

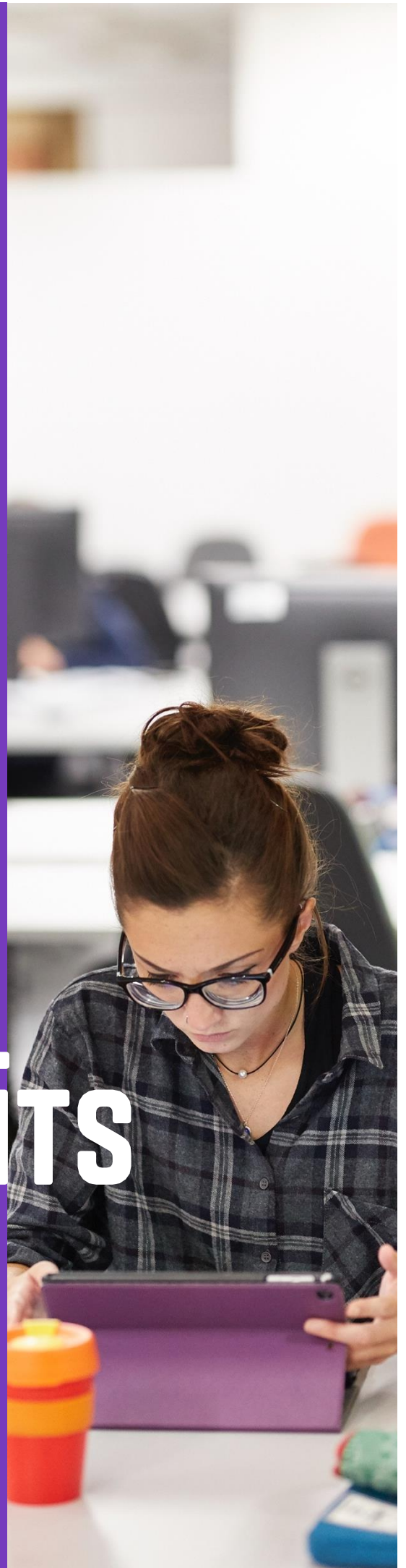


LEEDS
BECKETT
UNIVERSITY

FINANCIAL STATEMENTS

FOR THE YEAR ENDED
31 JULY 2023

leedsbeckett.ac.uk



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Strategy

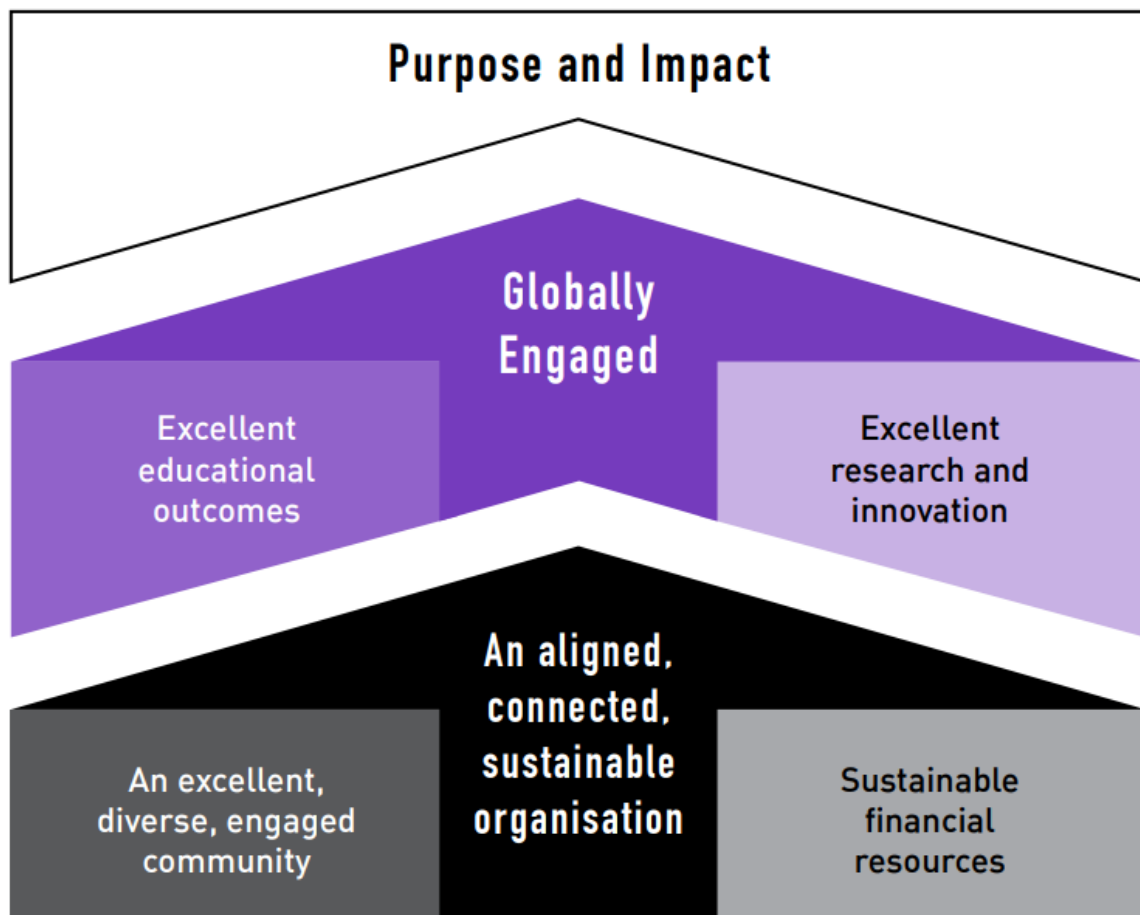
The University's Strategic Planning Framework 2021-2026 sets out our future ambitions. We have clearly articulated our purpose: to make a positive and decisive difference to people, organisations and communities through excellent education, research, and service.

Our strategy is based on seven key plans, setting our direction, and sharpening our focus to meet the challenges ahead.

One of the main drivers of our strategy is to equip Leeds Beckett to navigate the anticipated government reforms of higher education, and to enable us to thrive in the new environment these changes will create.

Our aim is, through our plan, to be recognised globally for the positive difference we make as an inclusive anchor with the people, organisations and diverse communities of the Leeds City Region.

This report sets out our progress against our key plans.



Excellent Educational Outcomes

Our aim is to be a globally leading university that is recognised for the outstanding quality and accessibility of its education so that diverse student communities achieve excellent outcomes and thriving careers.

Through our Centre for Learning and Teaching, the University systematically evaluates, develops, and shares teaching excellence. In 2022/23, we launched the Centre for Research into Teaching in Higher Education and awarded Teaching Excellence Project funding to 10 projects, across 5 schools/services.

We celebrated individual achievement through our internal HEA Fellowship scheme, with a total of 78 staff gaining awards this year. Our annual Developing Excellent Academic Practice Conference, themed on Student Success, engaged hundreds of colleagues on campus in sharing best practice around areas including purposeful assessment and developing compassionate curricula.

Quality of student experience

The National Student Survey (NSS) 2023 gave us an overall positivity score of 81%. Our relative institutional position has improved from 72nd to 43rd out of 122 traditional English HE providers this year.

In 2022/23 our Business Engagement Services achieved the Association of Graduate Careers Advisory Services (AGCAS) quality standard for careers education. Our ambition to build a 'culture' of employability across the University community remains central to the work of our Business Engagement Service, and culminated in our second biennial employability conference in June, where we welcomed colleagues from across our University to engage in live employability themed presentations and discussions. The conference also including our first [LBU Employability Excellence Awards](#) recognising colleagues across our University who have embraced this key strategic agenda.

During 2022/23, we have laid some firm foundations to support the aspirations of the University strategic plan and the Employability Implementation Framework, including:

- Extending the 'Graduate Promise' – To ensure we can target and prioritise our outreach services to impact positively upon our graduate outcomes, and the response rate for high performing disciplines. This included delivering 56 separate graduate focused events, attracting 1317 graduate/finalist bookings; engaging 3800 finalists in the 'exit survey', and conducting over 700 calls to graduates from high performing courses. Our Graduate summer programme saw 80% of participants progress into Highly Skilled employment within 7 months of completing the course.
- Developing our differentiated services – Evolving our differentiated services to improve the outcomes of our students informed by their distinct characteristics and our Access Participation Plan. This includes the introduction of an approach which spans the three themes of 'exclusive', 'targeted' and 'inclusive' careers education. Our objective is to help students to overcome real or perceived barriers to progression; e.g. our RE:ACTION 24/7 initiative saw a 50% increase in self/ career-confidence for all participants.
- Building our experiential learning (EL) infrastructure (and piloting scalable opportunities) - Working with colleagues across professional services, and Schools to develop a proposal for a consistent approach to in-curricular EL; whilst extending our EL provision in the co-curricular space. In addition to supporting over 220 placement years, and 119 modular placements, we have delivered our first interdisciplinary 'challenge week'. 94 students engaged across 6

Strategic, Operational and Financial Review 2022/23

academic schools to solve one of our industry ‘challenges’ across 5 days: Enhancing our data insights and intelligence – We have embedded a ‘career readiness’ survey into enrolment and re-enrolment. This now provides us with unprecedented insights into our students’ career preparedness, their level of work experience, and their aspirations (by sector and geography), which will be instrumental in developing our services in response to students’ ‘live’ career needs.

Globally engaged

Our global engagement plan has the aim of being recognised globally for our outstanding graduates, excellent research, and deep international partnerships rooted in our international hubs.

A key part of our plan is to increase international recruitment. During 2022/23 the University has welcomed our largest ever cohort of international students with over 4,000 international students coming to enrol at the University.

The University continues to have a broad and diverse portfolio of collaborations and partnerships, and currently has 26 collaborative partnership agreements under which academic awards of the University are delivered. Of the 26 collaborative partnerships 15 are overseas and the remaining 11 are in the UK.

Excellent research & innovation

The University research income reached a record £5.9 million in 2022-23, a growth of 30.6% from prior year. During the year the University has had almost £2M awarded from the National Institute for Health and Care Research (NIHR). Comprising of:

- £1.5 million to the School of Humanities and Social Sciences on outcome measures for prolapse and incontinence surgery.
- £246k to the School of Health, for ALADDIN - digital technology to deliver services for adults with learning disabilities.
- £249k awarded to the School of Health, for Outpatients Dementia Care.

Other research project income awarded included £400k to the Carnegie School of Sport, for the Making our Move Derbyshire Evaluation funded by the Active Partners Trust.

In order to provide context for the performance of an individual provider, the KEF groups all providers into ‘clusters’ of peers – clustering together providers which have similar characteristics such as how much research they do, at what scale and in what subject areas. During the year the University has continued to perform above our cluster (cluster J ‘Mid-sized universities with more of a teaching focus (although research is still in evidence)’ average for Research Partnerships, as well as working with Business and working with the Public and the Third Sector. In the new academic year, the University will be promoted to cluster E based on our improved research performance. Cluster E Universities are defined by Research England as ‘Large universities with broad discipline portfolio across both STEM and non-STEM generating excellent research across all disciplines’.

Our Knowledge Transfer Partnership (KTP) portfolio continues to grow and LBU now ranks 14th in the league table of 112 UK universities active in KTPs. Recognising the University’s outstanding success in KTPs, Leeds Beckett’s KTP team are proud finalists in the “Best Knowledge Base KTP Support Team” category in the 2023 KTP Best of the Best Awards. The awards are being held in autumn 2023.

Strategic, Operational and Financial Review 2022/23

In the Advance HE Postgraduate Research Experience Survey (PRES) 2023, Leeds Beckett is ranked 23rd out of 100 of institutions overall, 9th out of 99 for resources and 22nd out of 100 for Support. The University is also in the top 50% of institutions for Supervision, Community, Progression, Responsibilities, Research Skills and Professional Development.

The University became a signatory of the Concordat to Support the Career Development of Researchers, and we successfully retained the HR Excellence in Research award. In the annual Cultural, Employment and Development of Academic Researchers (CEDARS) Survey, 70% of our academic staff feel valued for their Publications and other research outputs.

Leeds Beckett is a key delivery partner in Y-PERN (A Yorkshire-wide Policy and Economic Recovery Network project), which has received funding from the Research England Development (RED) Fund. The project is funded for three years (2023-25) and will support the establishment of a network to support the transfer of academic knowledge into policy and practice amongst key regional policy makers.

An excellent, diverse, engaged community

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 2,800 colleagues who ensure we can deliver our commitment to student success, innovation and enterprise, and strong local impact.

Our workforce is relatively stable. The recruitment market has become more competitive and challenging over the past year. We have addressed this through focusing on enhancing the recruitment process and candidate experience, for example developing our use of microsites.

The results of our second annual colleague survey (November 2022) demonstrated that we are maintaining good levels of engagement (72%) in a challenging environment as we emerge from the pandemic. The results are reflective of our approach to wellbeing, with 64% of staff feeling that their wellbeing is supported by the University and 73% of staff satisfied with our ways of working (as we transition to more hybrid, flexible approach).

The employee relations landscape is unsettled, with continuing tensions around pay and pensions, and the political context at a national level. We have experienced strike action during 2022/23 (from Unison and UCU) and a marking and assessment boycott (UCU). We have effectively managed the action so that the impact on the University has been low, however the strike action has created a more difficult local environment.

We have managed strategic organisational change on a small scale over the course of the last year to realise more effective operational services: including the creation of the School of Humanities and Social Sciences.

Equality, diversity and inclusion are integral to our culture and at the core of how we work with all members of our community. We are very proud that, during 2022/23, we have achieved external accreditation by the Race Equality Charter and the University Mental Health Charter, as we are one of only a small cohort of universities to have been accredited so far. This builds on our Athena Swan Bronze Award for our work on gender equality in 2021/22.



Our values shape our culture, they give us clarity, consistency, and a common purpose. Having a shared set of values can help us to connect with each other and to contribute to the communities both within the university and the wider area. We have worked to establish, communicate and embed our values during the year.

An aligned, connected, sustainable organisation

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

We have continued to dispose of non-core, underutilised buildings. In July 2023, we sold a freehold property, Kirkstall Brewery, which had previously been part of the University's residential estate.

We have continued to invest in our student experience. As part of the Office for Students capital funding bidding (for 2022/23 to 2024/25), we successfully secured £5.8m of funding to help support the development of computing, electrical and electronic engineering teaching facilities for our School of Built Environment, Engineering and Computing. This will support the teaching of high-cost computing and electrical and electronic engineering courses to over 800 undergraduate, postgraduate and degree apprenticeship students. It will also bring together all the school's teaching facilities and staff into a single location, enabling greater cross-subject collaboration, support and synergy, as well as improving the efficiency of teaching and helping to reduce carbon emissions.

We have created a dedicated building for the Leeds School of Law at our City Campus which is now open and in use for the 2023/24 academic year. The project to create sustainable and high-quality accommodation for our School of Education in Caedmon Hall is ongoing and we look forward to completing this project during the 2023/24 academic year.

Sustainability

Our Strategic Planning Framework 2021 to 2026 commits us to:

- 1) Use the 17 United Nations Sustainable Development Goals (UN SDG's) to influence the stewardship of all our resources and our role within the regional community.
- 2) Achieve annual progress in the AUDE Sustainability Leadership Scorecard (the Scorecard), and to achieve a minimum Silver rating by July 2026.

In March 2023 the Board of Governors approved our Sustainability Strategy (2023-2026), which sets out how we will achieve the above objectives and set a further target to:

- 3) Have net-zero carbon emissions by July 2035.

As a result, the Sustainability Advisory Group continues to progress the work highlighted in our last financial statements to achieve a Silver rating in the Scorecard and meet the commitments of our ISO 14001 certification.

As part of our net-zero work, we have conducted a full review of our scope 3 carbon emissions to establish a baseline year to set targets against.

Using the financial year 2019-2020 as a baseline, our Scope 3 emissions totalled 46,942 tCO₂e compared to 6,680 tCO₂e for our scope 1 and 2 emissions.

The key insights of the scope 3 study are:

- Our supply chain is the largest contributor of scope 3 emissions at 46% in 2019-2020
- Construction accounts for a significant percentage of supply chain emissions and can range widely year-on-year. For example, in the financial year 2019 - 2020 our 2 new builds equated to 38% of all scope 3 emissions, compared to the financial year 2021 – 2022, with very little construction spend, when construction spend equated to 4% of emissions
- Our top 50 suppliers account for 58% of all supply chain and construction emissions. However, in years where construction projects are prevalent, this raised to 76%
- Estates and IT account for 60% of all supply chain and construction emissions.

Our Sustainability Advisory Group will now look at how we can set realistic and achievable targets and programmes of work to reduce our scope 3 emissions.

Sustainable financial resources

Our aim is to ensure our stewardship of financial resources enables us to achieve our organisational objectives. As part of our financial management we look to retain sufficient resources to deal with any unexpected events.

We use a measure of underlying operating surplus to monitor our financial performance. Underlying surplus is defined as operating surplus for the year before adding back non-cash pension movements, restructuring costs and any one-off exceptional items.

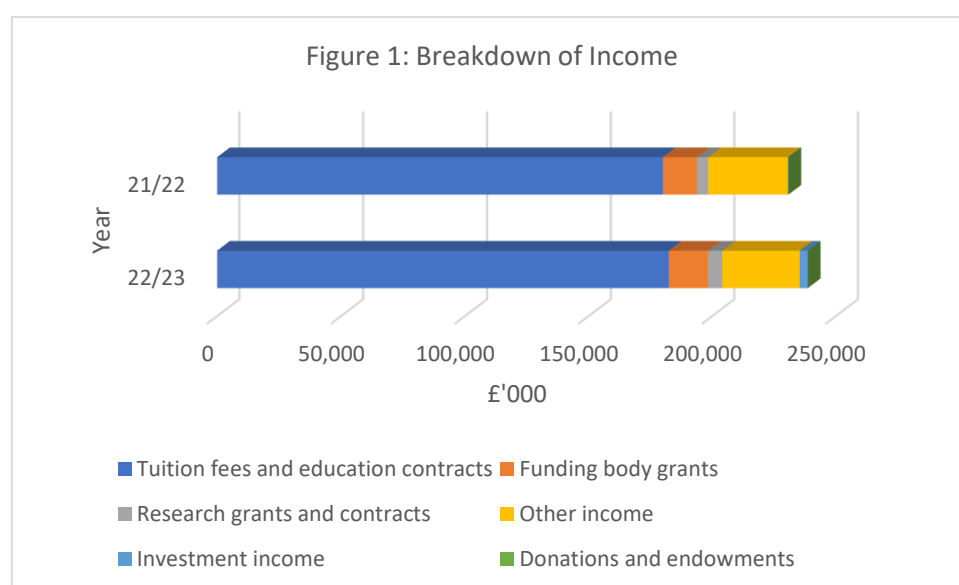
Further detailed information on the current year financial performance is given below.

FINANCIAL PERFORMANCE 2022/23

The University has delivered a solid financial performance. Total income grew to £238.5m (£230.9m in 2021/22). Our global engagement strategy has seen an increase in international tuition fee income from £25.8m to £40.2m as we welcomed our largest ever cohort of international students. This was offset by a reduction in our Home tuition fee income across both undergraduate and post-graduate as we saw the impact of the cost of living crisis in the UK.

We have also seen an increase in funding body grants reflecting additional funding received from UK Research England following our strong performance in the 2021 REF and a one-off capital grant release of £0.7m.

Research income was £5.9m up from £4.5m in prior year, reflecting our strategic focus on growing our research income. We saw a reduction in Other Income reflecting lower income from our student accommodation.

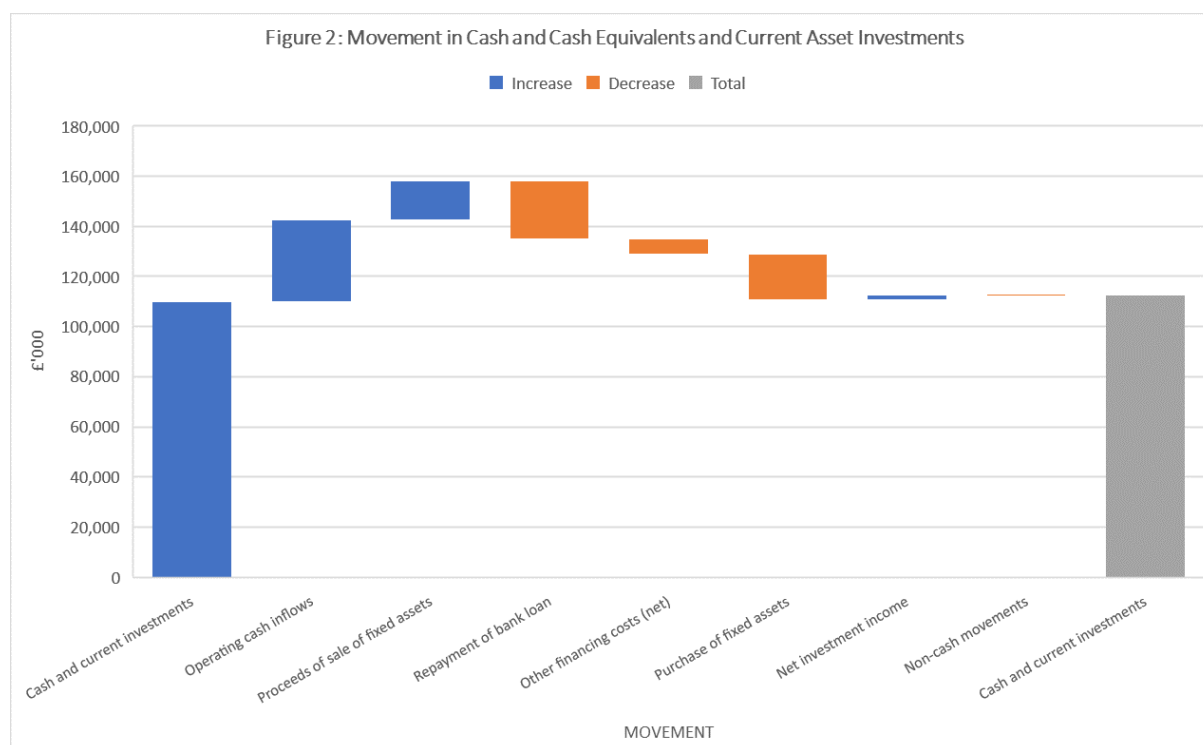


Total expenditure (including non-cash pension movements) increased during the year. Underlying costs also increased reflecting higher staff costs (as we saw the impact of the pay increases agreed during the year), increased rental costs (reflecting the high inflation in the UK), increased agents costs associated with the significant growth in international students and an increase in student support costs as we invested in our hardship funding to support our students through the cost of living crisis.

We delivered a small underlying operating surplus of £0.9m. Underlying operating surplus is calculated before £6.6m (2022: £18.4m) of non-cash pension charges that are sensitive to the performance of financial markets and determine the discount and inflation rates used to define the current service costs of our defined benefit pension schemes. It is also before £0.7m one-off capital grant release and £1.5m of restructuring costs.

Our operating surplus generated net cash inflow from operational activities of £32.8m, equivalent to 13.8% of total income. This strong operational performance allowed us to invest £18.0m in capital and intangible assets during the period, including in our new Biomedical Laboratory and Clinical Skills suite in the School of Health, the development of Caedmon Hall for our School of Education and IT infrastructure. The disposal of Kirkstall Brewery enabled the University to repay our HSBC loan in full which has positively benefited our debt position. At the end of July 2023, our cash and investment balances were equivalent to 189 days' worth of recurrent expenditure.

FINANCIAL PERFORMANCE 2022/23



Our balance sheet continues to be strong with net assets before pension liabilities of £298.8m. Our pension liabilities have significantly reduced year on year although they continue to depress the reported value of our net assets. The valuation of our pension liabilities is driven by market conditions at the balance sheet date. In the current year, our largest scheme, the West Yorkshire Pension Fund, has seen positive investment performance compounded by a decrease in the associated liabilities, driven by higher interest rates which means the fund is in surplus at the end of July 2023. The surplus has not been recognised in the financial statements but has been capped at nil, in line with our financial accounting policy (see Note 1). Further detail on pensions movements during the year are included in Note 27.

Our robust financial performance places us well to respond to continuing uncertainty and change in our funding and control environment, and in the markets in which we operate. The University has adequate resources to continue to operate for the foreseeable future and therefore our financial statements are prepared on a going concern basis. We have assessed our financial forecasts, and performed sensitivity analysis of potential scenarios, in reaching this conclusion and we are satisfied that they demonstrate we have appropriate financial strategies in place to support the University's Strategic Plan. We are not reliant on the availability of any funds not already drawn.

Student Numbers

The University derives 76% of its annual income from the recruitment of students. The University continues to benefit from a strong and growing reputation overseas. The University has seen a substantial increase in international applications, acceptances, and enrolments this year. We anticipate recruiting over 2,600 international students in 2023/24 in Semester 1.

PUBLIC BENEFIT STATEMENT

Charitable Status

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

The University is an exempt charity within the definition of the Charities Act 2011 and its principal regulator is the OfS. The Board of Governors are the charity's trustees, and they have due regard to the University's charitable purpose when developing and overseeing strategic matters. Membership of the Board for the financial year ending 31 July 2023 is provided in our Corporate Governance Statement on page 13.

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

Advancing Higher Education

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

Across our portfolio the university spent over £2.7m supporting students financially in 2022/23.

£2.3m of this was spent on our Hardship Fund, where we made awards to 1,401 students. This was largely to support with living costs and costs associated with learning, such as additional travel or childcare expenditure. Due to the cost-of-living crisis, we saw an increase in student need throughout the year, with nearly a 20% increase in the number of applications and an 85% increase in the average award, when compared to 2021/22.

Post pandemic we are also seeing a positive increase in the number of professional work placements and CPD activity. We have spent over £60,000 this year supporting students from low-income backgrounds so they can attend these.

We continue to support underreached groups of students with our Care Leaver and Estranged students' bursary (£148k), our Primary Carers bursary (£19k) and support towards diagnostic testing and IT equipment for disabled students (£108k).

PUBLIC BENEFIT STATEMENT

We expect demand on all our funds, and in particular our Hardship Fund, to remain high in 2023/24. This is largely due to the failure of increases in student maintenance loans to keep pace with inflation.

Working with Schools and Colleges to Promote Access to Higher Education

The University has implemented a comprehensive programme of events for schools and colleges to raise awareness of HE and Leeds Beckett. Activities include talks and workshops held in schools, which cover topics such as applying to university and preparing personal statements, student finance and student life. Showcasing our campuses, academic staff and students is key to our activities with many events hosted on-campus, including campus tours, HE experience days and subject focus days.

We consistently recruit large numbers of students from state schools and from low-participation neighbourhoods and welcome the diversity and drive these students bring to our community. Our Ujima residential programme, works with Black African & Black Caribbean boys. We have achieved success in raising the confidence and attitudes of students attending this programme and ultimately show high entry rates into HE.

We believe longitudinal programmes are the most effective way to raise the attainment of individuals from disadvantaged or underrepresented backgrounds and have responded positively to the Office for Students call to increase attainment raising activities in pre-16 groups. This year we ran our well established Let Leeds Read programme and a pilot of our BTEC mentoring programme for KS4 sport students. Each programme focuses on building deep partnerships with participating schools to measurably increase attainment amongst the target students. Our Progression Module programme (a year-long structured programme which aims to support students in Year 12 in their preparation for both higher education and employment) was awarded Gold in the 2022 HEIST awards. The programme which has run for more than 20 years and is delivered in partnership with the University of Huddersfield has reached more than 20,000 students.

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

Anchor Institution

The University is a founding member of the Leeds Anchors Network, which aims to increase the impact member organisations have on the Leeds economy, and in particular in promoting inclusive growth.

Work is focused on problems defined by the local community and on co-creating effective solutions to them.

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

PUBLIC BENEFIT STATEMENT

In 2022, we commissioned London Economics, leading specialist economic and policy consultants, to analyse [the university's economic impact](#) on the UK economy. Every year, the university delivers a £1.43bn impact on the UK economy. This represents a return of more than £6 for every £1 spent on university operations.

Every student completing a first degree experiences a net earnings benefit of £67,000 and delivers a net benefit to the public purse of £60,000.

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

An example from 2022/23 of our engagement as an Anchor Institution is the work our School of Architecture has done with St Chad's Cricket Club. The cricket club's facilities are no longer fit for purpose and they needed resources and expertise to build a modern cricket pavilion that will also serve the needs of their increasingly important community role.

Our students, supervised by our colleagues, have been working with the club to understand its needs, design a solution, and to determine the best approach to construction. Our Graphic Design students have been advising on the facade and interior design.

The club has been working hard to raise money to develop the project and to galvanise a volunteer effort to support and community building project. The old pavilion is now demolished. The foundations are laid and the new building is underway.

This is a great example of our work as an Anchor institution. The live brief generated by our colleagues offers our students a great educational experience, and their expertise brings benefit to the community we serve.

Our university is also playing a leading role in the Leeds 2023 programme, which is a year of cultural celebrations being hosted in the city, to celebrate the enormous breadth and depth of creative talent in our region. This is enabling us to showcase the work of our colleagues and students, and of course our striking new arts building and facilities.

Commitment to Corporate Social Responsibility

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

The University actively encourages students and colleagues to volunteer, signposting them to opportunities to use their skills to give something back and shape the society in which they live. Local schemes range from helping school children with their reading, to supporting a city or neighbourhood event. The University continues to support the local economy through procurement. Discretionary spend in West Yorkshire is 36%, in Leeds 28% and over 50% with small and medium sized enterprises.

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

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

PUBLIC BENEFIT STATEMENT

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

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

The University is committed to upholding the highest standards and principles of good governance and aims to conduct its business in accordance with the seven principles of Public Life (selflessness, integrity, objectivity, accountability, openness, honesty, and leadership) The University considers that the Board of Governors has fully complied with the Higher Education Code of Governance produced by the Committee of University Chairs and the Office for Students (OfS) Public Interest Governance Principles during the financial year ended 31 July 2023.

The University is registered with and regulated by the OfS. It is subject to the general ongoing conditions of registration which include requirements relating to access and participation, quality and standards, student protection, financial viability and sustainability and governance and management in the public interest.

The University has exempt charitable status as defined in the Charities Act 2011. This means that it does not need to register with the Charity Commission and is accountable to the OfS. Its charitable purpose is the advancement of education for the public benefit. The Board of Governors, both collectively and individually as charitable 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 9.

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.

Board of Governors

The Board of Governors is the governing body of the University and was chaired by Mr David Lowen until 31 August 2023 and by Mr Iain Cornish from 01 September 2023, having previously been appointed as Chair-elect.

In 2022/23, the board had a membership of 21 governors, comprised of:

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

Board Evaluation

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

CORPORATE GOVERNANCE STATEMENT

In the 2021/22 academic year, Advance HE conducted an independent review of the University's governance arrangements. The final report was received by the Board in November 2022. Advance HE found that the University's governance and assurance arrangements are very effective and suggested a number of potential enhancements and development points to build on existing practice.

The Board approved an action plan based on the suggested enhancements under the broad themes of strategy, reputation & performance; academic assurance; student engagement; succession & transition and governor information. Actions have been implemented over the course of 2022/23 with a final report to be received by the Board in November 2023.

Board Composition

The Board's membership underwent a number of changes during 2022/23. Governors remain committed to improving the Board's diversity profile and to developing senior governors of the future as well as investing in the development of Board talent generally for non-executive roles and potentially improving the pipeline of diverse talent. This was a key consideration in recruitment searches for new governors and the new Chair of the Board during the 2022/23 year.

The Board and University were saddened to learn of the death of independent governor Rob Purdy early in 2023. Mr Purdy was a valued member of the Board and its Audit Committee and during his time as a governor also chaired of University's subsidiary MoreLife Ltd.

David Lowen stepped down from the Board on 31 August 2023 after nine years as Chair. The Board and the University would like to express thanks for his inspiring leadership, dedication, his commitment to the University and ability to draw the best from people he worked with. Mr Lowen has made a positive impact on the University's governance and has championed the University's anchor role in the local region and raised its profile in the sector through his roles with the Committee of University Chairs and UCAS.

Membership of the Board during 2022/23 and up to the date of signing of the Financial Statements is set out in the table below:

BOARD OF GOVERNORS 2022/23		
David Lowen (Chair)	Independent Governor	From 01 December 2014 to 31 August 2023
Qari Asim	Independent Governor	From 01 July 2019
Martin Barkley	Co-opted Governor	From 30 January 2023
Harsh Bhatia	Student Governor	From 10 March 2023
Dr Oliver Bray	Academic Board Nominee	From 04 January 2022
Cielo Cartwright	Independent Governor	From 20 March 2020
Iain Cornish (Chair)	Independent Governor	From 26 April 2023; chair from 01 September 2023
Dhruv Dev	Student Governor	From 14 July 2023
Alan Gay	Independent Governor	From 01 July 2019
Helen Green	Independent Governor	From 30 January 2023

CORPORATE GOVERNANCE STATEMENT

Rachel Hewitt	Independent Governor	From 20 November 2020
Professor Christina Hughes	Co-opted Governor	From 20 March 2020 to 14 June 2023
Professor Nicki Latham	Independent Governor	From 01 September 2017 to 14 July 2023
Professor George Lodorfos	Co-opted Governor	From 24 April 2023
Lucy MacDonald	Student Governor	From 22 July 2022 to 14 November 2022
Stephen Magora	Independent Governor	From 11 March 2022
David Morgan	Independent Governor	From 11 March 2022
Jo Norry	Co-opted Governor	From 23 November 2018
Ashleigh Pinnock	Student Governor	From 22 July 2022 to 30 June 2023
Tori Pourzand	Independent Governor	From 30 January 2023
Rob Purdy	Independent Governor	From 20 March 2020 to January 2023
Shwetal Shah	Co-opted Governor	From 11 March 2022 to 24 May 2023
Professor Peter Slee	Vice Chancellor	Ex-Officio
Professor Lisa Stansbie	Co-opted Governor	From 05 March 2021 to 07 October 2023
Dr Andrew West	Independent Governor	From 01 July 2019
Nick Whitaker (Deputy Chair)	Independent Governor	From 01 September 2015

The University offers a comprehensive and tailored induction programme to new governors. This provides an overview of the higher education sector and how the University is governed and regulated as well as briefings on key strategic, financial and operational matters for the Board. Sessions were offered both virtually and in-person in 2022/23. New governors have the opportunity as part of their induction to meet the Chair of the Board and other governors, the Vice Chancellor and members of the University Executive Team and are offered the opportunity to pair with a longer standing independent member of the Board as part of a “buddy” scheme.

All governors are supported to take part in relevant training and development. In 2022/23 governors attended a variety of sessions run by Advance HE through its governor development programme, including the annual higher education governance conference and targeted development sessions for staff and student governors. Our student governors also took part in Coole Insight’s Student Governor Support Programme, delivered in partnership with Aaron Ross Porter Consultancy.

In 2022/23 we continued our programme of informal briefings to provide governors with a more in-depth overview of particular areas. Sessions included presentations from the Students’ Union, Leeds Law School, Leeds School of Arts and the Leeds Business School, with other sessions focusing on international student recruitment, academic quality and standards, and graduate progression and employability. The programme will continue in 2023/24.

CORPORATE GOVERNANCE STATEMENT

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

The Board of Governors is authorised under the Instrument of Government to remunerate the Chair of the Board and the committee chairs in acknowledgement of the services they perform for the University. The decision regarding payments is made by the Board following the completion of an annual review process for the chairs and on the recommendations made by the Governance & Nominations Committee which oversees and considers the outcomes of the annual review process. Note 9 to the financial statements shows the remuneration paid to governors in 2022/23 for the contribution of chairs in the financial year ended 31 July 2022.

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

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

Caroline Thomas was the Registrar & Secretary and Clerk to the Board of Governors, as defined in the Articles, and held the position throughout 2022/23. Andrea Bolshaw was appointed as Interim Registrar and Secretary and Clerk to the Board from 10 August 2023.

The work of the Board and its committees

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

Responsibilities reserved for the Board's decision include:

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

CORPORATE GOVERNANCE STATEMENT

In 2022/23, the Board met formally both on campus and virtually on four occasions. In addition, an away day was held on campus in October 2022 at which the Board focused on the University executive's priorities for the academic year. This built on the Strategic Planning Framework 2021 to 2026, and the Executive has provided progress updates at each meeting during the year. An informal "Away Day" session was held on campus prior to the formal meeting on 19 May 2023, focusing on international student recruitment and marketing.

The Board continues to provide scrutiny and constructive support to the University's management as it responds to the changing national economic and policy context for higher education. This year governors focused on and monitored the University's financial sustainability emerging higher education policy, the regulation and assurance of academic quality and standards, compliance with the regulatory requirements, student recruitment with a particular focus on international, the impact of inflation and the cost-of-living crisis, sustainability and the future shape of the Estate. It also oversaw the process for the appointment of a new Chair and succession arrangements.

The University's financial position and various scenarios informed by forecasts for student recruitment and continuation were considered and monitored by governors. The Board remains satisfied that the University's financial position was stable for 2022/23 and that it remains sustainable looking ahead to 2023/24 despite the disruptions caused by a range of factors including inflation and the wider economic climate.

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

- Finance, Staffing and Resources Committee
- Audit Committee
- Governance and Nominations Committee
- Senior Staff Remuneration Committee
- Chairs' Committee

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

Finance, Staffing and Resources Committee

Membership 2022/23
Alan Gay (Chair)
Harsh Bhatia (From 10 March 2023)
Cielo Cartwright
Helen Green (From 30 January 2023)
Professor George Lodorfos (From 24 April 2023)
Lucy Macdonald (From 23 July 2022 to 14 November 2022)
Stephen Magora
Jo Norry
Professor Peter Slee
Professor Lisa Stansbie (From 05 March 2021 to 07 October 2022)
Dr Andrew West

CORPORATE GOVERNANCE STATEMENT

During the reporting period, the Finance, Staffing and Resources Committee met four times. Informal sessions were held prior to the meetings in February and June to look at the workforce profile and proposed budgets for 2023/24 respectively.

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

Key areas of focus for 2022/23 have been:

- The review and endorsement of the annual financial statements
- Approval of the University's capital and expenditure budgets
- Monitoring the impact of inflation and the cost-of-living crisis
- Student recruitment matters and UK Government policy reforms
- Equality, Diversity & Inclusion matters for staff and students, including oversight of the implementation of the Access & Participation Plan.
- Staffing matters and the implementation of Human Resources' priorities for 2022/23.
- Monitoring the impact of on-going industrial action and its impact on teaching.
- Approving proposals for the development of capital projects as part of the estates masterplan
- IT strategic portfolio and the progress of the digital, data and infrastructure programme.
- Financial sustainability including ongoing oversight and scrutiny of the University's financial forecasts against budget, following the Board's decision in November 2022 to target a break-even budget.

Audit Committee

Membership 2022/23
Nick Whitaker (Chair)
Qari Asim
Martin Barkley (From 30 January 2023)
Professor Christina Hughes (From 20 March 2020 to 14 June 2023)
David Morgan
Rob Purdy (From 20 March 2020 to January 2023)

The Audit Committee is responsible for reviewing the effectiveness of the University's risk management, internal control and governance processes. It also ensures there are adequate and appropriate arrangements for economy, efficiency and effectiveness which ensure and promote value for money and regularity and propriety in the use of public funding. The Committee also reviews the University's financial statements and makes recommendations to the Board for their approval or otherwise in accordance with the OfS Accounts Direction.

CORPORATE GOVERNANCE STATEMENT

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

The Audit Committee met with the internal and external auditors separately and without the presence of management at least once during the academic year. Each meeting was attended by representatives of Uniac, the internal auditors and BDO, the external auditors.

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 Health & Safety Governance, the Research Grant Capture Process, Student Number Forecasting, International Student Experience, Compliance with OfS 'B' Conditions, Payroll, Apprenticeships Data and HESA Data Futures.

During the year, the Committee considered 'deep-dive' analysis reports on several different areas of the Corporate Risk Register, including themes on Business Continuity Planning, Student Recruitment, Academic Collaborative Provision, IT and Digital Infrastructure and Financial Services.

In 2022/23, a market testing and tender exercise for the appointment of external auditors was overseen by the Audit Committee and on 17 February 2023, the Board formally approved the extension of BDO's contract to carry out the external audits for the 2023/24 accounts.

Governance and Nominations Committee

Membership 2022/23
Dr Andrew West (Chair)
Dr Oliver Bray
Iain Cornish (From 26 April 2023)
Rachel Hewitt
Tracey Lancaster
David Lowen
Ashleigh Pinnock (From 22 July 2022 to 30 June 2023)
Tori Pourzand (From 30 January 2023)
Professor Peter Slee
Nick Whitaker
Shwetal Shah (From 11 March 2022 to 24 May 2023)

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

In 2022/23 the Governance and Nominations Committee met 3 times and its work included:

- Governor recruitment and appointments, including overseeing the search and appointment process for the next Chair of the Board
- Monitoring the implementation of the governance effectiveness review action plan

CORPORATE GOVERNANCE STATEMENT

- Student wellbeing and safety
- Consideration of the University's compliance with UKVI requirements
- Board Equality, Diversity & Inclusion activity particularly with regard to governor recruitment practices and induction, development and retention
- Monitoring of the constitutional arrangements of the University's subsidiary and associated companies
- Monitoring the University's compliance with the Modern Slavery Act
- Reviewing proposals for the operation of the Board and its committees in 2022/23.

Chairs' Committee

Membership 2022/23
Chair of the Board - David Lowen (From 01 December 2014 to 31 August 2023)
Chair of the Board – Iain Cornish (From 01 September 2023)
Chair of the Audit Committee and Deputy Chair of the Board – Nick Whitaker
Chair of the Senior Staff Remuneration Committee – Professor Nicki Latham
Chair of the Finance, Staffing & Resources Committee – Alan Gay
Chair of the Governance and Nominations Committee – Dr Andrew West
Vice Chancellor - Professor Peter Slee (ex-officio)

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

In 2022/23 the Chairs' Committee met regularly in advance of each Board meeting and away day to agree the agenda, discuss on-going governor matters and to receive key strategic updates from the Vice Chancellor.

Senior Staff Remuneration Committee

Membership 2022/23
Nicki Latham (Chair)
Cielo Cartwright
David Lowen
Nick Whitaker
Dr Andrew West

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

The Committee makes decisions in line with the Operating Framework for Senior Pay which was approved annually by the Board of Governors. The Committee meets twice a year and Human Resources provides secretariate support for meetings.

CORPORATE GOVERNANCE STATEMENT

In accordance with the Committee of University Chairs' Higher Education Senior Staff Remuneration Code, the University published its most recent annual report in May 2023 on its website. The report was approved by the Board of Governors and summarises the work and key decisions made by the Senior Staff Remuneration Committee.

The details are included in the Annual Report on Senior Staff Remuneration which is published on the University's website <https://www.leedsbeckett.ac.uk/our-university/governance/board-of-governors/senior-staff-remuneration-committee/>. The University considers that it is fully compliant with the requirements of the Remuneration Code.

Academic Board

The Academic Board is the University's principal academic authority. Subject to the powers of the Board of Governors and the Vice Chancellor, it is responsible for overseeing the academic affairs of the University, the design and implementation of the academic regulatory framework, ensuring continued compliance with the OfS 'B' conditions and high research and academic quality and standards, and for general issues relating to learning, teaching and research. It has thirty-five members drawn entirely from staff and students and it is chaired by the Vice Chancellor.

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

The Academic Board met four times during 2022/23 and in addition to its routine business it considered:

- Access and Participation matters and proposed variations for the 2024/25 plan
- Preparations for the Knowledge Exchange Framework (KEF) 2023 submission
- The Admissions Policy and undergraduate entry tariffs
- The regulatory alignment of taught and research awards
- Research institute governance and policies
- Research policy and procedures
- National Student Survey and Postgraduate Research Experience Survey outcomes
- Academic Regulations

Members of the Board of Governors have a standing invitation to attend and observe meetings of the Academic Board. During 2022/23, a member of the Board attended all Academic Board meetings.

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

Executive Management

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

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

CORPORATE GOVERNANCE STATEMENT

Public disclosure

The University's constitutional arrangements and details of its governance and committee structures are publicly available on its website. Agendas and unreserved papers and minutes of the meetings of the Board of Governors and its committees, where permitted under the University's constitution, are also publicly available on the University's website.

Modern Slavery

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

The University mitigates risks in this area by:

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

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.

RISK MANAGEMENT AND INTERNAL CONTROL

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

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

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

The current Corporate Risk Framework has been in place since February 2022. The Corporate Risk Register documents significant institutional risks and ensures that the latest sector insights inform the overall risk profile and related mitigations. Each risk within the Corporate Risk Register is evaluated according to the likelihood and impact of the risk becoming a reality. The Corporate Risk Register is owned at Executive level and is reviewed quarterly, presented at each meeting of the Audit Committee and considered by the Board of Governors on an annual basis. The Corporate Risk Register identifies three core risks areas: 'Quality', 'Business Continuity', and 'Financial Sustainability'; this framework supports wider leadership team discussion of specific risks. A Board Assurance Framework captures information on controls and assurances, linked to institutional performance through KPIs. This is reviewed annually by Audit Committee and informs the annual internal audit plan. The Corporate Risk Register is also shared with Schools and Services to inform operational risk management.

The University's Risk Appetite Statement and Risk Management Policy were reviewed in 2023 to reflect the revised approach to risk management. The statement of risk appetite is regularly reviewed by the Audit Committee and changes approved by the Board of Governors.

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

The University's internal auditors carry out risk-based audits throughout the year to evaluate and provide independent, objective assurance that internal controls are robust and working as intended, and that corporate governance and accounting processes operating effectively. External auditors

RISK MANAGEMENT AND INTERNAL CONTROL

evaluate the financial statements of the University and assess the accounts for compliance and accuracy.

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
- 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

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

Principal Risks and Uncertainties

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

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
R1 - OfS Registration This risk reflects the complexity of the current regulatory environment and the wide-ranging actions required to ensure ongoing compliance with OfS registration conditions.	The University's corporate governance structure oversees OfS compliance, monitoring performance metrics and implementation of wide-ranging actions required to ensure ongoing compliance, and this is reported to the Board.
R3 - Staff engagement and performance This risk reflects the importance of staff engagement and performance in delivering the University's strategic objectives.	Working with schools and services, HR oversees performance monitoring, staff survey actions, and range of policies, procedures, guidance and training to support staff, as set out in our Workforce Plan. The Finance, Staffing & Resources Committee has strategic oversight and is responsible for advising the Board on human resources strategy.

RISK MANAGEMENT AND INTERNAL CONTROL

Risk area	University's approach
<p>R4 - Business Continuity The University is required to have adequate plans to manage incidents and support business continuity in order to reduce business interruption and subsequent longer-term impact.</p>	Major Incident management and business continuity plans, coupled with skilled and experienced staff, support incident management and business recovery arrangements. Regular testing and training ensure plans remain fit for purpose.
<p>R5 - Cyber security The impact of this cross-cutting risk is reflected across the full range of the University's activities as well as impacting on our general management of business continuity.</p>	To support our IT Strategy, protect the University's core infrastructure and responsiveness to cyber threats, cyber resilience resources and mitigations, skilled and experienced staff, colleague training and cyber security policies and plan are in place.
<p>R6 - IT and digital infrastructure This risk reflects the complexity of managing our digital infrastructure to support evolving business needs.</p>	The ICT Strategic Board oversees ongoing management of performance and requirement needs alongside long-term insight into future digital requirements.
<p>R7 - Capacity to withstand impact of inflation This risk reflects the challenge of managing our costs and financial sustainability in response to rising inflation.</p>	The University deploys a range of financial planning approaches (including budgeting and forecasting tools), supported by a comprehensive procurement framework to drive value for money and cost control. The Finance, Staffing & Resources Committee has strategic oversight and is responsible for advising the Board on financial strategy.
<p>R8 - Sustainability of staff cost base This risk reflects the significance of staff costs as a proportion of our overall running costs, in an environment where resources also need to be aligned with evolving delivery needs.</p>	HR oversees the development of an effective workforce through a data-informed approach to understanding staffing needs alongside control of staff recruitment. The Finance, Staffing & Resources Committee has strategic oversight of staffing matters.
<p>R9 - Restrictions on recruitment A wide range of potential risks, such as changes to Government Policy and other impacts relating to funding rules, could impact on our recruitment plans and subsequently on financial sustainability.</p>	Intelligence-informed market analysis, data-informed curriculum development and detailed planning and analysis of student numbers supports our management of student recruitment risks.
<p>R10 – Retention of UKVI sponsorship licence The University has a range of responsibilities to ensure ongoing compliance with our sponsor licence, and as our international student population grows, there is an increasing risk that changes in UK Government policy in this area could affect our ability to effectively manage these responsibilities.</p>	Student Visa Sponsor Group monitors all sponsor responsibilities. Compliance frameworks are in place for the management of student-related responsibilities across all relevant teams and the management of worker responsibilities operated within HR. There is specialist expertise on compliance expectations within our SIAC team, who regularly review basic compliance statistics, and independent mock audits are regularly undertaken.
<p>R11 – ESFA / Apprenticeships ESFA funding for apprenticeships is vital for the achievement of our strategic</p>	The use of the bespoke APTEM system for apprenticeship records by the Apprenticeship Team provides a robust platform for meeting ongoing ESFA requirements. An

RISK MANAGEMENT AND INTERNAL CONTROL

Risk area	University's approach
objectives, as any non-compliance could result in funding clawback and risk our ability to further recruit to funded apprenticeships which supports our financial resilience.	Apprenticeship governance reporting structure is in place, and the Student Data Returns Team undertake regular independent data quality assurance checks and financial reconciliations, as well as meeting with Schools to review data submitted to the ESFA at three points each year.

RESPONSIBILITIES OF THE BOARD OF GOVERNORS

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

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

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

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

The Board of Governors has taken reasonable steps to:

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

In so far as the Board of Governors is aware:

- there is no relevant audit information of which the auditor is unaware; 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.

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

We have audited the financial statements of Leeds Beckett University ("the University") and its subsidiaries ("the Group") for the year ended 31 July 2023 which comprise Consolidated and University Statement of Comprehensive Income, Consolidated and University Statement of Changes in Reserves, Consolidated and University Statement of Financial Position, 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 the University in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

Conclusions relating to going concern

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

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

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

INDEPENDENT AUDITOR'S REPORT

Other information

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

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

We have nothing to report in this regard.

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

In our opinion, in all material respects:

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

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

- The University's grant and fee income, as disclosed in note 7 to the accounts, has been materially misstated.
- The University's expenditure on access and participation activities for the financial year, as has been disclosed in note 13 to the accounts, has been materially misstated.

Responsibilities of the board members

As explained more fully in the board members responsibilities statement, the board members are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the board members 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 members are responsible for assessing the Group and the University's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the board members 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

INDEPENDENT AUDITOR'S REPORT

that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

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

Non-compliance with laws and regulations

Based on:

- our understanding of the Group and the sector in which it operates;
- discussion with management and those charged with governance and audit and risk committee;
- obtaining and understanding of the Group's policies and procedures regarding compliance with laws and regulations; and
- direct representation from the Accountable Officer.

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

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

Our procedures in respect of the above included:

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

Fraud

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

- enquiry with management and those charged with governance, internal audit and audit and risk committee regarding any known or suspected instances of fraud;
- obtaining an understanding of the Group's policies and procedures relating to:
 - detecting and responding to the risks of fraud; and
 - internal controls established to mitigate risks related to fraud.
- review of minutes of meeting of those charged with governance for any known or suspected instances of fraud;

INDEPENDENT AUDITOR'S REPORT

- discussion amongst the engagement team as to how and where fraud might occur in the financial statements; and
- performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud;

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

Our procedures in respect of the above included:

- testing a sample of journal entries throughout the year, which met a defined risk criteria, by agreeing to supporting documentation;
- testing a sample of income by agreeing to supporting documentation; and
- assessing significant estimates made by management for bias, including the value of defined benefit pension liabilities, useful economic useful live of property, plant and equipment, recoverability of debtors and income recognition.

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

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

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

Use of our report

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

Hamid Ghafoor (Senior Statutory Auditor)
For and on behalf of BDO LLP, Statutory Auditor
Manchester, UK

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

CONSOLIDATED AND UNIVERSITY STATEMENT OF COMPREHENSIVE INCOME

	Notes	Consolidated		University	
		31 July 2023 £'000	31 July 2022 £'000	31 July 2023 £'000	31 July 2022 £'000
Income					
Tuition fees and education contracts	1	182,398	180,049	182,398	180,049
Funding body grants	2	15,818	13,737	15,818	13,737
Research grants and contracts	3	5,853	4,480	5,853	4,480
Other income	4	31,119	32,305	22,347	25,065
Investment income	5	3,271	296	3,271	796
Donations and endowments	6	56	37	56	37
Total income		238,515	230,904	229,743	224,164
Expenditure					
Staff costs	8	141,651	143,183	132,443	135,070
Fundamental restructuring expenses	8	1,548	1,061	1,548	1,061
Other operating expenses	10	73,184	61,054	73,894	62,105
Depreciation and Impairment	12	20,614	21,712	20,623	21,499
Interest and other finance costs	11	7,973	9,306	7,973	9,306
Total expenditure	12	244,970	236,316	236,481	229,041
(Deficit) before taxes, gains and losses		(6,455)	(5,412)	(6,738)	(4,877)
(Loss) / gain on disposal of fixed assets	16	(1,570)	7,242	(1,569)	7,242
(Deficit) / surplus for the year before tax		(8,025)	1,830	(8,307)	2,365
Taxation	14	(6)	49	-	-
(Deficit) / surplus for the year		(8,031)	1,879	(8,307)	2,365
Actuarial gain in respect of pension schemes	28	59,366	194,558	59,366	194,558
Unrealised (losses) / gains on investments		(162)	-	(162)	-
Total comprehensive income for the year		51,173	196,437	50,897	196,923
Represented by:					
Endowment comprehensive income for the year		10	-	10	-
Restricted comprehensive loss for the year		(150)	(97)	(150)	(97)
Unrestricted comprehensive income for the year		51,313	196,325	51,033	197,020
Attributable to the University		51,173	196,228	50,893	196,923
Attributable to the non-controlling interest		-	209	-	-
		51,173	196,437	50,893	196,923
(Defecit) / Surplus for the year after tax attributable to:					
Non-controlling interest		-	209	-	-
University		(8,031)	1,670	(8,307)	2,365
Total comprehensive income for the year after tax attributable to:		-	209	-	-
Non-controlling interest		-	209	-	-
University		51,173	196,228	50,897	196,923

All items of income and expenditure relate to continuing activities.
The accompanying notes and policies on pages 36 to 62 form part of these financial statements.



CONSOLIDATED AND UNIVERSITY CHANGES IN RESERVES

Consolidated	Endowments	Restricted	Unrestricted	Total excluding non- controlling interest	Non- controlling interest	Total
	£'000	£'000	£'000	£'000	£'000	£'000
Balances at 1 August 2021	96	4,930	32,786	37,812	1,255	39,067
Surplus for the year		26	1,644	1,670	209	1,879
Other comprehensive income	-	-	194,558	194,558	-	194,558
Dividends to Non-controlling interest reserve	-	-	-	-	(500)	(500)
Transfers between reserves	-	-	-	-	-	-
Release to unrestricted reserves	-	(123)	123	-	-	-
Balances at 1 August 2022	96	4,833	229,111	234,040	964	235,004
Surplus / (deficit) for the year	10	-	(8,041)	(8,031)	(0)	(8,031)
Other comprehensive income	-	-	59,204	59,204	-	59,204
Dividends to Non-controlling interest reserve	-	-	-	-	-	-
Transfers between reserves	-	-	-	-	-	-
Release to unrestricted reserves	-	(150)	150	-	-	-
Balances at 31 July 2023	106	4,683	280,424	285,213	964	286,177

University	Endowments	Restricted	Unrestricted	Total excluding non- controlling interest	Non- controlling interest	Total
	£'000	£'000	£'000	£'000	£'000	£'000
Balances at 1 August 2021	96	4,930	31,565	36,591	-	36,591
Surplus for the year	-	26	2,339	2,365	-	2,365
Other comprehensive income	-	-	194,558	194,558	-	194,558
Transfers between reserves	-	-	-	-	-	-
Release to unrestricted reserves	-	(123)	123	-	-	-
Balances at 1 August 2022	96	4,833	228,585	233,514	-	233,514
Surplus / (deficit) for the year	10	-	(8,317)	(8,307)	-	(8,307)
Other comprehensive income	-	-	59,204	59,204	-	59,204
Transfers between reserves	-	-	-	-	-	-
Release to unrestricted reserves	-	(150)	150	-	-	-
Balances at 31 July 2023	106	4,683	279,622	284,411	-	284,411



CONSOLIDATED AND UNIVERSITY STATEMENT OF FINANCIAL POSITION

	Notes	Consolidated		University	
		31 July 2023 £'000	31 July 2022 £'000	31 July 2023 £'000	31 July 2022 £'000
Non-current assets					
Intangible assets	15	8,085	8,322	7,562	8,020
Tangible assets	16	338,197	357,791	338,185	357,771
Investments	17	37	37	37	37
Trade and other receivables		583	678	583	678
		346,902	366,828	346,367	366,506
Current assets					
Stock		41	1	41	1
Trade and other receivables	19	19,725	15,759	18,659	14,873
Investments	20	89,627	55,900	89,627	55,900
Cash and cash equivalents	21	22,911	53,872	21,571	51,631
		132,304	125,532	129,898	122,405
Less: Creditors: amounts falling due within one year	22	(66,089)	(55,954)	(64,918)	(53,995)
		66,215	69,578	64,980	68,410
Net current assets					
		413,117	436,406	411,347	434,916
Total assets less current liabilities					
Creditors: amounts falling due after more than one year	23	(113,230)	(133,784)	(113,230)	(133,784)
Provisions					
Pension provisions	28	(12,587)	(66,484)	(12,587)	(66,484)
Other provisions	29	(1,123)	(1,134)	(1,123)	(1,134)
		286,177	235,004	284,407	233,514
Total net assets					
Restricted Reserves					
Income and expenditure reserve - endowment reserve	30	106	96	106	96
Income and expenditure reserve - restricted reserve	31	4,683	4,833	4,683	4,833
Unrestricted Reserves					
Income and expenditure reserve - unrestricted reserve		280,424	229,111	279,618	228,585
		285,213	234,040	284,407	233,514
Non-controlling interest		964	964	-	-
		286,177	235,004	284,407	233,514
Total Reserves					

The financial statements on pages 32 to 62 were approved by the Board of Governors on 24 November 2023 and were signed on 27 November 2023 on its behalf by:

I CORNISH
Chair of the Board

P SLEE
Vice Chancellor

C DE AROSTEGUI
Director of Finance



CONSOLIDATED STATEMENT OF CASH FLOWS

	Notes	Year ended 31 July 2023 £'000	Year ended 31 July 2022 £'000
Cash flow from operating activities			
(Deficit) / surplus for the year before taxation		(8,025)	1,830
Adjustment for non-cash items			
Depreciation and Impairment	12	20,614	21,712
(Increase) / decrease in stock		(40)	-
(Increase) in debtors	19	(2,594)	(4,184)
Increase in creditors	22	15,117	10,409
Increase in pension provisions	28	3,366	15,192
(Decrease) in other provisions	29	(11)	(387)
Adjustments for investing or financing activities			
Interest receivable		(3,271)	(296)
Interest payable	11	7,973	9,306
Loss / (gain) on sale of tangible assets		1,570	(7,242)
Capital grant income		(1,844)	(998)
Exceptional expenses relating to refinancing		-	-
Cash flows from operating activities		32,855	45,342
Taxation	14	(6)	49
Net cash inflow from operating activities		32,849	45,391
Cash flows from investing activities			
Proceeds from the sale of tangible assets		15,326	15,567
Capital grants receipts		494	2,419
Movement on deposits		(33,889)	(40,001)
Investment income		1,944	(163)
Payments made to acquire tangible assets		(16,523)	(10,894)
Payments made to acquire intangible assets		(1,523)	(612)
Dividends paid to non-controlling interests		-	(500)
Lease Premium		(559)	(559)
		(34,730)	(34,743)
Cash flows from financing activities			
Interest paid		(5,871)	(5,276)
New bank loans		-	-
New finance leases		-	-
New lease and leaseback arrangement		262	807
Repayment of amounts borrowed		(23,138)	(14,575)
Capital element of finance lease rental payments		(333)	(266)
Other interest-free loans repaid		-	-
		(29,080)	(19,310)
(Decrease) in cash and cash equivalents in the year	21	(30,961)	(8,662)
Cash and cash equivalents at beginning of the year	21	53,872	62,534
Cash and cash equivalents at end of the year	21	22,911	53,872



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, 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 Solutions UK Limited, who prepared calculations of the provisions. The calculation of the WYPF provision is sensitive to the choice of discount rate and the estimate of changes to salaries, pensions and mortality. Details of the sensitivities of these assumptions are given in Note 27.

The Governors are satisfied that Universities Superannuation Scheme meets the definition of a multi-employer scheme, which under Section 28 of FRS 102 means that we have recognised the discounted fair value of our contractual contributions under the deficit funding plan in existence at the date of approving the financial statements.

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

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

Depreciation is based on the estimated life of the asset and, additionally buildings are depreciated based on their individual components, both for new buildings and where a valuation was used as deemed cost for the conversion to FRS 102. 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.

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

STATEMENT OF PRINCIPAL ACCOUNTING POLICIES

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

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

2. Going Concern

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

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

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

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

3. Income recognition

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

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

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

STATEMENT OF PRINCIPAL ACCOUNTING POLICIES

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

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

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

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

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

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

4. Accounting for retirement benefits

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

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

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

STATEMENT OF PRINCIPAL ACCOUNTING POLICIES

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 surplus, the recognised asset is limited to the extent that the University is able to recover the surplus either through reduced contributions in the future or through refunds from the plan.

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.

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.



STATEMENT OF PRINCIPAL ACCOUNTING POLICIES

Leased equipment, furniture & fittings

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

Equipment, furniture & fittings

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

7. Heritage assets

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

8. Intangible assets

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

9. Impairment

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

10. Finance leases

Leases in which the University assumes substantially all the risks and rewards of ownership of the leased asset are classified as finance leases and recognised as a fixed asset and as a 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. Deposits of more than three months will generally be classified as short-term investments and will only be classified as cash and cash equivalent if we can access the deposits early without risk of change in value. 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.

STATEMENT OF PRINCIPAL ACCOUNTING POLICIES

16. Foreign currency

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

17. Associated companies

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

18. Provisions, contingent liabilities and contingent assets

Provisions are recognised in the financial statements when:

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

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

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

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

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

19. Tax

The University is an exempt charity within the meaning of Part 3 of the Charities Act 2011. It is therefore a charity within the meaning of Para 1 of schedule 6 to the Finance Act 2010 and accordingly, the University is potentially exempt from taxation in respect of income or capital gains received within categories covered by section 478-488 of the Corporation Tax Act 2010 (CTA 2010) or section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied to exclusively charitable purposes.

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

STATEMENT OF PRINCIPAL ACCOUNTING POLICIES

included in their cost.

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

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



NOTES TO THE FINANCIAL STATEMENTS

Note 1. Tuition fees and education contracts

	Consolidated		University	
	31 July 2023 £'000	31 July 2022 £'000	31 July 2023 £'000	31 July 2022 £'000
HE course fees				
Home domicile students				
Full-time undergraduate	121,495	130,754	121,495	130,754
Full-time postgraduate	9,194	11,102	9,194	11,102
Part-time undergraduate	4,637	5,434	4,637	5,434
Part-time postgraduate	4,598	4,832	4,598	4,832
Overseas domicile students				
Overseas students	40,231	25,798	40,231	25,798
Sub-total HE course fees	180,155	177,920	180,155	177,920
Research Studentships	-	-	-	-
Short course fees	885	940	885	940
Education contracts UK	565	532	565	532
Education contracts overseas	793	657	793	657
	182,398	180,049	182,398	180,049

Note 2. Funding body grants

	Consolidated		University	
	31 July 2023 £'000	31 July 2022 £'000	31 July 2023 £'000	31 July 2022 £'000
Recurrent / non-recurrent grants:				
Office for Students	6,114	6,551	6,128	6,551
Research England	7,852	6,188	7,852	6,188
Specific grants:				
Office for Students	14	-	-	-
Capital grants	1,838	998	1,838	998
	15,818	13,737	15,818	13,737

Note 3. Research grants and contracts

	Consolidated		University	
	31 July 2023 £'000	31 July 2022 £'000	31 July 2023 £'000	31 July 2022 £'000
Research councils	736	273	736	273
UK based charities	779	678	779	678
UK central government, local, health and hospital authorities	2,025	1,791	2,025	1,791
UK industry, commerce, public corporations	1,469	779	1,469	779
EU government bodies	337	520	337	520
EU other	200	177	200	177
Other overseas	85	100	85	100
Other	222	162	222	162
	5,853	4,480	5,853	4,480

Note 4. Other income

	Consolidated		University	
	31 July 2023 £'000	31 July 2022 £'000	31 July 2023 £'000	31 July 2022 £'000
Knowledge services	12,256	12,018	8,501	9,088
Other grants receivable	877	962	877	962
Residences, catering and conferences	14,486	15,685	14,252	15,583
Other income	3,500	3,640	(1,283)	(568)
	31,119	32,305	22,347	25,065

A government grant of £nil (2022: £0.1m) was received in the year in respect of employees placed on furlough under the Job Retention Scheme.



NOTES TO THE FINANCIAL STATEMENTS

Note 5. Investment income

	Consolidated		University	
	31 July 2023 £'000	31 July 2022 £'000	31 July 2023 £'000	31 July 2022 £'000
Investment income on endowments	(69)	(3)	(69)	(3)
Investment income from short-term investments	3,112	236	3,112	236
Other investment income	228	63	228	563
	3,271	296	3,271	796

Note 6. Donations and endowments

	Consolidated		University	
	31 July 2023 £'000	31 July 2022 £'000	31 July 2023 £'000	31 July 2022 £'000
New endowments	-	-	-	-
Donations with restrictions	45	26	45	26
Unrestricted donations	11	11	11	11
	56	37	56	37

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 2023 £'000	31 July 2022 £'000	31 July 2023 £'000	31 July 2022 £'000
Grant income from the OfS	7,966	7,549	7,966	7,549
Grant income from other bodies	7,852	6,188	7,852	6,188
Fee income for research awards (exclusive of Vat)	2,104	1,967	2,104	1,967
Fee income from non-qualifying courses (exclusive of Vat)	2,243	2,129	2,243	2,129
Fee income for taught awards (exclusive of Vat)	178,051	175,953	178,051	175,953
	198,216	193,786	198,216	193,786

Note 8. Staff costs

	Consolidated		University	
	31 July 2023 £'000	31 July 2022 £'000	31 July 2023 £'000	31 July 2022 £'000
Staff costs				
Wages and salaries	106,852	98,045	97,632	90,429
Social security costs	10,751	10,477	10,755	10,113
Pension costs - WYPF	12,750	21,475	12,750	21,475
Pension costs - TPS	11,482	10,683	11,482	10,683
Pension costs - USS	(176)	2,370	(176)	2,370
Pension costs - NEST	(8)	133	-	-
	141,651	143,183	132,443	135,070

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

Average full-time equivalent

	FTE 2023	FTE 2022
Academic staff	853	833
Professorial and Research	146	142
Support staff	1,261	1,248
	2,260	2,223

Senior staff pay

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



NOTES TO THE FINANCIAL STATEMENTS

	Year ended 31 July 2023	Year ended 31 July 2022
	Number of staff	Number of staff
Basic salary per annum		
£100,000 - £104,999	4	-
£105,000 - £109,999	1	3
£110,000 - £114,999	1	-
£115,000 - £119,999	-	1
£125,000 - £129,999	-	1
£135,000 - £139,999	2	3
£140,000 - £144,999	2	-
£150,000 - £154,999	-	3
£160,000 - £164,999	2	-
£185,000 - £189,999	1	-
£235,000 - £239,999	-	1
£250,000 - £254,999	1	-
	14	12

	£'000	£'000
Emoluments of the Vice-Chancellor		
Basic salary	254	238
University's pension contributions to the Teachers' Pensions Scheme	59	56
Total emoluments of the office of Vice-Chancellor.	313	294

Rationale for Vice-Chancellor's pay

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

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

A 3% increase to basic salary was awarded to the Vice Chancellor in September 2022 which aligns to that made under the national pay settlements for all staff for last year. In addition, and in recognition of his considerable contribution to the University in a challenging competitive environment, he was awarded a performance increase of 1.5% with effect from 1 September 2022. An interim award of 2% was made in February 2023 which aligns to that made under national pay settlements for all staff in the current year.

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 6.8 times the median pay of basic salary of staff as at 31 July 2023 (2022: 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 7.3 times the median total remuneration of staff as at 31 July 2023 (2022: 7.4 times), where the median total remuneration is calculated on a full-time equivalent basis for the total remuneration by the provider of its staff.

The data has been provided for all colleagues in post on 31 July 2023 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 2022 to 31 July 2023 with the exception of 181 atypical colleagues (10.3% 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 2023	Year ended 31 July 2022
	£'000	£'000
Key management personnel compensation	1,457	1,614



NOTES TO THE FINANCIAL STATEMENTS

Severance payments

Compensation for loss of office, including pension costs and provisions for terminations agreed but not completed before 31 July 2023, paid to former employees during the year amounted to £1.7m (2022: £1.1m). The number of people to whom this was payable to as at 31 July 2023 was 56 (2022: 52).

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 2022/23, were for contributions made to the Board in 2021/22, are as follows:

	Year ended 31 July 2023	Year ended 31 July 2022
	£	£
David Lowen, Chair of the Board	15,000	15,000
Alan Gay, Chair of Finance, Staffing and Resources Committee	7,500	7,500
Andrew West, Chair of Governance and Nominations Committee	7,500	7,500
Nick Whitaker, Chair of Audit Committee	7,500	7,500
Nicki Latham, Chair of Senior Staff Remuneration Committee	7,500	7,500
Andy Brown, Deputy Chair	-	7,500
Total Remuneration	<u>45,000</u>	<u>52,500</u>

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

Reimbursement of expenses

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

	Year ended 31 July 2023	Year ended 31 July 2022
	£	£
Andrew West	873	825
Ashleigh Pinnock	174	-
Megan Darroch	-	1,563
Shwetal Shah	-	333
Stephen Magora	904	582
Lisa Stansbie	-	525
David Lowen	1,671	629
Rachel Hewitt	520	378
Pango Simwaka	-	1,563
Nick Whitaker	1,002	169
Christina Hughes	192	-
Harsh Bhatia	239	-
Total reimbursement	<u>5,575</u>	<u>6,567</u>

Note 10. Other operating expenses

	Consolidated		University	
	31 July 2023	31 July 2022	31 July 2023	31 July 2022
	£'000	£'000	£'000	£'000
Student support	6,890	5,766	7,259	5,596
Teaching support	6,671	6,533	6,671	6,533
Staff support	4,886	4,593	7,881	8,013
Rents & rates	12,827	11,821	12,178	11,424
Other facilities management	5,445	4,371	5,445	4,371
Utilities	4,168	5,726	4,168	5,726
Equipment	7,316	6,202	7,316	6,202
Consumables	1,450	1,065	1,450	1,065
Catering	1,075	742	1,075	742
Travel and subsistence	2,026	1,121	1,903	1,043
Professional services	2,704	3,082	2,546	2,749
Advertising and marketing	2,540	2,394	2,393	2,349
Commission, insurance and financial expenses	12,624	4,883	11,512	4,136
Other expenses	2,562	2,755	2,097	2,156
	<u>73,184</u>	<u>61,054</u>	<u>73,894</u>	<u>62,105</u>



NOTES TO THE FINANCIAL STATEMENTS

The following costs are included within the above figures:

External auditors' remuneration for:

University audit services	137	126	137	126
Subsidiaries audit services	45	26	-	-
Non-audit work	19	16	19	16
Internal auditors' remuneration	134	107	-	107
Operating lease rentals - buildings	11,131	10,518	11,131	10,518
Operating lease rentals - plant & equipment	29	27	29	27
Student Union grant	1,403	1,376	1,403	1,376

Note 11. Interest and other finance costs

	Consolidated		University	
	31 July 2023	31 July 2022	31 July 2023	31 July 2022
	£'000	£'000	£'000	£'000
Finance charges in respect of Service Concession Agreements and finance leases	1,582	1,589	1,582	1,589
Finance charges in respect of pension provisions	2,103	4,030	2,103	4,030
Bank loans not wholly repayable within 5 years	-	-	-	-
Other interest payable	4,288	3,687	4,288	3,687
	7,973	9,306	7,973	9,306

Service Concession Agreements are secured on residential properties.

Note 12. Analysis by activity

Consolidated

2022/23 Activity	Staff Costs	Re-organisation costs	Other Operating Expenses	Depreciation	Interest Payable	Total
	£'000	£'000	£'000	£'000	£'000	£'000
Academic departments	77,860	378	17,120	1,109	-	96,467
Academic services	18,253	216	9,432	4,378	-	32,279
Research grants and contracts	5,895	2	4,700	72	-	10,669
Residences, catering and conferences	1,536	-	11,673	78	1,582	14,869
Premises	5,806	28	11,914	9,792	-	27,540
Administration	24,374	918	15,322	5,185	6,392	52,191
Other services rendered	2,637	6	4,832	10	-	7,485
Other	5,290	-	(1,813)	(10)	-	3,467
Total	141,651	1,548	73,180	20,614	7,974	244,967

Intangible asset depreciation [Note 15]

1,761

Tangible asset depreciation [Note 16]

18,853

20,614

2021/22 Activity

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

Intangible asset depreciation [Note 15]

1,693

Tangible asset depreciation [Note 16]

20,019

21,712

Note 13. Access and participation expenditure

	31 July 2023			31 July 2022		
	£'000	£'000	£'000	£'000	£'000	£'000
	Staff	Other Operating Expenditure	Total	Staff	Other Operating Expenditure	Total
Access investment	1,862	390	2,252	1,438	536	1,974
Financial support provided to students	454	2,687	3,141	386	1,530	1,916
Support for disabled students	2,111	248	2,359	2,336	180	2,516
Research and evaluation	31	-	31	29	13	42
	4,458	3,325	7,783	4,189	2,259	6,448



NOTES TO THE FINANCIAL STATEMENTS

Included above are staff costs of £4,458k 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_dec22.pdf

Note 14. Taxation

	Consolidated		University	
	31 July 2023 £'000	31 July 2022 £'000	31 July 2023 £'000	31 July 2022 £'000
Recognised in the statement of comprehensive income				
Current tax				
Current tax expense / (credit)	6	(49)	-	-
Adjustment in respect of previous years	-	-	-	-
Current tax expense / (credit)	6	(49)	-	-

Note 15. Intangible assets

	Consolidated			University		
	Software purchased £'000	Assets under development £'000	Total £'000	Software purchased £'000	Assets under development £'000	Total £'000
Cost						
At 1 August 2022	14,204	273	14,477	13,584	273	13,857
Assets brought into use	33	(33)	-	33	(33)	-
Additions at cost	1,061	463	1,524	842	463	1,305
Disposals and transfers in year	-	-	-	-	-	-
At 31 July 2023	15,298	703	16,001	14,459	703	15,162
Accumulated depreciation						
At 1 August 2022	(6,155)	-	(6,155)	(5,837)	-	(5,837)
Charge for year	(1,761)	-	(1,761)	(1,763)	-	(1,763)
Eliminated on disposals and transfers	-	-	-	-	-	-
At 31 July 2023	(7,916)	-	(7,916)	(7,600)	-	(7,600)
Net book value at 31 July 2023	7,382	703	8,085	6,859	703	7,562
Net book value at 31 July 2022	8,049	273	8,322	7,747	273	8,020

Note 16. Tangible assets

	Consolidated					
	Land £'000	Freehold Buildings £'000	Leasehold Buildings £'000	Equipment £'000	Assets under construction £'000	Total £'000
Cost						
At 1 August 2022	33,580	480,381	12,661	72,936	6,645	606,203
Assets brought into use	-	8,335	-	-	(8,335)	-
Additions at cost	-	3,510	-	4,404	8,238	16,152
Disposals and transfers in year	(8,220)	(45,063)	-	(18,959)	-	(72,242)
At 31 July 2023	25,360	447,163	12,661	58,381	6,548	550,113
Accumulated depreciation						
At 1 August 2022	-	(193,880)	(6,550)	(47,982)	-	(248,412)
Charge for year	-	(12,586)	(504)	(5,763)	-	(18,853)
Diminution of fixed asset values	-	-	-	-	-	-
Eliminated on disposals and transfers	-	36,572	-	18,775	-	55,347
At 31 July 2023	-	(169,894)	(7,054)	(34,970)	-	(211,918)
Net book value at 31 July 2023	25,360	277,269	5,607	23,411	6,548	338,195
Net book value at 31 July 2022	33,580	286,501	6,111	24,954	6,645	357,791
University						
Cost						
At 1 August 2022	33,580	480,382	12,661	72,872	6,645	606,140
Assets brought into use	-	8,334	-	-	(8,334)	-
Additions at cost	-	3,510	-	4,412	8,237	16,159
Disposals and transfers in year	(8,220)	(45,063)	-	(18,959)	-	(72,242)
At 31 July 2023	25,360	447,163	12,661	58,325	6,548	550,057



NOTES TO THE FINANCIAL STATEMENTS

Accumulated depreciation

At 1 August 2022	-	(193,880)	(6,550)	(47,939)	-	(248,369)
Charge for year	-	(12,586)	(504)	(5,773)	-	(18,863)
Diminution of fixed asset values	-	-	-	-	-	-
Eliminated on disposals and transfers	-	36,572	-	18,785	-	55,357
At 31 July 2023	-	(169,894)	(7,054)	(34,927)	-	(211,875)
Net book value at 31 July 2023	25,360	277,269	5,607	23,398	6,548	338,182
Net book value at 31 July 2022	33,580	286,502	6,111	24,933	6,645	357,771

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 [2022: £24,994,000] and the net book value is £16,649,000 [2022: £17,245,000].

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.

In 2021/22 a £1.8m diminution charge was recognised in the year. 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 2023	31 July 2022	31 July 2023	31 July 2022
	£'000	£'000	£'000	£'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.

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 2023 based on management accounts at that date.

Note 19. Trade and other receivables

	Consolidated		University	
	31 July 2023	31 July 2022	31 July 2023	31 July 2022
	£'000	£'000	£'000	£'000
Amounts falling due within one year:				
Trade receivables	12,799	10,497	11,283	8,910
Prepayments and accrued income	6,547	4,761	6,541	5,109
Amount due from third party loan	94	94	94	94
Amount due from subsidiary companies	-	-	456	352
VAT debtor	285	407	285	407
	19,725	15,759	18,659	14,872

The University entered into a loan agreement with a third party on 14 August 2020. The term of the loan is until 30 June 2030 and the rate of interest on the loan is margin (1.35% per annum) and SONIA (LIBOR up until 20th December 2021). £566k of the loan payable is more than one year and has been classified as a non-current asset.

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



NOTES TO THE FINANCIAL STATEMENTS

Note 20. Current asset investments

	Consolidated		University	
	31 July 2023 £'000	31 July 2022 £'000	31 July 2023 £'000	31 July 2022 £'000
Fixed interest deposits	89,627	55,900	89,627	55,900
	89,627	55,900	89,627	55,900

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. The total income recognised on these investments in the year was £3,081k (2022: £1k), interest received of £2,880k (2022: £155k) and a movement in fair value of £201k (2022: £154k)

Note 21. Cash and cash equivalents

	Consolidated		
	At 1 August 2022 £'000	Cash Flows £'000	At 31 July 2023 £'000
Cash and cash equivalents	53,872	(30,961)	22,911
	53,872	(30,961)	22,911

Note 22. Creditors: amounts falling due within one year

	Consolidated		University	
	31 July 2023 £'000	31 July 2022 £'000	31 July 2023 £'000	31 July 2022 £'000
Trade creditors	4,120	4,673	4,120	4,673
Loans and obligations (Note 24)	80	4,693	80	4,693
Other taxation and social security	5,278	3,554	4,849	3,357
Accruals	18,033	16,026	18,240	16,039
Deferred income	38,162	26,591	37,367	24,970
Interest accrued	262	263	262	263
Other creditors	154	154	-	-
	66,089	55,954	64,918	53,995

The University has a payable of £0.4m (2022: £0.2m) 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 2023 £'000	31 July 2022 £'000	31 July 2023 £'000	31 July 2022 £'000
Loans and obligations (Note 24)	81,774	100,420	81,774	100,420
Deferred income	31,448	33,357	31,448	33,357
Taxation	8	8	8	8
	113,230	133,785	113,230	133,785

Note 24. Borrowings

	Consolidated		University	
	31 July 2023 £'000	31 July 2022 £'000	31 July 2023 £'000	31 July 2022 £'000
(a) Bank loan				
The bank loan is repayable as follows:				
In one year or less	-	4,575	-	4,575
Between one and two years	-	4,575	-	4,575
Between two and five years	-	13,725	-	13,725
In five years or more	-	263	-	263
	-	23,138	-	23,138

The bank loan was fully repaid in July 2023 and the facility has been closed.

	Consolidated		University	
	31 July 2023 £'000	31 July 2022 £'000	31 July 2023 £'000	31 July 2022 £'000
(b) Obligations under finance leases				
The net obligations to which the University is committed are:				
In one year or less	96	178	96	178
Between one and two years	(3)	96	(3)	96
Between two and five years	-	-	-	-
	93	274	93	274

These leases principally relate to office equipment and vehicles.



NOTES TO THE FINANCIAL STATEMENTS

	Consolidated		University	
	31 July 2023	31 July 2022	31 July 2023	31 July 2022
	£'000	£'000	£'000	£'000
(c) Service Concession Arrangements				
The net obligations to which the University is committed are:				
In one year or less	127	152	127	152
Between one and two years	106	127	106	127
Between two and five years	615	471	615	471
In five years or more	20,801	21,051	20,801	21,051
	21,649	21,801	21,649	21,801

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

	Consolidated		University	
	31 July 2023	31 July 2022	31 July 2023	31 July 2022
	£'000	£'000	£'000	£'000
(d) Other interest-free loans				
The net obligations to which the University is committed are:				
In one year or less	-	-	-	-
Between one and two years	-	-	-	-
Between two and five years	-	-	-	-
In five years or more	200	200	200	200
	200	200	200	200

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

	Consolidated		University	
	31 July 2023	31 July 2022	31 July 2023	31 July 2022
	£'000	£'000	£'000	£'000
(e) Lease and leaseback arrangement				
The net obligations to which the University is committed are:				
In one year or less	(143)	(212)	(143)	(212)
Between one and two years	(51)	(143)	(51)	(143)
Between two and five years	415	127	415	127
In five years or more	59,691	59,928	59,691	59,928
	59,912	59,700	59,912	59,700

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

Note 25. Service Concession Arrangements

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

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

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

	Consolidated and University			
	Gross Payments		Maintenance costs	
	31 July 2023	31 July 2022	31 July 2023	31 July 2022
	£'000	£'000	£'000	£'000
In one year or less	3,126	3,086	1,427	1,351
Between two and five years	12,619	12,235	5,708	5,403
In five years or more	60,684	62,595	22,832	22,964
Total payable	76,429	77,916	29,967	29,718
less future facility maintenance costs	(29,967)	(29,719)		
less future financing costs	(24,813)	(26,396)		
Net borrowing [Note 24(c)]	21,649	21,801		

Note 26. Consolidated reconciliation of net debt

	At 31 July
	2023
	£'000
Net debt 1 August 2022	(51,241)
Movement in cash and cash equivalents	(30,961)
Net repayment of finance	23,259
Other non-cash changes	-
Net debt 31 July 2023	(58,943)
Change in net debt	(7,702)



NOTES TO THE FINANCIAL STATEMENTS

Analysis of net debt:	31 July 2023	31 July 2022
	£'000	£'000
Cash and cash equivalents	22,911	53,872
Borrowings: amounts falling due within one year		
Obligations under finance leases	(96)	(178)
Service Concession Arrangements [Note 24(c)]	(127)	(152)
Lease and leaseback arrangement	143	212
Unsecured loans	-	(4,575)
	<u>(80)</u>	<u>(4,693)</u>
Borrowings: amounts falling due after more than one year		
Obligations under finance leases	3	(96)
Service Concession Arrangements [Note 24(c)]	(21,522)	(21,649)
Lease and leaseback arrangement	(60,055)	(59,912)
Unsecured loans	(200)	(18,763)
	<u>(81,774)</u>	<u>(100,420)</u>
Net debt	<u>(58,943)</u>	<u>(51,241)</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 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, whilst defined benefit schemes, are multi-employer schemes for which it is not possible to identify assets and liabilities to University members and they 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 2023	31 July 2022
	£'000	£'000
Costs of TPS	(11,482)	(10,683)
Costs of USS	176	(2,370)
Costs of WYPF (See below)	(12,750)	(21,475)
Other pension costs and accruals	8	(133)
Total pension cost (Note 8)	<u>(24,048)</u>	<u>(34,661)</u>

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

	Year ended	Year ended
	31 July 2023	31 July 2022
	Number	Number
TPS	1,666	1,423
USS	41	48
WYPF	1,383	1,045
	<u>3,090</u>	<u>2,516</u>

Teachers' Pension Scheme (TPS)

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

Valuation of the Teachers' Pension Scheme

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

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

The next valuation result is due to be implemented from 1 April 2024. During the year, the University's contribution rate is 23.68% (2022: 23.68%). The employees' contribution rate is based on earnings and ranged from 7.4% to 11.7%.

There was a balance of £10.2k owed by the University as at 31 July 2023 (2022: £1k).



NOTES TO THE FINANCIAL STATEMENTS

Universities Superannuation Scheme (USS)

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

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

The total cost charged to the Consolidated Statement of Comprehensive Income and Expenditure is a credit of £0.2million (2022: £1.743million charge).

Deficit recovery contributions due within one year are £604k (2022: £649k)

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

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

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

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

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

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

	2020 valuation
Mortality base table	101% of S2PMA "light" for males and 95% S3PFA for females.
Future improvements to mortality	CMI 2019 with a smoothing parameter of 7.5, an initial addition of 0.5% p.a. and a long term improvement rate of 1.8% pa for males and 1.6%

The current life expectancies on retirement at age 65 are:

	2023 valuation	2022 valuation
Males currently aged 65 (years)	24.0	23.9
Females currently aged 65 (years)	25.6	25.5
Males currently aged 45 (years)	26.0	25.9
Females currently aged 45 (years)	27.4	27.3

A new deficit recovery plan was put in place as part of the 2020 valuation, which requires payment of 6.2% of salaries over the period 1 April 2022 to 31 March 2024 at which point the rate will increase to 6.3%. The 2023 deficit recovery liability reflects this plan. The liability figures have been produced using the following assumptions:

	2023	2022
Discount rate	5.52%	3.31%
Pensionable salary growth	4.15%	4.15%

West Yorkshire Pension Fund (WYPF)

The University operates a defined benefit pension scheme that non-academic staff can participate in called the West Yorkshire Pension Fund (WYPF). The WYPF is a funded defined benefit scheme.

An actuarial valuation of the WYPF Fund was completed as at 31 March 2022, with the results published in March 2023. The required employer contribution rate for the University was set at 17.9% of pensionable remuneration for the period from 1 April 2023 to 31 March 2024 and increasing by 0.1% per annum for the following two years. The 2022 valuation was carried out using the projected unit actuarial method. During the year, the University's contribution rate was 17.8% up to 31 March 2023 and 17.9% after 1 April 2023. The employees' contribution rate ranged from 5.5% to 12.5%. There was a balance of £0k owing to the University as at 31 July 2023 (2022: £3k).



NOTES TO THE FINANCIAL STATEMENTS

Reconciliation of funded status to balance sheet		
	Value as at 31 July 2023 £m	Value as at 31 July 2022 £m
Fair value of assets	314.740	315.903
Present value of liabilities	(314.740)	(367.756)
Net pension asset / (liability) (Note 28)	-	(51.853)

Analysis of income and expenditure charges		
	Year ending 31 July 2023 £m	Year ending 31 July 2022 £m
Current service cost	(13.780)	(21.091)
Past service cost charged in staff costs	(0.463)	(0.220)
Total included under Staff costs	(14.243)	(21.311)
less contributions already charged	8.843	6.958
Payroll accrual to maintain current service costs per FRS102	(5.400)	(14.353)
Interest cost	(12.410)	(8.919)
Expected return on assets	10.796	5.116
Interest expense recognised	(1.614)	(3.803)
Total (charge)	(7.014)	(18.156)

Analysis of gains and losses recognised in Consolidated Statement of Comprehensive Income and Expenditure		
	Year ending 31 July 2023 £m	Year ending 31 July 2022 £m
Asset gains	0.977	9.083
Less notional gain not recognised	(16.066)	-
Liability gains	73.956	184.351
Total gain in SOCI	58.867	193.434

Changes to the present value of liabilities during the accounting year		
	Year ending 31 July 2023 £m	Year ending 31 July 2022 £m
Current service cost	13.780	21.091
Interest cost	12.410	8.919
Contributions by participants	3.058	2.828
Actuarial (losses) on liabilities	(73.956)	(184.351)
Net benefits paid out	(8.771)	(8.141)
Past service cost	0.463	0.220
Curtailment cost	-	-
Net (decrease) in liabilities	(53.016)	(159.434)
Opening present value of liabilities	367.756	527.190
Closing present value of liabilities	314.740	367.756

Changes to the fair value of assets during the accounting year		
	Year ending 31 July 2023 £m	Year ending 31 July 2022 £m
Expected return on assets	10.796	5.116
Actuarial gains on assets	0.977	9.083
Less notional surplus not recognised	(16.066)	-
Actual return on assets	(4.293)	14.199
Contributions by the employer	8.843	6.958
Contributions by participants	3.058	2.828
Net benefits paid out	(8.771)	(8.141)
Net (decrease)/increase in assets	(1.163)	15.844
Opening fair value of assets	315.903	300.059
Closing fair value of assets	314.740	315.903



NOTES TO THE FINANCIAL STATEMENTS

Asset allocation		
	Asset split at 31 July 2023 (%)	Asset split at 31 July 2022 (%)
Equities	80.1	79.3
Property	3.3	4.0
Government bonds	7.2	6.9
Corporate bonds	4.5	4.3
Cash	3.1	4.0
Other	1.8	1.5
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 2023	31 July 2022
Percentage rates per annum:		
Discount rate	5.00%	3.40%
CPI inflation	2.60%	2.60%
Pension increases	2.60%	2.60%
Pension accounts revaluation rate	2.60%	2.60%
Salary increases	3.85%	3.85%
The assumed life expectations of members are as follows:		
Members aged 65 at accounting date:		
Males	21.0	21.8
Females	24.1	24.6
Members aged 45 at accounting date:		
Males	22.2	22.5
Females	25.1	25.7

Approximate (adverse)
impact on deficit £'000

Change in assumptions as at 31 July 2023 (WYPF)

Reduction of 0.1% in discount rate	(5,980)
Increase in salary increase of 0.1% per annum	(629)
Increase in rate of pensions of 0.1% per annum	(5,351)
Increase to mortality age rating assumption of one year (assume follow same pattern as someone one year older)	(7,869)

Note 28. Pension provisions

	Consolidated and University			Total
	Defined Benefit Pensions	Unfunded Pensions	USS Deficit payments	
	£'000	£'000	£'000	£'000
At 1 August 2021	227,131	13,582	1,107	241,820
Charged under Staff Costs	21,091	48	1,803	22,942
Charged under Reorganisation Costs	220	-	-	220
Expenditure in year	(6,958)	(942)	(70)	(7,970)
Charged under Finance Costs (Note 11)	3,803	217	10	4,030
Charged under Actuarial (gains)	(193,434)	(1,124)	-	(194,558)
At 31 July 2022	51,853	11,781	2,850	66,484
Charged under Staff Costs	13,780	(260)	(614)	12,906
Charged under Reorganisation Costs	463	(68)	-	395
Expenditure in year	(8,843)	(916)	(176)	(9,935)
Charged under Finance Costs (Note 11)	1,614	395	94	2,103
Charged under Actuarial (gains)	(42,801)	(499)	-	(43,300)
Less notional surplus not recognised (inc in actuarial losses)	(16,066)	-	-	(16,066)
At 31 July 2023	-	10,433	2,154	12,587

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 Solutions UK Limited, 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.



NOTES TO THE FINANCIAL STATEMENTS

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

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

The liability figures have been produced using the following assumptions:

	2023	2022
Discount rate	5.52%	3.31%
Pensionable salary growth	4.15%	4.15%

Sensitivity analysis (USS provision)

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:

	Approximate (adverse) impact on deficit £'000
Change in assumptions as at 31 July 2023	
0.5% decrease in discount rate	(78)
0.5% increase in salary inflation over duration	(64)
0.5% increase in salary inflation year 1 only	(8)
0.5% increase in staff changes over duration	(77)
0.5% increase in staff changes year 1 only	(10)
1% increase in deficit contributions	(342)

Note 29. Other provisions

	Consolidated and University	
	31 July 2023	31 July 2022
	£'000	£'000
Liability for costs of restoration of leasehold		
At 1 August	1,134	1,521
Expenditure in the year	(56)	(456)
Charged in income and expenditure account	45	69
At 31 July 2023	1,123	1,134

Note 30. Income and expenditure reserve - endowment reserves

	Consolidated and University		
	Permanent Restricted £'000	Expendable Restricted £'000	Total £'000
At 1 August 2021	59	37	96
New endowments	-	-	-
Investment income	-	-	-
Direct expenditure for year	-	-	-
At 31 July 2022	59	37	96
New endowments	-	-	-
Investment income	7	4	11
Direct expenditure for year	(1)	-	(1)
At 31 July 2023	65	41	106

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 2021	3,004	1,870	56	4,930
New grants and donations	-	59	-	59
Investment income	-	-	-	-
Direct expenditure for year	-	(32)	(1)	(33)
Released to unrestricted reserves	(123)	-	-	(123)
At 31 July 2022	2,881	1,897	55	4,833
New grants and donations	-	-	15	15
Investment income	-	-	3	3
Direct expenditure for year	-	-	(10)	(10)
Released to unrestricted reserves	(158)	-	-	(158)
At 31 July 2023	2,723	1,897	63	4,683

NOTES TO THE FINANCIAL STATEMENTS

Note 32. Related Party Disclosures

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

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

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

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

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

Organisation	Name and position held	University Income		University Expenditure		Balance owed to/(owing by University) £'000
		£'000	in respect of	£'000	in respect of	
Committee of University Chairs	Mr D Lowen - Trustee & Deputy Chair	-	-	2	Corporate Memberships	-
JISC Services Ltd	Mr D Ashton - Board Member	(16)	IT Services	769	Information Resources, Software, Corporate Memberships	(59)
Leeds Beckett Students' Union	Mr H Bhatia - Trustee	(11)	Hospitality, Telephone Charges	1,433	Advertising, Hospitality, Venue Hire	(714)
Leeds BID Ltd	Ms T Lancaster - Chair and Director	-	-	21	Venue Hire, Rates	-
Leeds Learning Alliance	Professor P Slee - Trustee	-	-	15	Corporate Memberships	-
NCUK (Subsidiary of The Northern Consortium)	Mr J Rossiter - Trustee (The Northern Consortium)	-	-	125	Advertising, Agent Commission	-
The Universities' Chaplaincy in Leeds Trust	Professor P Cardew - Trustee	-	-	27	Support Services Contracts	-
UCAS	Mr D Lowen - Chair	-	-	202	Corporate Memberships	-
Unipol Student Homes	Ms J Norry - Trustee	(3)	Tuition Fees	2	Venue Hire, Development	-
	Mr H Bhatia - Trustee					
University Alliance	Professor P Slee - Trustee	-	-	12	Corporate Memberships	(12)

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 2023	31 July 2022
	£	£
Amount held in debtors due within one year at 1 August	(14,900)	(35,300)
Funding body grants	(252,900)	(233,300)
Expenditure	275,600	253,700
Amount held in creditors / (debtors) due within one year at 31 July	<u>7,800</u>	<u>(14,900)</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 2023	31 July 2022
	£'000	£'000
Capital commitments	<u>18,882</u>	<u>16,065</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 2023	31 July 2022
	£'000	£'000
Land and buildings		
Not later than 1 year	9,759	9,838
Later than 1 year and not later than 5 years	32,521	39,024
Later than 5 years	9,761	13,015
	<u>52,041</u>	<u>61,877</u>
Other		
Not later than 1 year	-	9
Later than 1 year and not later than 5 years	-	3
Later than 5 years	-	-
	<u>-</u>	<u>12</u>

Note 36. Financial Responsibility Supplemental Schedule

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



NOTES TO THE FINANCIAL STATEMENTS

Reference to Primary Statement	Expendable Net Assets	Described in SORP	31/07/2023 £'000	31/07/2023 £'000	31/07/2022 £'000	31/07/2022 £'000
Statement of Financial Position and Statement of Changes in Reserves	Statement of Financial Position - Net assets without donor restrictions	Net assets without donor restrictions	-	280,424	-	229,111
Statement of Financial Position and Statement of Changes in Reserves	Statement of Financial Position - Net assets with donor restrictions	Net assets with donor restrictions	-	4,789	-	4,929
Statement of Financial Position	Statement of Financial Position - Related party receivable and Related party note disclosure	Secured and Unsecured related party receivable	-	-	-	-
Statement of Financial Position	Statement of Financial Position - Related party receivable and Related party note disclosure	Unsecured related party receivable	-	-	-	-
Statement of Financial Position	Statement of Financial Position - Property, Plant and equipment, net	Property, plant and equipment, net (includes Construction in progress)	338,197	-	357,791	-
Statement of Financial Position	Note of the Financial Statements - Statement of Financial Position - Property, plant and equipment - pre-implementation	Property, plant and equipment - pre-implementation	-	240,988	-	270,047
Statement of Financial Position	Note of the Financial Statements - Statement of Financial Position - Property, plant and equipment - post-implementation with outstanding debt for original purchase	Property, plant and equipment - post-implementation with outstanding debt for original purchase	-	36,429	-	40,644
Statement of Financial Position	Note of the Financial Statements - Statement of Financial Position - Property, plant and equipment - post-implementation without outstanding debt for original purchase	Property, plant and equipment - post-implementation without outstanding debt for original purchase	-	53,032	-	40,455
Statement of Financial Position	Note of the Financial Statements - Statement of Financial Position - Construction in progress	Construction in progress	-	7,749	-	6,645
Statement of Financial Position	Statement of Financial Position - Lease right-of-use assets, net	Lease right-of-use asset, net	56,453	-	-	-
Statement of Financial Position	Note of the Financial Statements - Statement of Financial Position - Lease right-of-use asset pre-implementation	Lease right-of-use asset pre-implementation	-	12,411	-	14,538
Statement of Financial Position	Note of the Financial Statements - Statement of Financial Position - Lease right-of-use asset post-implementation	Lease right-of-use asset post-implementation	-	44,042	-	44,042
Statement of Financial Position	Statement of Financial Position - Goodwill (and other intangibles)	Intangible assets	-	8,083	-	8,322
Statement of Financial Position	Statement of Financial Position - Post-employment and pension liabilities	Post-employment and pension liabilities	-	12,587	-	66,484
Statement of Financial Position	Statement of Financial Position - Note Payable and Line of Credit for long-term purposes (both current and long term) and Line of Credit for Construction in process	Long-term debt - for long term purposes	-	-	23,138	-
Statement of Financial Position	Statement of Financial Position - Note Payable and Line of Credit for long-term purposes (both current and long term) and Line of Credit for Construction in process	Long-term debt - for long term purposes pre-implementation	-	-	-	26,862
Statement of Financial Position	Statement of Financial Position - Note Payable and Line of Credit for long-term purposes (both current and long term) and Line of Credit for Construction in process	Long-term debt - for long term purposes post-implementation	-	-	-	46,433

NOTES TO THE FINANCIAL STATEMENTS

Reference to Primary Statement	Expendable Net Assets	Described in SORP	31/07/2023 £'000	31/07/2023 £'000	31/07/2022 £'000	31/07/2022 £'000
Statement of Financial Position	Statement of Financial Position - Note Payable and Line of Credit for long-term purposes (both current and long term) and Line of Credit for Construction in process	Line of Credit for Construction in process	-	-	-	-
Statement of Financial Position	Statement of Financial Position - Lease right-of-use asset liability	Lease right-of-use asset liability	81,654	-	-	-
Statement of Financial Position	Statement of Financial Position - Lease right-of-use asset liability pre-implementation	Pre-implementation right-of-use leases	-	21,003	-	21,124
Statement of Financial Position	Statement of Financial Position - Lease right-of-use asset liability post-implementation	Post-implementation right-of-use leases	-	60,651	-	60,651
Statement of Financial Position and Statement of Changes in Reserves	Statement of Financial Position - Annuities	Annuities with donor restrictions	-	-	-	-
Statement of Financial Position and Statement of Changes in Reserves	Statement of Financial Position - Term endowments	Term endowments with donor restrictions	-	-	-	-
Statement of Financial Position and Statement of Changes in Reserves	Statement of Financial Position - Life Income Funds	Life income funds with donor restrictions	-	-	-	-
Statement of Financial Position and Statement of Changes in Reserves	Statement of Financial Position - Perpetual Funds	Net assets with donor restrictions: restricted in perpetuity	-	4,789	-	4,929
Reference to Primary Statement	Total Expenses and Losses	Described in SORP	31/07/2023 £'000	31/07/2023 £'000	31/07/2022 £'000	31/07/2022 £'000
Statement of Comprehensive Income	Statement of Activities - Total Operating Expenses (Total from Statement of Activities prior to adjustments)	Total expenses without donor restrictions - taken directly from Statement of Activities	-	241,870	-	234,194
Statement of Comprehensive Income	Statement of Activities - Non-Operating (Investment return appropriated for spending), Investments, net of annual spending gain (loss), Other components of net periodic pension costs, Pension-related changes other than net periodic pension, changes other than net periodic pension, Change in value of split-interest agreements and Other gains (loss) - (Total from Statement of Activities prior to adjustments)	Non-Operating and Net Investment (loss)	-	62,471	-	194,854
Statement of Comprehensive Income	Statement of Activities - (Investment return appropriated for spending) and Investments, net of annual spending, gain (loss)	Net investment losses	-	3,271	-	296
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	31/07/2023 £'000	31/07/2023 £'000	31/07/2022 £'000	31/07/2022 £'000
Statement of Financial Position and Statement of Changes in Reserves	Statement of Financial Position - Net assets without donor restrictions	Net assets without donor restrictions	-	280,424	-	229,111
Statement of Financial Position and Statement of Changes in Reserves	Statement of Financial Position - total Net assets with donor restrictions	Net assets with donor restrictions	-	4,789	-	4,929
Statement of Financial Position	Statement of Financial Position - Goodwill (and other intangibles)	Intangible assets	-	8,085	-	8,322

NOTES TO THE FINANCIAL STATEMENTS

Reference to Primary Statement	Modified Net Assets	Described in SORP	31/07/2023 £'000	31/07/2023 £'000	31/07/2022 £'000	31/07/2022 £'000
Statement of Financial Position	Statement of Financial Position - Related party receivable and Related party note disclosure	Secured and Unsecured related party receivable	-	-	-	-
Statement of Financial Position	Statement of Financial Position - Related party receivable and Related party note disclosure	Unsecured related party receivable	-	-	-	-
Reference to Primary Statement	Modified Assets	Described in SORP	31/07/2023 £'000	31/07/2023 £'000	31/07/2022 £'000	31/07/2022 £'000
Statement of Financial Position	Statement of Financial Position - Total Assets	Total Assets	-	533,808	-	491,682
Statement of Financial Position	Note of the Financial Statements - Statement of Financial Position - Lease right-of-use asset pre-implementation	Lease right-of-use asset pre-implementation	-	12,411	-	14,538
Statement of Financial Position	Statement of Financial Position - Lease right-of-use asset liability pre-implementation	Pre-implementation right-of-use leases	-	21,003	-	21,124
Statement of Financial Position	Statement of Financial Position - Goodwill (and other intangibles)	Intangible assets	-	8,083	-	8,322
Statement of Financial Position	Statement of Financial Position - Related party receivable and Related party note disclosure	Secured and Unsecured related party receivable	-	-	-	-
Statement of Financial Position	Statement of Financial Position - Related party receivable and Related party note disclosure	Unsecured related party receivable	-	-	-	-
Reference to Primary Statement	Net Income Ratio	Described in SORP	31/07/2023 £'000	31/07/2023 £'000	31/07/2022 £'000	31/07/2022 £'000
Statement of Financial Position and Statement of Changes in Reserves	Statement of Activities - Change in Net Assets Without Donor Restrictions	Change in Net Assets Without Donor Restrictions	-	54,410	-	198,656
Statement of Comprehensive Income	Statement of Activities - (Net assets released from restriction), Total Operating Revenue and Other Additions and Sale of Fixed Assets, gains (losses)	Total Revenue and Gains	-	233,675	-	237,850