

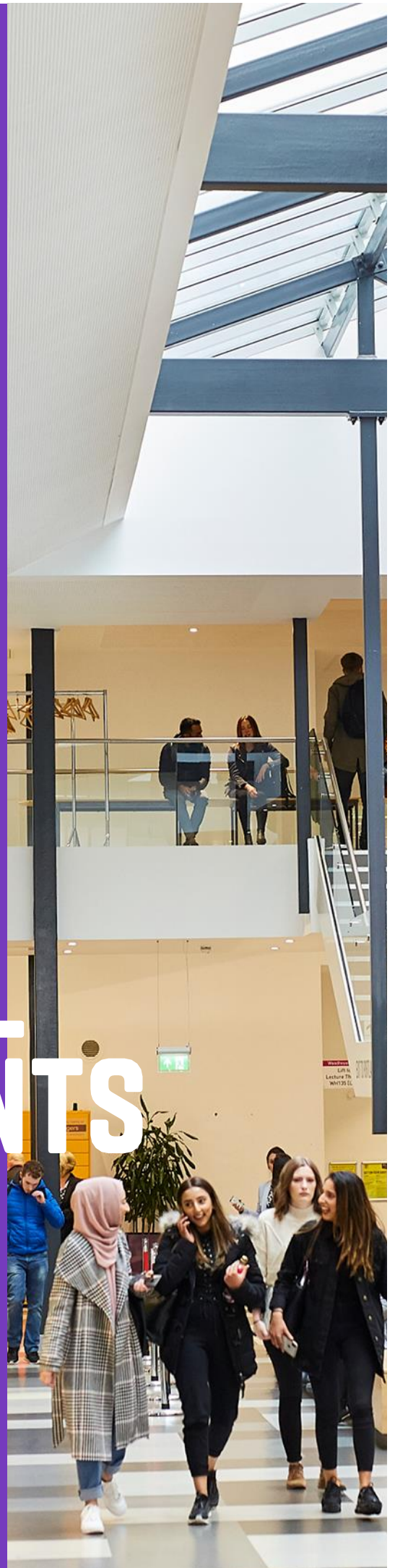


LEEDS
BECKETT
UNIVERSITY

FINANCIAL STATEMENTS

FOR THE YEAR ENDED
31 JULY 2021

leedsbeckett.ac.uk



CONTENTS

Vice Chancellor's Foreword	page 1
About the University	page 2
Strategic Review 2020/21	
An Excellent Education and Experience	page 3
Leading Research and Academic Enterprise	page 7
A Community of Great People	page 10
Sustainable Resources	page 12
Financial Performance 2020/21	page 17
Public Benefit Statement	page 19
Corporate Governance Statement	page 23
Risk Management	page 34
Statement on Internal Control	page 38
Annual Report on Senior Staff Remuneration	page 40
Responsibilities of the Board of Governors	page 42
Independent Auditors Report	page 43
Financial Statements	
Consolidated and University Statement of Comprehensive Income	page 47
Consolidated and University Statement of Changes in Reserves	page 48
Consolidated and University Statement of Financial Position	page 49
Consolidated Statement of Cash Flows	page 50
Statement of Principal Accounting Policies	page 51
Notes to the Financial Statements	page 59

Please address all enquiries to:

Leeds Beckett University
City Campus
Leeds, LS1 3HE

financialaccounting@leedsbeckett.ac.uk
0113 8120000
www.leedsbeckett.ac.uk



LEEDS
BECKETT
UNIVERSITY

FINANCIAL STATEMENTS 2021

VICE CHANCELLOR'S FOREWORD

These financial statements cover the financial year ended 31 July 2021. This period, like the preceding year, has been one of challenge due to the continued impact of the Covid-19 pandemic. However, the University has remained agile in the face of these challenges, adapting to changing Government guidance about the delivery of education whilst keeping the student interest and delivering a quality education at the heart of our operations.

Professor Peter Slee, Vice Chancellor

December 2021



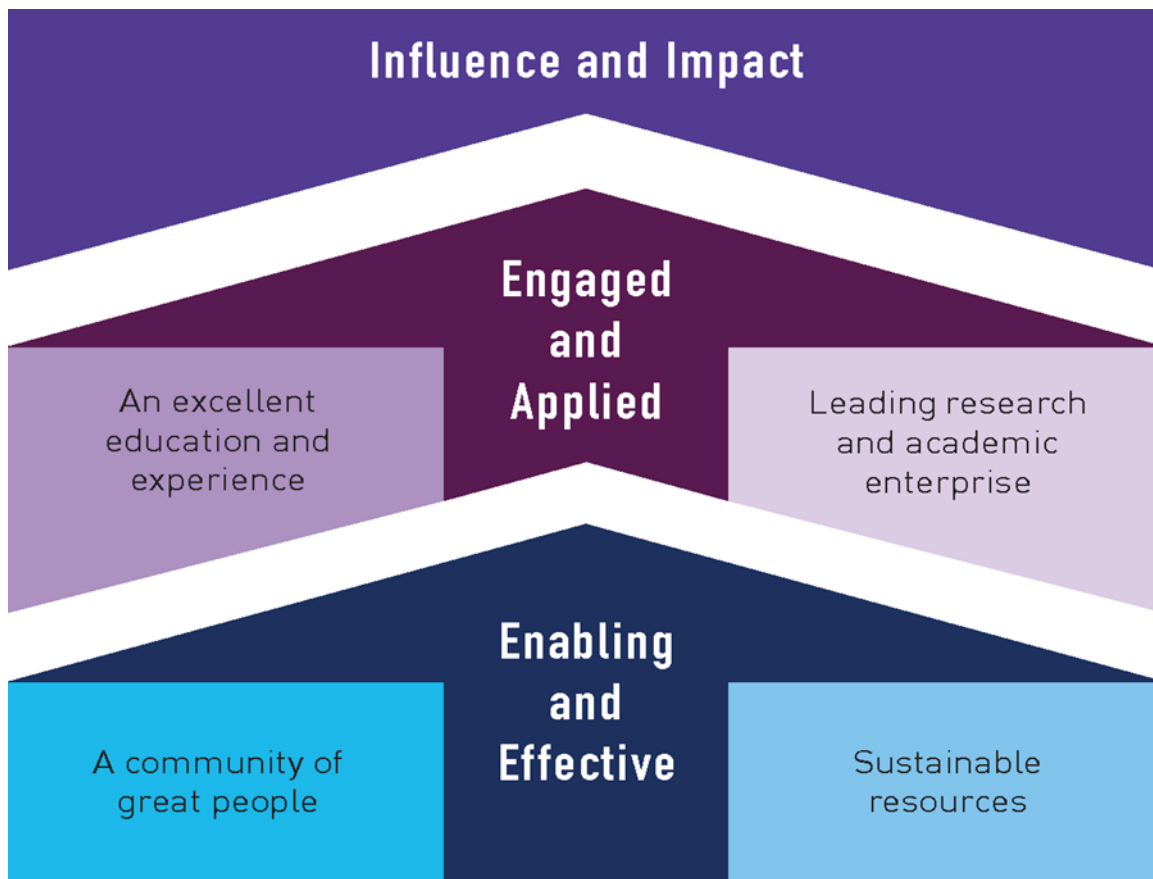
ABOUT THE UNIVERSITY

1. 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.
2. 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.
3. Today, the University has approximately 2,176 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. Following the outbreak of the Covid-19 pandemic and the first national lockdown in March 2020, many colleagues adapted to working routinely from home when not teaching or supporting learning or research on campus. A number of colleagues have continued to provide a permanent presence on campus to maintain critical infrastructure and keep our premises safe and secure.
4. Leeds Beckett University is a community of more than 23,629 students¹, of which 19,605 are in full-time study and 4,024 study part-time.
5. With an annual turnover of £232m, the total economic impact of LBU activities is estimated at £1.466b.
6. Our vision is to be an excellent, accessible and globally engaged university, contributing positively to a thriving northern economy, and our mission is to ensure that its knowledge and resources are used to make a decisive and positive difference to people, communities and organisations.
7. 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 the opportunities and challenges that lie ahead.

¹ HESA HE student enrolments by HE provider and domicile for academic year 2020/21



1. The University's Strategic Planning Framework 2016–2021 set out its future ambitions, underpinned by 12 key performance indicators (KPIs) to 2021.



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

An Excellent Education and Experience

3. Through the University's Developing Excellent Academic Practice (DEAP) Framework and supporting educational development programme, colleagues are offered a wide range of integrated opportunities to research, innovate, collaborate, access support, enhance and gain professional recognition for their learning and teaching practice. In October 2020, the University's Distance Learning Unit moved under the aegis of the Centre for Learning and Teaching. This merger was timely as the 2020/21 DEAP programme was provided exclusively online.
4. The DEAP Educational Development programme was widely supported with excellent participation from across all Schools and Services. The 2020/21 DEAP programme built on work carried out in 2019/20, with a focus on ensuring inclusive practice as we pivoted to online and blended delivery. The DEAP21 Conference, in June 2021, 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.
5. Our newly accredited (2020) 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.

We currently have 13 active Principal Fellows (including the Vice Chancellor (VC) and Deputy Vice Chancellor (DVC) Academic) and 10 National Teacher Fellows (NTFs) (including a 2021 NTF), all of whom contribute to the support and development of others.

Student Satisfaction

6. Perhaps unsurprisingly, National Student Survey (NSS) 2021 satisfaction scores were down across the whole sector as a result of the pandemic and how this has affected students' perceptions of their University experience. The University did, however, outperform its competitor universities and sits 62nd out of 123 universities surveyed.
7. History, Media, Journalism, Physiotherapy, Politics, Computer Science, Computer Games, Business Computing, and Performing Arts are among the UK's top 10 in their subject areas. BA Product Design and BSc Digital Journalism in the Leeds School of Arts, BA International Relations in Leeds School of Social Sciences, and MEng Computer Science in the School of Built Environment, Engineering & Computing all scored 100% satisfaction.
8. Outside of the NSS results, the University's improvement in continuation, growth in research and international student base evidence that our performance is improving in this area, despite the challenges that the pandemic has brought with it.

Graduate Employment

9. Over the 2020/21 academic year, and in response to the challenges posed by the pandemic, we have significantly invested in our digital and remote careers and employability services. This has had the result of increasing our reach and capacity throughout, enabling us to extend our provision to our graduates, build on our employer engagement activity and grow our support for academic colleagues.
10. Our capacity to deliver our events online has enabled us to extend our reach to engage new organisations to co-deliver our activities by breaking down geographical barriers and empowering organisations to connect with us in a more flexible and time-efficient manner.

Central Provision

11. Our central programme of employer-led events and careers education has continued to grow, both in terms of our employer partners and student engagement. Offering all students, the chance to network, not only with external organisations but across disciplines, has helped to foster an interdisciplinary culture in addition to supporting students to build their networks.
12. Between September 2020 and June 2021, we offered 409 'open to all' events to students across our disciplines, a significant increase compared with the previous year. Student engagement in these events also increased, as did the number of queries received through our frontline support service. We offered three successful digital careers fairs, which attracted over 500 students and 100 employers, exemplifying how buoyant employer engagement has remained. The central careers team advertised 1,829 job vacancies during this same time period and 458 of these employers received bespoke support from the central careers team. This additional support resulted in curriculum-based live projects, work experience opportunities, curricular and co-curricular guest lectures, and employment opportunities that were exclusively available to our students and graduates.



13. Our Industry Development Programmes continued to be a successful way of connecting students with our employer networks. All our development programmes were delivered in partnership with local employers and informed by regional skills shortages. Many of these programmes resulted in offers of work experience or employment, and all feedback received indicated a positive experience and a positive impact on the level of career readiness amongst participants.

“The mentoring scheme with Zach at Artus Digital went really well. He set me some work to have a go at, writing a blog and some plans, and I had a go at some content creation for one of their clients, House of Harrogate. He was really impressed with my work and has offered me a position at the company as a freelance digital copywriter and content creator!

It’s been an incredibly valuable experience and I wouldn’t have had this opportunity if it wasn’t for the ‘Make it in Marketing’ programme and the mentoring scheme!... Thank you to you and the rest of the Beckett Careers team for making this opportunity possible!”
(Frankie – English with Creative Writing Student)

14. The 2020/21 academic year also saw us extend the range of support available to students and graduates interested in self-employment/freelance careers, with the launch of a new online freelance and self-employment resource centre. This saw over 200 students sign up over an eight-week period, following a successful online launch event which involved freelance professionals and one of the largest employers in the Leeds City Region (The Stars Group). The event attracted interest from 235 students and was one of our most popular standalone events this academic year.

Distinct Developments

15. In 2020/21 we rapidly enhanced our differentiated careers provision to meet the University’s progression targets within our Access & Participation Plan (APP). We consulted extensively with students from across the distinct characteristic groups and developed a central brand under which all our differentiated targeted activities and initiatives will sit – ‘Elevate’. We have recruited student ambassadors from the target student groups to drive increased engagement and developed an online platform aimed at highlighting the ways in which employers are improving equality and diversity in their organisations. Our ‘Elevate’ programme of activities has been broad ranging and has facilitated new collaborations externally with organisations such as ‘Bright Network’ and ‘Gradconsult’ to deliver activities and opportunities to inspire and address some of the real or perceived barriers to progression which our students face.
16. The introduction of these bespoke events under our Elevate brand has resulted in 890 students who identify with one or more of the APP characteristics, engaging with our central programme of events in the final teaching block, 376 engaging through our School activity and a further 876 working through our online careers education content.

The ‘Graduate Promise’

17. 2020/21 has seen the introduction of our new graduate outreach service, our ‘Graduate Promise’. This new aspect of our service is designed to address the challenges presented by the new 15-month Graduate Outcomes (GO) survey and resultant compulsion for us to provide early careers support for our graduates over an extended period, following completion of their studies.

This new addition to our services has included some significant areas of investment to address the challenges faced by both our students and businesses in the current climate. For example, our 'Business Recovery Programme' offers a bursary to small and medium-sized enterprises (SMEs) to help them to recruit our graduates at a time in which they may struggle to resource skills deficits and requirements to sustain their businesses. This initiative has proven popular with 33 vacancies promoted and discussions ongoing with approximately 78 organisations across our regional SMEs.

School-Focused Provision

18. 2020/21 has seen the continued delivery of a range of high-value subject-specific careers education initiatives within the curriculum and co-curriculum. Our School-based team works in partnership with colleagues across our subject disciplines to provide expert consultancy, and to drive innovative careers and employability activity within, alongside and outside the curriculum. The team have delivered tailored careers education to inform student career decision-making throughout their journey, informed by a deep understanding of student needs, interests and the demands of the graduate labour market. The collaboration continues to extend to our external partnerships, facilitating connections to employers and professional networks to inspire career thinking and open opportunity. Regular review of activity and engagement ensures that the support is flexible and adapts to the needs of all stakeholders – students, graduates, colleagues and employers.
19. The careers activity within Schools continues to be recognised for its innovation externally in industry awards (AGCAS, ISE). The 2020/21 academic year saw us deliver our first Leeds Beckett University employability conference for colleagues across our subject disciplines to help inform of the current employability policy landscape, raise awareness of the realities of the graduate labour market and to inspire colleagues through spotlighting best practice across our University community.

Placement and Experiential Learning Provision

20. Our Experiential Learning team have continued to support Schools to provide students with opportunities for sandwich and modular placements, supporting over 1,000 students with placement and work-based learning opportunities, and promoting over 1,300 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.
21. Throughout the 2020/21 academic year, we have operated a fully online provision for placements, resulting in an enhanced suite of online experiential learning resources, and extended support for students through online appointments, experiential learning workshops and networking events.
22. Alongside the opportunities for sandwich placements and work-based learning, we have also promoted several summer internships, virtual experiences and CPD opportunities.

Developing Academic Partnerships and Collaborations

23. The University continues to have a broad and diverse portfolio of collaborations and partnerships, and currently has 20 collaborative partnership agreements under which academic awards of the University are delivered and 98 other partnerships are in place.



Of the 118 institutions that the University collaborates with, or is in partnership with, 12 are in the EU, 48 are in the UK, with 58 located overseas.

24. 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

25. 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.
26. 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.
27. Our provision and practice are fully aligned to the UK Quality Code expectations and core practices, and our track record in quality assurance makes us well placed to respond to future reviews by the Office for Students (OfS) and reflects our commitment to continuous improvement.

Leading Research and Academic Enterprise

Our Priorities

28. Building on our strengths, as evidenced in the REF2014 exercise, we continue to invest and focus our research on the units of assessment where we have a good track record of achievement, and for which we can identify a critical mass in both colleague and research student engagement and achievement.
29. Our research strengths and interdisciplinary collaborations are framed into three distinct themes:
 - **Health and Wellbeing** – relating to all aspects of health and wellbeing, drawing on physical, mental, nutritional and environmental elements
 - **Sustainability** – bringing together subject areas and Schools relating to the built environment, travel, tourism, engineering, business, technology and computing
 - **Culture** is interwoven across many areas, drawing predominately on the arts and humanities, but also through a wider spectrum of architecture, business, technology and computing, creating and defining physical and social space and awareness
30. The themes reflect the University's history of engagement with 'grand challenges' in terms of the sustainability of our society and its economic, community, political and physical structures. We are developing our support across the University to ensure research has maximum impact.

Research Intensity

31. In March 2021, following a delay due to the Covid-19 pandemic, we submitted our entry for REF2021. The submission included 414 colleagues who contributed over 800 research outputs into 15 units of assessments across all four of the main panels.



This is a significant increase when compared with 220 colleagues and 789 research outputs entered in 11 units of assessments in REF2014. We will receive our results in April 2022, and predictive modelling suggests a significantly improved result.

- 32. As part of the Code of Practice, which governed the processes used to develop our Research Excellence Framework (REF) submission, all academic colleagues were asked to self-identify their REF status. Those who were deemed to have significant responsibility for research by a panel of their peers, and thus contributing to the REF, were allocated a minimum of 20% full-time equivalent (FTE) to allow them to continue their research activities. This time allocation for research activities will continue to support our planned growth in research-active colleagues.

Research Environment

- 33. Work continues to grow both the quality and quantity of the Postgraduate research (PGR) cohorts. In 2020/21, 87 completions were recorded, which is an increase of over 30% since the academic year 2016/17. Online examinations, progressions and supervisions were introduced during the Covid-19 pandemic. These have proven to be a very successful initiative and ensured that this situation did not adversely impact the studies of the research students.
- 34. The final phase of testing was completed for the Student Admin Manager (SAM) examinations module, which went live in August 2021. The system is now fully integrated into all research programme administration from enrolment onwards.
- 35. Figure 1 below shows the Leeds Beckett University results from the first Knowledge Exchange Framework (KEF), compiled mostly from data in the HE-BCI survey. Leeds Beckett University performed strongly in working with business/public and third sector, and especially strong on research partnerships, ranking amongst the top 10% of all universities.

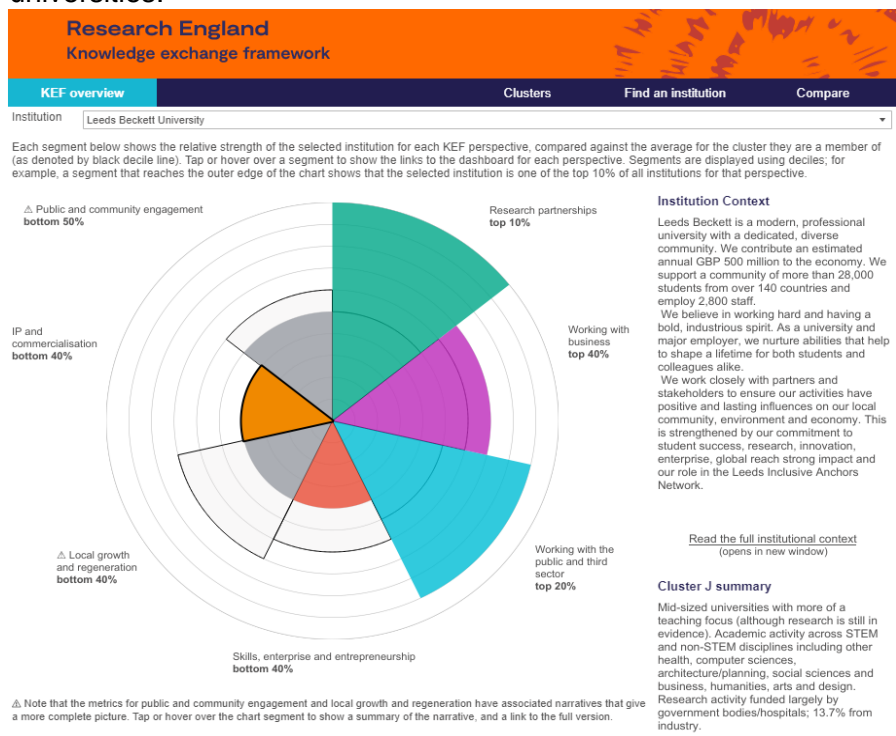


Figure 1: LBU KEF Results 2019/20

36. We agreed to participate in the pilot year of the KEF Concordat. Our action plan was submitted in late July 2021 and comprised a self-assessment of our practices, policies and strategic planning for delivering knowledge exchange. This will be assessed by a panel of expert evaluators, and we will get feedback next year.

Research and Enterprise Prestige

37. Our current and future Research Strategies focus upon successfully bidding for grants. This year, 505 research and enterprise (R&E) bids worth £161.3m have been supported. Of these, 139 are under development or submitted (£101.4m) and 104 were successful (£8.5m). 262 bids have been withdrawn or were unsuccessful. The total bidding activity is significantly higher than the previous academic year (214 bids in total).

38. Table 1 below lists a selection of R&E projects won this year over £100,000:

Project title	Funder	Estimated value at time of award	School
Low Calorie Diet	NIHR	£940,000	School of Clinical & Applied Sciences
#WECAN	ESF	£896,388	Leeds Business School
The International Montessori Institute	Montessori	£771,340	Carnegie School of Education
BSc Environmental Health	MoD	£400,000	School of Clinical & Applied Sciences
Sports Performance Research	Bath Rugby Club	£360,000	Carnegie School of Sport
Thermal bridging calcs on Eaves Insulation Product	ARC Building Solutions Ltd	£329,729	Built Environment, Engineering & Computing
Influence of Military preventive Policy upon Arrival to recruit Training on Covid-19	Surgeons General Fund	£220,000	Carnegie School of Sport
Small Business Leadership Programme (SBLP)	Chartered Association of Business Schools	£210,000	Leeds Business School (LBS)
Teacher Development Fund – stage 1	Paul Hamlyn Foundation	£150,000	Carnegie School of Education
Low Carbon Housing	Barnsley Council	£116,000	Built Environment, Engineering & Computing
Football Foundation	Football Foundation	£111,220	Carnegie School of Sport

Table 1: Selection of Research and Enterprise projects won in 2020/21 over £100,000

39. The **Integrated Healthy Lifestyles Suffolk** contract with Suffolk County Council, delivered by MoreLife, has been extended. Initially a five-year contract, the new agreement will run for a further four years and take the contract value up to over £30m (initially £18m).
40. We have significantly grown our pipeline of Knowledge Transfer Partnerships (KTPs) by working with more businesses engaging in our programme of SME support highlighted below. We have secured four new KTPs with a combined value of over £700k.

We now have five KTPs in operation and plan to double this number in 2021/22 with several submissions being developed.

41. As a University we are known for our support for businesses, particularly SMEs. Our portfolio of projects has grown significantly over the last year, and now includes:
- **ERDF – Accelerate Programme**, which has helped 75 growing businesses to access support to accelerate their development through support from LBS academics
 - **Small Business Leadership Programme** – delivered by LBS to improve SME productivity in over 100 businesses
 - **‘Help to Grow’**, the new 90% Government-funded pandemic recovery programme to help businesses to recover or repurpose through management development support, including innovation and productivity gains. The first cohort (25 SMEs) is being delivered in autumn 2021
 - **ESF #WECAN** – a new three-year project, the #WECAN (Women Empowered through Coaching and Networking) project aims to enhance the resilience and growth of SMEs by building the leadership skills, capabilities and opportunities of women in the Leeds City Region. Over 900 women will be supported throughout the programme

Looking Ahead

42. As we move into the next academic year, we have a new research strategy which is aimed towards making Leeds Beckett University globally recognised as generating original, rigorous and significant research. This will mean building critical mass through more academics doing better quality research. Thus, we will support 80% of academic colleagues to be/become research active and increase our research income to £10m over the next five years. The REF results in April 2022 will inform our future thematic areas for growth.

A Community of Great People

43. 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.
44. 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 2,700 colleagues who ensure we can deliver our commitment to student success, innovation and enterprise, and strong local impact.
45. Our workforce is relatively stable. We have seen a reduction of 42 FTE (full-time equivalent based on HESA data) in overall staffing levels in the last year. We offered a Voluntary Severance scheme, which led to 75 colleagues leaving the University to generate immediate savings. Some strategic organisational changes have been completed to realise more effective operational services: the creation of the School of Health, and the combined Secretary and Registrar role and Department.
46. In March 2020, the University – as with the rest of the UK – went into lockdown because of the Covid-19 global pandemic. As we went into lockdown, the University Executive team (UET) agreed three principles to guide our actions. These are:
- Looking after the health and wellbeing of colleagues and students, particularly those who are the most vulnerable



- Maintaining essential services so we can minimise disruption and ensure continued provision and progression for our students
 - Playing a full and active role in helping slow the spread and mitigate the impact of the virus
47. We have worked within Public Health England and Government guidance throughout. Most University colleagues work successfully remotely, with some academic and support colleagues working safely on campus throughout the pandemic. Colleagues have worked tirelessly to ensure uninterrupted services. We welcomed some students back to campus to a safe teaching and learning environment in September 2020, in line with Government guidance, offering twice-weekly lateral flow testing to students and colleagues. We provide a safe, friendly and welcoming environment for everyone to work and learn.
48. 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 quickly adapted our wellbeing support so that colleagues working remotely had access to a range of resources to support their continued good mental and physical health. As we plan, we are starting 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.
49. The employee relations landscape is unsettled, with tensions around pay, pensions and the political context at a national level. The long-term financial impact of Covid-19 remains unclear. Pensions continue to be a cause for concern in the sector, with employers and employees alike facing increased contribution rates in respect of the Universities Superannuation Scheme (USS).

Equality, Diversity and Inclusion

50. 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.
51. We have reviewed the language used in the University's Equality & Diversity Policy and brought it up to date considering the recent adoption of the University's anti-racism statement, which strengthens our commitment to anti-Semitism. We have developed a clear plan and priorities for action, and monitor progress termly. Actions completed include the creation of a steering group to strengthen leadership commitment and governance of EDI activity, redesign of recruitment and selection training, and successful roll-out to all recruiting managers, and renewed community engagement.
52. Our work on our Athena SWAN and Race Equality Charter agendas is ongoing, although our plans for reaccreditation will now take place in 2022. We have developed and published EDI dashboards to facilitate our charter activity and to provide more detailed analysis of our workforce data from a diversity perspective.
53. The University's Mean Gender Pay Gap (GPG) increased from 9.2% in 2019 to 10.69% in 2020.

When we look at employees only, there has been a continued reduction over the last three years of the GPG from 9.5% in 2018 to 7.51% in 2020. Our Mean GPG is lower than our benchmark universities, which is 13.95% for 2019, and lower than the 2019 Higher Education Sector average of 13.58%. 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 GPG and meeting Public Sector Equality Duty expectations.

Sustainable Resources

Our Estate

54. The new, state-of-the-art £44m Carnegie School of Sport building located on the Headingley Campus opened in September 2020 and houses several new features, including a 60m indoor athletics track, a nutrition teaching kitchen, a high-performance strength and conditioning facility, a human movement research laboratory, two environmental chambers and a Performance Analysis Lab in partnership with Catapult. This investment creates a base for the University's undergraduate, postgraduate and research programmes, and will provide a hub for the elite athletes who use our sports performance expertise.
55. Work on the new £85m Leeds School of Arts building in the city was completed in April 2021. The facility includes a range of new spaces, including TV, film and music recording studios, a performance theatre and a Dolby Atmos movie cinema. The facility will be fully operational in Semester 1 2021.
56. The University's Estates Masterplan was approved by the Board of Governors in October 2019. The implementation plan covering the first five years' development is currently under review, taking account of the impact of the Covid-19 pandemic. 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.
57. Sitting alongside the Masterplan is 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.
58. As part of the implementation of the Masterplan we continue to consolidate our portfolio through the disposal of outlying, underutilised buildings and the renegotiation of various leasing arrangements across the city. This consolidation will see the sale of three freehold properties forming part of the University's residential estate, namely Woodhouse Flats, Kirkstall Brewery and Sugarwell Court. The Woodhouse flats sale was completed in October 2021. Bids are expected for Sugarwell Court in November 2021 and we would hope to complete before the end of March 2022. No bid deadline has yet been set for Kirkstall Brewery but we anticipate this will be some time over the next 12 months.

Sustainability

Sustainability – Looking Forward (2021–2026)

59. In our last financial report, we made a commitment to use AUDE's Sustainability Leadership Scorecard as a framework to rationalise the objectives and targets set in our Environmental Management System, transport and carbon management strategies into one Sustainability Strategy for the University.

60. Since that report, the UET renewed our Strategic Planning Framework for the period 2021–2026 and made a commitment to sustainability throughout. The plan has been approved by our Board of Governors, with the following objective, under the Alignment section of the plan, being our most significant commitment to sustainability:

Objective

61. 'Use the 17 United Nations Sustainable Development Goals (UN SDGs) to influence the stewardship of all our resources and our role within the regional community.'
This objective is underpinned by the following KPI:
'Achieve annual progress in the Sustainability Leadership Scorecard.'
62. The Sustainability Advisory Group has conducted an in-depth gap analysis of AUDE's 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
63. As a result, the Advisory Group is tasked with developing management plans to improve our scores in these areas and to support our academic colleagues in integrating sustainability into their curriculum and research throughout 2021 to 2026.
64. Underpinning this work will be our continued commitment to maintaining our external certification to the international environmental standard ISO 14001.

Sustainability – Looking Back (2016–2021)

65. July 2021 marked the end of our last framework period (2016–2021). As a result, we can report on our objectives and targets set for that period. The objectives, targets and performance are detailed below:

Carbon Reduction

66. 'To reduce annual scope 1 and 2 carbon emissions from the University estate by 35% from our 2005–2006 baseline value of 17,675 tCO₂e to 11,489 tCO₂e.'
By 31 July 2021, our reported scope 1 and 2 emissions were 7,100 tCO₂e. A saving of 60% on our 2006 emissions.
Furthermore, 100% of the electricity we purchased from the grid was generated from renewables backed by Renewable Energy Guarantees of Origin (REGO) certificates. As such, we could report our emissions as 3,422 tCO₂e under the latest guidelines.
As the year 2020–2021 was the height of Covid, most of our buildings were unoccupied, so consumption will naturally be less. However, we still had to run our energy systems to protect the fabric of our buildings, keep systems in optimum condition and safe to use. We also brought two buildings online in this period and as a result our carbon emissions and savings are in line with previous years.

Water Reduction

67. 'To reduce water consumption by 15% compared to 2011–12 consumption of 100,777m³.'
By 31 July 2021, our reported water consumption was 66,699m³, a 38% reduction on our 2012 consumption.

Again, some of these savings are because of unoccupied buildings, and, like our energy usage, we had to run systems to keep them in good working order and safe to use. By comparison, our consumption in 2019–2020 was 106,665m³. This was an increase of just under 6% against our 2012 figure of 100,777m³.

Waste and Recycling

68. 'To maintain a recycling rate of 90% or above for all construction and refurbishment projects.'

Our two major projects over the past three years have been the construction of our Leeds School of Arts (LSA) building, on our City Campus, and the Carnegie School of Sports (CSS) building on our Headingley Campus. Both buildings have achieved recycling rates of 96%.

'Maintain our zero waste to landfill contract for non-residential buildings.'

For the year 2020–2021 we have achieved the following rates for waste segregation:

Recycled – 64%

Energy from waste – 28%

Anaerobic digestion/composting – 8%

Landfill/incineration – 0%

'Increase recycling rates in all non-residential buildings from 62% to 80%.'

Using the figures above, anaerobic digestion and composting can be added to traditional recycling to give a total recycling figure of 72%, still 8% short of our 80% target for recycling.

To reach our 80% target for recycling we need to do the following:

Reduce the amount of general waste we produce

Extract food waste from our general waste

Extract glass and metals from our general waste

The above actions will be incorporated into our management plan to help improve our score in AUDE's Sustainability Leadership Scorecard.

Unlike our energy and water consumption, the amount of waste generated in our non-residential buildings was significantly lower compared to previous years because of Covid-19 and the need to close buildings.

Biodiversity

69. 'To achieve phased targets set within the Biodiversity Management Plan (Woodland) 2016–2025.'

All elements of the Biodiversity Action Plan have been implemented. This includes controlling invasive plant species to allow native species to regain abundance, improve the habitat for green woodpecker, bullfinch and mistle thrush, and work towards optimal habitat for pipistrelle bat and swallows in line with Leeds City Council's Biodiversity Action Plan.

Single Occupancy Car Usage

70. 'Reduce the proportion of staff travelling to work at City Campus by single occupancy vehicle from 27% to 17%.'

'Reduce the proportion of staff travelling to work at Headingley Campus by single occupancy vehicle from 54% to 44%.'

As colleagues and students were working from home during Covid-19, we cannot publish any meaningful results against these targets. As a result, in March 2022, we will conduct a comprehensive colleague and student travel survey to assess travel behaviours pre- and post-Covid-19 and determine if Covid-19 has produced any positive changes in travel behaviour. This will include the continued use of technology, such as video conferencing.

ISO 14001

71. We continue to implement, manage and maintain the requirements of the international standard ISO 14001. This includes a dedicated auditing function of our systems, procedures, objectives and targets, training, legal compliance and a commitment to continual improvement.
72. Covid-19 has highlighted numerous weaknesses in how our society functions. However, those same weaknesses are opportunities for improvement and have hopefully reinvigorated us to achieve the environmental, social and economic changes needed to avoid a 1.5 degree rise in global temperatures.
73. By using AUDE's sustainability leadership scorecard and the UN SDGs as a framework for building on our successes listed above, Leeds Beckett University can be an integral part of this change and positive impact.

Student Recruitment

74. 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)
75. 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.
76. Home full-time undergraduate enrolment for 2020/21 is anticipated to be approximately 5,075, 2% lower in gross numbers, than the Semester 1 target of 5,180. We anticipate that our second intake in January 2022 will further close the gap on our full-year target.
77. The University continues to raise entry grades (now in its third consecutive year), having introduced an institution-wide entry grade floor in 2019. This has put pressure on our recruitment numbers, making in the region of 150 applicants ineligible for an offer in this last year. We have also noted the widely publicised impact of teacher-assessed grades at Level 3, which led to a quieter Clearing period, sector-wide.
78. Home postgraduate taught recruitment has continued to perform strongly. This is due to a continued focus on a compelling curriculum offer, appropriate market positioning, and effective targeted marketing and recruitment activity. A similar enrolment outcome is expected for 2020/21, despite a decline in applications for postgraduate Initial Teacher Education.

STRATEGIC REVIEW 2020/21

79. The University continues to benefit from a strong and growing reputation overseas. The University is confident of exceeding its targets given the substantial increase in international applications, acceptances, and enrolments this year. Early indications are that this growth will continue, and the University expects to meet its Semester 2 and longer-term international recruitment objectives.
80. Our data shows that enrolments are progressing well, and the University is on track to achieve its Semester 1 enrolment objectives. This is a result of improved enrolment management through: streamlined processes, significantly improved management information and effective data-sharing, which have enabled a highly effective approach to enrolment management. These enhanced processes contribute to the smooth transition from school or college to university for our students to ensure that they successfully commence their studies with us.



FINANCIAL PERFORMANCE 2020/21

1. The University has delivered a strong financial performance despite the continuing challenge of the Covid-19 pandemic throughout the 2020/21 financial year. Income increased £17.8m with growth driven by higher tuition fee income, for both home and international students, and an increase in capital grants offset by reductions in accommodation and trading income. Costs have been closely managed throughout the period and so we have been able to deliver an underlying operating surplus of £24.6m, equivalent to 10.8% of income.
2. Underlying operating surplus is calculated before £16.7m 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 costs of our defined benefit pension schemes. It is also before taking into account £34.9m of exceptional charges including £8.5m of fixed asset diminution charges, £3m of restructuring costs, £19.2m of costs relating to the restructuring of our financing facilities and £4.2m loss on disposal of Carnegie Pavilion. These costs are offset by release of £3.5m of grant income relating to the Carnegie Pavilion disposal which took place in August 2020.
3. The increase in total costs from last year is driven by non-underlying items. Staff costs increased primarily as a result of increased pension charges associated with the West Yorkshire Pension Fund. Other operating expenses increased as a result of £19.2m of exceptional costs associated with the planned restructuring of our financing facilities.
4. We generated net cash inflow from operational activities of £45.9m, equivalent to 19.8% of total income. This strong operational performance allowed us to invest £31.5m in capital and intangible assets during the period, including the new School of Arts building, which was completed in the year, and to fund £4.7m of debt servicing costs. Cash and investment balances remained consistent compared to prior year; at the end of July 2021, they were equivalent to 154 days' worth of recurrent expenditure.
5. Our balance sheet continues to be strong with net assets before pension liabilities of £280.9m. Our pension liabilities have remained stable 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 offset by an increase in the liabilities driven by higher inflation.
6. During the year, as part of our financial sustainability strategy, we restructured our financing facilities. We terminated our service concession arrangement with UPP Leeds Metropolitan Limited on some of our student residences and repaid the associated loan. We also entered a new lease and leaseback arrangement on the Carnegie Sports Centre with Lime Properties Limited (Aviva) for a premium of £60m which is due to be repaid over next 30 years. We continue to show our student residences on balance sheet, however, as a result of our finance restructuring, the long-term loans that are funded from our student residences income have reduced to £21.9m (from £63.5m in prior year). Loans funded from our academic income, including the new leaseback arrangement on the Carnegie Sports Centre of £97.3m, are equivalent to 41.9% of total income. Our new funding arrangements provide us with a more appropriate financing structure as we move forward to the next phase of our Strategic Plan.
7. 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.



FINANCIAL PERFORMANCE 2020/21

8. 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 in reaching this conclusion and are satisfied that they demonstrate we have appropriate financial 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 all banking covenants.



PUBLIC BENEFIT STATEMENT

Charitable Status

1. 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 2016–2021, 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.
2. 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 2021 is provided in our Corporate Governance Statement on page 23.
3. 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 under the Charities Act.

Advancing Higher Education

4. 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.
5. 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 2020/21 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.
6. The University remains committed to supporting students throughout their university career, particularly with overcoming the additional challenges the pandemic has presented.
7. In 2020/21 the University provided financial support to over 5,000 students, spending over £2.9m through a number of schemes, including our Hardship, Covid-19 Support and Digital Access Funds.

PUBLIC BENEFIT STATEMENT

8. Our Hardship Fund alone made awards to 2,067 students, delivering £1.4m of awards to students to support with their essential living costs. The University spent a further £766,993 through our Covid-19 Support Fund, to provide expedited support to tackle additional hardship caused by the pandemic.
9. Throughout the pandemic, the University has sought to support students with the additional costs of remote learning. In 2020/21 we established a Digital Access Fund to provide means-tested £500 vouchers for students to spend on IT equipment required for remote study. Through this fund we supported 781 students, spending £390,500.
10. In 2020/21, we also introduced our Placement and CPD Bursary, supporting low-income students on short and longer-term work placements. We spent £37,000 through this fund.
11. During 2020/21, we supported 168 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 £196,000. 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 £26,000.
12. The University spent £113,661 on supporting disabled students to access a range of support, including diagnostic testing and contributions towards the costs of a laptop through Disabled Students' Allowances.
13. In 2021/22, we expect to invest £1.5m in financial support for students. We expect our financial support related to Covid-19 to decrease in 2021/22, however, we will continue to operate our Hardship and Digital Access Funds. Activity across our main bursary portfolio will continue in a similar vein to 2020/21, though we expect to see growth in our Placement and CPD Bursary as more students are able to participate in work placements and CPD activity.

Working with Schools and Colleges to Promote Access to Higher Education

14. The University has implemented an innovative and comprehensive programme of events for schools and colleges to raise awareness of HE. Activities range from talks and workshops held in schools, which cover subjects 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.
15. We believe longitudinal programmes of support are the most effective way to raise the attainment of individuals from disadvantaged or underrepresented backgrounds. Our Junior Leadership Scheme, a long-term two-year programme, works with students in receipt of pupil premium from the Leeds City Region. This programme combines the expertise of our academic colleagues with guidance on meta-cognitive skills and resilience taught through Access and Widening Participation colleagues and ambassadors. Ongoing evaluation has demonstrated measurable success in raising confidence and motivation. The scheme was awarded Gold in the 2021 HEIST awards.
16. We consistently recruit large numbers of students from state schools and from low-participation neighbourhoods. Our long-standing programmes, Larkia and Ujima, 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 residential programme.

PUBLIC BENEFIT STATEMENT

While the pandemic has affected many areas of our access work, we were pleased to be able to run modified versions of Ujima and Larkia in summer 2021.

17. We recruit an increasing number of mature students who are studying their first full-time undergraduate programme and come to us with no previous HE experience. We are increasing our access and attainment-raising activities across and beyond our region to reach more of these students, as well as those who may wish to study part-time to fit around their other commitments.
18. We welcome the diversity and drive these students bring to our community. Additionally, we continue to partner with Go Higher West Yorkshire (GHWY), established in 2011 by 13 HE providers in West Yorkshire (further education (FE) colleges with HE provision, and universities), representing a broad and diverse range of institutions offering a vast array of different courses, subjects, qualifications and modes of study. Through the GHWY partnership, we offer the Progression Module Plus, which in 2020/21 worked with more than 500 learners. This accredited programme enables students to prepare effectively for HE study by completing assignments linked to the application process.
19. We provide inclusive learning pathways combined with a flexible framework of student support. We monitor 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. 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

20. 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.
21. 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.
22. Our students and the recipients of our research and knowledge transfer activities are our primary beneficiaries and, through them, we contribute to the cultural and economic enrichment of the UK.
23. Some examples of the University being an Anchor Institution and using its knowledge and skills for the wider public benefit include:
 - Professor Jim McKenna, Head of our Centre for Active Lifestyles, and postdoctoral researcher, Dr Alex Christensen, worked with Leeds City Council to try to find out what specifically blocks people from engaging with physical activity. Jim and Alex designed a survey of some 4,000 local people and analysed the results, which showed that better public transport and access to resources and facilities, more information about where they can be found and how to use them, greater public safety and security, and the opportunity to be sociable, are the key. These results now form a clear basis for public policy and the kind of interventions that can make Leeds the most active city in



PUBLIC BENEFIT STATEMENT

the UK, with all of the benefits that could bring.

- One of the University's subsidiary companies, MoreLife (UK) Ltd, was awarded the highly prestigious Health Service Journal Award as the Primary Care/GP/Community Provider of the Year for its work with health and community services in East Anglia to improve patient health during the Covid-19 crisis. The judges said that MoreLife provides "a fantastic service" and its commitment to scientific evaluation of its impact was "unique in a healthcare setting".

Commitment to Corporate Social Responsibility

24. 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.
25. 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 has increased its discretionary spend in West Yorkshire to 68% and in Leeds to 47% through a revised approach to procurement. 69% of University expenditure is 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.
26. 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.
27. 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

1. Leeds Beckett University is a HE corporation established under the Education Reform Act 1988 (ERA).
2. 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 2021.
3. The University is registered with and regulated by the OfS. As a registered provider of HE, 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.
4. 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 19.
5. 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.
6. 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 2021, has complied with the seven primary elements of governance as set out in the Higher Education Code of Governance produced by the Committee of University Chairs.

Board of Governors

7. The Board of Governors is the governing body of the University and is chaired by Mr David Lowen.
8. In 2020/21, the board had a membership of 20 governors, comprised of:
 - thirteen independent governors
 - one external co-opted governor
 - 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



CORPORATE GOVERNANCE STATEMENT

9. The Board continued to operate virtually in 2020/21, due to the Covid-19 pandemic, and convened extraordinary meetings where required to ensure effective and timely decision-making on key financial transactions and matters relating to the pandemic. The Board has received frequent communication from management throughout the pandemic in relation to its impact on the University's operations in 2020/21, and preparations for resuming on-campus activity from the spring of 2021 in line with UK Government guidelines. The Board has been pleased with and has supported the measures taken by the University in its response to the pandemic to support students to graduate and progress in their studies, and to maintain the University's infrastructure and effective services.

Board Evaluation

10. The Board undertook a review of its effectiveness during the academic year 2018/19. The recommendations of its last independent review have been successfully implemented and the action plan developed for 2019/20 was acknowledged as complete by the Governance & Nominations Committee at its meeting in October 2020.
11. An independently facilitated review of the Board's effectiveness will take place during the 2021/22 academic year. The last such review was undertaken in 2015/16.

Board Composition

12. The Board's membership underwent a number of changes during the academic year 2020/21. Ann Bishop, Jean Dent, Professor Peter Marsh and Gill Webber stood down as independent governors on 31 August 2020. In November 2020, the Board approved the appointments of independent governors Rachel Hewitt, Barry Matthews and Anouska Ruane. The Board is committed to building on recent improvements made to the diversity of its membership profile, and during this year the Governance & Nominations Committee reviewed this against governor diversity in the wider sector using data published by AdvanceHE. The outcomes of this exercise have fed into succession planning and subsequent governor recruitment searches.
13. Through the Instrument of Government, the Board has the flexibility to appoint up to nine co-opted members. In February 2021, Professor Lisa Stansbie joined the Board as a third co-opted member, as a Dean of School.
14. Sharon Watson stepped down from the Board as an independent governor on 4 February 2021. Sherry Iqbal left her role in the Students' Union (SU) and as such stood down from the Board on 23 April 2021, and Barbara Pereira stepped down at the end of her SU term of office on 30 June 2021.
15. Mphango Simwaka and Meg Darroch joined the Board as student governors on 1 July 2021 following their respective elections as Union Affairs Officer and Academic Experience Officer in the Students' Union.
16. A governance priority of the Board in 2020/21 was to give consideration as to how the Board might develop senior governors of the future, invest in the development of Board talent generally for non-executive roles and potentially improve the pipeline of diverse talent for its own membership and governor recruitment. In February 2021, the Board welcomed Dineo Ledwaba-Chapman and Radhika Patel as Apprentices to the Board for one year. This was facilitated by not-for-profit social franchise Board Apprentice, which supports host Boards to take on apprentices, providing them with a development opportunity to gain non-executive experience.



CORPORATE GOVERNANCE STATEMENT

17. Membership of the Board during 2020/21 and up to the date of signing of the financial statements is set out in the table below:

BOARD OF GOVERNORS 2020/21		
David Lowen (Chair)	Independent Governor	
Qari Asim	Independent Governor	
Ann Bishop	Independent Governor	Stood down 31 August 2020
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	Appointed 1 July 2021
Jean Dent	Independent Governor	Stood down 31 August 2020
Alan Gay	Independent Governor	
Rachel Hewitt	Independent Governor	Appointed 20 November 2020
Professor Christina Hughes	Co-opted Governor	
Sherry Iqbal	Student Governor	Stood down 23 April 2021
Professor Nicki Latham	Independent Governor	
Professor Peter Marsh	Co-opted Governor	Stood down 31 August 2020
Barry Matthews	Independent Governor	Appointed 20 November 2020
Jo Norry	Co-opted Governor	
Barbara Pereira	Student Governor	Stood down 30 June 2021
Rob Purdy	Independent Governor	
Anouska Ruane	Independent Governor	Appointed 20 November 2020
Mphango Simwaka	Student Governor	Appointed 1 July 2021
Professor Peter Slee	Vice Chancellor	
Professor Lisa Stansbie	Co-opted Governor	Appointed 5 March 2021
Sharon Watson	Independent Governor	Stood down 4 February 2021
Dr Andrew West	Independent Governor	
Gill Webber	Independent Governor	Stood down 31 August 2020
Nick Whitaker	Independent Governor	

CORPORATE GOVERNANCE STATEMENT

18. A tailored and comprehensive induction programme is offered to new governors, providing an overview of the HE sector, details about how the University is governed and regulated, as well as an overview of key strategic, financial and operational matters for the Board. This was offered virtually during 2020/21. New governors have the opportunity as part of their induction to meet the Chair of the Board, the Vice Chancellor and members of the UET, and are offered the opportunity to pair with a longer standing independent member of the Board as part of a 'buddy' scheme.
19. All governors are eligible to take part in relevant training and development at the University's expense. In 2020/21 governors attended a variety of sessions run by AdvanceHE through its governor development programme, including an annual HE governance conference. The Chair of the Board and the Chair of the Governance & Nominations Committee also attended Wonkfest in 2021, which was a two-day virtual conference offering a variety of topical debates, expert discussions and interactive workshops about the future of HE.
20. 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 they are paired with and familiarise themselves with different areas of the University's activity.
21. In line with the University's Instrument of Government, the Board of Governors is authorised to make payments to independent governors in acknowledgement of the services they perform for the University as:
 - Chair of the Board
 - Chairs of Board committees
22. A 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 2020/21 for the contribution of Chairs in the financial year ended 31 July 2020.
23. 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.
24. 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 and 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.
25. Caroline Thomas was the University Secretary and Clerk to the Board of Governors, as defined in the Articles, and held the position throughout 2020/21. From 1 August 2021, this role became the University Registrar and Secretary and Clerk to the Board of Governors.

CORPORATE GOVERNANCE STATEMENT

The Work of the Board and its Committees

26. 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.
27. 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 Secretary to the governing body
28. In 2020/21, the Board met formally on six occasions, including two extraordinary meetings convened to approve key financial transactions. In addition, three virtual 'away days' were held.
29. This year the Board has continued to focus on the University's financial sustainability, 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 considered its future composition and membership and succession planning, with several independent governors having recently stepped down.
30. The Board met remotely throughout 2020/21, due to the Covid-19 pandemic, and continued to monitor the impact of the virus on current operations, providing scrutiny and constructive support to the University's management as it responded to the fast-developing and changing national economic and policy context for HE. The Board endorsed the University's decision to provide fee rebates to those students with annual tenancy agreements in University-managed accommodation, where they were unable to access their accommodation in the context of national and local public health measures during 2020/21. A government grant of £0.9m was received in the year in respect of employees placed on furlough under the Job Retention Scheme.
31. The University's financial position and various scenarios informed by estimates for student recruitment and progression were considered by the Board. The Board remains satisfied that the University's financial position is stable for 2020/21 and looking ahead to 2021/22 and remains sustainable despite the disruptions caused by the pandemic.
32. In undertaking its responsibilities, the Board operates a committee structure which includes the following five committees:
- Finance, Staffing & Resources Committee
 - Audit Committee
 - Governance & Nominations Committee
 - Senior Staff Remuneration Committee



CORPORATE GOVERNANCE STATEMENT

- Chairs' Committee

33. 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.
34. In July 2021, the Board approved the University's new Strategic Planning Framework 2021–2026, as well as its supporting sub-strategies. The Board held three away days during 2020/21 at which the Board worked with the University executive to develop the new Strategic Planning Framework. Governors also took part in a number of staff working groups convened during the year by members of the University executive as part of the development process.

Finance, Staffing & Resources Committee

Membership 2020/21
Alan Gay (Chair)
Andy Brown
Cielo Cartwright
Professor Andrew Cooper
Jean Dent (co-opted member)
Barbara Pereira
Professor Peter Slee
Anouska Ruane
Professor Lisa Stansbie (joined 5 March 2021)
Sharon Watson (stepped down 4 February 2021)
Dr Andrew West

35. In July 2020, the Board appointed Jean Dent to the Committee's membership as an external co-optee for the 2020/21 academic year. This was an exceptional proposal in recognition of the value that Jean's knowledge and understanding of the University could bring to the Committee, particularly in relation to the ongoing capital development projects at the time and support to the Committee and the University during a period of potentially rapid change and uncertainty. The University does not routinely extend the tenure of its governors beyond the traditional nine years and, on this basis, the co-option to the Committee will not be renewed for 2021/22.
36. During the reporting period, the Finance, Staffing & Resources Committee met four times.
37. 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 (HR) strategy, estates, capital expenditure and compliance with any related legal and regulatory frameworks.
38. Key areas of focus for 2020/21 have been:
- Annual financial statements
 - Equality, Diversity and Inclusion
 - Staffing matters and the implementation of HR priorities for 2020/21
 - Progress and completion of two major estates projects
 - Residential Portfolio and Future Strategy

CORPORATE GOVERNANCE STATEMENT

- Progress against the IT Strategy
- Financial sustainability and the financial implications of the Covid-19 pandemic

Audit Committee

Membership 2020/21
Nick Whitaker (Chair) Qari Asim Professor Christina Hughes Barry Matthews Rob Purdy

39. 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.
40. In the reporting period, the Audit Committee met on five occasions, four of which were ordinary meetings; and one extraordinary meeting was held to discuss cyber security.
41. The Audit Committee met with the internal and external auditors separately and without the presence of management, prior to the ordinary meetings. Each ordinary meeting was attended by representatives of the internal and external auditors.
42. 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 Risk Management; Budgetary Management and Financial Sustainability post Covid-19; Payroll; GDPR and Data Governance; Core Basic Financial Controls; Academic Quality Governance; Cyber Security; Health and Safety; and the HESA Student return.
43. The Committee considered 'deep-dive' analysis reports on several different areas of the Corporate Risk and Assurance Framework in 2020/21, including business engagement and its links to graduate-level employability, pensions and cyber security.
44. In 2021/22, a tender process for the appointment of internal and external auditors will be overseen by the Audit Committee, with final approval of appointments being sought from the Board of Governors.

Governance & Nominations Committee

Membership 2020/21
Dr Andrew West (Chair) Rachel Hewitt (joined 20 November 2020) Tracey Lancaster David Lowen Sherry Iqbal (stepped down 23 April 2021) Jo Norry Professor Peter Slee Nick Whitaker



CORPORATE GOVERNANCE STATEMENT

45. The Governance & Nominations Committee advises the Board on its composition and membership, 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 the Office of the Independent Adjudicator (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.
46. In 2020/21, the Governance & Nominations Committee met three times and its work included:
- Governor recruitment and appointments
 - Student wellbeing and safety, including safeguarding
 - The implementation of the updated Committee of University Chairs' Higher Education Code of Governance
 - Governance culture and the development of a strategic priorities agenda for the Board
 - Approval of an updated Ethics and Integrity Framework, and a Conflicts of Interest Policy
 - Consideration of the University's compliance with UKVI requirements
 - Monitoring progress against the University's Access & Participation Plan targets
 - Reviewing proposals for the operation of the Board and its committees in 2021/22

Chairs' Committee

Membership 2020/21
Chair of the Board – David Lowen Deputy Chair of the Board – Andy Brown Chair of the Senior Staff Remuneration Committee – Professor Nicki Latham Chair of the Finance, Staffing & Resources Committee – Alan Gay Chair of the Governance & Nominations Committee – Dr Andrew West Chair of the Audit Committee – Nick Whitaker Vice Chancellor – Professor Peter Slee (ex-officio)

47. 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 University Secretary, and the Vice Chancellor to require decisions as a matter of urgency.
48. In 2020/21, 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, including on the University's continued response to the Covid-19 pandemic.



CORPORATE GOVERNANCE STATEMENT

Senior Staff Remuneration Committee

Membership 2020/21
Nicki Latham (Chair) (from 1 August 2021)
Andy Brown
David Lowen
Nick Whitaker
Dr Andrew West (from 1 August 2021)

49. The Senior Staff Remuneration Committee (SSRC) 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 and Registrar as designated senior postholders.
50. The SSRC makes decisions in line with the Operating Framework for Senior Pay which was approved by the Board of Governors in July 2020. The SSRC meets twice a year and the HR Department service the Committee.
51. In accordance with the Committee of University Chairs' Higher Education Senior Staff Remuneration Code, the University published its annual report in April 2021 on its website. The report was approved by the Board of Governors and summarises the work and key decisions made by the SSRC in November 2019. The details are included in the Annual Report on Senior Staff Remuneration on page 40. The University considers that it is fully compliant with the requirements of the Remuneration Code.

Academic Board

52. 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 regulatory framework, and for general issues relating to learning, teaching and research. It has 38 members drawn entirely from staff and students, and it is chaired by the Vice Chancellor.
53. The Academic Board provides a summary report of its proceedings to the Board of Governors after every meeting.
54. The Academic Board met four times during 2020/21 and in addition to its routine business it considered:
- Development of the new strategic framework
 - National Student Survey outcomes
 - Research Excellence Framework submission
 - Structure of Academic Delivery in 2021/22
 - Access and Participation
 - Academic Regulations
 - Admissions Policy
 - E-Thesis Policy



CORPORATE GOVERNANCE STATEMENT

55. Members of the Board of Governors have a standing invitation to observe proceedings of the Academic Board, both as part of their induction programme and throughout their tenure on the Board. During 2020/22, a governor was in attendance at each meeting.

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

Executive Management

57. 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.

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

Public Disclosure

59. 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

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

61. The University mitigates risks in this area by:

- Promoting awareness and training to all key stakeholders including a communication on anti-slavery day
- Increasing the number of suppliers on our sustainability tool
- Working with the NEUPC Responsible Procurement Group to scope a supply chain mapping exercise for high-risk suppliers
- Having a Whistleblowing policy in place which colleagues can use to raise a concern about wrongdoing by the University

62. 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

63. 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.

64. 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.

CORPORATE GOVERNANCE STATEMENT

65. Key elements of the University's financial control system include a comprehensive strategic planning process, underpinned by annual income, expenditure, capital and cash flow 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.
66. 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

1. 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 (including academic risk) and control arrangements to ensure the sustainability of the provider's operations and its ability to comply with the conditions of registration.
2. 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.
3. The Board has ultimate responsibility for risk management and internal control. The Audit Committee has delegated authority to monitor and review management of the University's framework for risk management and the effectiveness of its internal controls system. The Board and the UET 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.
4. 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 but not eliminated. The University's risk appetite statement was approved by the Board in November 2019. The University's Risk Management Policy was last reviewed and approved by the Board in 2019 and is reviewed annually by the Audit Committee.
5. As part of the processes in place for managing risk, the Board approves the corporate strategy and budget, reviews progress against KPIs, and takes account of opportunities and risks in decision-making.
6. 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.
7. A Corporate Risk and Assurance Framework is maintained, and each School and Service has a local risk register which management are responsible for reviewing on a quarterly basis. Risks are linked to strategic priorities to ensure risks are appropriately focused on achieving the University's objectives. Maintenance of local risk registers across the University allows risks in general and risks specific to each area to be identified, managed and escalated as appropriate.
8. The corporate risk and assurance register documents key strategic and governance risks and ensures that the latest sector insights inform the overall risk profile and understanding of the changing context that influence risk and related mitigations. It is considered by the UET, presented at each meeting of the Audit Committee and considered by the Board of Governors on an annual basis. The register is also shared with Schools and Services so that they can ensure that their local risk registers are informed by and appropriately reflect the key risks.

Principal Risks and Uncertainties

9. The HE sector and the global economy face increasingly uncertain times and the pandemic has heightened existing risks. The University's Risk Management Framework and its system of internal controls is designed to mitigate the most significant risks to the greatest extent possible.



RISK MANAGEMENT

10. Following the outbreak of the Covid-19 pandemic in 2020, consideration continues to be given to the impact on the University and what mitigations can be put in place to reduce specific identified risks. Regular virtual meetings continued to be held by the University's Major Incident Team in order to co-ordinate the University's response to the pandemic and changing Government guidance.
11. The University regularly reviews its principal risks as part of its strategic planning process. The table below sets out key strategic risk areas and explains, in brief, how each area is addressed.

Risk area	University's approach
<p><i>Student education and experience</i> Failure to provide a high-quality education and student experience will negatively impact our reputation, recruitment and retention, and reduce opportunities for our students to gain placements and, ultimately, employment.</p>	<p>The University strives to provide an outstanding education for all its students and to improve student outcomes, experience and satisfaction. The student voice informs various areas, including the academic portfolio offering, use of technology, use of the estate and facilities, and a range of other plans.</p> <p>During the pandemic, plans were made for the delivery of teaching and learning in the 2020/21 academic year to be delivered with a blended learning approach with a combination of online teaching and some face-to-face teaching with appropriate social distancing measures and due regard to Government guidance.</p> <p>Continued investment in digital tools.</p> <p>Clear course information and expectations have been communicated to students.</p> <p>Digital Access Fund and Hardship Funds in place to support students.</p>
<p><i>Leading research and academic enterprise</i> Failure to grow the University's research and enterprise activity, culture and income, in an increasingly competitive environment, will negatively impact our reputation.</p>	<p>Significant resources and efforts were invested in the preparation of the University's REF2021 submission.</p> <p>There is a structured pathway for development and support for colleagues undertaking research.</p> <p>The Research and Enterprise Committee take institutional oversight of research strategy implementation.</p> <p>A Board-approved research strategy in place and is monitored and reviewed.</p> <p>To mitigate the impact of the Covid-19 pandemic, labs reopened as soon as practical to allow research to continue, and all examinations and progression meetings successfully moved online.</p>

RISK MANAGEMENT

Risk area	University's approach
	<p>University Business Centres were able to remain open for those in line with Government advice and with all relevant Covid-19 risk assessments in place.</p>
<p>A community of great people Failure to provide a welcoming and empowering environment for all members of the University will negatively impact recruitment, retention and achievement of strategic objectives.</p>	<p>A range of policies, procedures, guidance and training available to all staff.</p> <p>Wellbeing resources for managers and colleagues aswell as practical support and advice provided for colleagues working from home during the pandemic. Lateral flow testing in place for colleagues and students coming on campus.</p> <p>Regular communication from the Vice Chancellor.</p> <p>Performance reviews, colleague development activities and colleague surveys to allow continued engagement with colleagues.</p> <p>Regular dialogue with Trade Unions.</p>
<p>Sustainable resources Failure to appropriately manage financial resources impacts long-term financial sustainability.</p>	<p>Preparation of detailed assumptions underpinning the University's forecasts and associated mitigations to therisks considered by the University Executive and Boardof Governors.</p> <p>Focus on optimal management of long-term financialsustainability.</p> <p>Budgets kept under review and monitored against actual costs. Clear budgetary responsibility and accountability in place.</p>
<p>Changes to Government and sector policy Reduction in income as a consequence of the Government review of university funding and student finances.</p>	<p>Continued monitoring of the political landscape and scenario planning for changes to university funding.</p>
<p>Business continuity If a major catastrophic incident occurs, the University's core business could be significantly disrupted, leading to injury or harm to our colleagues and students, damaged reputation and/or loss of income.</p>	<p>Incident management plans, skilled and experienced staff and supporting recovery arrangements in place, with regular testing and training to ensure these remain fit for purpose.</p> <p>The Covid-19 situation is of a scope and scale that could not have been anticipated. The University nevertheless demonstrated that its plans were sufficiently robust to respond to what was initially a fast-moving national picture.</p>

RISK MANAGEMENT

Risk area	University's approach
<p>Cyber security Failure to maintain sufficient cyber and information security leading to major data breach or significant disruption to IT systems and infrastructure.</p>	<p>Increased investment in cyber resilience resources and cyber security measures.</p> <p>IT Strategy, information security and data management policies in place.</p> <p>Appropriate training of colleagues on information and data security management, supported by policies and procedures.</p>
<p>Governance, legal and regulatory requirements Failure to monitor and manage compliance procedures and compliance with legal and regulatory requirements resulting in an inability to operate or damaged reputation.</p>	<p>Suitable legal and regulatory compliance arrangements in place, including skilled and experienced colleagues; routine horizon scanning undertaken to inform practice; professional development and training provided; as well as maintaining clear policies, procedures and management systems to monitor compliance and provide assurance that thresholds are met, including via formal internal and external audits.</p>

STATEMENT ON INTERNAL CONTROL

1. 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.
2. 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.
3. The University's approach to internal control is risk-based and examines the likelihood and impact of risks materialising, and the impact on the University of risks that do materialise.
4. 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.
5. 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.
6. 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.
7. The Audit Committee considered the Internal Audit opinion on risk management at its meeting on 5 November 2021 and was satisfied with the outcome.
8. 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
 - An internal audit of risk management is undertaken annually, focusing on different aspects of risk management
 - Maintenance and monitoring of the Risk Management Framework by the Executive and Audit Committee
 - Observations of the internal and external auditors in the internal audit's annual opinion, the external audit's findings and other reports
 - Board level review of the University's process for identifying, evaluating and managing the University's significant risks
 - Regular reports to the Audit Committee about management of the University's business, 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. Interim updates are provided by correspondence where appropriate



STATEMENT ON INTERNAL CONTROL

- 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
9. The University's internal audit service in 2020/21 was provided by KPMG LLP. The University's internal audit function provides the Board of Governors and senior management with independent assurance on the adequacy and effectiveness of the University's risk management, control and governance, and value for money arrangements, 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, colleagues, services and responsibilities through an annual programme of work that is agreed between the Audit Committee, the UET and the internal auditors. The internal auditors submit regular reports to the Audit Committee, which include an 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.
 10. During 2020/21, BDO LLP provided the University's external audit service. 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.
 11. No significant internal control weaknesses have been identified for the year ended 31 July 2021 and up until the date the financial statements were signed.



ANNUAL REPORT ON SENIOR STAFF REMUNERATION

1. This statement is based on the report made to the Board to provide assurance on the work of the SSRC in accordance with the Higher Education Senior Staff Remuneration Code.
2. 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, but Leeds Beckett University is pleased to comply with the minimum requirements of this Code.
3. The Code states that fair and appropriate remuneration requires three key elements:
 - i. a fair, appropriate and justifiable level of remuneration
 - ii. procedural fairness; and
 - iii. transparency and accountability
4. From September 2020, the Committee's work is split into separate meetings:
 - Meeting A is concerned with all remuneration issues covered by the Terms of Reference (TOR) except for the VC
 - Meeting B is concerned with the remuneration of the VC
5. 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.
6. The SSRC meetings take place twice a year. On 15 May 2020, the policy and process for determining remuneration within the University was reviewed and the pay review process for the Vice Chancellor and senior postholders 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.
7. The autumn meeting on 30 October 2020 was split into two parts: Meeting A reviewed the performance of the senior postholders 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.
8. 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 HE sector. The Committee gives due consideration to equality data in relation to pay. Significantly, no pay award was made to colleagues on the National Pay Framework this year.

Remuneration of Senior Postholders

9. During Meeting A, the SSRC received a report on the performance of the senior postholders from the Vice Chancellor. The Vice Chancellor recommended that the senior postholders should be treated in the same way as for all other colleagues at the University and not receive a pay award in 2020. The SSRC endorsed the Vice Chancellor's recommendation: no pay award will be enacted for senior postholders. The SSRC also noted that the Senior Staff Pay Award process had not taken place and no other senior staff at the University had received a pay award.

Remuneration of the Vice Chancellor

10. 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 not receive a pay award this year. The SSRC endorsed the Chair of the Board of Governor's recommendation: no pay award will be enacted for the Vice Chancellor.
11. The Vice Chancellor's basic salary is 6.7 times the median pay of basic salary of colleagues as at 31 July 2021, where the median pay is calculated on a FTE basis for the salaries paid by the provider to its staff. In terms of total remuneration, the VC's total remuneration is 7.4 times the median total remuneration of staff as at 31 July 2021, where the median is calculated on a FTE basis for the total remuneration paid by the provider to its staff.
12. The Vice Chancellor does not receive any additional remuneration or non-standard benefits in addition to base salary and standard employer pension contributions.

RESPONSIBILITIES OF THE BOARD OF GOVERNORS

1. 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.
2. 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.
3. 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
4. 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; and
 - secure the economical, efficient and effective management of the University and the group's resources and expenditure
5. In so far as the Board of Governors is aware:
 - there is no relevant audit information of which the auditor is unaware; and
 - 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

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 2021 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 2021 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

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 2020/21, Financial Performance 2020/21, 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



INDEPENDENT AUDITOR'S REPORT

board of governors either intends to liquidate the Group or the University or to cease operations or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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

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

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

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;

INDEPENDENT AUDITOR'S REPORT

- 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; and
- 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.

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

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

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]
Helen Knowles (Senior Statutory Auditor)
For and on behalf of BDO LLP, Statutory Auditor
Manchester, 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 FOR THE YEAR ENDED 31 JULY 2021

	Notes	Consolidated		University	
		31 July 2021 £'000	31 July 2020 £'000	31 July 2021 £'000	31 July 2020 £'000
Income					
Tuition fees and education contracts	1	181,290	165,926	181,290	165,926
Funding body grants	2	19,432	14,565	19,432	14,565
Research grants and contracts	3	4,202	3,711	4,202	3,721
Other income	4	26,858	29,411	21,246	18,367
Investment income	5	190	562	190	662
Donations and endowments	6	54	38	54	38
Total income		232,026	214,213	226,414	203,279
Expenditure					
Staff costs	8	136,938	131,235	129,759	123,422
Fundamental restructuring expenses	8	2,963	2,072	2,963	2,072
Other operating expenses	10	76,208	59,314	77,777	56,927
Depreciation and Impairment	12	27,170	22,629	27,043	22,626
Interest and other finance costs	11	8,204	8,933	8,203	8,920
Total expenditure	12	251,483	224,183	245,745	213,967
Deficit before taxes, gains and losses		(19,457)	(9,970)	(19,331)	(10,688)
Loss on disposal of fixed assets	16	(4,200)	(438)	(4,200)	(373)
Deficit for the year before tax		(23,657)	(10,408)	(23,531)	(11,061)
Taxation	14	(58)	(173)	-	-
Deficit for the year		(23,715)	(10,581)	(23,531)	(11,061)
Actuarial gain / (loss) in respect of pension schemes	28	25,655	(87,770)	25,655	(87,770)
Total comprehensive income / (deficit) for the year		1,940	(98,351)	2,124	(98,831)
Represented by:					
Endowment comprehensive income for the year		26	(5)	26	(5)
Restricted comprehensive income for the year		(1,410)	(77)	(1,410)	(77)
Unrestricted comprehensive income for the year		3,141	(98,447)	3,508	(98,749)
Attributable to the University		1,757	(98,529)	2,124	(98,831)
Attributable to the non-controlling interest		183	178	-	-
		1,940	(98,351)	2,124	(98,831)
Surplus / (deficit) for the year after tax attributable to:					
Non-controlling interest		183	178	-	-
University		(23,898)	(10,759)	(23,531)	(11,061)
Total comprehensive income / (deficit) for the year after tax attributable to:		183	178	-	-
Non-controlling interest		183	178	-	-
University		1,757	(98,529)	2,124	(98,831)

All items of income and expenditure relate to continuing activities.

The accompanying notes and policies on pages 51 to 78 form part of these financial statements.

CONSOLIDATED AND UNIVERSITY STATEMENT OF CHANGES IN RESERVES FOR THE YEAR ENDED 31 JULY 2021

Consolidated	Endowments	Restricted	Unrestricted	Total excluding non-controlling interest	Non-controlling interest	Total
	£'000	£'000	£'000	£'000	£'000	£'000
Balances at 1 August 2019	75	6,417	128,092	134,584	894	135,478
Surplus / (deficit) for the year	(5)	65	(10,819)	(10,759)	178	(10,581)
Other comprehensive income	-	-	(87,770)	(87,770)	-	(87,770)
Transfers between reserves	-	-	-	-	-	-
Release to unrestricted reserves	-	(142)	142	-	-	-
Balances at 1 August 2020	70	6,340	29,645	36,055	1,072	37,127
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	-	-	-
Balances at 31 July 2021	96	4,930	32,786	37,812	1,255	39,067

University	Endowments	Restricted	Unrestricted	Total excluding non-controlling interest	Non-controlling interest	Total
	£000	£000	£000	£000	£000	£000
Balances at 1 August 2019	75	6,417	126,781	133,273	-	133,273
Surplus / (deficit) for the year	(5)	65	(11,121)	(11,061)	-	(11,061)
Other comprehensive income	-	-	(87,770)	(87,770)	-	(87,770)
Transfers between reserves	-	-	29	29	-	29
Release to unrestricted reserves	-	(142)	142	-	-	-
Balances at 1 August 2020	70	6,340	28,061	34,471	-	34,471
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	-	-	-
Balances at 31 July 2021	96	4,930	31,565	36,591	-	36,591

CONSOLIDATED AND UNIVERSITY STATEMENT OF FINANCIAL POSITION FOR THE YEAR ENDED 31 JULY 2021

	Notes	Consolidated		University	
		31 July 2021 £'000	31 July 2020 £'000	31 July 2021 £'000	31 July 2020 £'000
Non-current assets					
Intangible assets	15	9,403	8,878	9,062	8,878
Tangible assets	16	375,237	378,339	375,207	378,300
Investments	17	37	37	37	37
Trade and other receivables		765	18	765	18
		<u>385,442</u>	<u>387,272</u>	<u>385,071</u>	<u>387,233</u>
Current assets					
Stock		1	1	1	1
Trade and other receivables	19	11,079	11,628	13,031	12,960
Investments	20	15,899	15,791	15,899	15,791
Cash and cash equivalents	21	62,534	58,088	58,798	54,096
		<u>89,513</u>	<u>85,508</u>	<u>87,729</u>	<u>82,848</u>
Less: Creditors: amounts falling due within one year	22	(45,142)	(40,937)	(45,463)	(40,894)
Net current assets		<u>44,371</u>	<u>44,571</u>	<u>42,266</u>	<u>41,954</u>
Total assets less current liabilities		429,813	431,843	427,337	429,187
Creditors: amounts falling due after more than one year	23	(147,405)	(140,609)	(147,405)	(140,609)
Provisions					
Pension provisions	28	(241,820)	(251,594)	(241,820)	(251,594)
Other provisions	29	(1,521)	(2,513)	(1,521)	(2,513)
Total net assets		<u>39,067</u>	<u>37,127</u>	<u>36,591</u>	<u>34,471</u>
Restricted Reserves					
Income and expenditure reserve - endowment reserve	30	96	70	96	70
Income and expenditure reserve - restricted reserve	31	4,930	6,340	4,930	6,340
Unrestricted Reserves					
Income and expenditure reserve - unrestricted reserve		32,786	29,645	31,565	28,061
		<u>37,812</u>	<u>36,055</u>	<u>36,591</u>	<u>34,471</u>
Non-controlling interest		1,255	1,072	-	-
Total Reserves		<u>39,067</u>	<u>37,127</u>	<u>36,591</u>	<u>34,471</u>

The financial statements on pages 47 to 78 were approved by the Board of Governors on 19 November 2021 and were signed on 14 December 2021 on its behalf by:

D LOWEN
Chair of the Board

P SLEE
Vice Chancellor

P HARRISON
Director of Finance



CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 JULY 2021

	Notes	Year ended 31 July 2021 £'000	Year ended 31 July 2020 £'000
Cash flow from operating activities			
Surplus / (deficit) for the year before taxation		(23,657)	(10,408)
Adjustment for non-cash items			
Depreciation and Impairment	12	27,170	22,629
(Increase) / decrease in stock		-	59
(Increase) / decrease in debtors	19	1,047	2,617
Increase / (decrease) in creditors	22	4,455	(926)
Increase / (decrease) in pension provisions	28	12,423	7,483
Increase / (decrease) in other provisions	29	(992)	81
Adjustments for investing or financing activities			
Interest receivable		(190)	(562)
Interest payable	11	8,204	8,933
(Gain) / loss on sale of tangible assets		4,200	438
Capital grant income		(5,913)	(1,860)
Exceptional expenses relating to refinancing		19,228	-
Cash flows from operating activities		45,975	28,484
Taxation	14	(58)	(173)
Net cash inflow/(outflow) from operating activities		45,917	28,311
Cash flows from investing activities			
Proceeds from the sale of tangible assets		8	8,669
Capital grants receipts		1,604	979
Movement on deposits		(108)	23,725
Investment income		190	562
Payments made to acquire tangible assets		(29,684)	(56,719)
Payments made to acquire intangible assets		(1,862)	(2,129)
Dividends paid to non-controlling interests		-	(100)
Lease Premium		(555)	12,500
		(30,407)	(12,513)
Cash flows from financing activities			
Interest paid		(4,723)	(5,723)
New bank loans		30,000	-
New finance leases		-	442
New lease and leaseback arrangement		59,700	-
Repayment of amounts borrowed		(40,256)	18,549
Capital element of finance lease rental payments		(55,658)	(1,270)
Other interest-free loans repaid		(127)	(254)
		(11,064)	11,744
Increase / (decrease) in cash and cash equivalents in the year	21	4,446	27,542
Cash and cash equivalents at beginning of the year	21	58,088	30,546
Cash and cash equivalents at end of the year	21	62,534	58,088



STATEMENT OF PRINCIPAL ACCOUNTING POLICIES

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 £12.1m; a change in the rate of salary increase of 0.1% would change the provision made by around £1.6m; a change in the rate of pension increase of 0.1% would change the provision made by around £10.5m; and a change one year in mortality would change the provision made by around £20.0m. Changes in these assumptions would also affect the projected annual service cost by up to £1.0m 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 are 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 who are responsible for proposing and managing the project provide the relevant advice and estimates.



STATEMENT OF PRINCIPAL ACCOUNTING POLICIES

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 accounts. These scenarios considered the impact of an unexpected reduction in income or the need to delay a planned refinancing.

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

Given the unprecedented nature of the COVID-19 events, it is difficult to predict future performance and cash flows with certainty. 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 cash reserves and the undrawn credit facility, the Board 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 the foreseeable future, which is a period of at least 12 months from the signing of the accounts and audit report. The Board 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.

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 bursaries and scholarships are accounted for as expenditure and not deducted from income.

STATEMENT OF PRINCIPAL ACCOUNTING POLICIES

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), Universities 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.

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.



STATEMENT OF PRINCIPAL ACCOUNTING POLICIES

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 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.



STATEMENT OF PRINCIPAL ACCOUNTING POLICIES

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 and Fittings

Leased equipment, furniture and fittings are depreciated over the life 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 life of the lease.

Equipment, Furniture and Fittings

Items or groups of items that together cost £5,000 or more (including VAT), and with an expected useful life exceeding two 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 recognised 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, are capitalised and depreciated over the expected useful life of the systems. 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 recoverable amount, an impairment charge is made to reduce the asset value to its recoverable amount. If in any subsequent period it is identified that the recoverable amount 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 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.

STATEMENT OF PRINCIPAL ACCOUNTING POLICIES

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 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.

STATEMENT OF PRINCIPAL ACCOUNTING POLICIES

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 (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 (VAT). 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.

STATEMENT OF PRINCIPAL ACCOUNTING POLICIES

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 2021 £'000	31 July 2020 £'000	31 July 2021 £'000	31 July 2020 £'000
HE course fees				
Home and EC domicile students				
Full-time undergraduate	141,065	134,133	141,065	134,133
Full-time postgraduate	11,526	9,504	11,526	9,504
Part-time undergraduate	5,394	4,795	5,394	4,795
Part-time postgraduate	5,052	4,834	5,052	4,834
Overseas (non-EC) domicile students				
Overseas students	16,739	11,355	16,739	11,355
Sub-total HE course fees	179,776	164,621	179,776	164,621
Research Studentships	-	22	-	22
Short course fees	595	645	595	645
Education contracts UK	491	255	491	255
Education contracts overseas	428	383	428	383
	181,290	165,926	181,290	165,926

Note 2. Funding body grants

	Consolidated		University	
	31 July 2021 £'000	31 July 2020 £'000	31 July 2021 £'000	31 July 2020 £'000
Recurrent grants:				
Office for Students	6,336	7,219	6,336	7,219
Research England	5,900	5,409	5,900	5,409
Specific grants:				
Office for Students	1,283	77	1,283	77
Capital grants	5,913	1,860	5,913	1,860
	19,432	14,565	19,432	14,565

Note 3. Research grants and contracts

	Consolidated		University	
	31 July 2021 £'000	31 July 2020 £'000	31 July 2021 £'000	31 July 2020 £'000
Research councils	272	424	272	424
UK based charities	515	638	515	638
UK central government, local, health and hospital authorities	1,880	1,214	1,880	1,214
UK industry, commerce, public corporations	482	456	482	456
EU government bodies	643	608	643	608
EU other	209	110	209	110
Other overseas	67	192	67	192
Other	134	69	134	79
	4,202	3,711	4,202	3,721

Note 4. Other income

	Consolidated		University	
	31 July 2021 £'000	31 July 2020 £'000	31 July 2021 £'000	31 July 2020 £'000
Knowledge services	9,065	9,236	7,166	7,448
Other grants receivable	1,001	594	1,001	594
Residences, catering and conferences	13,188	17,843	12,916	17,800
Other income	3,604	1,738	163	(7,475)
	26,858	29,411	21,246	18,367

A government grant of £0.9m (2020: £0.3m) was received in the year in respect of employees placed on furlough under the Job Retention Scheme.

Note 5. Investment income

	Consolidated		University	
	31 July 2021 £'000	31 July 2020 £'000	31 July 2021 £'000	31 July 2020 £'000
Investment income on endowments	(2)	(8)	(2)	(8)
Investment income from short-term investments	152	477	152	477
Other investment income	40	93	40	193
	190	562	190	662



NOTES TO THE FINANCIAL STATEMENTS

Note 6. Donations and endowments

	Consolidated		University	
	31 July 2021 £'000	31 July 2020 £'000	31 July 2021 £'000	31 July 2020 £'000
New endowments	32	-	32	-
Donations with restrictions	8	34	8	34
Unrestricted donations	14	4	14	4
	54	38	54	38

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 2021 £'000	31 July 2020 £'000	31 July 2021 £'000	31 July 2020 £'000
Grant income from the OfS	13,532	9,156	13,532	9,156
Grant income from other bodies	5,900	5,409	5,900	5,409
Fee income for research awards (exclusive of Vat)	1,832	1,810	1,832	1,810
Fee income from non-qualifying courses (exclusive of Vat)	1,514	1,305	1,514	1,305
Fee income for taught awards (exclusive of Vat)	177,944	162,811	177,944	162,811
	200,722	180,491	200,722	180,491

Note 8. Staff costs

Staff costs	Consolidated		University	
	31 July 2021 £'000	31 July 2020 £'000	31 July 2021 £'000	31 July 2020 £'000
Wages and salaries	96,079	96,074	89,304	88,551
Social security costs	10,024	9,739	9,710	9,470
Pension costs - WYPF	19,949	16,012	19,949	16,012
Pension costs - TPS	10,294	10,042	10,294	10,042
Pension costs - USS	502	(653)	502	(653)
Pension costs - NEST	90	21	-	-
	136,938	131,235	129,759	123,422

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

Average full-time equivalent

	FTE 2021	FTE 2020
Academic staff	808	817
Professorial and Research	135	128
Support staff	1,233	1,273
	2,176	2,218

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.

Basic salary per annum	Year ended 31 July 2021	Year ended 31 July 2020
	Number of staff	Number of staff
£100,000 - £104,999	1	1
£105,000 - £109,999	2	2
£120,000 - £124,999	-	1
£125,000 - £129,999	2	1
£130,000 - £134,999	1	1
£135,000 - £139,999	4	4
£145,000 - £149,999	-	1
£150,000 - £154,999	3	3
£230,000 - £234,999	1	1
	14	15



NOTES TO THE FINANCIAL STATEMENTS

Emoluments of the Vice-Chancellor	£'000	£'000
Basic salary	235	235
University's pension contributions to the Teachers' Pensions Agency	56	54
Total emoluments of the office of Vice-Chancellor.	<u>291</u>	<u>289</u>

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 in 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 November 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.

There was no increase to basic salary awarded to the Vice Chancellor in 2020/2021. The Vice Chancellor did 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 2021 (2020: 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 2021 (2020: 8.0 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 2021 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 2020 to 31 July 2021 with the exception of 62 atypical colleagues (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 2021 £'000	Year ended 31 July 2020 £'000
Key management personnel compensation	<u>1,543</u>	<u>1,670</u>

Severance payments

Compensation for loss of office, including pension costs and provisions for terminations agreed but not completed before 31 July 2021, paid to former employees during the year amounted to £3.0m (2020: £2.1m). The number of people to whom this was payable to as at 31 July 2021 was 129 (2020: 90).

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 2020/21, were for contributions made to the Board in 2019/20, are as follows:

	Year ended 31 July 2021 £	Year ended 31 July 2020 £
David Lowen, Chair of the Board	15,000	15,000
Jean Dent, Chair of Finance, Staffing and Resources Committee	7,500	7,500
David Fletcher, 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
Ann Bishop, Chair of Senior Staff Remuneration Committee	7,500	7,500
Total Remuneration	<u>45,000</u>	<u>45,000</u>

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



NOTES TO THE FINANCIAL STATEMENTS

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 2021	Year ended 31 July 2020
	£	£
Andrew West	234	627
Qari Asim	386	-
Ann Bishop	-	240
Jo Fox	-	364
Sherry Iqbal	-	1,023
Lisa Stansbie	386	-
David Lowen	-	2,803
Peter Marsh	-	520
Pango Simwaka	1,074	-
Gill Webber	-	810
Nick Whitaker	-	1,595
Dineo Ledwaba-Chapman	1,500	-
Total reimbursement	3,580	7,982

Note 10. Other operating expenses

	Consolidated		University	
	31 July 2021 £'000	31 July 2020 £'000	31 July 2021 £'000	31 July 2020 £'000
Student support	6,385	5,259	6,385	5,259
Teaching support	5,769	5,283	5,934	5,376
Staff support	4,578	4,196	8,056	8,030
Rents & rates	12,192	13,302	12,004	12,777
Other facilities management	6,544	7,005	6,544	7,003
Utilities	2,930	3,512	2,930	3,510
Equipment	5,900	5,337	5,900	5,337
Consumables	1,190	1,574	1,190	1,573
Catering	179	1,262	179	1,257
Travel and subsistence	348	1,498	299	1,401
Professional services	2,321	2,122	1,812	1,792
Advertising and marketing	2,369	2,596	2,232	2,566
Insurance and financial expenses	5,385	4,565	4,445	10
Other expenses	879	1,135	628	368
Exceptional expenses	19,239	668	19,239	668
	76,208	59,314	77,777	56,927

The following costs are included within the above figures:

External auditors' remuneration for:

University audit services	119	108	119	108
Subsidiaries audit services	24	23	-	-
Non-audit work	15	12	15	12
Internal auditors' remuneration	121	155	121	155
Operating lease rentals - buildings	11,364	11,820	11,364	11,820
Operating lease rentals - plant & equipment	28	71	28	71
Student Union grant	1,349	1,349	1,349	1,349

The exceptional expenses in 2021 relate to the costs associated with the restructuring of our finance facilities. The exceptional expenses in 2020 relate to rental rebates for students in response to Covid-19.

Note 11. Interest and other finance costs

	Consolidated		University	
	31 July 2021 £'000	31 July 2020 £'000	31 July 2021 £'000	31 July 2020 £'000
Finance charges in respect of Service Concession Agreements and finance leases	2,956	4,358	2,956	4,358
Finance charges in respect of pension provisions	3,458	3,261	3,458	3,261
Bank loans not wholly repayable within 5 years	524	909	524	909
Other interest payable	1,266	405	1,265	392
	8,204	8,933	8,203	8,920

Service Concession Agreements are secured on residential properties.



NOTES TO THE FINANCIAL STATEMENTS

Note 12. Analysis by activity

Consolidated

2020/21 Activity	Staff Costs	Re-organisation costs	Other Operating Expenses	Depreciation	Interest Payable	Total
	£'000	£'000	£'000	£'000	£'000	£'000
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
Total	136,938	2,963	76,208	27,170	8,204	251,483

Intangible asset depreciation [Note 15]

1,337

Tangible asset depreciation [Note 16]

25,833

27,170

2019/20 Activity

Academic departments	70,118	793	9,041	428	-	80,380
Academic services	16,221	204	7,071	2,121	-	25,617
Research grants and contracts	3,596	6	2,707	12	-	6,321
Residences, catering and conferences	2,217	234	13,533	48	4,460	20,492
Premises	4,721	339	11,719	15,132	-	31,911
Administration	28,629	496	8,727	4,842	4,460	47,154
Other services rendered	2,476	-	4,887	43	-	7,406
Other	3,257	-	1,629	3	13	4,902
Total	131,235	2,072	59,314	22,629	8,933	224,183

Intangible asset depreciation [Note 15]

1,030

Tangible asset depreciation [Note 16]

21,599

22,629

Note 13. Access and participation expenditure

	31 July 2021			31 July 2020		
	£'000	£'000	£'000	£'000	£'000	£'000
	Staff	Other Operating Expenditure	Total	Staff	Other Operating Expenditure	Total
Access investment	829	387	1,216	1,065	539	1,604
Financial support provided to students	369	2,959	3,328	354	1,293	1,647
Support for disabled students	2,187	111	2,298	2,028	81	2,109
Research and evaluation	28	31	59	28	29	57
	3,413	3,488	6,901	3,475	1,942	5,417

Included above are staff costs of £3,413k 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

Note 14. Taxation

	Consolidated		University	
	31 July 2021	31 July 2020	31 July 2021	31 July 2020
	£'000	£'000	£'000	£'000
Recognised in the statement of comprehensive income				
Current tax				
Current tax expense	58	196	-	-
Adjustment in respect of previous years	-	(23)	-	-
Current tax expense	58	173	-	-



NOTES TO THE FINANCIAL STATEMENTS

Note 15. Intangible assets

	Consolidated			University		
	Software purchased	Assets under development	Total	Software purchased	Assets under development	Total
	£'000	£'000	£'000	£'000	£'000	£'000
Cost						
At 1 August 2020	10,740	1,263	12,003	10,740	1,263	12,003
Assets brought into use	461	(461)	-	461	(461)	-
Additions at cost	1,256	606	1,862	800	606	1,406
Disposals and transfers in year	-	-	-	-	-	-
At 31 July 2021	12,457	1,408	13,865	12,001	1,408	13,409
Accumulated depreciation						
At 1 August 2020	(3,125)	-	(3,125)	(3,125)	-	(3,125)
Charge for year	(1,337)	-	(1,337)	(1,222)	-	(1,222)
Eliminated on disposals and transfers	-	-	-	-	-	-
At 31 July 2021	(4,462)	-	(4,462)	(4,347)	-	(4,347)
Net book value at 31 July 2021	7,995	1,408	9,403	7,654	1,408	9,062
Net book value at 31 July 2020	7,615	1,263	8,878	7,615	1,263	8,878

Note 16. Tangible assets

Consolidated	Land	Freehold Buildings	Leasehold Buildings	Equipment	Assets under construction	Total
	£'000	£'000	£'000	£'000	£'000	£'000
Cost						
At 1 August 2020	37,630	380,849	32,981	61,082	105,079	617,621
Assets brought into use	-	111,595	-	2,304	(113,899)	-
Additions at cost	-	11,726	-	5,880	10,278	27,884
Disposals and transfers in year	-	-	(20,320)	(210)	-	(20,530)
At 31 July 2021	37,630	504,170	12,661	69,056	1,458	624,975
Accumulated depreciation						
At 1 August 2020	-	(180,297)	(20,711)	(38,274)	-	(239,282)
Charge for year	-	(11,995)	(503)	(4,832)	-	(17,330)
Diminution of fixed asset values	-	(8,503)	-	-	-	(8,503)
Eliminated on disposals and transfers	-	-	15,167	210	-	15,377
At 31 July 2021	-	(200,795)	(6,047)	(42,896)	-	(249,738)
Net book value at 31 July 2021	37,630	303,375	6,614	26,160	1,458	375,237
Net book value at 31 July 2020	37,630	200,552	12,270	22,808	105,079	378,339
University						
	Land	Freehold Buildings	Leasehold Buildings	Equipment	Assets under construction	Total
	£'000	£'000	£'000	£'000	£'000	£'000
Cost						
At 1 August 2020	37,630	380,849	32,981	61,033	105,079	617,572
Assets brought into use	-	111,595	-	2,304	(113,899)	-
Additions at cost	-	11,729	-	5,874	10,278	27,881
Disposals and transfers in year	-	-	(20,320)	(210)	-	(20,530)
At 31 July 2021	37,630	504,173	12,661	69,001	1,458	624,923
Accumulated depreciation						
At 1 August 2020	-	(180,298)	(20,711)	(38,263)	-	(239,272)
Charge for year	-	(11,995)	(503)	(4,820)	-	(17,318)
Diminution of fixed asset values	-	(8,503)	-	-	-	(8,503)
Eliminated on disposals and transfers	-	-	15,167	210	-	15,377
At 31 July 2021	-	(200,796)	(6,047)	(42,873)	-	(249,716)
Net book value at 31 July 2021	37,630	303,377	6,614	26,128	1,458	375,207
Net book value at 31 July 2020	37,630	200,551	12,270	22,770	105,079	378,300



NOTES TO THE FINANCIAL STATEMENTS

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 [2020: £95,332,000] and the net book value is £17,840,000 [2020: £44,308,000].

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 £8.5m 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 2021 £'000	31 July 2020 £'000	31 July 2021 £'000	31 July 2020 £'000
CVCP Properties plc	37	37	37	37
	37	37	37	37

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 2021 based on management accounts at that date.

Note 19. Trade and other receivables

	Consolidated		University	
	31 July 2021 £'000	31 July 2020 £'000	31 July 2021 £'000	31 July 2020 £'000
Amounts falling due within one year:				
Trade receivables	6,257	7,226	5,777	5,990
Prepayments and accrued income	4,417	4,402	6,849	6,970
Amount due from third party loan	94	-	94	-
VAT debtor	311	-	311	-
	11,079	11,628	13,031	12,960

The University entered into a new 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 LIBOR. This loan is classified as debtors greater than one year.

The University has a receivable of £2.2m (2020: £2.0m) with Leeds Beckett University Enterprises Ltd which is shown in Prepayments and Accrued income in the above table.

Note 20. Current asset investments

	Consolidated		University	
	31 July 2021 £'000	31 July 2020 £'000	31 July 2021 £'000	31 July 2020 £'000
Fixed interest deposits	15,899	15,791	15,899	15,791
	15,899	15,791	15,899	15,791

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 £107k (2020: £275k) representing the fair value remeasurement gains of £368k (2020: £560k) and interest received of £476k (2020: £835k).



NOTES TO THE FINANCIAL STATEMENTS

Note 21. Cash and cash equivalents

	Consolidated		
	At 1 August 2020	Cash Flows	At 31 July 2021
	£'000	£'000	£'000
Cash and cash equivalents	58,088	4,446	62,534
	<u>58,088</u>	<u>4,446</u>	<u>62,534</u>

Note 22. Creditors: amounts falling due within one year

	Consolidated		University	
	31 July 2021	31 July 2020	31 July 2021	31 July 2020
	£'000	£'000	£'000	£'000
Trade creditors	8,946	5,268	8,946	5,268
Loans and obligations (Note 24)	4,534	6,035	4,534	6,035
Other taxation and social security	3,557	4,320	3,051	3,646
Accruals	16,845	15,543	19,316	18,079
Deferred income	10,872	9,406	9,353	7,626
Interest accrued	263	240	263	240
Other creditors	125	125	-	-
	<u>45,142</u>	<u>40,937</u>	<u>45,463</u>	<u>40,894</u>

The University has a payable of £2.4m (2020: £2.2m) 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 2021	31 July 2020	31 July 2021	31 July 2020
	£'000	£'000	£'000	£'000
Loans and obligations (Note 24)	114,663	103,051	114,663	103,051
Deferred income	32,735	37,550	32,735	37,550
Taxation	7	8	7	8
	<u>147,405</u>	<u>140,609</u>	<u>147,405</u>	<u>140,609</u>

Note 24. Borrowings

	Consolidated		University	
	31 July 2021	31 July 2020	31 July 2021	31 July 2020
	£'000	£'000	£'000	£'000
(a) Bank loan				
The bank loan is repayable as follows:				
In one year or less	4,575	4,700	4,575	4,700
Between one and two years	4,575	8,307	4,575	8,307
Between two and five years	13,725	24,194	13,725	24,194
In five years or more	14,838	7,445	14,838	7,445
	<u>37,713</u>	<u>44,646</u>	<u>37,713</u>	<u>44,646</u>

On 29th April 2021, the university repaid their loan facility of £24m with Lloyds. The remaining bank loan is a £50m facility with HSBC repayable by November 2027.

	Consolidated		University	
	31 July 2021	31 July 2020	31 July 2021	31 July 2020
	£'000	£'000	£'000	£'000
(b) Obligations under finance leases				
The net obligations to which the University is committed are:				
In one year or less	181	181	181	181
Between one and two years	178	181	178	181
Between two and five years	96	276	96	276
	<u>455</u>	<u>638</u>	<u>455</u>	<u>638</u>

These leases principally relate to office equipment and vehicles.

	Consolidated		University	
	31 July 2021	31 July 2020	31 July 2021	31 July 2020
	£'000	£'000	£'000	£'000
(c) Service Concession Arrangements				
The net obligations to which the University is committed are:				
In one year or less	85	1,027	85	1,027
Between one and two years	152	1,297	152	1,297
Between two and five years	395	5,135	395	5,135
In five years or more	21,254	56,016	21,254	56,016
	<u>21,886</u>	<u>63,475</u>	<u>21,886</u>	<u>63,475</u>

The loan for UPP1 was repaid in full on 26 February 2021 and the loan for UPP2 is repayable between the year-end and 2045 and is secured on the University's student accommodation [see Note 25].



NOTES TO THE FINANCIAL STATEMENTS

	Consolidated		University	
	31 July 2021	31 July 2020	31 July 2021	31 July 2020
	£'000	£'000	£'000	£'000
(d) Other interest-free loans				
The net obligations to which the University is committed are:				
In one year or less	-	127	-	127
Between one and two years	-	-	-	-
Between two and five years	-	-	-	-
In five years or more	200	200	200	200
	200	327	200	327

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

	Consolidated		University	
	31 July 2021	31 July 2020	31 July 2021	31 July 2020
	£'000	£'000	£'000	£'000
(e) Lease and leaseback arrangement				
The net obligations to which the University is committed are:				
In one year or less	(307)	-	(307)	-
Between one and two years	(217)	-	(217)	-
Between two and five years	(179)	-	(179)	-
In five years or more	59,646	-	59,646	-
	58,943	-	58,943	-

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 £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.

Note 25. Service Concession Arrangements

At the beginning of the financial year the University had two contracts in respect of student accommodation which are reported as Service Concession Arrangements. However during the financial year one of the contracts with UPP Leeds Metropolitan Limited has been terminated. The University still 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.

These have always been shown as a fixed asset included 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 2021	31 July 2020	31 July 2021	31 July 2020
	£'000	£'000	£'000	£'000
In one year or less	2,949	9,167	1,275	3,829
Between two and five years	11,920	38,151	5,099	15,317
In five years or more	64,324	141,851	22,947	49,473
Total payable	79,193	189,169	29,321	68,619
less future facility maintenance costs	(29,321)	(68,619)		
less future financing costs	(27,985)	(57,075)		
Net borrowing [Note 24(c)]	21,886	63,475		

Note 26. Consolidated reconciliation of net debt

	At 31 July
	2021
	£'000
Net debt 1 August 2020	(50,998)
Movement in cash and cash equivalents	4,446
Acquisition of subsidiaries	-
Disposal of subsidiaries	-
New lease and leaseback arrangement	(59,700)
New finance leases	-
Net repayment of finance	49,438
Other non-cash changes	151
Changes in market value and exchange rates	-
Net debt 31 July 2021	(56,663)
Change in net debt	(5,665)



NOTES TO THE FINANCIAL STATEMENTS

Analysis of net debt:	31 July 2021	31 July 2020
	£'000	£'000
Cash and cash equivalents	62,534	58,088
Borrowings: amounts falling due within one year		
Secured loans	-	-
Obligations under finance leases	(181)	(181)
Service Concession Arrangements [Note 24(c)]	(85)	(1,027)
Lease and leaseback arrangement	307	-
Unsecured loans	<u>(4,575)</u>	<u>(4,827)</u>
	(4,534)	(6,035)
Borrowings: amounts falling due after more than one year		
Secured loans	-	-
Obligations under finance leases	(274)	(457)
Service Concession Arrangements [Note 24(c)]	(21,801)	(62,448)
Lease and leaseback arrangement	(59,250)	-
Unsecured loans	<u>(33,338)</u>	<u>(40,146)</u>
	(114,663)	(103,051)
Net debt	<u>(56,663)</u>	<u>(50,998)</u>

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:

	Year ended	Year ended
	31 July 2021	31 July 2020
	£'000	£'000
Costs of TPS	(10,294)	(10,042)
Costs of USS	(502)	653
Costs of WYPF (See below)	(19,949)	(16,012)
Other pension costs and accruals	(90)	(21)
Total pension cost (Note 8)	<u>(30,835)</u>	<u>(25,422)</u>

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

	Year ended	Year ended
	31 July 2021	31 July 2020
	Number	Number
TPS	1,392	1,294
USS	46	51
WYPF	1,153	1,403
	<u>2,591</u>	<u>2,748</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 £0 owing by the University as at 31 July 2021 (2020: £436 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.



NOTES TO THE FINANCIAL STATEMENTS

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. 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 credited to the Consolidated Statement of Comprehensive Income and Expenditure is £0.106 million (2020: £1.260 million).

Deficit recovery contributions due within one year are £655,489 (2020: £640,275)

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.

The 2020 valuation is the sixth valuation for the scheme under the scheme-specific funding regime introduced by the Pensions Act 2004, which requires schemes to adopt a statutory funding objective, which is 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 compared to the valuation of £63.7 billion in 2018, and the value of the scheme's technical provisions was £67.3 billion indicating a shortfall of £3.6 billion and a funding ratio of 95%.

The key financial assumptions used in the 2018 valuation are described below. More detail is set out in the Statement of Funding Principles.

Pension increases (CPI)	Term dependent rates in line with the difference between the Fixed Interest and Index Linked yield curves, less 1.3% p.a.
Discount rate (forward rates)	Years 1-10: CPI + 0.14% reducing linearly to CPI - 0.73% Years 11-20: CPI + 2.52% reducing linearly to CPI + 1.55% by year 21 Years 21 +: CPI + 1.55%

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 2018 actuarial valuation. The mortality assumptions used in these figures are as follows:

	2018 valuation
Mortality base table	<u>Pre-retirement:</u> 71% of AMC00 (duration 0) for males and 112% of AFC00 (duration 0) for females. <u>Post-retirement:</u> 97.6% of SAPS S1NMA "light" for males and 102.7% of RFV00 for females.
Future improvements to mortality	CML_2017 with a smoothing parameter of 8.5 and a long term improvement rate of 1.8% pa for males and 1.6% pa for females.

The current life expectancies on retirement at age 65 are:

	2021 valuation	2020 valuation
Males currently aged 65 (years)	24.6	24.4
Females currently aged 65 (years)	26.1	25.9
Males currently aged 45 (years)	26.6	26.3
Females currently aged 45 (years)	27.9	27.7

A new deficit recovery plan was put in place as part of the 2018 valuation, which requires payment of 2% of salaries over the period 1 October 2019 to 30 September 2021 at which point the rate will increase to 6%. The 2021 deficit recovery liability reflects this plan. The liability figures have been produced using the following assumptions:

	2021	2020
Discount rate	0.87%	0.73%
Pensionable salary growth	1.50%	0.00%

In the year ended 31 July 2019, the liability was based on the previous deficit recovery plan, which required payment of 5% of salaries over the period 1 April 2020 to 30 June 2034.

The reduction in the term of the deficit recovery plan has given rise to a reduction in the deficit provision which has decreased from £1.213 million to £1.107 million as set out in note 28. £0.056 million of this decrease 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.



NOTES TO THE FINANCIAL STATEMENTS

The University has for the first time obtained an estimate of its section 75 debt in relation to USS. USS have estimated the Section 75 debt for LBU as at 31 March 2020 is £9.8m. The figure is for illustrative purposes only and has been calculated by USS using:

- Data extracted for the 2020 valuation to determine the "buy-out" liabilities for the whole scheme as at 31 March 2020.
- A data extract in respect of LBU for its liabilities. This extract reflects the attribution of benefits to LBU where members have both LBU service and other institutions' service where available, particularly in the case of members who have changed employers.

In the event of a certifiable Section 75 debt being required the data and assumptions would need to reflect the required calculation date. The calculations would also need to be verified and certified by the Scheme Actuary. Consequently, the resulting debt may differ from the figure quoted above. It is not possible to quantify how the Section 75 debt may change over time as it is driven by changes in both interest rates and the value of assets. However, to give an indication of its sensitivity if the liabilities were 10% higher or lower (assets unchanged) the resulting debt would be £11.9m & £7.8m respectively. Alternatively, if the assets were 10% higher or lower (liabilities unchanged) the resulting debt would be £8.8m & £10.9m respectively. Recent market conditions have shown material changes which have been, and continue to be, affected by the market's reaction to the RPI Reform announced by the Government.

In September 2020, the Trustee of the Universities Superannuation Scheme (USS) launched a consultation with Universities UK on key aspects of the scheme's 2020 valuation. The scope of this exercise covers a wide range of potential outcomes - reflecting issues still to be resolved on employer support as well as uncertainties for the higher education sector and financial markets in general - but, based on the proposals put forward, the Trustees have indicated that the fund's deficit at 31 March 2020 could range from between £9.8bn and £17.9bn. This would represent a significant deterioration from the £3.6bn deficit established under the 2018 valuation (and against which the current recovery plan is set) and a return to the levels of shortfall experienced under the previous 2017 valuation (£11.8bn). The detailed and lengthy analysis underpinning the 2020 valuation has confirmed that the price of certainty - of a set, inflation-protected income for life in retirement paid no matter what happens to the economy or the HE sector in future - is much more expensive than in the past.

After 6 months of negotiation the JNC confirmed in September 2021 it was proposing to increase covenant support to the Scheme from employers, and make changes to future member benefits. Subject to a two-week consultation with UUK on the Schedule of Contributions, Recovery Plan and Statement of Funding Principles members will contribute 9.8% of salary from 1 October 2021 and employers will pay 21.4%. That is an increase of 0.2% and 0.3% respectively on current rates. From 1 April 2022, the way future benefits are built up are also set to change. Under the JNC's resolution, the defined benefit (DB) pensions promised to members in future will build up at a slower rate. Defined contribution benefits will be offered in respect of salary over £40,000 (currently £59,883.65). These changes are subject to a statutory employer-led consultation with affected employees and their representatives, due to be launched later this year.

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 contribution rate is 16.4% which came into effect 1 April 2020. The employees' contribution rate ranged from 5.5% to 12.5%. There was a balance of £17 owing by the University as at 31 July 2021 (2020: £181).

Reconciliation of funded status to balance sheet		
	Value as at 31 July 2021 £m	Value as at 31 July 2020 £m
Fair value of assets	300.059	248.690
Present value of liabilities	(527.190)	(484.795)
Net pension asset / (liability) (Note 28)	(227.131)	(236.105)

Analysis of income and expenditure charges		
	Year ending 31 July 2021 £m	Year ending 31 July 2020 £m
Current service cost	(20.018)	(16.263)
Past service cost charged in staff costs	-	(1.103)
Total included under Staff costs	(20.018)	(17.366)
less contributions already charged	7.180	6.859
Curtailed cost	(0.604)	-
Settlement cost	-	-
Payroll accrual to maintain current service costs per FRS102	(13.442)	(10.507)
Interest cost	(6.756)	(8.704)
Expected return on assets	3.496	5.792
Interest expense recognised	(3.260)	(2.912)
Total (charge)/credit	(16.702)	(13.419)

Analysis of gains and losses recognised in Consolidated Statement of Comprehensive Income and Expenditure		
	Year ending 31 July 2021 £m	Year ending 31 July 2020 £m
Asset (losses)/gains	46.022	(21.317)
Liability (losses)/gains	(20.346)	(65.989)
Total (loss)/gain in SOCI	25.676	(87.306)



NOTES TO THE FINANCIAL STATEMENTS

Changes to the present value of liabilities during the accounting year		
	Year ending 31 July 2021 £m	Year ending 31 July 2020 £m
Current service cost	20.018	16.263
Interest cost	6.756	8.704
Contributions by participants	2.757	2.726
Actuarial (losses)/gains on liabilities	20.346	65.989
Net benefits paid out	(8.086)	(8.324)
Past service cost	-	1.103
Curtailement cost	0.604	-
Net increase/(decrease) in liabilities	42.395	86.461
Opening present value of liabilities	484.795	398.334
Closing present value of liabilities	527.190	484.795

Changes to the fair value of assets during the accounting year		
	Year ending 31 July 2021 £m	Year ending 31 July 2020 £m
Expected return on assets	3.496	5.792
Actuarial (losses)/gains on assets	46.022	(21.317)
Actual return on assets	49.518	(15.525)
Contributions by the employer	7.180	7.678
Contributions by participants	2.757	2.726
Net benefits paid out	(8.086)	(8.324)
Net (decrease)/increase in assets	51.369	(13.445)
Opening fair value of assets	248.690	262.135
Closing fair value of assets	300.059	248.690

Asset allocation		
	Asset split at 31 July 2021 (%)	Asset split at 31 July 2020 (%)
Equities	80.1	77.7
Property	3.7	4.3
Government bonds	8.0	10.0
Corporate bonds	4.4	5.0
Cash	2.3	1.6
Other	1.5	1.4
Total	100.0	100.0

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 2021	31 July 2020
Percentage rates per annum:		
Discount rate	1.70%	1.40%
CPI inflation	2.60%	2.10%
Pension increases	2.60%	2.10%
Pension accounts revaluation rate	2.60%	2.10%
Salary increases	3.85%	3.25%
The assumed life expectations of members are as follows:		
Members aged 65 at accounting date:		
Males	20.7	20.7
Females	23.8	23.7
Members aged 45 at accounting date:		
Males	23.1	23.0
Females	26.0	25.9



NOTES TO THE FINANCIAL STATEMENTS

Note 28. Pension provisions

	Consolidated and University			Total
	Defined Benefit Pensions	Unfunded Pensions	USS Deficit payments	
	£'000	£'000	£'000	£'000
At 1 August 2019	136,199	14,408	2,473	153,080
Charged under Staff Costs	16,263	21	(1,247)	15,037
Charged under Reorganisation Costs	1,103	-	-	1,103
Expenditure in year	(7,678)	(927)	(52)	(8,657)
Charged under Finance Costs (Note 11)	2,912	310	39	3,261
Charged under Actuarial (gains)/losses	87,306	464	-	87,770
At 31 July 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

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 2018 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 2% of salaries from 1 October 2019 to 30 September 2021 and then payments of 6% of salaries from 1 October 2021 to 31 March 2028. As a consequence, the deficit provision has decreased from the prior year of which £0.056m is due to the change in the deficit contributions contractual commitment.

The major assumptions used to calculate the obligation are:

	2021	2020
Discount rate	0.87%	0.73%
Pensionable salary growth	1.50%	0.00%

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 £0.022 million to £1.129 million
- 0.5% increase in salary inflation over duration increases the liability by £0.022 million to £1.129 million
- 0.5% increase in salary inflation year 1 only increases the liability by £0.005 million to £1.112 million
- 0.5% increase in staff changes over duration increases the liability by £0.022 million to £1.129 million
- 0.5% increase in staff changes year 1 only increases the liability by £0.006 million to £1.113 million
- 1% increase in deficit contributions increases the liability by £0.188 million to £1.295 million

Note 29. Other provisions

	Consolidated and University	
	31 July 2021	31 July 2020
	£'000	£'000
Liability for costs of restoration of leasehold properties		
At 1 August	2,513	2,432
Expenditure in the year	(1,072)	-
Charged in income and expenditure account	80	81
At 31 July 2021	1,521	2,513



NOTES TO THE FINANCIAL STATEMENTS

Note 30. Income and expenditure reserve - endowment reserves

	Consolidated and University		
	Permanent Restricted £'000	Expendable Restricted £'000	Total £'000
At 1 August 2019	32	43	75
New endowments	1	-	1
Investment income	-	(1)	(1)
Direct expenditure for year	-	(5)	(5)
At 31 July 2020	33	37	70
New endowments	32	-	32
Investment income	-	-	-
Direct expenditure for year	(6)	-	(6)
At 31 July 2021	59	37	96

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 £'000	Revenue grants £'000	Donations £'000	Total £'000
At 1 August 2019	4,581	1,796	40	6,417
New grants and donations	-	(51)	12	(39)
Investment income	-	-	-	-
Direct expenditure for year	1	100	3	104
Released to unrestricted reserves	(142)	-	-	(142)
At 31 July 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)
At 31 July 2021	3,004	1,870	56	4,930

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.

Two members of the University's staff are spouses of the University's Senior Management, and are paid on salary ranges in keeping with their peers for 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	
Association of Graduate Careers Advisory Services (AGCAS)	Mr M Stow - Advocacy Director	-	-	6	Corporate Memberships, Staff Development	-
Committee of University Chairs	Mr D Lowen - Trustee & Deputy Chair	-	-	2	Corporate Memberships	-
Council for Advancement and Support of Education (Europe)	Ms D Reid - Trustee	-	-	8	Conferences	-
Go Higher West Yorkshire	Ms T Lancaster - Chair	-	-	41	Corporate Memberships	(21)



NOTES TO THE FINANCIAL STATEMENTS

Organisation	Name and position held	University Income		University Expenditure		Balance owed to/(owing by University) £'000
		£'000	in respect of	£'000	in respect of	
JISC Services Ltd	Mr M Stow - Board Member (Student Services Advisory Board)	-	-	261	Information Resources, Software, Corporate Memberships	(4)
Leeds Beckett Students' Union	Ms B Pereira - Trustee Ms M Darroch - Trustee Ms S Iqbal - Trustee Ms K Everest - Trustee Ms M Simwaka - Trustee	9	Telephone Charges	1,370	Grants, Venue Hire, Hospitality	1
Leeds BID Ltd	Ms T Lancaster - Chair	-	-	48	Venue Hire, Rates	-
Leeds Rugby Foundation	Mr P Mackreth - Trustee	-	-	40	Sponsorship and Partnership Activities	-
Leeds Theatre Trust T/A Leeds Playhouse	Ms S Watson - Trustee	-	-	2	Corporate Memberships	-
Northern Consortium (NCUK)	Professor J Keay - Trustee	-	-	132	Employee Recharges, Agent Commission	(2)
SHARE Multi Academy Trust	Professor J Keay - Trustee	2	Academic Services, Tuition Fees	1	Educational Services Contracts	-
Society of College, National & University Libraries (SCONUL)	Ms J Norry - Chair (Northern Collaboration)	-	-	4	Corporate Memberships	-
The Batley Multi Academy Trust	Professor D Page - Board Member	8	Academic Services, Tuition Fees	53	Educational Services Contracts	-
The Universities' Chaplaincy in Leeds Trust	Professor P Cardew - Trustee	-	-	25	Support Services Contracts	-
UCAS	Mr D Lowen - Chair	-	-	201	Corporate Memberships	-
Unipol Student Homes	Ms C Thomas - Director and Charitable Trustee Ms M Simwaka - Trustee Ms P Preston - Director and Charitable Trustee	-	-	175	Advertising, Corporate Membership, Leases, Venue Hire	(73)
University Alliance	Professor P Slee - Trustee	-	-	60	Corporate Memberships	(48)
UPP Leeds Student Residences Ltd	Mr T Armour - Director	3	Car Park Income	3,622	Rents, Facilities Management	-
Yorkshire Building Society	Mr R Purdy - Director of Balance Sheet Management	3	Tuition Fees	-	-	-
Yorkshire Universities	Professor P Slee - Director	-	-	27	Corporate Memberships	-



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.

	Consolidated and University	
	31 July 2021	31 July 2020
	£	£
Amount held in creditors due within one year at 1 August	74,200	23,800
Funding body grants	1,797,300	1,222,200
Expenditure	(1,836,200)	(1,171,800)
Amount held in (debtors)/creditors due within one year at 31 July	<u>35,300</u>	<u>74,200</u>

Note 34. Capital and other commitments

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

	Consolidated and University	
	31 July 2021	31 July 2020
	£'000	£'000
Capital commitments	<u>2,037</u>	<u>22,765</u>

Note 35. Lease obligations

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

	Consolidated and University	
	31 July 2021	31 July 2020
	£'000	£'000
Land and buildings		
Not later than 1 year	9,955	10,637
Later than 1 year and not later than 5 years	39,123	39,388
Later than 5 years	<u>22,771</u>	<u>32,527</u>
	<u>71,849</u>	<u>82,552</u>
Other		
Not later than 1 year	11	19
Later than 1 year and not later than 5 years	12	2
Later than 5 years	<u>-</u>	<u>-</u>
	<u>23</u>	<u>21</u>

Note 36. Post Balance Sheet Events

Service Concession Arrangement

The three student halls of residences (Sugarwell, Kirkstall and Woodhouse flats) which comprised of a Service Concession Arrangement [see Note 16 and Note 25], are currently being marketed for disposal. Woodhouse flats were sold on 30th September 2021 for £9.1m and the disposal will be reflected in the University's financial statements for the year ended 31 July 2022.

USS

The USS 2020 has been signed and filed with The Pensions Regulator with an effective date of 1 October 2021. The 2020 Valuation has come into effect with a dual rate schedule of contributions and the non adjusting impact on the year end provision is:

Leg 1, which includes a small increase in contribution rates from the 2018 Valuation and a longer deficit recovery period to 31/03/2038, as a result of the decision to proceed with benefit change by the Joint Negotiating Committee (JNC) subject to member consultation. If this is applied to 2020/21, this would have resulted in an increase in the USS provision from £1.213m to £2.942m.

Note 37. 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	31/07/2021 £'000	31/07/2021 £'000	31/07/2020 £'000	31/07/2020 £'000
Statement of Financial Position and Statement of Changes in Reserves	Statement of Financial Position - Net assets without donor restrictions	Unrestricted reserves (Income and expenditure reserve)		32,786		29,645
Statement of Financial Position and Statement of Changes in Reserves	Statement of Financial Position - Net assets with donor restrictions	Restricted reserves (I&E reserve - endowment + restricted) + Non-controlling interest		6,281		7,482
Statement of Financial Position	Statement of Financial Position - Related party receivable and Related party note disclosure	Related party disclosures	-		-	
Statement of Financial Position	Statement of Financial Position - Related party receivable and Related party note disclosure	Related party disclosures		-		-
Statement of Financial Position	Statement of Financial Position - Property, Plant and equipment, net	Property, plant and equipment	314,547		321,080	
Statement of Financial Position	Note of the Financial Statements - Statement of Financial Position - Property, plant and equipment - pre-implementation	Property, plant and equipment		347,353		321,490
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		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		-		8,607
Statement of Financial Position	Note of the Financial Statements - Statement of Financial Position - Construction in progress	Property, plant and equipment		10,278		48,242
Statement of Financial Position	Statement of Financial Position - Lease right-of-use assets, net	Property, plant and equipment	60,690		57,259	
Statement of Financial Position	Note of the Financial Statements - Statement of Financial Position - Lease right-of-use asset pre-implementation	Property, plant and equipment		17,090		56,817
Statement of Financial Position	Note of the Financial Statements - Statement of Financial Position - Lease right-of-use asset post-implementation	Property, plant and equipment		43,600		442
Statement of Financial Position	Statement of Financial Position - Goodwill	Business combinations and goodwill		-		-
Statement of Financial Position	Statement of Financial Position - Post-employment and pension liabilities	Employee benefits and provisions		241,820		251,594
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	Borrowing costs	37,713		44,646	
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	Borrowing costs		7,713		26,097
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	Borrowing costs		17,606		-

NOTES TO THE FINANCIAL STATEMENTS

Reference to Primary Statement	Expendable Net Assets	Described in SORP	31/07/2021 £'000	31/07/2021 £'000	31/07/2020 £'000	31/07/2020 £'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	Borrowing costs		10,278		18,549
Statement of Financial Position	Statement of Financial Position - Lease right-of-use asset liability	Borrowing costs	81,284		64,113	
Statement of Financial Position	Statement of Financial Position - Lease right-of-use asset liability pre-implementation	Borrowing costs		21,284		63,462
Statement of Financial Position	Statement of Financial Position - Lease right-of-use asset liability post-implementation	Borrowing costs		60,000		651
Statement of Financial Position and Statement of Changes in Reserves	Statement of Financial Position - Annuities	Restricted reserves		-		-
Statement of Financial Position and Statement of Changes in Reserves	Statement of Financial Position - Term endowments	Restricted reserves		-		-
Statement of Financial Position and Statement of Changes in Reserves	Statement of Financial Position - Life Income Funds	Restricted reserves		-		-
Statement of Financial Position and Statement of Changes in Reserves	Statement of Financial Position - Perpetual Funds	Restricted reserves (I&E reserve - endowment + restricted)		5,026		6,410
Reference to Primary Statement	Total Expenses and Losses	Described in SORP	31/07/2021 £'000	31/07/2021 £'000	31/07/2020 £'000	31/07/2020 £'000
Statement of Comprehensive Income	Statement of Activities - Total Operating Expenses (Total from Statement of Activities prior to adjustments)	Total expenditure		251,483		224,183
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)	Investment income + actuarial gain in respect of pension schemes		- 25,845		87,208
Statement of Comprehensive Income	Statement of Activities - (Investment return appropriated for spending) and Investments, net of annual spending, gain (loss)	Investment income		- 190		- 562
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	31/07/2021 £'000	31/07/2021 £'000	31/07/2020 £'000	31/07/2020 £'000
Statement of Financial Position and Statement of Changes in Reserves	Statement of Financial Position - Net assets without donor restrictions	Unrestricted reserves (Income and expenditure reserve)		32,786		29,645
Statement of Financial Position and Statement of Changes in Reserves	Statement of Financial Position - total Net assets with donor restrictions	Restricted reserves (I&E reserve - endowment + restricted) + Non-controlling interest		6,281		7,482
Statement of Financial Position	Statement of Financial Position - Goodwill	Business combinations and goodwill		-		-

NOTES TO THE FINANCIAL STATEMENTS

Reference to Primary Statement	Modified Net Assets	Described in SORP	31/07/2021 £'000	31/07/2021 £'000	31/07/2020 £'000	31/07/2020 £'000
Statement of Financial Position	Statement of Financial Position - Related party receivable and Related party note disclosure	Related party disclosures	-		-	
Statement of Financial Position	Statement of Financial Position - Related party receivable and Related party note disclosure	Related party disclosures		-		-
Reference to Primary Statement	Modified Assets	Described in SORP	31/07/2021 £'000	31/07/2021 £'000	31/07/2020 £'000	31/07/2020 £'000
Statement of Financial Position	Statement of Financial Position - Total Assets	Total Assets		474,955		472,780
Statement of Financial Position	Note of the Financial Statements - Statement of Financial Position - Lease right-of-use asset pre-implementation	Property, plant and equipment		17,090		56,817
Statement of Financial Position	Statement of Financial Position - Lease right-of-use asset liability pre-implementation	Borrowing costs		21,284		63,462
Statement of Financial Position	Statement of Financial Position - Goodwill	Business combinations and goodwill		-		-
Statement of Financial Position	Statement of Financial Position - Related party receivable and Related party note disclosure	Related party disclosures	-		-	
Statement of Financial Position	Statement of Financial Position - Related party receivable and Related party note disclosure	Related party disclosures		-		-
Reference to Primary Statement	Net Income Ratio	Described in SORP	31/07/2021 £'000	31/07/2021 £'000	31/07/2020 £'000	31/07/2020 £'000
Statement of Financial Position and Statement of Changes in Reserves	Statement of Activities - Change in Net Assets Without Donor Restrictions	Change in unrestricted reserves (Income and expenditure unrestricted reserve and non-controlling interest)		3,324		- 98,269
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)	Revenue - investment income - derecognition of property, plant and equipment		227,636		213,213

