'000	31/07/2021 £'000
Statement of Comprehensive Income	Statement of Activities - Total Operating Expenses (Total from Statement of Activities prior to adjustments)	Total expenses without donor restrictions - taken directly from Statement of Activities		234,194		251,483
Statement of Comprehensive Income	Statement of Activities - Non-Operating (Investment return appropriated for spending), Investments, net of annual spending gain (loss), Other components of net periodic pension costs, Pension-related changes other than net periodic pension, changes other than net periodic pension, Change in value of split-interest agreements and Other gains (loss) - (Total from Statement of Activities prior to adjustments)	Non-Operating and Net Investment (loss)		- 194,854		- 25,845
Statement of Comprehensive Income	Statement of Activities - (Investment return appropriated for spending) and Investments, net of annual spending, gain (loss)	Net investment losses		- 296		- 190
Statement of Comprehensive Income	Statement of Activities - Pension related changes other than periodic pension	Pension-related changes other than net periodic costs		-		-
Reference to Primary Statement	Modified Net Assets	Described in SORP	31/07/2022 £'000	31/07/2022 £'000	31/07/2021 £'000	31/07/2021 £'000
Statement of Financial Position and Statement of Changes in Reserves	Statement of Financial Position - Net assets without donor restrictions	Net assets without donor restrictions		229,111		32,786
Statement of Financial Position and Statement of Changes in Reserves	Statement of Financial Position - total Net assets with donor restrictions	Net assets with donor restrictions		4,929		6,281
Statement of Financial Position	Statement of Financial Position - Goodwill (and other intangibles)	Intangible assets		8,322		-

## NOTES TO THE FINANCIAL STATEMENTS

Reference to Primary Statement	Modified Net Assets	Described in SORP	31/07/2022 £'000	31/07/2022 £'000	31/07/2021 £'000	31/07/2021 £'000
Statement of Financial Position	Statement of Financial Position - Related party receivable and Related party note disclosure	Secured and Unsecured related party receivable	-		-	
Statement of Financial Position	Statement of Financial Position - Related party receivable and Related party note disclosure	Unsecured related party receivable		-		-
Reference to Primary Statement	Modified Assets	Described in SORP	31/07/2022 £'000	31/07/2022 £'000	31/07/2021 £'000	31/07/2021 £'000
Statement of Financial Position	Statement of Financial Position - Total Assets	Total Assets		491,682		474,955
Statement of Financial Position	Note of the Financial Statements - Statement of Financial Position - Lease right-of-use asset pre-implementation	Lease right-of-use asset pre-implementation		14,538		17,090
Statement of Financial Position	Statement of Financial Position - Lease right-of-use asset liability pre-implementation	Pre-implementation right-of-use leases		21,124		21,284
Statement of Financial Position	Statement of Financial Position - Goodwill (and other intangibles)	Intangible assets		8,322		-
Statement of Financial Position	Statement of Financial Position - Related party receivable and Related party note disclosure	Secured and Unsecured related party receivable	-		-	
Statement of Financial Position	Statement of Financial Position - Related party receivable and Related party note disclosure	Unsecured related party receivable		-		-
Reference to Primary Statement	Net Income Ratio	Described in SORP	31/07/2022 £'000	31/07/2022 £'000	31/07/2021 £'000	31/07/2021 £'000
Statement of Financial Position and Statement of Changes in Reserves	Statement of Activities - Change in Net Assets Without Donor Restrictions	Change in Net Assets Without Donor Restrictions		198,656		3,324
Statement of Comprehensive Income	Statement of Activities - (Net assets released from restriction), Total Operating Revenue and Other Additions and Sale of Fixed Assets, gains (losses)	Total Revenue and Gains		237,850		227,636