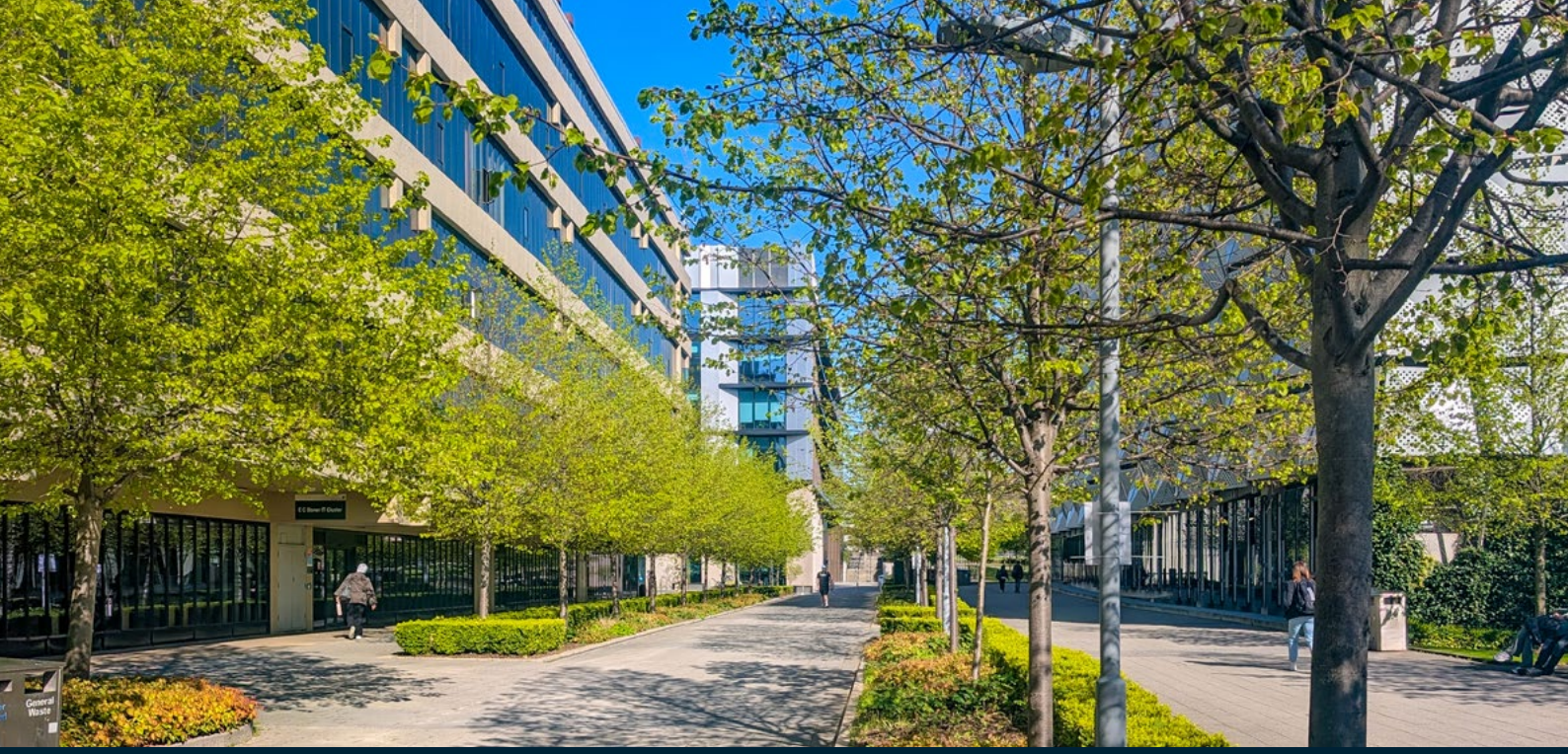

UNIVERSITY OF LEEDS

Annual Report and Financial Statements

for the year ended 31 July 2026



Universal values, global change

Delivering for the future

For the past few years, change has been the only constant in the world of higher education. The University of Leeds has been tested, as have other UK institutions, by a fundamentally challenging environment of financial pressure, volatility in international recruitment, rising costs, geopolitical instability, political uncertainty and increasing public scrutiny of the value that we deliver.

Over the last 12 months we have continued to refresh and implement our ten-year University strategy in response to the challenges and opportunities facing the higher education sector. Major programmes across our curriculum, professional services, governance, systems and culture are beginning to deliver the changes needed for the future.

We are building on our core strengths in research, student education, civic and cultural collaboration, digital transformation and sustainable development with confidence and determination. We are reinforcing and boosting our reputation with students, researchers, teaching and professional staff and our partners in Leeds and the wider Yorkshire region.

The University is adapting to survive and thrive in a changing sectoral and global environment, producing groundbreaking research and cultivating global citizens with the skills, determination and compassion needed to change the world for the better.

The actions we have taken, and the long-term plans we have put in place, are beginning to bear fruit. We have seen improvements in our rankings, student feedback and graduate employability without compromising on our values of collaboration, compassion, inclusivity and integrity.



Contents

Universal values, global change 3
Overview 6
Headline numbers 7
Chair's foreword 9
A year in review 11
Making an impact 18
Our approach to reporting 19
Our strategy 20
Defining our purpose 20
Keeping our strategy on course 20
Our values 21
Sustainable development 22
Our priority SDGs 22
How we create value 23
Key performance indicators 23
Our priority KPIs 24
Our value creation model 28
Our approach to materiality 30
Managing risks 30
A year in review 31
Our research 32
Our strategic priorities 32
Research culture 33
Research approach 34
Research impact and knowledge exchange 35
Preparation for REF2029 35
Business engagement and enterprise 36
Championing innovation and enterprise 36
Commercialisation 37
International partnerships 37
Case study: Tackling health inequalities across West Yorkshire 38
Our students 39
Our strategic priorities 39
Curriculum Redefined 40
Online and digital education 40
A global university 41
Transnational education 41
Our commitment to a student-centred university 42
Real-world opportunities for all students 44
Employability and enterprise 46
Case study: Learn as you earn route to success 48
Our people 49
Our strategic priorities 49
Faculties for the future 50
Streamlining digital and IT services 51
Performance and career development 52
Our place 54
Our strategic priorities 54
Civic engagement and partnerships 55
Embedding culture across the University 55
Case study: Students support Bradford sanctuary project 57
Public engagement with research 58

Contents

A campus fit for the future 59
Sustainability 60
Our strategic priorities 60
The path to net zero 61
Sustainability throughout the University 62
Case study: Bringing students into the circular economy 64
Outlook 65
Research and business engagement 65
Our campus and communities 66
Improving student education and experience 66
Corporate governance 67
The Council 69
University committees 70
The Senate 71
The Court 71
Value and impact 72
Senior officers and executive management 75
The risk management process 76
Internal control 78
Financial control 78
Going concern 79
Members of the University Council 2025/26 79
Members of the University Council 2025/26 80
Members of the University Executive Group 2025/26 81
Public benefit statement 82
Students 82
Research 82
Maintaining standards 82
Financial review 83
Chief Financial Officer's Report 84
Overview 84
Tuition fees and education contracts 87
Research grants and contract income 88
Other income 90
Expenditure 91
Investment priorities 91
Pensions 91
Balance sheet 92
Conclusion 93
Independent auditor's report to the Council of the University of Leeds 94
Report on the audit of the financial statements 94
Report on other legal and regulatory requirements 101
Financial statements for the year ended 31 July 2026 103


Parkinson Building
Michael Sadler Building
North-South Campus Access Route
Clothmakers
General Waste

Overview

Headline numbers

★ A world top 100 university

- 77th in the QS World University Rankings 2027 – one of only 16 UK universities to feature in the top 100 and our second highest ever position
- 52nd in the world in THE University Sustainability Impact Rankings 2026
- 12 subjects in the top 50 QS World University Rankings 2026
- 24th in the QS World University Rankings: Sustainability 2026 – our highest-ever global position

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Global reach

- Almost 14,200 international students representing 143 nationalities
- 366,000 graduates in 197 countries
- Highly rated by international students, with a student satisfaction score of 91% in the International Student Barometer – above the participating Russell Group benchmark

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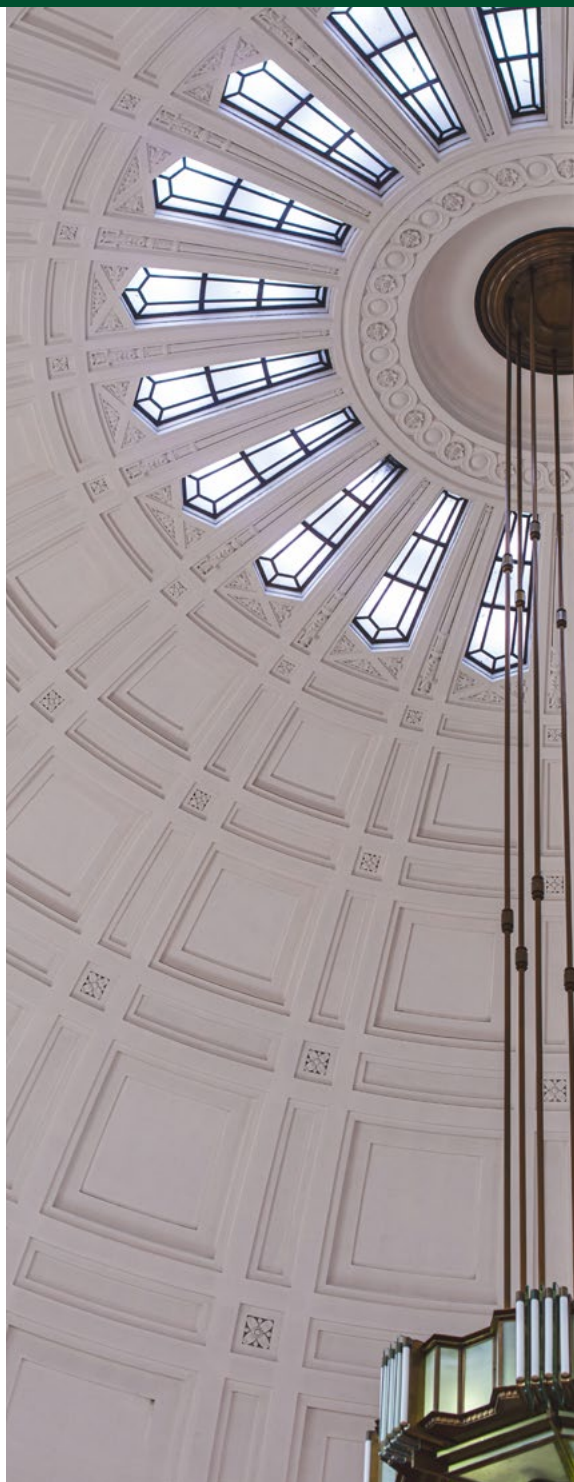
Highly employable graduates

- 9th most-targeted university by the UK's top graduate employers (The Times Top 100 Graduate Employers survey)
- 76% of students enter graduate-level roles





Headline numbers

A top global research university

- 9th in the QS World University Rankings: International Research Network 2027
- Active health and care research funding of £318m
- Ranked 3rd in the world as a healthtech hub

Satisfied students

- Improved National Student Survey (NSS) rankings
  - 2.8 points for overall positivity
  - 3.9 points for student voice
  - 3.5 points for academic support
  - 3.3 points for organisation and management

Chair's foreword

Alastair Da Costa, Chair of Council



This has been a year in which the University of Leeds moved decisively from reviewing its ambitions towards delivering them.

Our strategy, Universal Values, Global Change, is clear: to use our expertise in research and education to advance knowledge, transform lives and shape a better future for all.

The renewed emphasis on delivery was informed by the outputs of the 2025 One Leeds mid-term strategy review, an institution-wide consultation and review of Universal Values, Global Change. The resultant One Leeds priorities reaffirmed our direction and galvanised our community, sharpening our focus on achieving our strategic ambitions.

Academic excellence has remained at the heart of everything we do. Our ability to make a positive difference in the world depends on enabling our academic staff to undertake outstanding research and innovation and to provide the transformative education that enables students from all backgrounds to thrive. In the last 12 months, we have strengthened our focus on supporting our staff and creating the conditions for this to flourish.

The last year has seen continued political and economic uncertainty at home and overseas. Against this backdrop, ensuring that the University is financially resilient and sustainable is crucial. The Council has continued to support the University Executive Group (UEG), ensuring that we continue to operate with strong governance, responsible financial stewardship and clear accountability.

In a highly challenging and competitive environment, the University has reported a small underlying operating deficit of £4m in the year. This compares favourably against our plan for the year and is reflective of a focus on strong financial management throughout the organisation. Our underlying institutional financial strength is evidenced in our strong balance sheet and cash balance, which remains high. Full details are provided in the Chief Financial Officer's Report on page 84.

Leeds has consolidated its reputation as a research powerhouse, with particular strengths in climate and sustainability, health, wellbeing and health tech, and cultural and creative industries - and many disciplines besides. Our excellence is recognised at the highest levels. I was honoured to be part of a delegation of staff and postgraduate students visiting St James's Palace in February to

receive the prestigious Queen Elizabeth Prize for Higher and Further Education in recognition of the University's 150-year heritage in textile research.

Students from across the world continue to find Leeds a highly attractive proposition. Our students are challenged to explore, question and discover, and to become independent critical thinkers. The results of the 2026 National Student Survey (NSS) were pleasing, with good progress in all seven NSS question themes, thanks to a concerted effort of colleagues across campus. Our commitment to continuing to drive up standards is absolute.

Higher education has been subjected to significant scrutiny this year, with some even questioning the value of a university degree. We remain confident in the high quality of the educational experience we provide and the value it delivers to our students, and will continue to emphatically make the case for why a Leeds degree is special. As shown on page 25 of this report, 75.8% of our students enter graduate-level roles after leaving University.

Graduates are an integral part of our University community and we are extremely proud of their achievements. I was delighted when Irish President Catherine Connolly returned to the University in May for the first time since she graduated from Leeds in 1981. As part of the President's first state visit to England, she visited the University Library's amazing Cultural Collections and met staff and students from Ireland.

The measure of a great university is not simply what happens on its campus. Universities are often anchor institutions in their city and region, with an important civic responsibility to their communities.

Our outlook is equally global. Leeds is an international community of students, staff, alumni and partners, and our relationships around the world enrich our education and extend the reach and impact of our research.

The local and the global outlooks reinforce one another. The knowledge generated in Leeds can have an impact around the world, while our international relationships bring ideas, talent and opportunities back to our University, city and region. We are developing long-term partnerships that create opportunities for students and researchers, widen access to knowledge and bring different perspectives and expertise to shared global challenges.

An exciting development this year has been an agreement to create a new joint school with China's University of Science and Technology Beijing (USTB). This school will provide Chinese students with access to internationally focused degree programmes in science, business, environment, engineering and technology.

None of this happens without our people. On behalf of Council, I would like to thank our staff, students, alumni and partners for their commitment and contribution throughout the year.

Two Council members stepped down this year: Seb Elsworth, who joined the Council in 2016, and Alice O'Grady, who became a member in August 2022. Both have been committed colleagues and leave knowing that their hard work, expertise and diligence have been of significant benefit to this great University. I'd also like to thank our Vice-Chancellor and President, Professor Shearer West, and all of the executive team for their commitment, care and drive in pushing the University forward while remaining true to our past.

As we look ahead to the next year, our task is to maintain our focus on what matters most: academic excellence, the success of our students, a strong and inclusive University community and ensuring that the knowledge and expertise of Leeds continue to make a positive difference, locally and globally.



A year in review

Professor Shearer West, Vice-Chancellor and President

As I reflect on my second year as Vice-Chancellor and President, I remain very proud to lead the University of Leeds.

I am always struck by the commitment and generosity of colleagues, and by a student community whose diversity and talent enrich us all. At a time of profound change for higher education in the UK, these qualities have enabled us to make important progress in education, research and engagement in and far beyond our campus.

This has been a year of notable achievement, with Leeds recognised for the excellence and impact of its work. The University rose nine places to 77th in the QS World University Rankings, our second-highest position and our ninth year in the global top 100. We are now ranked 12th overall in the UK, ninth in the world for our International Research Network, and 24th for our commitment to sustainability. We were also named University of the Year at the Educate North Awards for our ability to combine global academic excellence with a deep commitment to Leeds, West Yorkshire and the wider North.

The 2026 National Student Survey showed further progress in how students view their voice, academic support, organisation and management at the University. International students continue to rate their Leeds experience highly, while the refreshed Leeds Curriculum is bringing greater coherence to programmes, assessment and graduate skills. Listening to students, and acting on what they tell us, will continue to be essential and I am grateful to colleagues across the University and Leeds University Union for the partnership that underpins this progress.

In research, we continue to focus our portfolio on creating knowledge and innovation to transform individual lives and communities for the better. Our work across climate and sustainability, health and medical technologies, and culture and creative industries is outstanding and responds to clear needs in society. Leeds researchers combine fundamental discovery with practical impact, from climate-smart farming and cleaner textile production to internationally recognised work on sustainable energy and public health.

The University was awarded its fourth Queen Elizabeth Prize – the UK's most prestigious national honour for higher education – for the quality of its research. The award celebrates 150 years of innovation and excellence in textile research, rooted in Leeds and Yorkshire but reaching industries worldwide. This connection between place, partnership and global purpose is part of our identity and evident in

the launch of the Civic Exchange to support powerful relationships across our city region.

This is the context for our One Leeds change programme which is beginning to improve efficiency and cost-effectiveness across the institution. This year we have moved from review and design to implementation, with 25 commitments providing a route towards 2030. We have aligned seven faculties into five to reduce barriers to interdisciplinary work, clarified leadership responsibilities, simplified governance, and established the next phase of the redesign of our professional services. Practical improvements are already yielding results: international and postgraduate taught admissions decisions are faster, research contract processes are being modernised, and more than 30 working groups and boards have been discontinued to release time and energy for education, research and student support.

I appreciate that change on this scale can create uncertainty and place additional demands on colleagues. We will continue to approach change transparently and in partnership with our community, listening and adjusting the approach where necessary. I am encouraged that positive staff engagement exceeded our institutional target this year. That result does not diminish the need to respond to colleagues' concerns. We will continue to support career pathways, staff performance and development.

Our values of compassion, collaboration, inclusivity and integrity must continue to underpin the One Leeds vision.

In the year ahead we will embed the new academic structure, advance Curriculum Redefined (page 40) and deliver more consistent, effective professional services. We will continue to pursue a sustainable financial plan, strengthen leadership and accountability, and make better use of digital technologies, including artificial intelligence where it can be used responsibly and effectively. We will also deepen the civic and global partnerships through which Leeds makes an important contribution to people and society.

The University of Leeds is a place where academic excellence, innovation and enterprise come together, and where local roots support global research. I look to the future confident that our University will become stronger and more focused, while continuing to deliver lasting benefit for our region and the world.



A year in review

Key highlights from 2025/26



Fourth Queen Elizabeth Prize for Leeds

The University of Leeds has been awarded the **Queen Elizabeth Prize for Education** – the UK's most prestigious national honour for higher education – for our pioneering research in textiles and fashion. This is the fourth time the University has received the honour, following recognition in previous years for climate change research, transport studies and biomedical engineering.

Textiles are woven into the history of Leeds and the West Yorkshire region, and the award highlights our essential and ongoing role in that story: our pioneering global leadership and 150-year legacy of innovation and excellence in textile research by the School of Design and Leeds Institute of Textiles and Colour (LITAC).

The roots of the University's expertise in textile innovation go back to the Yorkshire College of Science, established with the support of The Clothworkers' Company in the late 19th century. An extensive global alumni network, creative education programmes and research partnerships with some of the world's most well-known retailers and textile companies mean that the impact of our work extends far beyond academia.

The work of Leeds researchers on developing new materials and processes helps industries address critical challenges, from sustainable fashion and circular economies to textiles used in healthcare, filtration and advanced materials. This wide-ranging research expertise and strong culture of collaboration means the University is well-positioned to address key challenges in the textile industry and to drive innovative advances in colour and polymer science, with applications in many sectors.

Leeds was among approximately 20 institutions to receive a Queen Elizabeth Prize for Education this year. The prizes celebrate outstanding work by UK universities and colleges that demonstrate quality, innovation and real public benefit through education and research.

The prize was presented to Professor Shearer West, Vice-Chancellor and President of the University of Leeds, and Professor Stephen Russell, Director of Leeds Institute of Textiles and Colour, by King Charles III and Queen Camilla at a ceremony in February at St James's Palace.



Leeds strengthens top 100 position in world university rankings

Leeds has risen nine places to 77th in the latest **QS World University Rankings**, strengthening our position among the world's top 100 universities. This is our second highest ever position in the rankings and means we remain in the global top 100 for the ninth successive year. The University has also moved up one place to 12th out of the 93 UK institutions evaluated.

The QS World University Rankings are one of the most widely recognised global university rankings, helping students, partners and employers understand the reputation and performance of institutions around the world.

A key strength is our International Research Network, where Leeds was ranked ninth in the world. We also performed strongly in Sustainability, at 24th in the world, and our ranking for Employer Reputation – a measure of how Leeds and its graduates are viewed by employers – moved up five places.

In addition, Leeds was named University of the Year at the **Education North Awards**, which celebrate excellence, innovation and impact across higher and further education in the North of England. We also won the Innovation Award for the NewsdayVR project and were named runner-up in the Diversity, Equality and Inclusion category for our Care to Go Higher programme.



Tackling India's waste crisis

Burning agricultural waste, along with dumping, burning and poor segregation of household waste, is causing air pollution, water contamination and the spread of infectious diseases in India.

Experts at the University of Leeds have joined forces with researchers in India, Hong Kong and the UK to accelerate India's decarbonisation efforts. Their recommendations include improved segregation at source, expanded recycling and processing facilities and reduced landfill dependence.

A study by Leeds and the Indian Institute of Technology (IIT) Kharagpur also found that India can harness its abundant agricultural waste to generate renewable energy and high-value products through technological innovation, policy reforms and circular bioeconomy approaches.



Turner Prize education partnerships

A partnership between the University of Leeds, Bradford UK City of Culture 2025 and Yorkshire Contemporary supported the 2025 Turner Prize education programme, offering long-term educational and cultural benefits throughout the region.

As an academic partner, the University's School of Fine Art, History of Art and Cultural Studies and the Libraries' Cultural Collections and Galleries worked closely with Leeds-based Yorkshire Contemporary and Bradford 2025 to support the prize's public engagement and education programme, giving Leeds students real-world cultural sector experience through live briefs and creative industry talks alongside public events featuring artists, researchers and culture sector professionals.

The 2025 Turner Prize, produced by Bradford UK City of Culture 2025 and delivered in partnership with Tate, Bradford District Museums & Galleries and Yorkshire Contemporary, was won by sculptor Nnena Kalu and awarded at a ceremony at Bradford's Cartwright Hall Art Gallery.



Partnership boost for Leeds volunteers

The University of Leeds has joined forces with over 30 local organisations to develop **Essential Skills for Volunteers** – a free, online course aimed at existing and potential volunteers and supporting the city's aim to create a 'volunteer passport'.

The course covers four key topics: confidence building, teamwork and communication, safeguarding, and equity, diversity and inclusion. It takes two and a half hours to complete and learners receive two digital badges – Volunteer Explorer and Volunteer Skills Builder – which are recognised by partners across the city.



Major study tracks impact of childhood blood disorders

The lifelong effects of rare blood disorder diagnoses in childhood are being analysed in a groundbreaking study led by University of Leeds scientists.

As part of the **Haematology Lived Experience and Outcomes (HALO)** study, researchers are investigating the long-term effects of sickle cell disease, beta thalassemia and acute leukaemia by linking records across England and surveying patients. The aim is to provide information that will help health professionals and patients make the best choices about their care.

The study, the first of its kind, is funded by a £680,000 grant from Leeds Hospitals Charity and is co-led by academics and clinicians from the University of Leeds and Leeds Teaching Hospitals NHS Trust.



University farm joins Europe-wide carbon reduction research project

The University of Leeds farm, which sits on 317 acres between Leeds and York, has joined nine other farms across Europe in a project to develop, test and promote cutting-edge solutions for climate-smart farming to speed up the transition towards climate-neutral agriculture across the continent.

The University will receive £1.1m in funding from the **Horizon Europe** programme to help the farm reduce its carbon footprint by 55%, compared to a 1990 baseline, over the next five years. The project will test and accelerate climate-smart agricultural methods – including changing the feed given to livestock, managing emissions from manure and slurry, and monitoring the ways in which features like hedgerows can prevent the release of greenhouse gases into the atmosphere.

The objective is to identify effective holistic solutions that can provide farmers with robust, evidence-based options that are both economically and environmentally viable.

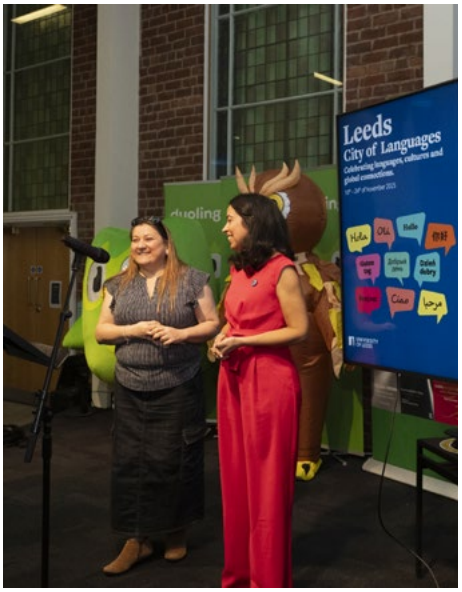


Leeds spinout creates fizzy dye process for greener polyester

Scientists at **SwitchDye**, a University of Leeds spinout company based at the Nexus innovation hub, have developed a way of dyeing polyester that uses 90% fewer chemicals and 40% less water.

Textile production is responsible for about 20% of global clean water pollution, with polyester making up more than half of all global fibre output. It takes centuries to decompose and, although straightforward to recycle, the chemical load from normal colour dyes is a big problem.

SwitchDye makes it easier to insert and remove dyes from the fibre by injecting a small amount of carbonated water into the dye bath, triggering the dye's unique switching behaviour within the polyester fibres. It is as effective as other dyes, works on other synthetic fibres like nylon and elastane, uses equipment that manufacturers already have, and contributes to a more circular textile industry without compromising on vibrant colours.



City of Languages festival gets Leeds talking

At least 10,000 people from Yorkshire and beyond attended the Leeds City of Languages festival in November 2025, organised by University of Leeds academics to promote language learning, address national skills shortages, and connect the University and local communities with international partnerships.

Over 1,000 activities took place over 15 days, including free language taster sessions, film screenings, concerts and workshops.

With 31 languages under the spotlight, more than 600 people tried out a new language because of the event, which brought together around 40 partner organisations, including the British Council, British Library and Leeds Libraries, to provide activities for teachers, young people, children and the general public.

Making an impact





Our approach to reporting

We have used the international Integrated Reporting (IR) Framework to guide production of our annual report since 2022. This approach is designed to show how we create, preserve or erode value, and how our strategy, governance, performance and understanding of risks deliver value for our stakeholders.

Over the past five years the University of Leeds Annual Report has had an increasingly strategic focus. Our assessment of our key stakeholder relationships, reporting on our key performance indicators (KPIs) and clear statement of our approach to materiality and managing risks are aligned with the framework.

We continue to review our reporting, ensuring we remain aligned with the international IR Framework as it evolves.

Our strategy

Defining our purpose

The University of Leeds has a strong tradition of tackling inequalities, benefiting societies and driving change – in our region, throughout the UK and internationally – through our transformative research and innovation, student education and knowledge exchange.

As part of a network of global research-intensive universities and institutions, we work across disciplines, regions, countries and continents to address pressing issues, and we're proud of producing graduates who are dedicated to creating a better society for all.

Keeping our strategy on course

Our ten-year strategy, Universal Values, Global Change, was launched in 2020 with four core academic elements: research and innovation, student education, digital transformation and international. It is supported by an enabling strategy and underpinned by the three overarching elements of community, culture and impact.

Since then, the context in which we operate has changed dramatically, with new and unprecedented geopolitical, economic, technological, financial and cultural challenges. Last year we began the process of refreshing our strategy in the light of these challenges, a process that resulted in the **One Leeds White Paper**, which sets the direction of travel to 2030 based on six strategic priorities:

- Deliver academic excellence
- Create a student-centred university
- Support and develop our people
- Accelerate our innovation journey
- Simplify our processes and governance
- Maximise opportunities to support reputation





Our values

Our actions are guided by four key values:

We **collaborate** with others to achieve our goals and ambitions

We are **compassionate** and show care and consideration in our words and actions

We are an **inclusive** community where everyone belongs and is welcome

We have **integrity**: we are open and honest in our words and actions



Sustainable development

Our strategy is inspired by the UN Sustainable Development Goals (SDGs), with a commitment to health and wellbeing, climate and nature resilience, quality education and reducing inequality.

Our priority SDGs

The SDGs where we consider we can have the most impact are 3, 4, 10, 11, 13 and 17.



Goal 3

Ensure healthy lives and promote wellbeing for all at all ages



Goal 4

Ensure inclusive and equitable quality education and promote lifelong learning opportunities for all



Goal 10

Reduce inequality within and among countries



Goal 11

Make cities and human settlements inclusive, safe, resilient and sustainable



Goal 13

Take urgent action to combat climate change and its impacts



Goal 17

Strengthen the means of implementation and revitalise the global partnership for sustainable development

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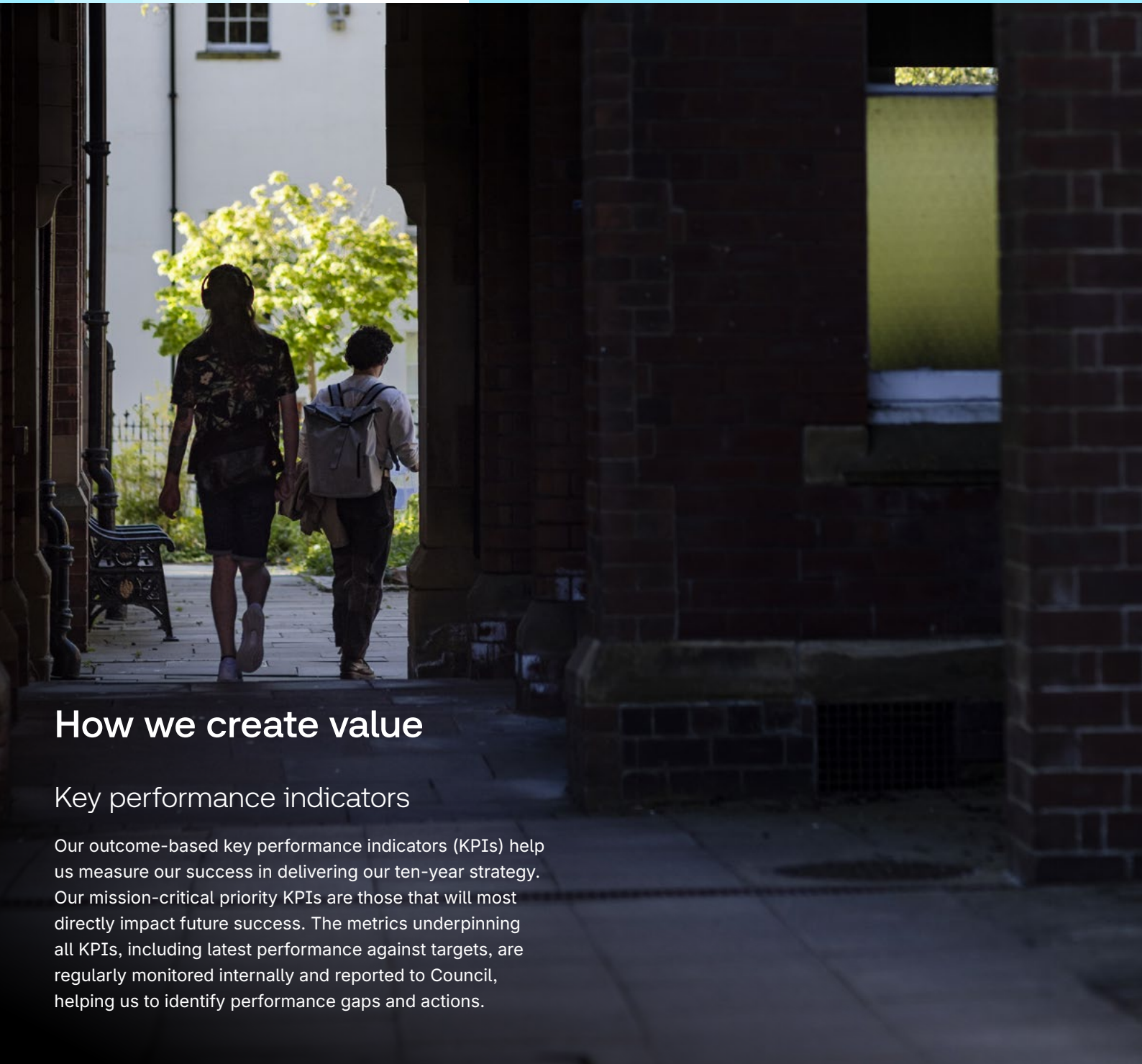


How we create value

Key performance indicators

Our outcome-based key performance indicators (KPIs) help us measure our success in delivering our ten-year strategy. Our mission-critical priority KPIs are those that will most directly impact future success. The metrics underpinning all KPIs, including latest performance against targets, are regularly monitored internally and reported to Council, helping us to identify performance gaps and actions.

Our priority KPIs

Staff satisfaction
Staff motivation, pride, and commitment

Percentage of staff who feel engaged at the University:

- Target: 60%
- Current: 62%

Our transformation journey involves multiple concurrent changes at varying stages of maturity, impacting overall engagement and staff satisfaction at different times. An Employee Engagement pulse survey was launched in May 2026, with a 33% participation rate – above the 20% target set for a pulse survey. The results indicate that, overall, we are maintaining employee pride, motivation and commitment during a period of sector-wide uncertainty, restructuring and staff reduction: a very positive outcome.

Equity, diversity and inclusion
Gender and ethnic diversity in senior roles

Percentage of senior female academics:

- 2030 target: 40.7%
- Current: 37.7%

Percentage of minoritised ethnic senior academics:

- 2030 target: 16.4%
- Current: 13.8%

Percentage of minoritised ethnic professional services and support staff:

- 2030 target: 8.9%
- Current: 6.9%

Following the introduction of revised, more robust attainable metrics, current performance for the overarching priority EDI KPI is now on target. The voluntary enhanced retirement (VER) scheme has resulted in material changes to these KPIs, with figures as of 1 August 2026 of 38.3%, 14.1% and 7.8% respectively.

We will continue delivery of Athena Swan and Race Equality Charter action plans, which are designed to address all necessary elements of the employment journey that impact on these KPIs.

Student satisfaction
National Student Survey overall score

Percentage of students responding positively to the NSS:

- Target: 81.6% to 83.1%
- Current: 84.8%

The University's performance has improved our score by 2.8 percentage points to 84.8% and the gap to our sector benchmark has reduced by 0.9 points, meaning we are now only 0.7 below benchmark. While this is encouraging, areas at both institutional and school level have been identified for further action. For this reason, the KPI assessment remains at amber.

Student outcomes
Graduate careers

Percentage of graduates who say what they're doing fits their future plans

- Target: 81%
- Current: 75.8%

Data from the cohort graduating in 2024 indicates that this metric is either static or slightly reduced in comparison to the previous year. This is in line with overall sector decline.

We are implementing school-based lead indicator targets and stretch targets, grounded in performance against benchmark. Continuous improvement is being driven by strengthening our approach to Faculty Employability action plans, Annual School Review action plans and embedding skills and experiential learning in the curriculum.

Research income
Research grant income per full-time equivalent (FTE) academic

- Target: £130,000/FTE
- Current: £103,000/FTE

The University continues to advance its income growth ambitions through a focus on priority opportunities, strengthened conversion activity and diversification of income streams. Building on areas of established strength, work is underway to extend performance more consistently across the institution and support progress towards sector-leading benchmarks.

Research citations
Field-weighted citation impact (FWCI)

- Target: 1.71
- Current: 1.87

FWCI remains on track with respect to the benchmark. This is a lagging indicator: full data is only available three years after the publication year, so it takes time for any actions to work through to changes in the KPI. FWCI can show year-on-year volatility, meaning data should be considered as a trend over time.

We will continue to maintain and improve FWCI through faculty citation action plans and improving researcher visibility (for example, through implementation of the Symplectic Discovery module). This will also support other citation metrics used in external assessments such as the QS World Rankings.

Innovation and knowledge exchange
Knowledge exchange and civic engagement

- Peer benchmarking in Knowledge Exchange Framework (KEF) results

Leeds did well in KEF5, ranking in the top 20% of UK universities for two sectors: working with the public and third sector, and intellectual property and commercialisation. We have above-average levels of co-authorship with non-academic partners for our papers. However, we will need to focus our activities to meet the external landscape shift, including aligning our research portfolio with the relevant sectors of the government's Industrial Strategy sectors.

Net zero
Progress towards net zero emissions

- Target: zero once offsets are included
- Current: 38,590 tCO2e

We are making progress: in the most recent reporting year of 2024/25, estate-based emissions fell from 44,661 to 38,590 tonnes CO2e, primarily driven by changes made at the shared Generating Station Complex. In line with the wider review of our net zero pathway (see page 61), we intend to revise this KPI in order to capture total greenhouse gas emissions (scope 1, 2 and 3).

Student cohort mix
Proportion of international students

- Target: 30% to 35%
- Current: 35.9%

Leeds ranked 5th amongst English Russell Group providers for international recruitment (Higher Education Students Early Statistics data) for 2025 entry. We also had the largest home undergraduate intake, which is putting our higher KPI target at risk. We need to strengthen our international student value proposition, increasing the competitiveness of our recruitment activity to protect delivery of this KPI.

Student cohort mix
Access and success for disadvantaged students

- Target: no more than 4.3 percentage point continuation gap between Index of Multiple Deprivation (IMD) Q1 and Q5 entrants (from the most and least deprived areas)
- Current: 6% (2024/25 entrants)

We have moved from testing interventions to embedding them across the University, with the Student Success Centre engaging students throughout their time at Leeds. Schools are increasingly using predictive analytics, root cause analysis and inclusive curriculum reform to improve continuation and outcomes. Early indications are encouraging: despite a 20% increase in the IMD Q1 cohort, non-continuation remained stable at 11%, narrowing the gap with IMD Q5 students.

Our focus is now on scaling these approaches, supported by Rapid Process Improvement and a Single View of a Student, to progress towards the 4.3 percentage point continuation gap target.

Financial sustainability
Operating surplus/ income %

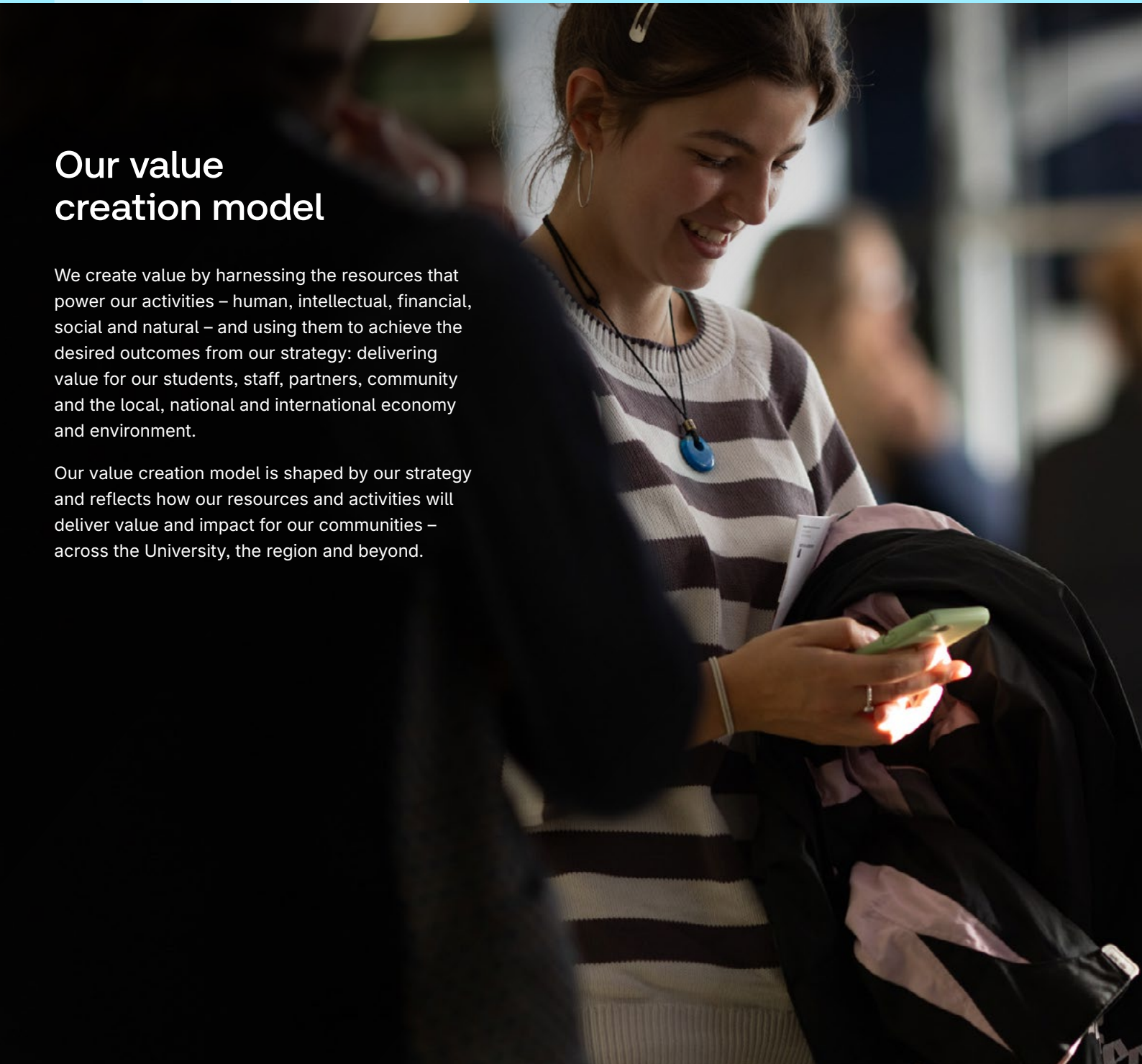
- Target: 5%
- Current: -2%

With the expectation of a continued downturn in the international student recruitment market and further digital transformation investment being planned, we forecast a modest deficit for 2025/26, but pleasingly we are reporting only a very small underlying operating deficit for the year. Our financial forecasts reflect an up-to-date view of the international recruitment market and a commitment to actions which will return us to delivering a recurrent operating surplus within the forecast horizon.

Financial sustainability
Professional services staff, full-time equivalent (FTE) as a proportion of all staff

- Target: less than or equal to 51.8% of all staff
- Current: 59%

The Professional Services Redesign programme will accelerate the move to more streamlined and efficient professional services organisation.



Our value creation model

We create value by harnessing the resources that power our activities – human, intellectual, financial, social and natural – and using them to achieve the desired outcomes from our strategy: delivering value for our students, staff, partners, community and the local, national and international economy and environment.

Our value creation model is shaped by our strategy and reflects how our resources and activities will deliver value and impact for our communities – across the University, the region and beyond.

Resources

Natural and infrastructure: campus estate, IT

People: staff, students, alumni

Social and partnerships

Intellectual property and expertise

Financial

Activities

Developing people and place

Research and innovation

Knowledge exchange

Student education

Environment

Economic: inflation, cost of living, ongoing economic stagnation

Political: government priorities/policy for HE coupled with wider national priorities

Demographic: approaching demographic peak (18-year-olds) and subsequent decline; changing appetite for HE

Geopolitical: uncertainty in international relationships and increasing levels of conflict

Environmental: adapting to climate change

Outputs

Innovation

Partnerships

New businesses

Intellectual property

Well-qualified students

Transformative research

Input to government policy

Outcomes

Economic and social prosperity

Relevant education

Societal/community benefits

Contribution towards UNSDGs

New approaches to tackle challenges

Improved environmental sustainability

Impact

Our approach to materiality

Material issues are those that could affect our ability to create value, are important to key stakeholders and form the basis of strategic discussions and decision-making. They could intensify or lead to lost opportunity if left unchecked. This definition has been used to determine the content of this report.

Managing risks

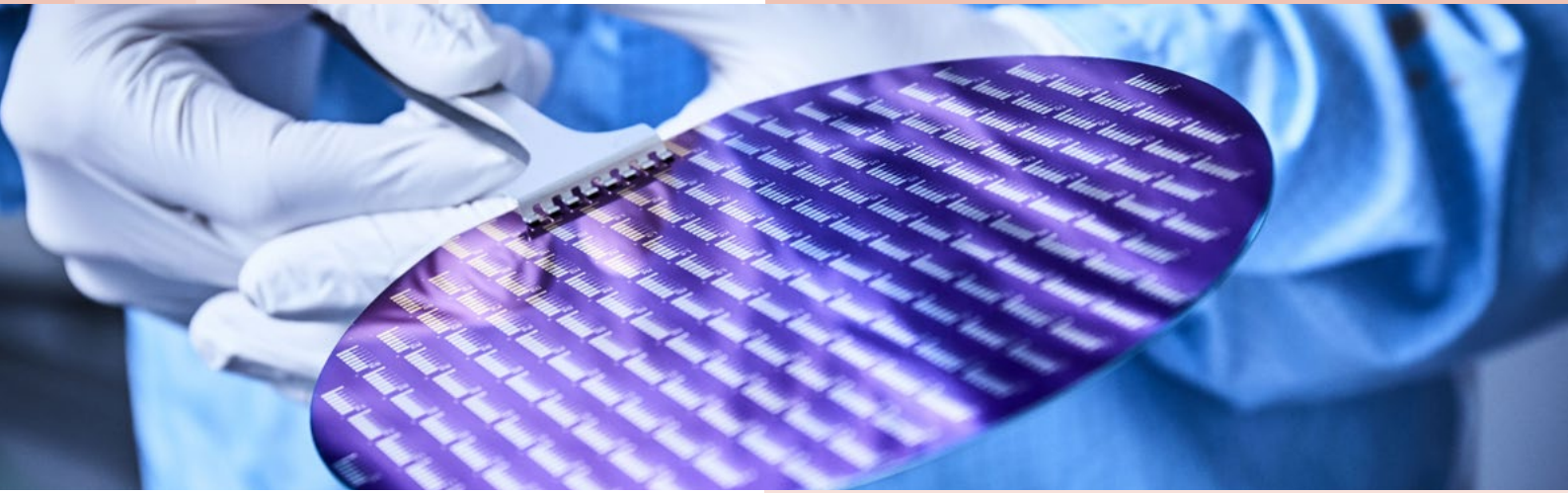
Effective risk management is fundamental to the delivery of the University's strategic ambitions and underpins sound governance and decision-making. We seek to manage risk proactively, maintaining an appropriate balance between pursuing opportunities that enhance our education, research and societal impact, and safeguarding our reputation, financial sustainability and regulatory compliance.

Our key risks, and our process for managing risks, are detailed in the Corporate governance section (page 76).



A year in review





Our research

Our strategic priorities

Leeds is one of the UK's top research-intensive universities, with a global reputation for excellence. 90% of our research submitted as part of the Research Excellence Framework (REF) 2021 was recognised as 'world leading' or 'internationally excellent', and we receive around £54m of quality-related (QR) research funding per year.

Our mid-term strategic review reinforced our research strengths in climate and sustainability, health, wellbeing and healthtech, and cultural and creative industries. Actively focusing our research activity in sectors with the greatest opportunities for rewarding and successful careers helps position Leeds as an increasingly attractive choice for undergraduates and postgraduates alike, both from the UK and around the world.

Research income has increased by 3% to £191m. Funding applications are 6% lower than last year, while new awards are down 20% and 8% below plan. However, nearly £35m of new awards are being set up, which should support an improvement in award levels next year.

Ranked ninth in the world for International Research Network in the QS World University Rankings 2027

Top three Russell Group university for the size and value of our KTP portfolio and consistently in the top 10 for all UK higher education institutions (HEIs)

Research income of £191m for 2025/26

Climate and sustainability: an active research portfolio exceeding £283m

Health, wellbeing and healthtech: active health and care research funding of £318m

Cultural and creative industries: an active research portfolio of £38m



Research culture

We are just over halfway through our five-year Research Culture Strategy, and a key development this year was the integration of researcher development and research culture (RDRC) into a single aligned team, strengthening provision and reinforcing the connection between people, environment and culture. The RDRC team delivers a portfolio spanning strategic leadership, researcher development, and the advancement of an inclusive research culture across the institution.

Our work supports excellence across the full research lifecycle, with a particular focus on strengthening research income, outputs, impact, integrity, and sustainable career development for researchers at all stages. We have delivered development support for leadership and key roles within student education, including directors of student education, pro-deans, assessment leads and programme leads.

We have allocated funding for 23 research culture projects totalling £255,000, bringing our overall research culture investment to £1.65m over the last three years. So far, our Research Equity, Diversity and Inclusion (REDI) fund has supported 36 researchers with awards totalling £396,000, including built-in tailored career development provision, with existing programmes adapted and made available in more accessible formats. A dedicated careers day for research professionals sparked the formation of a new institutional network, and our inaugural Research Culture Community of Practice event brought colleagues together to share practice and build connections.



Research approach

Excellence in curiosity-driven fundamental research is a core part of our academic identity, underpinning long-term discovery, reputation and talent development. Many of our strongest research areas span the full spectrum, from discovery to application and impact, and we're strongest in areas where we combine world-leading fundamental research with translational capability and applied expertise, interdisciplinary breadth and strong external demand from funders, policymakers, industry and society. This helps us attract funding from multiple sources while retaining academic depth and integrity.

Opportunity Leeds is the collective name for five interrelated areas of activity, identified as a focus for a more robust, transparent and sustainable mechanism to support our institutional research and innovation:

- **Foresight and intelligence:** systematic gathering, effective sharing and active mobilisation of early insight to inform research priorities and external engagement
- **Selecting priorities:** bringing together the core dimensions of internal quality, external demand and specialist capability
- **Investing for success:** supporting confirmed strengths and priority areas for more effective and transparent allocation of financial and non-financial resources
- **Portfolio management:** reviewing progress, with proportionate methods for measuring success, monitoring performance and informing decisions about when to increase or decrease strategic focus
- **Effective communication:** enhancing our reputation by clearly articulating research strengths, showcasing impact and enabling more effective engagement with funders, partners and policymakers

We currently have **Knowledge Transfer Partnership (KTP)** projects worth around £5.8m, spanning the advanced manufacturing, digital technologies, creative industries and life sciences sectors. In the past three years the University has also partnered on over 50 Innovate UK-funded projects, with a higher-than-average success rate and a total portfolio value (University and business component) of approximately £28m.

We are continuing to strengthen our relationships with key stakeholders at Innovate UK to ensure that we can continue to grow our aligned funding portfolio as Innovate UK implements changes to deliver its new strategy.



Research impact and knowledge exchange

Knowledge exchange – sharing and collaborating with organisations and individuals to increase the social and economic impact of our research – is an important part of our research activities. **The Knowledge Exchange Framework (KEF)**, which assesses the knowledge exchange activities of higher education institutions, places the University of Leeds within Cluster V: large, research-intensive, broad-discipline institutions that undertake significant amounts of research in clinical medicine and science, technology, engineering and mathematics (STEM).

The most recent framework (KEF5) in 2025 once again placed Leeds in the top quintile for intellectual property (IP) and commercialisation, attracting the highest levels of external investment for our spinouts and very high levels of income from our IP as a proportion of our research income. As before, we are in the top quintile for income based on consultancy, contract research and use of our facilities by the public and third sectors, in line with the cluster average. We have high levels of income from contract research with both large business and SMEs, and an above-average proportion of our students create graduate start-up businesses. In addition, the proportion of co-authorship with non-academic partners on our papers is above the average for the cluster.

Preparation for REF2029

The **Research Excellence Framework (REF)** is an assessment exercise run approximately every seven years by national funders to provide accountability for public investment in research. Good results strengthen our reputation, nationally and internationally, supporting staff and student recruitment.

REF2029 is a complex exercise, and during the 2025/26 period, there was a three-month national pause on REF activity as the funding bodies looked to simplify processes and improve clarity.

The submission is split into three sections: Contribution to Knowledge and Understanding; Engagement and Impact; and Strategy, People and Research Environment. In autumn 2025 we ran a ‘mini-REF’ exercise, checking data underpinning the submission in terms of volume measure and outputs, and reviewed a long list of impact case studies. This was critical in revealing and addressing sticking points that could make our approaches inefficient or impact our submission. It also served to provide critical feedback to faculties and reassurance to the University Executive Group (UEG) and Council about our preparations.

The University makes submissions to 27 of the 34 disciplinary Units of Assessment (UoAs). All the Units preparing their submission at Leeds are predicting a higher Grade Point Average (GPA, a way of summarising REF performance) in REF2029 than they had achieved in REF2021.

Business engagement and enterprise

To support investment in foundational commercial capability, a new account management structure was set up to manage key industry relationships, with a focused programme of activity aimed at building a pipeline of future industry partners, delivered and supported by the Business Engagement team.

Key partnerships have included **McCain Foods**, which is establishing its UK Farm of the Future at the University of Leeds farm near Tadcaster. McCain's third such venture after similar initiatives in Canada and South Africa, the Farm of the Future will explore how we can reduce the environmental impacts of farming and increase food security, combining scientific research and agribusiness expertise to accelerate innovation in British agriculture, helping UK farmers navigate the increasing challenges of unpredictable weather, declining soil health and ongoing policy uncertainty.

We are also working on a project around weather modelling with **Lloyds Banking Group**, which is looking to collaborate on research on windstorms, climate change and flooding – all of which impact the cost of insurance. In addition, Leeds was chosen by the **Civil Service and KPMG** to deliver a line management programme linked to research from Leeds University Business School on organisational change. This was a competitive tender involving significant cross-institutional working and demonstrates our ability to win in competitive tender markets.

The Business School also launched its new **Executive Education open enrolment programmes**, designed to support leadership development in the region and help us connect with leaders in the city. Programmes include Future Leaders, Finance for Non-financial Leaders, the Help to Grow Management Course and the Exceptional Non-Executive Director programme.

Championing innovation and enterprise

Nexus, our business and innovation hub, has continued to deliver strong impact for the University and the wider regional ecosystem and help translate innovation into real-world outcomes. The community of 346 innovation-driven enterprises (of which 135 are current) has generated significant economic and societal value, raising £152m in private investment and £37.5m in grant funding since Nexus opened its doors in 2019. It has maintained strong levels of collaborative research activity, underlining its role as an effective platform for scaling high-growth, research-intensive ventures.

Our partnership with Leeds Teaching Hospitals NHS Trust (LTHT) is making a significant contribution to driving healthtech innovation across the region. The £1.6m **Health Innovation Leeds Incubator**, led by Nexus and delivered with LTHT, positions the trust as a central clinical partner in regional healthtech development. Together, the partners are creating an environment that supports companies to start, scale and locate in Leeds, with strong potential for continued impact through funding beyond 2029.

A growing pipeline of activity, including international partnerships, inward investment and initiatives such as the use of 'digital twins' in patient pathways, has direct relevance for LTHT. As a major tertiary centre, the trust is well placed to act as an early adopter and demonstrator site for new technologies entering the region.

Commercialisation

The University created six new spinout companies during the 2025/26 academic year, contributing to our portfolio of 48 active companies. An additional £57.5m of investment funds were secured, with these companies employing over 1,040 people and achieving a combined turnover of £114m.

In response to the government-initiated Independent Review of University Spin-out Companies, our Commercialisation team undertook a review of our spinout support, approval processes and associated policies. Evidencing adoption of these best practice policies enabled the University to be included on the UKRI Spin-outs review implementation: best practice adoption list.

Our approach and deployment of people and resources supporting IP licensing was also reviewed, resulting in an in-year increase of 71% in IP revenues, largely driven by 'fast licensing' of developed research tools and software-related IP. The preparatory work undertaken has continued to produce significant growth, showing a revenue increase of over 160% year-to-date. In addition, we are building a portfolio of IP-rich licensing opportunities that show the potential to achieve higher levels of impact and income in future.

The foundation of Northern Gritstone in 2021 as a preferred partner of the universities of Leeds, Manchester and Sheffield has proven to be a powerful force for commercialising University spinouts and science and technology businesses to create a leading ecosystem of support and funding. To date, Northern Gritstone investment has raised £362m of permanent capital. This has resulted in investments in 18 University of Leeds spinouts totalling over £29m.

International partnerships

Our global research activity is widely recognised, with Leeds moving from 13th to ninth in the world this year for International Research Network in the QS World University Rankings, reflecting the strength of our international partnerships.

Our **International Strategy Fund** is entering its final year. In total, £7m is being invested in collaborations that extend the University's footprint to new regions and contribute to our world-leading positioning. Stream 1 (Global Challenge Research) invested in 18 projects in the first three years and attracted £17.4m in external investment.

In addition, the **Forecasting African Storms Application (FASTA)**, developed through international collaboration led by the National Centre for Atmospheric Science and the University of Leeds, has received the RMetS Award for Innovation in the Development of Computational Models, Tools or Visualisation. The award, announced as part of the Royal Meteorological Society 2025 awards in June, recognises advances in computational approaches that are reshaping how weather information is generated and used in practice.





Case study

Tackling health inequalities across West Yorkshire

A business founded by a University of Leeds alum has won £100,000 of funding to commercialise its wearable healthtech product.

Asclepius Medtech Ltd was one of three winners in the Mayor's Big Ideas Challenge, supported by the West Yorkshire Combined Authority (WYCA), in which local businesses provided innovative solutions to overcome disparities in health outcomes.

Each finalist was awarded £20,000 in development grants to create an innovative solution to implement positive change, with the top three businesses winning £100,000 each to commercialise their business ideas with support from Innovate UK. Nexus partnered with the challenge to provide access to its non-resident membership programme, where the SMEs accessed a range of experts, support and facilities.

Asclepius Medtech Ltd, founded by former Leeds student Michael Morgan-Curran, developed the Surgfit system to help hospitals gather preoperative assessment data. A small, wearable biosensor patch is fitted to the patient's chest, gathering real-time health data for up to seven days. This data is transferred via a mobile phone app which also allows patients to fill out a daily health check about their activity and how they are feeling, which is combined with the data from the sensor.

Surgfit is a more convenient, cost-effective and patient-friendly route to gathering preoperative data, reducing consultation time and hospital visits and making better use of NHS resources. It is especially relevant for patients from minority ethnic groups who are almost 50% less likely to attend outpatient appointments than white British patients.

"The initial funding has allowed us to understand the depth of health inequality across West Yorkshire, and the money from our win will help us develop Surgfit to positively contribute to altering this reality," explained Michael Morgan-Curran.

"Through Nexus we have been able to find the right researcher partners in the National Institute for Health and Care Research and Leeds Teaching Hospitals NHS Trust, so we can develop research that is clinically robust and provides more data to help tackle health disparities.

"Our goals are resolute: to improve surgical outcomes, reduce post-surgical complications and hospital readmissions across West Yorkshire, saving the NHS millions, and to empower all patients, regardless of their background or where they live."



Our students

Our strategic priorities

Students and graduates are facing a unique set of challenges, including cost-of-living pressures, an increasingly competitive employment market and the impact of AI on entry-level graduate jobs.

The University of Leeds is committed to supporting our students and preparing them to succeed and make a positive impact in a changing world. This means developing our curriculum to meet future skills needs and embedding experiential learning in response to the needs of both students and employers.

The refreshed Leeds Curriculum – designed with input from our students – has three pillars, which together will deliver an outstanding student experience and give our graduates a real advantage in the labour market:

- **Your course** – a coherent, engaging and academically rigorous experience
- **Your future** – the skills, experience and networks to succeed in work and life
- **Our world** – the ability to think critically, act responsibility and contribute meaningfully to society

Leeds is one of the ten most-targeted universities by the UK's top graduate employers, according to the Times Top 100 Graduate Employers survey

We are highly rated by international students, with a student satisfaction score of 91% in the International Student Barometer - above the participating Russell Group benchmark



Curriculum Redefined

Curriculum Redefined is a seven-year University-wide transformation programme to review and redesign all taught provision by 2028. The programme – reinforced as a strategic necessity in our mid-term strategy review – aims to deliver a transformative, research-based educational experience that equips students with the knowledge and skills to succeed and make a positive contribution to society.

So far, the programme has seen the redesign of over 780 taught programmes, an 18% reduction in the number of undergraduate modules and a 22% reduction in postgraduate modules, giving staff more headroom for research, scholarship, innovation and improving the student experience. We are on track to review all programmes by the end of 2026.

The refreshed **Leeds Curriculum** includes specified competence standards that help students understand the academic, professional and practical requirements of programmes and make more informed choices. A new Assessment Design Framework means they benefit from more transparent and inclusive assessment methods.

Students have played an active role in shaping this work, from programme redesign through to the development of new resources, ensuring change is designed with students rather than simply delivered to them. They now have more opportunities for experiential learning, preparing them for future study and employment.

The financial benefits of Curriculum Redefined have been estimated at £13.2m by the next financial year, and success will mean that there should be no need for significant curriculum-related change in the future because continuous improvement will simply become part of how we work.

Online and digital education

In this year's Jisc Digital Experience Insights survey, the University of Leeds outperformed sector benchmarks for the quality of digital experience (87%) and the digital learning environment (89%). The use of AI in learning has grown, with 47% of students using some form of AI and over 12,000 staff and students completing a new AI training course.

We have enhanced digital accessibility via updates to the Minerva virtual learning environment. New digital accessibility minimum expectations launched in May, reducing barriers for students with disabilities. Panopto is being adopted as our institutional tool to support media-enhanced learning, with piloting and engagement activity taking place this year to ensure that digital media can be more easily accessed from the next academic year.

Our online degree programme for professional learners worldwide continues to grow, with two new programmes this year in Global Health and Genomic Medicine. Our Continuing Professional Development (CPD) programmes have also expanded, with 1,000 senior civil servants on the Accredited Pathway for Senior Civil Service Line Managers (recognised with an award for 'Successful Launch' at the winter KPMG Learning Awards).

A global university

Leeds is one of the most international universities in the world. Around a third of students studying here are from abroad, with more than 14,000 international students from over 170 different countries. We are ranked 31st in Times Higher Education's most international universities in the world 2026 – reflecting a variety of metrics, including our levels of international staff and students, international reputation, research and co-authorship. Leeds has consistently been one of the top five Russell Group institutions in England over the past few years for the number of international students it receives.

As well as hosting international students on our campus, the University is increasing its outreach, holding events abroad showcasing the status of the University and its programmes and what it's like to live and study in Leeds. For the second year running, we held in-country postgraduate conversion events in six cities in China, including additional undergraduate events in Beijing and Shanghai. Several alumni also attended and advocated for Leeds with prospective students.

A similar series of events took place in six cities in India, with 'Info Week' events in March in Indonesia, Thailand and Malaysia, and smaller-scale events in the Middle East, the Americas, Africa, Europe and Central Asia, as well as in the UK.

As well as in-country events, we carried out online conversion activity, including **Link to Leeds,** an established scheme connecting prospective students with current students through events, chat and social media, with a focus on themes such as cost of living, accommodation, careers, living in Leeds, applying for visas, arriving at Leeds and student life, support and wellbeing.

Transnational education

Transnational education (TNE) – where University of Leeds education is delivered in another country – is key to supporting our global ambitions, and an important driver of long-term financial resilience. We are committed to developing and strengthening our network of partners around the world by 2030, increasing international education and research opportunities, raising our global profile and supporting student recruitment in an increasingly competitive market.

Our TNE focus this year has been on increasing in-country delivery and ensuring a diverse portfolio of activities across markets and subject areas: we are launching a new joint school in China for 550 students with the University of Science and Technology Beijing, and in India we plan to offer joint programmes with the Birla Institute of Science and Technology Pilani. Approved by the Chinese Ministry of Education, the new joint school in Beijing will offer five undergraduate programmes across science, business, environment, engineering and technology, designed around subject areas that matter to future society and industry. In addition, we're exploring opportunities in the Middle East and North Africa, Europe and SE Asia, and working to increase recruitment via TNE pathways onto Leeds-based programmes.

We are looking to double the number of institutional strategic partnerships to 10 by 2030. Southwest Jiaotong University in China is now the top partner for Leeds in China in terms of co-authored papers and the Leeds-SWJTU Joint School will grow to 2,720 students across nine undergraduate programmes by the 2029/30 academic year. A further Masters programme is awaiting approval from the Chinese Ministry of Education.

Our commitment to a student-centred university

This year also saw a Leeds delegation visiting the Karlsruhe Institute of Technology in Germany, where we identified new areas of collaboration in health technologies, energy, materials development and electronic and electrical engineering. New collaborative projects have also been identified following a Leeds delegation visit to Vanderbilt University in Tennessee and the University of Georgia in Athens.

A better start to the student journey

The Leeds Admissions team plays a vital role in the student journey – from managing and responding to enquiries, processing applications and making offers (including on-the-spot offers at international events) to running open and offer-holder days, and assessing and processing scholarships, among other activities.

This year we have implemented a **One Service approach** to both the postgraduate taught (PGT) and postgraduate research (PGR) admissions teams, each working as unified teams across the University, moving away from the more siloed ways of working at faculty level. PGT admissions has had a particular focus on streamlining processes, setting KPIs and service-level priorities, enabling our high-performing team to work through greater volumes of applications and reduce overall turnaround times.

The new approach for PGT admissions is based on the direction set out in our mid-term strategic review for an aligned, efficient and effective operating model that supports an outstanding customer experience. It is informed by feedback from agent partners, applicant journey mapping and HEI peer group best practice, and will enable the University to proactively pivot and respond to changing demand and priorities.

With a data-driven, evidence-based approach and a more robust structure for the roles and responsibilities of academic colleagues and admissions staff, we can ensure the right decisions are made by the right people from the very start of the cycle and turnaround times are as efficient as possible.

The success of our new One Service approach to PGT admissions has seen a dramatic reduction in turnaround times for applicants for 2026 entry, with an average time of just five days – a substantial change from the six to eight weeks of previous cycles. Our next focus will be on our undergraduate and PGR cohort teams, building a high-performing team culture and ensuring an applicant-centric approach to our service delivery.

Embedding the student voice in decision-making

Further enhancing the student experience will be key to improving our position in the next Teaching Excellence Framework (TEF) assessment: this was the weakest link in our overall silver grading in the 2023 assessment.

A total of 68% of eligible Leeds students completed the **National Student Survey** (NSS) in 2026 – a major influence on the recruitment of high-tariff undergraduates. We have continued our year-on-year improvement, with a rise in the rankings in all but two thematic areas within the Russell Group. Notable highlights include:

- Student voice – up 3.9 percentage points to 80.1%
- Academic support – an increase of 3.5 points to 89.6%
- Organisation and management – up 3.3 points to 81.5%

Our strong partnership with **Leeds University Union** (LUU) helps ensure that student insight is built into our plans. LUU also performed strongly in the NSS, at 6.1 percentage points above the sector benchmark.

Leeds University Union: supporting and championing students

The University helps students and postgraduate researchers (PGRs) to succeed through a comprehensive and holistic range of support services. From general support for students in schools to specialist wellbeing and disability support, we aim to ensure all students can enjoy their time at Leeds and reach their full potential. Our cross-service, multichannel **Student Information Service** provides an accessible and efficient way for students to ask questions, gain support and feel connected.

Over 10,000 students are registered with our disability service and, last year, 3,348 students accessed wellbeing and mental health support.

Our multifaith Chaplaincy team provides spiritual support to students and staff. With an increasingly interfaith approach, the service includes Christian, Muslim and Jewish chaplaincy, supporting our community at a time where dialogue and understanding is so important. We work in close partnership with LUU to support all communities on campus to celebrate cultural and religious festivals.

Our support evolves to meet students' changing needs and experience of university. With a proactive approach to addressing harassment and misconduct, the University works in partnership with students and with local services in the city via **SASHA** – Students Against Sexual Harassment and Assault, an LUU student society. The University and LUU are nationally accredited for their 'harm reduction' partnership approach to addressing students' relationship with drugs and alcohol.

Other initiatives have included LUU's Women's Health Campaign, which aims to tackle the stigma surrounding women's menstrual and health issues and ensure students can access support without barriers to their education or wellbeing.

Support for students experiencing financial, health and wellbeing challenges is a key LUU focus. The cost of living impacts many of our students. **Essentials**, LUU's basic needs hub, provided students with food, clothing and budgeting advice in over 5,500 visits this year, alongside 262 free breakfasts during the exam period. The union's Help and Support team handled over 33,300 enquiries and offered guidance on many issues, including housing, mental health and academic appeals.

LUU continues to help students make the most of their time at Leeds. This year saw a record 19% increase in membership of union clubs and societies, with options ranging from sports and performance to enterprise and employability, reinforcing our status as StudentCrowd's top UK university for clubs and societies.

The union plays a valuable role in helping students gain volunteering and paid work, along with leadership and advocacy experience, and supports almost 5,000 student volunteers, including reps on liberation student committees, faculty officers and club and society committee members. The sold-out 2026 Leeds Ball was attended by 5,000 students and generated 130 jobs, helping students earn over £15,000 between them, while 158 students were involved in live performances.

LUU's **Joblink** matches students with part-time and flexible work opportunities while they are at university. 1,173 placements were generated this year in roles ranging from work at concerts and festivals to on-campus opportunities such as working in University services, at conferences and in coffee shops.

The annual Varsity event against Leeds Beckett University saw 1,282 participants compete in 29 different sports, supported by 528 volunteers planning and organising matches. The University of Leeds was the overall winner, with more than 10,000 spectators at the sold-out finale at AMT Headingley Stadium.

Leeds students continue to feel that LUU represents their academic interests, with a 4% increase in satisfaction in the 2026 National Student Survey.



Real-world opportunities for all students

Successful student outcomes have a big influence on which universities are chosen by prospective students, both from the UK and internationally. Recruitment is becoming more competitive among Russell Group universities and increasing our attractiveness to the best candidates is a key goal.

The value of real-world learning to student outcomes cannot be overstated. We are embedding experiential learning – learning through experience relevant to their studies – for students throughout the curriculum, ensuring that skills development is consistent and visible. This is a focus of the Curriculum Redefined programme, whether through work experience and placements or classroom/lab-based problem-solving with real projects and live, authentic data.

SOUL modules (Structured, Open, Unbounded, Learner-led) in many courses give students the opportunity to learn away from the classroom and earn credits towards their degree. SOUL experiences this year have covered climate action training, work in LUU societies and student leadership roles, among others.

Global collaboration gives Leeds students an international perspective on learning, adding an additional level of understanding. Leeds is playing a key role in a form of experiential learning called **Collaborative Online International Learning** (COIL), bringing together groups of students with their peers in different countries to complete learning tasks over several weeks. New COILs are emerging across disciplines as diverse as dentistry, English and mechanical engineering, along with new areas such as Japanese studies and psychology. Around 1,000 Leeds students experience COIL each year and UNICOIL – the UK and Ireland COIL network founded by Leeds Professor Martin Ward – is scaling up its efforts to stimulate the creation of more inclusive global study opportunities across the sector.

Increasing inclusivity and access

Students from disadvantaged backgrounds continue to face barriers to attending the best universities and tend to drop out more and achieve lower grades than their more advantaged classmates.

Our refreshed **Access and Student Success Strategy** is designed to ensure that students from all backgrounds develop a strong sense of belonging, engage fully in university life and can achieve their own definition of success. This approach runs through the student lifecycle, from application to postgraduate study, and includes expanding access to placements, international experiences, employability programmes and postgraduate pathways, recognising the important role these opportunities play in improving longer-term social mobility outcomes.

We continue to support learners from IMD Q1 neighbourhoods (the most deprived in England), mature learners and those from areas with historically low rates of progression to university. Programmes such as **Leeds to Success, Futures, Step into Leeds** and **Go Higher West Yorkshire** connect directly to **Access to Leeds**, the University's contextual admissions scheme, for which around 21% of first-year undergraduates are eligible. This year saw a 16% increase in undergraduate applications from students living in IMD Q1 neighbourhoods – up 24% over five years. Additionally, our flexible provision – including foundation years, part-time courses and apprenticeships – enable a diverse group of learners to transition into higher education via routes that meet their needs. A similar targeted approach is taken to increasing diversity in postgraduate study, with a focus on understanding barriers and implementation of systemic change.

After enrolment, a whole-university approach is designed to promote belonging, wellbeing and academic success. This includes ongoing work to enhance our curriculum and student experience alongside interventions at all levels of study and among communities of students who will benefit the most. Targeted provision is delivered through the **Plus Programme**, which supports students with financial assistance, transition activity, mentoring, coaching and employability development.

The **Global Opportunities** scheme provides access to funded international and intercultural experiences to help students from disadvantaged backgrounds develop confidence, networks and career readiness. This year the programme supported 111 students, including 92 fully funded participants.

Continuation rates for IMD Q1 students remain high, with 89% continuing their studies. 79% of IMD Q1 students achieved a first- or upper second-class degree compared with 93% of IMD Q5 students. The **Apprenticeship Levy Transfer Project** pledge of £725,000 enabled 43 applicants to access higher-level learning opportunities and postgraduate initiatives including Access to Research, while PGR Plus further broadened routes into advanced study and skilled employment.

A mature use of data and insight has helped identify emerging risks, monitor progress against targets and direct support towards students who may benefit most from early intervention, enabling us to focus on proactive, rather than reactive, support. Students have contributed to the design and improvement of services, while our longstanding relationships with schools, employers, community organisations and regional partnerships have helped align institutional activity with local priorities and community strengths.

Employability and enterprise

Employability is a high priority for all our students, so emphasising job-ready skills throughout each course is a focus of our outreach and admissions process.

The results of the latest Graduate Outcomes survey reveal our continued strength in a challenging graduate labour market. 76% of our graduates are doing what they planned to be doing, and 82% believe they are doing something meaningful. Of those in employment in the UK, 80% are in graduate-level professional or managerial work. We continue to see numerous 'persistent employers' – a group of employers who take on our graduates year on year: 633 employers took more than 5,100 of our graduates in the last three years, including organisations such as the NHS, PwC, Leeds City Council, Mott Macdonald Ltd and the UK government. Our graduates also continue to be more entrepreneurial each year, with roughly one in seven graduates now running their own business, freelancing or developing portfolios.

The **Leeds Capabilities Framework** helps students develop and articulate skills valued by employers, and work experience and industry placements are a key part of many of our courses. We have excellent partnerships with employers locally, nationally and overseas for both home and international students, and the transformational **Global Industry Programme**, introduced this year, provides an industry consulting experience for all our postgraduate students

One of our most valued local partnerships is with **Leeds Teaching Hospitals NHS Trust** (LTHT), which plays a pivotal role in delivering high-quality clinical education to students on clinically facing programmes. This year, over 2,600 students undertook placements at LTHT. Feedback is consistently high at around 88%, and many of our graduates remain within the West Yorkshire healthcare system, demonstrating the importance and effectiveness of this longstanding partnership.



Careers support and guidance

The University of Leeds is one of the top five employers of its own graduates, providing valuable early career opportunities across a wide range of professional roles. Alongside this, we continue to support current students through a range of flexible on-campus employment opportunities that help them gain valuable work experience, develop professional skills, build confidence and enhance their employability. This year, the Careers Service hosted the **Peers in Practice Conference**, bringing together student workers from across the University to network, share best practice and experience a professional conference environment.

We support student employability through innovative collaborations. A notable example is the Junior Detective programme, delivered in partnership with West Yorkshire Police, which helped students from the Faculty of Social Sciences develop valuable transferable skills through real-world project work. The programme was recognised by His Majesty's Inspectorate of Constabulary and Fire & Rescue Services as an example of innovative practice.

The Student Careers Widening Participation team piloted **Bright Futures**, a new initiative designed to strengthen employability provision for widening participation students and help them develop confidence, skills and career readiness. Evaluation of the pilot will inform a full rollout next year.

Jumpstart, a new careers portal for international offer holders, has been developed in partnership with global employability experts, Student Circus. Launched in summer 2026, the portal provides curated pre-arrival careers support to help international students understand the UK labour market and explore global career pathways. Resources include CV guidance, part-time job opportunities, LinkedIn support, labour market insights, careers videos and visa information.

Student enterprise

The University has a flourishing enterprise ecosystem, primarily based around the Helix Makerspace and led by Spark – our award-winning business advice service and incubator. Spark has a growing role in widening participation and driving innovation across the University, including outreach with Year 11 students at a University summer school.

The economic impact of businesses shepherded by the Spark team is significant. In 2025/26, Spark businesses generated over £2.5m of revenue and secured over £2.5m in external funding. Spark helped launch 50 startups and 45 businesses used its incubator services, creating 60 jobs.



Case study

Learn as you earn route to success

A University of Leeds degree apprentice says the 'learn while you earn' route was invaluable in gaining a national award at the age of 22.

Ned Samuels, Corporate Business Development Manager for the Splendid Hospitality Group, has just completed a Chartered Manager degree apprenticeship at Leeds. He was awarded the title of 'Emerging Manager of the Year' by the Chartered Management Institute (CMI) for having "quickly established himself as a tenacious and self-driven professional, contributing to one of the UK's fastest growing privately owned hotel groups".

Ned started his hospitality career at 17 with The Grand in York, the only AA-rated 5-star hotel in the city, which is owned by the Splendid Hospitality Group. He persuaded the hotel of the benefits of taking on a degree apprentice – government-funded degree apprenticeships combine on-the-job training with academic study.

Influenced by its Russell Group status, Ned opted for the University of Leeds, joining the degree apprenticeship course coordinated by its Lifelong Learning Centre.

"I'm very glad I chose the University of Leeds as my training provider. Despite usually taking on more senior learners, the programme manager trusted in my development plan and commitment, and I became the youngest-ever candidate on the course," explained Ned.

"Degree apprenticeships give an abundance of personal and professional opportunities, and I have enjoyed the opportunity of getting into the workplace and being student debt-free.

"Balancing full-time employment alongside academic study takes commitment and resilience. Success demands strong organisational skills, effective time management and the ability to thrive in a fast-paced environment."

In the five years since joining the hotel at 17, Ned has worked his way up within the Splendid Hospitality Group and is now leading the strategic expansion of its Corporate Travel and Events segments.



Our people

Our strategic priorities

The University's mid-term review gave us a clear roadmap to achieving our objectives for the next five years, focusing on simpler structures, clearer priorities, stronger alignment across our community, and long-term financial stability.

Our fundamental commitment is to education and research of the highest quality that has a positive impact on our local, national and global communities. At the same time, we need to achieve this efficiently and sustainably for our people, our finances and the environment.

Interdisciplinary research and education are becoming the standard way of working. This means making sure our academic structures are designed for a changing world and aligning our resources with our priorities. We are delivering this through our Academic Alignment programme, which will reduce the barriers created by boundaries in our academic structures.

Performance management and leadership are being improved to provide a clear pathway for staff career development, enabling work to be delivered more efficiently and effectively in support of the University's wider goals.

The proportion of senior academic female staff (grades 9 and 10) increased from 36.7% in 2025 to 37.7% in 2026, and the proportion of senior academic minoritised ethnic staff increased from 13.0% in 2025 to 13.8% in 2026

20.2% of our staff are international

The University achieved a bronze Race Equality Charter award following efforts across the organisation to promote and embed race equity and improve the experience of minoritised ethnic staff and students

An Employee Engagement pulse survey, conducted in May, achieved an employee engagement score of 62% against a target of 60%, and identified good progress across all three institutional actions



Faculties for the future

Staff feedback in our mid-term review revealed that many felt constrained by barriers to interdisciplinary working, including uneven faculty sizes and duplication in decision-making processes.

Our people-focused approach to academic alignment aims to overcome these limitations by reducing structural complications, freeing up academic thinking, enabling closer collaboration and building our ability to respond to future challenges and opportunities. We are creating clear, transparent and consistent processes and governance to support long-term sustainability. This will lead to more resilient education and research that helps us compete in a complex higher education environment.

As part of this work, the Faculty of Medicine and Health and the Faculty of Biological Sciences have become **The Faculty of Health and Life Sciences**, and the faculties of Social Sciences and Environment have joined to become **the Faculty of Environment and Social Sciences**. Along with the previously realigned **Faculty of Arts, Humanities and Cultures**, the **Faculty of Engineering and Physical Sciences**, and **Leeds University Business School**, this provides a realigned and refocused academic structure.

Since 2016, we have streamlined nine faculties into seven and now into five, creating more efficient and effective ways of working, reducing silos and maximising opportunities for interdisciplinary working. Aligning our structures and resources with our strategic priorities means we can respond with greater agility to future challenges.

Refreshing the Senate

The Senate is where our academics ensure that our teaching and research activities are delivered well. The Good Governance Institute was engaged by the Council in 2025 to carry out the required three-yearly external review of the effectiveness of the University's governance arrangements, with a particular focus on its academic governance responsibilities.

The review's key recommendations focusing on the role of the Senate and academic assurance, governance connectivity to its committees and clarity around the responsibilities and relationship of the Executive and the Senate were accepted by the Council. A **Senate Review Task and Finish Group**, chaired by the Provost and Deputy Vice-Chancellor Professor Hai Sui Yu, was established to lead the work relating to our academic governance arrangements, in line with the wider review of governance structures and in the context of academic alignment.

The review group noted the need to modernise for maximum effectiveness and proposed a revised structure for the Senate and its committees, along with amended terms of reference for each of those committees. The intention is to provide clarity of roles and responsibilities, and ensure that effective and efficient arrangements are in place for the oversight of academic governance and the assurances to be provided by the Senate to the Council.

In tandem with these proposals, which were approved in July, faculty committees are being streamlined as part of the academic alignment programme to ensure the structure is consistent across all faculties and directly aligned with the Senate-level committees. These committee structures will be in place and operating across all faculties by September/October 2026.

Streamlining digital and IT services

This year saw the formation of the **Digital and Information Services** (DAIS) directorate: a significant moment for the University and a major step in our professional services redesign agenda. By bringing together Library and IT services under one structure, we are taking a deliberate step towards a more connected and collaborative approach to digital and information service provision.

Both Library and IT services have long histories of excellence, staffed by colleagues who are deeply committed to their professional disciplines and to the University. The formation of DAIS allows us to connect those strengths more purposefully, to share expertise and deliver a more seamless experience for students, researchers and staff.

DAIS sits at the heart of key programmes, including Corporate Processes and Systems (CPS), Student Process Improvement (SPI) and wider digital change across research IT and digital library infrastructure.

We are already seeing what this looks like in practice. Library Research Services and Research IT have started to work closely to better support our research community. More data-focused conversations are enabling stronger links across disciplinary boundaries. Business Operations colleagues are aiming to develop shared ways of working that reduce duplication and strengthen service delivery. All represent a meaningful shift in how we think and work together.



Performance and career development

Along with work on clear recruitment standards, effective probation and a more streamlined approach to case management, we have extended the **Performance and Development Review** (PDR) pilot to several areas within Professional Services, with further expansion planned in a number of schools later in 2026. This approach aligns individual objectives with faculty, service and University goals, establishing clear expectations and accountability and encouraging structured conversations. It is also key to embedding our values into day-to-day practice through a focus on both what is achieved and how it is achieved.

Our established all-staff leadership programmes – Discovering Your Leadership, Establishing Your Leadership and the Connected Leadership Programme – have been reviewed and enhanced over the past year, and provide a clear, accessible leadership development pipeline that supports colleagues from all backgrounds and at all career stages.

Targeted **leadership and management development**, aligned to key institutional priorities and leadership populations, includes Headspace, which has delivered mandatory development workshops for all heads of school and Professional Services. Our Management Essentials workshops have expanded, introducing a broader pool of trained facilitators from across the People and Culture Directorate.

The Vice-Chancellor and President's Mentoring Scheme supports colleagues at grades 9 and 10 who aspire to more senior leadership roles, and we have also progressed the development of the Leeds Leader Framework, establishing a shared language and understanding of what excellent leadership looks like in practice.

We have delivered development support for leadership and key roles including directors of student education (DSEs), pro-deans, assessment and programme leads. There's a clear plan to develop a more holistic, integrated programme that supports University Executive Group (UEG) members collectively as a leadership community, providing structured, ongoing development that reflects both individual and collective leadership responsibilities at the most senior level.

Clarifying career pathways

The University recognises that its people are central to achieving our strategic goals. We want to support colleagues to plan their careers, grow and fulfil their potential, and navigate opportunities that fit their personal pathway at a time that is right for them.

The **Career Pathways** framework will clarify the opportunities available, the skills and experience needed for development and progression, how colleagues can take a proactive approach to their professional growth and how to access the right support to plan their career journey.

Academic colleagues told us it was important to recognise a wider range of strategically aligned academic activity and more differentiated portfolios, allowing a focus on individual contribution that aligns with our collective goals.

We have developed new promotion criteria and a structured and calibrated process which will launch in 2026/27, alongside consistent academic quality expectations which support continuous development and robust decision-making.

For Professional Services, we recognise the wide range of roles and the different paths individuals may want to take. Our approach focuses on ensuring visibility of opportunities, clarity of requirements, transferable skills and transparent processes. To support this, we are developing:

- typical career pathways and transparent progression, including reviewing and streamlining our processes to ensure they do not create barriers to advancement
- standard job profiles to simplify recruitment and career development
- streamlined support and development opportunities allowing all colleagues to take personal responsibility for their own careers, supported by guidance and tools to help them plan their career journeys

Embedding our values in our behaviour

In a university as large and diverse as Leeds, expectations about behaviour are often understood differently across roles, disciplines and teams. Over time, this can lead to very different experiences of working in the same organisation.

A University-wide **Behavioural Framework** has been developed to create a shared understanding of what our values look like in practice and support consistent expectations for how we work together. The framework, which will be embedded through our people practices, including recruitment, performance and development conversations, was developed with colleagues throughout the University.

Clarity, simplicity and consistency were all seen as central to the framework's credibility, along with the ability to safely challenge ideas, raise concerns and contribute openly. Integrating the framework within existing ways of working will increase its meaningful impact.

Enhanced retirement and workforce management

This year saw the introduction of a **voluntary enhanced retirement** (VER) scheme. A time-limited scheme, which gave staff members over the age of 55, who were ready to retire or leave, a voluntary, fair and transparent route to do so, while helping the University to manage staffing levels in a planned and responsible way. The scheme launched in November 2025 and around 400 employees chose to leave – the majority at the end of July 2026, with some staying until the next academic year for strategic business reasons.

The VER scheme was presented as an initiative which would:

- reduce long-term expenditure as part of a wider efficiencies programme
- reshape our employee demographic
- create opportunities for reviewing structures and operating models
- align with strategies for future workforce sustainability, such as the Career Pathways programme

We are helping leaders manage change effectively through the Headspace development programme. Working in partnership with our trade unions has ensured that the impact of colleagues taking enhanced retirement has been considered carefully, with a focus on workforce planning and workload management.

The VER scheme has been successful in delivering its objectives and will help us to continue to deliver our One Leeds priorities.





Our place

Our strategic priorities

The University of Leeds plays a crucial role in the success of the city and the wider Yorkshire region. We have made a major contribution to the economic and cultural success of the area for over a century, developing partnerships which bring employment, investment and enrichment to the region.

We're proud of our involvement in the success of Bradford UK City of Culture 2025, which ranged from student partnerships, volunteering and paid placements to funded research projects, artist collaborations and conference support. Building on our reputation as an important civic university, the launch of the Civic Exchange has helped articulate a clear and compelling identity for the University's work in the region.

Our three-year plan to boost public engagement through our research activities entered its second year, with growing evidence that strong partnerships, participatory approaches and investment in researcher capability are helping to embed engagement across research culture and strengthen the societal relevance of research. In addition, our Campus Reimagined programme continues with further work to ensure our buildings, landscape and infrastructure align with our ambitions for the future of the University.

The University of Leeds was named University of the Year at the Education North Awards

We enjoyed a major partnership within Bradford UK City of Culture 2025

We launched the first Child Friendly 12 Wishes research report

We launched the Civic Exchange, a new platform and community for civic engagement



Civic engagement and partnerships

We are building a more unified approach to delivering positive civic impact, identifying clear priorities that will help focus and deepen our cultural, climate and health partnerships and our collaborations with local government, public and community organisations, the business sector, schools, colleges and other universities.

Our long-established partnerships with the NHS, our growing collaborative work with the West Yorkshire Combined Authority and our role in Leeds City Council's Team Leeds initiative are testament to the effectiveness of this approach, reflecting our commitment to being good neighbours and the enthusiasm of our students to make a meaningful local contribution.

Launch of the Civic Exchange

April saw the launch of the Civic Exchange – a coordinated programme that brings together the expertise, activity and intelligence already present across the University and acts as the engine room for civic engagement.

The Civic Exchange represents a significant milestone in our ambition to be a university for Leeds and West Yorkshire not only in name and location, but in purpose, partnership and impact. It comprises two elements:

- **Civic Exchange Fellowships**, bringing together academic and professional services colleagues who lead, inspire and deliver civic engagement across the University to champion our civic mission, sharing insights, intelligence and expertise. Appointed for a two-year term, inaugural fellows will further build and expand our external collaborations and ensure we are aware of key partnerships, opportunities and priorities
- A **dedicated platform** showcasing civic activity, internally and externally, through events, partnership showcases, storytelling and media engagement

The University strategy articulates our commitment to transforming our community and the lives of people who live here. The Civic Exchange builds on these values to raise the profile of our civic work, showcase our innovation and make our partnerships stronger.

Embedding culture across the University

We are now two years into our five-year Cultural Engagement Strategy, designed to embed culture across campus life, research and civic engagement, and to harness the transformative power of the arts and creativity more generally in shaping a more connected university. Led by the Cultural Institute, our aim is to support interdisciplinary research, artist residencies, student opportunities and cultural programmes, building meaningful connections within the University and across the wider community, and mobilising the power of culture and creativity to drive positive change.

Bradford 2025 partnership

Our partnership with **Bradford UK City of Culture 2025** produced a wealth of academic research, interdisciplinary collaborations and student experience. We worked with teams across the organisation – from programming and production through to creative engagement and participation – and extended our impact further through collaborations with the University of Bradford and other external partners.

Our partnership led to over 470 student engagement opportunities, 12 funded research projects and more than 30 student projects – supported by more than 50 members of University staff. Much of that work, such as paid placements and funded research, was embedded in the partnership from the outset, while other projects were initiated independently by academics, students and producers during the year and incorporated into wider opportunities under the Bradford 2025 partnership umbrella.

Partnering with a successful City of Culture has enabled us to engage our students and researchers with the people and institutions of Bradford, develop new expertise and make new partners in a meaningful way.

Opening up events booking and data

Open up, our first 'one-stop' ticketing and digital audience engagement channel, was launched in September. Drawing together cultural programming across all University venues, it allows people to explore and buy tickets for all public-facing Leeds events, both on and off campus.

Since its launch, Open up has sold over 17,000 tickets, listed almost 300 events and has over 4,250 bookers signed up to its mailing list. The platform has worked with Be Curious, poetry@leeds, Leeds City of Languages, International Medieval Congress, the M&S Archive and the School of Design.

Through a new surveying tool, Open up is also able to report on audience members' experience of campus cultural events. We now have a picture of a typical arts attendee on campus, which helps provide further learning for programmers and event organisers across the University.

During this first year, a framework of three shared cross-campus events was piloted:

- **Leeds Light Night** in October was one of the University's largest collaborative public engagement projects of the year, attracting over 10,000 people to campus to enjoy a dynamic, varied, family-friendly programme of 16 research-related art installations from more than 100 contributors from across the University
- **Spring up** involved two weeks of theatre, music, art and workshops in March. The event received positive reviews, with over 800 bookers attending an event or workshop. Around 53% of bookers were new to the Open up platform
- **Play up**, a family arts day in June, involved 1,500 people joining in with shows, making and playing. Attendees were primarily younger families with children from preschool to end of primary. Activities were reservable in advance on Open up, and all were fully booked

Phase two will see us build on this first year of data gathering to inform planning, and work towards more enquiry-led cultural programming.

Creative collaborations

March saw the announcement of six new researcher/artist partnerships for the 2026 **Leeds Creative Labs** programme, which this year is run in partnership with Yorkshire Sculpture Park and focuses on connection – exploring how people, places and technologies shape our relationships with each other and the world around us.

The **Ignite Fund** supports collaborations between University of Leeds researchers and partners from the cultural, arts and third sectors across Yorkshire. Four new partnerships were announced this year, with projects covering creative translation and poetry, EDI in music, online climate controversies and transforming industrial waste into art.

Light Night Conversations was launched, supporting five artists to spend dedicated time with researchers exploring ideas for future research-connected artworks. Over 80 academics, drawn from every faculty, expressed interest, spanning subjects such as climate simulation, biological sciences, engineering and astronomy. Planning for future commissions for Light Night Leeds 2027 is already progressing.

This year also saw the launch of **Creative Health Futures**, an interdisciplinary research network bringing academics together with clinicians, policymakers, artists and communities to explore how creativity can transform health and wellbeing. The aim is to build new interdisciplinary collaborations across the University and beyond and connect with external partners in health, culture and policy to co-design impactful research.



Case study

Students support Bradford sanctuary project

Isla Paterson, a PhD candidate from the School of Languages, and Ishleen Kaur, MA Digital Design Futures, undertook paid internships with Bradford 2025's Evaluation team. Both supported the wider programme while exploring their own research interests within Bradford 2025's Story of Change impact strategy.

Isla applied their research skills to explore how Bradford 2025 created accessible opportunities for people seeking sanctuary in Bradford, the first Cultural City of Sanctuary.

Working with Stand & Be Counted, the UK's first Theatre Company of Sanctuary, Isla supported workshops for refugees, asylum seekers and new migrants, helping create an immersive soundscape for The Railway Children.

During Refugee Week, they evaluated *What Will We Do Without Exile?*, a multisensory installation by Palestinian artist Basel Zaraa inviting audiences to imagine life beyond occupation and war.

Ishleen brought creative design skills to evaluating Our Patch, Bradford 2025's district-wide community programme. Drawing live illustrations during workshops helped her connect with participants, spark conversations about their activities and gather deeper insights into their experiences.

"The highlight for me has been connecting with people through evaluation, having real conversations and being authentic, rather than just trying to get information out of someone," Ishleen said.

Isla subsequently joined the University of Bradford Sanctuary Research Group and now works for a community placemaking social enterprise. Ishleen has continued developing her creative evaluation approach through community and design projects in Liverpool and Manchester.

"It was great to get out of my comfort zone and work with sanctuary organisations like Stand & Be Counted," Isla said. "Helping to facilitate creative sessions and going out on group trips meant that I learned to be flexible and respond to the needs of the people there, rather than going in with a fixed idea of what was going to happen."

Public engagement with research

Leeds is one of the world's top research universities – but research doesn't exist in a vacuum. It's important to us that the University's research is appropriate and accessible for our communities and partners, and that we all learn from each other, work together and share ideas. This makes our research better, more relevant and of greater benefit. Our research helps solve regional challenges and our innovation drives economic and social prosperity.

Our Public Engagement team helps researchers involve the public and communities in open, fair and respectful ways. We're two years into our three-year Strategic Plan for Public Engagement with Research, which has four objectives: creating platforms for dialogue, building trust, fostering participation, and evaluating engagement and impact.

Be Curious, the University's flagship public engagement festival, celebrated its tenth anniversary in 2026 and attracted record participation, with over 2,800 visitors attending on the day – a 27% increase on the previous year. The event brought together more researchers than ever before and continued to broaden its reach across Leeds and West Yorkshire. Partnerships with organisations such as Child Friendly Leeds and City of Maths helped connect the event with new audiences and support a more community-led approach to engagement. Evaluation demonstrated the event's positive impact on visitors' perceptions of research and the University, strengthening our contribution to the region's civic and cultural life.

The University also worked with other universities in Leeds and third-sector organisations to refresh the strategic direction of **LeedsACTS!**, a collaborative partnership that supports engagement between higher education and the voluntary and community sector. Through consultation with partners, a shared vision, revised governance arrangements and new terms of reference were developed, creating a strong foundation for implementation in 2026/27. This work will strengthen collaboration across the partnership, support community participation in research, and build trusted relationships between universities and the communities they serve.

Through **CENTRE** (Community Engagement Network in Education, Research and Civic Engagement), the University has worked to strengthen coordination across research, education and societal engagement, addressing shared barriers to community engagement and creating a more joined-up approach to working with external partners. This is helping to build stronger, more sustainable relationships with communities and increase the impact of engagement activities across the institution.

Supporting regional skills

In December, UEG approved an indefinite extension to the **Apprenticeship Levy Transfer Project**, designed to fully fund apprenticeship training for local SMEs, support the regional skills agenda, and help prevent apprentices having to withdraw from their apprenticeship due to redundancy.

Since the programme was implemented, £725,000 has been pledged from the University's levy fund to support SMEs (small and medium-sized enterprises) in accessing fully funded apprenticeship training. This will enable greater participation in higher education, particularly for individuals from underrepresented backgrounds and those who may not otherwise have accessed a research-intensive university.

53% of participating employers had not previously accessed apprenticeship training, and 49% operate within priority skills areas identified in the Local Skills Improvement Plan.

A campus fit for the future

The **Campus Reimagined** programme is designed to ensure that our 150-year-old institution continues to develop and evolve to meet the needs and ambitions of a 21st century university.

Campus Reimagined goes beyond buildings to consider the ways we think about, use and experience our spaces. This collaborative, cross-functional programme will represent significant investment in our campus, and is shaped around the delivery of a masterplan framework to guide our decisions on planning and managing our estate over the next 25 years and beyond.

We are building a shared vision which puts the voices of our community at its heart, and embeds financial sustainability, effectiveness and efficiency to deliver a better experience for everyone. With social and environmental sustainability as a guiding principle, we aim to develop a welcoming and inclusive campus.

This year has seen an unprecedented scale of engagement with students, staff and our wider campus community. Two thousand people took part in the immersive **Campus Reimagined Live! 2026** event, and a range of other activities – from workshops to run clubs to planting sessions – have embodied the **Your Ideas, Your Campus** campaign ethos.

We have continued delivery of the six mini-projects voted for last year by staff and students, including the launch of a campus plant and greenery trail, and plans for a botanical garden and an outdoor exercise and jogging trail.

The masterplan framework is being developed in collaboration with expert masterplanners Prior + Partners. It brings together research on the current position and feedback from campus users, and considers opportunities for our physical estate that benefit everyone – students, staff and our local partners.





Sustainability

Our strategic priorities

Climate science and sustainability were identified in our mid-term review as research strengths for the University of Leeds, and instrumental in plotting a path to a more sustainable and equitable future.

The ambitious greenhouse gas reduction targets outlined in our 10-year Universal Values, Global Change strategy in 2019 have been reviewed in the light of the shifting definitions of net zero, further aligning it both with the latest science and our ability to deliver in the original timescales.

But for us, sustainability means we are in control of **all** our impacts – not just environmental but economic, social and cultural – and our ambitious Framework for Environmental and Social Responsibility reflects and reinforces this. To achieve any of our goals requires financial sustainability too, and all our targets and objectives are continually reviewed in light of our ability to deliver.

10% reduction in total GHG emissions

Launch of Framework for Environmental and Social Responsibility



The path to net zero

In 2019, the University of Leeds Climate Plan set out seven principles for climate action, including an ambitious target to achieve net zero greenhouse gas (GHG) emissions from our estate and travel by 2030.

We are making progress: 2024/25 saw a fall in total GHG emissions (scope 1, 2 and 3) of almost 22,000 tonnes over the year, from 215,181 to 193,328 tonnes – a 10% reduction on the previous year. Emissions from our estate are now 16% lower than our baseline year of 2019/20.

However, much has changed since we first set out our pathway to net zero. Our determination to act on the climate crisis remains – but we must recognise the changes and challenges we have faced since 2019.

New guidance says organisations must reduce almost all of their emissions before they can claim to be net zero. This means our original target of reducing estate-based emissions by 85% and offsetting remaining emissions is no longer considered a credible net zero approach under modern science-aligned standards.

So, while we remain ambitious, we will now refer to 2030 as an important interim milestone on our pathway to a deeper, credible net zero.

The rising cost of energy and the complexity of large-scale infrastructure change are substantial challenges. We are working with partners across the city region to share solutions and accelerate the wider transition to a clean and fair economy.

This is not a moment to step back, but to reset and expand our ambition. We are reviewing our delivery pathway and interim milestones with the Priestley Centre for Climate Futures to ensure it remains guided by science, informed by our research strengths, and embraces new opportunities to deliver impact.

We report on our emissions on a quarterly and annual basis.



Sustainability throughout the University

A framework for environmental and social responsibility

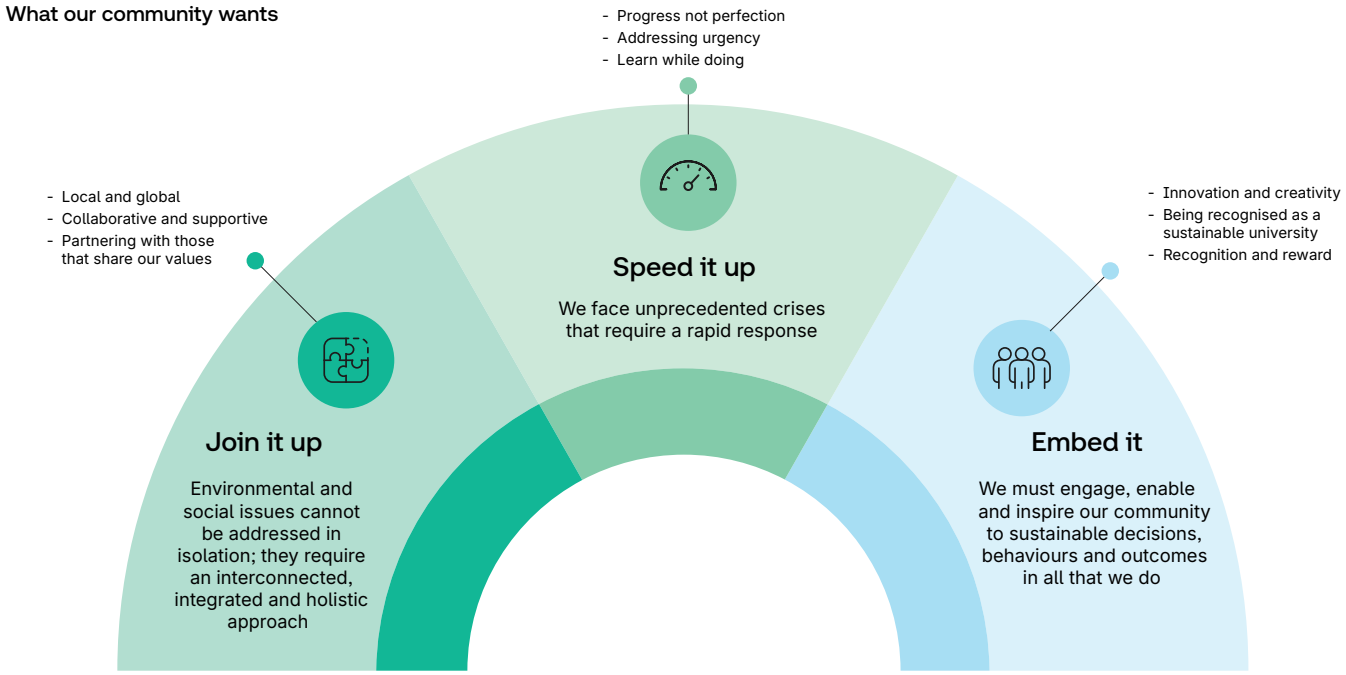
The University has launched a **Framework for Environmental and Social Responsibility 2026–2030**, which leads on from the work of our 2014–20 Sustainability Strategy and our Climate Plan.

The new framework will provide a refreshed and unifying narrative, with a structure to connect diverse initiatives, enable our community, and support our commitment to embedding environmental and social responsibility. It responds to the call from our students, staff and partners to 'speed it up, join it up and embed it', ensuring our commitments are inclusive, equitable and just.

We have identified the need for change across three domains: our people (students and staff), our campus and operations, and beyond campus (from the hyperlocal to the global scale). Long-term goals to 2030 are:

- **Our people:** to enable students and staff to make sustainable choices and contribute to positive local and global change
- **Our campus and operations:** to be an environmentally and socially responsible institution, aligning to the needs of students, staff and the wider community
- **Beyond campus:** to positively contribute to public life, environmental stewardship, social equity and economic resilience, locally and globally

Find more information about the framework here.



Sustainable curriculum

A sustainable curriculum is one that lets all students study, research, work and take part in sustainability and climate issues as part of their degree – whatever subject they are studying.

Our students already have extraordinary sustainability-focused opportunities: placements and internships, tailored careers support, project opportunities, volunteering and paid roles with the Sustainability Service, and our flagship annual Student Sustainability Research Conference – experiences that give our graduates a head start in a world that needs what they have to offer.

These opportunities are often seen as extras, but our ambition is to embed sustainability across the student experience, so it becomes part of what it means to be a Leeds graduate.

The Sustainable Curriculum project team includes members from six schools across the University, with an interdisciplinary approach that helps empower students to address real-world challenges. For example, engineering students are reimagining sustainable cities and computing students are exploring ethical technological adoption. Business students are learning about sustainable finance and ethical enterprise, medical students about planetary health impacts, and creative students are examining climate narratives and cultural change.

To support sustainability throughout the curriculum, Organisational Development and Professional Learning (ODPL) provision includes new content around embedding sustainability into educational practice. New sustainability statistics and data content has been created for the library data research pages, covering environmental, social, economic and interrelating sustainability themes which students can use to explore nature recovery, flood resilience and health statistics, among other related issues.

The **Leeds University Network for Sustainability in Higher Education (LUNSHE)** was featured in the 2025 SDG Accord Progress Report, which is endorsed by the UN and summarises progress towards global goals in the university and college sector. LUNSHE has grown to over 180 members, with contributions from 44 staff, 23 students and external speakers, highlighting the value of inclusive, cross-disciplinary spaces to inspire collaboration.

Student sustainability action and civic engagement

Community-based sustainability projects – like the **Sustainable Repair Café**, the **Students into Primary Schools** initiative and the **Sustainability Community Arts** project – create structured pathways for students to develop practical skills, gain real-world experience and apply their academic learning in meaningful community contexts.

Climate change is a global problem, and international collaboration is the best way to solve it. The **Intercultural and Interdisciplinary Solutions to Global Climate Change Challenges** (also known as the Leeds–Singapore Climate Change Hackathon) saw students from Leeds and Nanyang Technological University in Singapore work together in a year-long initiative to tackle real-world challenges related to carbon reduction in buildings and transport. Their final pitches demonstrated not only creativity and technical insight, but also a deep appreciation of the cultural, environmental and socio-economic contexts shaping climate solutions.

Leeds's positioning as a civic-centred university is reflected in sustainability projects like the **Seacroft Forest Garden**, where partnership working transformed underused land into a thriving community food-growing space, and a new public footpath has been opened in the University-owned Gair Wood, where more than 60,000 trees were planted three years ago.



Case study

Bringing students into the circular economy

The University of Leeds Repair Café launched in 2023. It helps promote the concept of a circular economy and takes in broken items, from clothes to laptops to children's toys, and, where possible, fixes them with the help of skilled volunteers such as mechanical engineering student Eleanor Smith.

Eleanor joined in 2024, initially helping the Textiles team repair clothes, bags and zips. She decided to get more involved in growing the service and, as a student sustainability architect, her work now focuses on expanding the reach and impact of the repair café.

Student sustainability architects work up to 100 hours over the course of the academic year on a paid, flexible basis to deliver projects that align with the University's strategic objectives and provide support for student engagement activities, events, campaigns and initiatives.

Eleanor designed and led a collaborative event with the Mountaineering Society, bringing students together to learn how to repair and maintain their own and shared club outdoor sports gear. The workshop was fully booked and showed a real appetite among students to gain practical skills and embrace circular economy behaviours.

But her ideas didn't stop there. To support the outdoor gear repair workshop, Eleanor created zines with repair tips, local services and sustainability resources as a take-home resource, so students could attempt their own repairs.

"Inspired by the Helix makerspace, I also explored the idea of guidance cards that could help people attempt common repairs (like zips or simple electrical faults) independently or while waiting for a volunteer," said Eleanor. "The idea behind this is to help ease pressure on volunteers and to provide attendees with a foundation to attempt to repair their own items.

"One of the challenges of the project has been spreading the word and reaching more students. To help bridge this gap, I promoted events through student society WhatsApp groups with committee support, by word of mouth, and with Instagram stories. These approaches proved effective in boosting student turnout without overwhelming the Repair Café's capacity."



Outlook

The priorities and commitments outlined in our 10-year strategy and refreshed in our mid-term strategy review last year are working through the University and benefits are beginning to be realised.

Research and business engagement

Next year will be critical for **Research Excellence Framework (REF) 2029** preparations. The REF stocktake over the autumn of 2026 used new functionality in our research information system, Symplectic, streamlining the review of our research output and helping us complete our REF return.

There has been continued progress in strengthening institutional infrastructure and evidence for research culture, with a focus on further strengthening institutional coherence, accessibility and impact. A key priority will be the launch of a University-wide funding hub to address uneven access to guidance and support.

Nexus is looking at a strong pipeline of potential members, growing demand for innovation support, and an expanding portfolio of programmes. Strategic opportunities such as the Leeds Innovation Partnership Framework, continued development of sector-focused clusters and delivery roles in major programmes like the National Protein Innovation Centre are expected to further strengthen collaboration, attract investment and support regional economic growth.

Our campus and communities

Over the next 12 months, we will deliver the final **Campus Reimagined** mini-projects, strengthening the positive impact on the campus experience. The masterplan framework will guide the identification and development of medium-term projects and viability studies for long-term projects.

Building future **cultural collaborations** is a priority. The launch of Light Night Conversations, which supports five artists to work with researchers on ideas for future research-connected artworks, received expressions of interest from more than 80 academics from every faculty in the University, and has already begun shaping future commissions for Light Night 2027.

Improving student education and experience

Priorities for the next academic year include progressing work to enable more consistent and efficient service delivery across the student journey.

The final phase of **Curriculum Redefined** will focus on enhancing and integrating the programme into 'business as usual' routine operations so that improvements can be experienced by all current and future students. We will be prioritising four areas: active portfolio management, educational enhancement, programme build, and applied learning and skills.

In addition, we expect the **international student recruitment** market to remain extremely competitive and we will continue to develop and strengthen our network of partners around the world to help us meet these challenges.





Corporate governance

This statement covers the period 1 August 2025 to 31 July 2026 and up to the date of approval of the audited financial statements.

The University is an independent corporation established by Royal Charter as a “teaching and examining body… to cultivate and promote arts, science and learning”. These objectives, and the powers and framework of governance, are set out in the Charter and the supporting statutes, amendments to which must be approved by the Privy Council. The University receives substantial public funding and, by virtue of the educational nature of its objectives, is an exempt charity under Schedule 3 of the Charities Act 2011.

The Council is satisfied that the University has had regard to, and materially complies with, the Higher Education Code of Governance published by the Committee of University Chairs (CUC), as revised in September 2020, and that it also complies with relevant provisions in the Reports of the Committee on Standards in Public Life. The University is committed to upholding the highest standards of corporate governance. The University strives to ensure that its corporate governance arrangements are transparent. Its committee structure for considering and reporting key decisions is described below. The Council receives a report of meetings of the Senate and regular reports from its committees. Papers of the meetings of the Council are made available online to members of the University, and the minutes are now made available publicly on our website. The Council reviews annually the membership and terms of reference of its committees, to ensure that they remain appropriate and inclusive. During 2025/26, we filled two lay member vacancies and one academic member vacancy.



The Council

The Council is the governing body of the University. As such, it has a collective responsibility to promote the University's wellbeing and ensure its sustainability.

The specific responsibilities of the Council are outlined in its Statement of Primary Responsibilities but, in summary, it is responsible for approving corporate strategy and associated plans and budgets, for determining major business decisions and corporate policy, for the framework of governance and management, and for monitoring institutional and executive performance. The Council is also responsible for satisfying itself that the methodologies used to maintain standards and ensure continuous improvement of the student academic experience and student outcomes are robust and appropriate. Information on the Council and its principal committees can be found in the Governance and Compliance area of the University's website.

The Council had 21 members in 2025/26, the majority of whom are lay (neither employees nor students at the University), but also including representatives of staff and students. For the purposes of charity law, members of the Council are trustees of the University and have regard to the Charity Commission's guidance on public benefit.

They do not receive fees or other remuneration as members or trustees. The University maintains a register of interests of all members of the Council (and senior officers of the University), available on the University of Leeds website. The Council normally has six business meetings and two strategy away days each year.

The Council is responsible for ensuring the adequacy and effectiveness of arrangements for corporate governance, risk management and the oversight of regulatory responsibilities. This includes compliance with Office for Students (OfS) conditions of registration, any terms and conditions of funding, as well as any other relevant regulatory responsibilities. There is an annual cycle of reporting to the Audit and Risk Committee, which provides the Council with assurance on compliance. Other responsibilities are delegated to committees and officers in accordance with a scheme of delegation, available in the Governance and Compliance area of our website.

Alastair Da Costa has been the Chair of Council since 1 August 2022. Janet Sheriff holds the role of Deputy Chair of Council, supporting Mr Da Costa in his leadership of the Council and oversight of the operation of the Council and its sub-committees.





University committees

The principal committees of the Council include:

The Audit and Risk Committee, chaired by Heather Swanston, normally meets five times a year. It has a significant role in reviewing the effectiveness of the systems of internal control, including financial procedures and risk management, considering the reports received from the University's internal and external auditor.

The Finance and Investment Committee, chaired by Seb Elsworth in 2025/26, advises the Council on the development and implementation of University strategy and on major investment, funding and borrowing decisions, including any significant changes to treasury policy. Formerly the Strategy and Investment Committee, the name and terms of reference were updated to more accurately reflect the committee's purpose and focus in advising Council on matters related to the overall financial governance and sustainability of the University.

The Nominating and Governance Committee, chaired by the Chair of the Council, brings forward to the Council nominations to fill vacancies for members of the Council and its committees. In doing so, it has regard to a member's skills and diversity matrix, along with the need to both draw members from a diversity of backgrounds and to maintain an appropriate balance between continuity and rotation in membership. It also makes recommendations to Council as appropriate on matters concerning the operation and effectiveness of corporate governance arrangements, in line with best practice.

The Health, Safety and Wellbeing Committee, chaired by the Vice-Chancellor and President, maintains an overview of the University's arrangements for securing the health and safety of staff, students and visitors.

The Remuneration Committee, chaired by Helen Grantham, comprises five lay members of the Council. Its main responsibility is to determine the remuneration of the Vice-Chancellor and President and other members of the University Executive Group (UEG). In doing so, the committee has regard to the Committee for University Chairs Higher Education Senior Staff Remuneration Code. The Remuneration Committee submits an annual report to the Council, which is publicly available.

The Ethics and Values Committee, chaired by Janet Sheriff, provides governance oversight and assurance on ethical matters affecting the University which contribute to the achievement of its strategic objectives, accord with its values and meet regulatory and legal obligations. It also provides an ethical and values-led framework for debate and decision-making on proposed institutional responses or activities that might have an impact on the University's reputation or its integrity.

The Senate

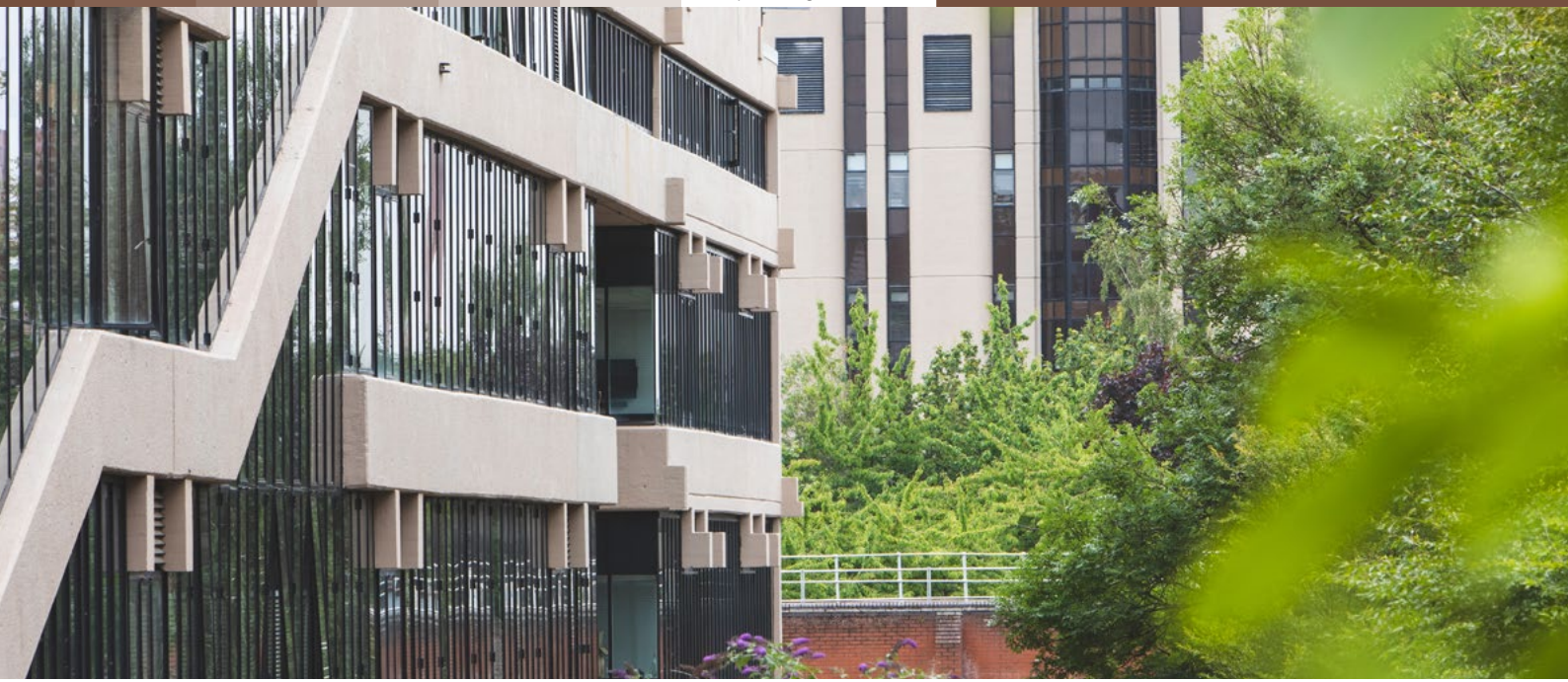
The Senate is responsible to the Council for academic governance, especially for regulating the admission of students, the curriculum, the assessment, maintenance and enhancement of academic standards, and the award of degrees and other qualifications. This year we reviewed and updated the Senate, with new structures and terms of reference now in place (see page 50).

Senate members are drawn from the academic staff and the student body. Committees of the Senate include a Taught Student Education Board, Graduate Board, International Strategy Board, Research and Innovation Board, and Digital Transformation Strategy Board.

The Court

During the year, the Privy Council approved changes to the University's Charter which formalised the dissolution of the University Court. The powers to appoint the University Chancellor and to approve recommendations for the conferment of honorary degrees which lay with Court have now been transferred to the Council.





Value and impact

The University's established governance structures, as well as the deliberations and contributions of our Council members, help create and sustain value and impact over time. We achieve this through our formal mechanisms, and by providing additional opportunities for engagement and insight. Actions from the previous year include:

Audit and Risk Committee

- Continued self-reflection, scrutiny and challenge in light of the Gillies report investigating governance failures at the University of Dundee to ensure best practice, including a workshop attended by our internal and external auditors
- Oversight of the development of the University's policy infrastructure to help streamline work and create efficiencies across the institution
- Review of updated governance policies and procedures, including the first phase of the refreshed institutional scheme of delegation and the revised whistleblowing policy and procedure
- Challenge and support to the University Executive Group (UEG) on the implementation of audit recommendations
- Oversight of the institutional risk register, risk appetite framework and insurance policies, as well as analysis of the external risk environment
- Consideration in greater depth of particular areas of risk in relation to fire safety, cybersecurity and international security
- Review of compliance with the Office for Students (OfS) conditions of registration, the schedule of assurance of the primary responsibility of the Council, and the management and quality of data
- Assurance on fraud risk management, including approval of policy updates in relation to risk management, anti-bribery and money laundering

Finance and Investment Committee (formerly Strategy and Investment Committee)

- Strategy deep dives in relation to international, net zero, digital, research and innovation, and student education and experience
- Increased scrutiny of the University's financial performance and outlook, including scenario planning workshops related to the financial forecast
- Reflection on the committee's own focus and remit, resulting in revisions to the name and terms of reference for the Committee
- Review of the updated strategic risk appetite framework and its alignment with the One Leeds mid-term strategy review
- Scrutiny of progress in relation to the University's major transformation programmes, including Corporate Processes and Systems
- Monitoring of progress and performance relating to the implementation of the University's strategy, including progress against the institutional priority KPIs
- Endorsement of a range of contractual matters, agreements, leases and business cases

Nominating and Governance Committee

- Consideration of the recommendations made in the Good Governance Institute (GGI) report on governance effectiveness and oversight of the implementation of arising actions
- Consideration of the proposals put forward by the Senate Review Task and Finish Group regarding changes to the Senate and its sub-committees, to enhance the academic governance of the institution
- Oversight of the progress of the Committee of University Chairs (CUC) review of higher education governance, including actions arising from the newly published CUC Code of Higher Education Governance
- Consideration of the size, shape and diversity of the Council, the Council members' skills matrix and the Council apprenticeship programme
- Review of Council committee memberships and terms of reference, including the revised name and terms of reference for the Strategy and Investment Committee
- Discussion and endorsement of the recommendations arising from the review of the University Court, including the dissolution of the Court and subsequent required changes to the University constitution
- Oversight of the annual review of the effectiveness of Council committees





Health, Safety and Wellbeing Committee

- Consideration of policy and communications, health and safety protocols, Employee Engagement survey outputs, performance standards, and health and safety training
- Consideration of accident statistics, fire safety, and interactions with enforcement and regulatory agencies
- Review of activities related to the University Health and Wellbeing implementation plan, including the introduction of a training matrix, workplace health dashboard and our Wellbeing Together action tracker
- Consideration of and support for proposed revisions to faculty and school health, safety and wellbeing committees and health and safety inspections to improve efficiency and effectiveness, supporting the One Leeds commitments and Academic Alignment
- A deep dive into health and safety governance through the lens of One Leeds

Ethics and Values Committee

- Consideration of key ethical issues with an impact on the University community, including antisemitism and islamophobia, freedom of speech, ethical careers and defence
- Increased self-reflection on the committee's purpose and remit, including the process for ethical decision making, including the introduction of a committee training workshop led by IDEA: The Ethics Centre
- Review of the annual statement on research integrity
- Review of the OfS condition to address harassment and sexual misconduct, and endorsement of policies on the prevention of bullying, harassment and sexual misconduct and personal relationships at work
- Consideration of key Equity, Diversity and Inclusion (EDI) matters, including the EDI delivery plan, the University's Race Equality Charter submission and the institutional pay gap report

In addition, Council strategy away days were provided to allow deeper consideration of aspects of the strategy, as well as informal briefings ahead of Council business meetings on key areas of interest. The Council also implemented recommendations from the 2024/25 governance review, including strengthening induction and reporting mechanisms, providing opportunities for reflecting on effectiveness, and updating the scheme of delegation.

Senior officers and executive management

The Vice-Chancellor and President is the Chief Executive and Senior Academic Officer of the University. As such, they exercise considerable influence on the development of institutional strategy, the identification and planning of new developments, and the shaping of the institutional ethos.

The Vice-Chancellor and President is formally responsible to the Council, within a prescribed framework, for the operational management of all aspects of the University's work. They are the 'Accountable Officer' who reports to the OfS and Research England, under their respective terms and conditions of funding, on behalf of the University.

The Vice-Chancellor and President delegates responsibility for specific aspects of the University's management to members of the University Executive Group (UEG) but retains ultimate responsibility for their work. Executive deans and senior officers are responsible to the Council (through the Vice-Chancellor and President) for the leadership and overall management of the faculties and professional services.



The risk management process

Our risk management framework is aligned to the principles of ISO 31000 Enterprise Risk Management (ERM), embedding risk management across the University by promoting active participation from managers and employees at all levels throughout the risk management lifecycle.

Overall accountability for risk management sits with the University Council, supported by the Audit and Risk Committee in its oversight role. Executive leadership is provided by the University Secretary and Registrar, with support from the Director of Risk Management, who maintains the institutional risk register. Emerging and evolving risks are identified through the University's governance framework, including committees and forums, and are escalated to the University Executive Group (UEG) as appropriate. Risks are assessed by considering their likelihood and potential impact after existing controls and mitigations have been applied and are categorised as minor, moderate, major or severe, with the current risk level shown in brackets in the analysis below.

The Audit and Risk Committee provides assurance that the University's principal risks are effectively monitored, managed and mitigated, and that appropriate response strategies are in place. The institutional risk register is reviewed twice a year by the committee before being considered by Council. During the year, the register has continued to evolve to maintain focus on the University's most significant strategic risks, supporting delivery of institutional objectives while responding to an increasingly complex external environment.

Our key risks are set out in the tables below (risk trend key: → unchanged, ↑ increased, ↓ decreased).

Strategic risks

Risk title and description	Mitigation
Student experience (Major) → Delivering a poor, or unsatisfactory, student experience	Data-driven monitoring, school-level action planning, curriculum transformation and enhanced professional support
International student recruitment (Severe) ↓ Failure to successfully recruit and retain the planned number of international students	Expanding capacity in high-demand subjects, strengthening international market presence through TNE, and implementing targeted international scholarships
Digital transformation (Moderate) → Limited growth in our online portfolio, digital education provision and ways of working	Strong portfolio oversight and investment in secure digital platforms, data, AI capabilities, digital education, and online learning expansion
Generative artificial intelligence (Moderate) → Failure to effectively govern and harness the benefits of generative AI	Clear governance, comprehensive guidance and training for staff and students, and targeted investment in AI capability, partnerships and research infrastructure. This includes a consistent institutional position on acceptable use and a ban on AI detection tools, reducing uncertainty and supporting defensible assessment practice
Climate Plan (Major) ↓ Failure to meet our net zero commitments	Our Climate Plan continues to embed sustainability across operations, teaching and research through net zero, decarbonisation and climate resilience initiatives

Operational risks

Risk title and description	Mitigation
Cyber security (Severe) → Failure to properly secure our IT infrastructure	Deploying market-leading cyber security technologies, with a dedicated team of IT security professionals
IT infrastructure and capability (Severe) → Failure to improve our IT skills and capabilities to align with the needs of our strategy	An IT modernisation programme in place to modernise the technology in IT services, improve data infrastructure and deliver modern, high-quality customer services
Mental health and wellbeing (Moderate) ↓ Failure to evolve our support to facilitate the physical and mental health and wellbeing of our community	Strengthening staff and student wellbeing through preventative support, accessible health services, wellbeing initiatives, and robust governance oversight
Strategic change (Moderate) ↓ Failure to lead and manage the complex strategic programmes necessary to deliver the University strategy and realise benefits	Ongoing portfolio governance improvements, utilising a dedicated Transformation Office, together with the ongoing support of a third-party digital assurance partner

Financial and compliance risks

Risk title and description	Mitigation
Financial sustainability (Severe) → Inability to generate sufficient income, absorb cost inflation and deliver our target level of surplus, so that we can afford our significant investment demands and have a sufficient risk margin	The University is mitigating financial risk through a strong balance sheet, healthy cash reserves and a bond repayment fund, while driving financial benefits through developing new high-margin income streams, and strengthening cost control and efficiency through targeted professional services and academic provision reviews and international student recruitment oversight
Fire safety compliance (Moderate) ↓ Failure to meet fire safety guidelines for an external wall cladding system of a single University building	Mitigations are ongoing through reduced occupancy, development of alternative accommodation solutions, and close engagement with regulators to ensure continued compliance with safety standards and long-term resilience

Internal control

This Statement of Internal Control relates to the financial year ended 31 July 2026 and is current until the date of approval of the audited financial statements.

The Council is responsible for ensuring a sound and effective system of internal control that supports the fulfilment of the University's policies, aims and objectives while safeguarding public and other funds and assets.

Detailed review and monitoring of the system of internal control is carried out on behalf of the Council by the Audit and Risk Committee, from which the Council receives periodic reports.

The Audit and Risk Committee receives regular reports from the internal auditor. These include an independent opinion on the adequacy and effectiveness of the University's arrangements for risk management, governance, internal control and securing value for money, with recommendations for improvement where appropriate.

Based on the work carried out during 2025/26, the internal auditors have reviewed and reported on the adequacy and effectiveness of the institution's arrangements for risk management, control and governance, sustainability, economy, efficiency and effectiveness (value for money) and the quality of data submitted to regulatory bodies. In each area, some controls were found to be effectively designed and operating effectively, with areas for improvements highlighted.

The Audit and Risk Committee receives an audit report from the University's external auditor indicating whether they observed any significant weaknesses in internal control from the external audit work performed. No significant weaknesses were reported this year.

The committee seeks assurance that the University has in place adequate and effective arrangements for the management and quality assurance of data provided to the Higher Education Statistics Agency (HESA), the OfS, Research England, the Student Loans Company and other bodies. It also receives assurances on the University's compliance with the OfS's ongoing conditions of registration.

Financial control

The Council is required to secure the economical, efficient and effective management of the University's resources and expenditure and to safeguard its assets, including preventing and detecting corruption, fraud and bribery.

The University discharges these responsibilities through a system of internal financial control, which includes a comprehensive medium- and short-term planning process, supplemented by detailed annual income, expenditure, capital and cash flow budgets, together with monthly reviews of financial results involving variance reporting and updates of forecast out-turns.

The University's Scheme of Delegation includes clear definitions of the responsibilities of, and the authority delegated to, academic and administrative heads in relation to financial approvals and decision-making. This system is underpinned by comprehensive financial regulations which detail financial controls and procedures.

The Council is responsible for ensuring that the financial statements are prepared in accordance with the University's Charter, the Statement of Recommended Practice (SORP) on Accounting for Further and Higher Education, and other relevant law and UK Accounting Standards, within the terms and conditions of funding of the OfS and Research England. It also ensures that all judgements and estimates made are reasonable and supportable.

Going concern

The Council is satisfied that the Group has significant financial resources and a long-term financial plan that underpins the delivery of a broader strategic plan.

This assessment draws upon the strong financial position at July 2026 and financial forecasts to 2031 which show a return to surplus. At 31 July 2026 we had cash and current investments of £445m (2024: £484m) and forecasts to 2031 show significant headroom compared to our target minimum cash level of £133m.

We have derisked our financial forecasts, particularly relating to international student recruitment, and scoped other risks and opportunities.

The Council is satisfied therefore that the Group has adequate resources to continue operating for the foreseeable future. Accordingly, it continues to adopt the going concern basis in preparing the financial statements and its Integrated Annual Report.



Members of the University Council 2025/26

Member of the Council	Role	Attendance (6 business meetings and 2 strategy away days)
Alastair Da Costa	Chair of Council	6+2
Professor Shearer West	Ex Officio (Vice-Chancellor and President)	6+2
Stephanie Burras	Lay member	6+2
Seb Elsworth	Lay member	6+2
Peter Goldsbrough	Lay member	6+2
Helen Grantham	Lay member	5+2
Robin Jones	Lay member	6+2
Stuart Murphy	Lay member	5+2
Justin Platt	Lay member	3+2
Elizabeth Richards	Lay member	6+1
Wallace Sampson	Lay member	5+1
Ken Sargison	Lay member	6+1
Janet Sheriff	Lay member	4+2
Heather Swanston	Lay member	5+2
Shivani Gug	Student member	5+1
Amara Relf	Student member	4+2
Lucy Hart	Student member from 1 July 2026	1+0
Sylvie Waterhouse-Reed	Student member from 1 July 2026	1+0
Jessica Balme	Staff member	5+2
Lauren Huxley	Staff member	5+2
Vanessa Kind	Staff member	5+1
Gordon Love	Staff member	6+2
Alice O'Grady	Staff member	2+0
Usman Hamid	Council Apprentice	2+0

Notes

- Amara Relf, Union Affairs and Communications Officer of Leeds University Union, was a member from 1 July 2025 to 30 June 2026. She was succeeded on 1 July 2026 by Lucy Hart (Union Affairs and Community Student Executive). Shivani Gug (Education Officer) was a member from 1 July 2024 to 30 June 2026. She was succeeded on 1 July 2026 by Sylvie Waterhouse-Reed (Academic Experience Student Executive).
- Seb Elsworth's term of office ended on 31 July 2026.
- Alice O'Grady resigned with effect from November 2025.
- Robin Jones, Gordon Love and Justin Platt were appointed to membership of the Council from 1 August 2025.
- Usman Hamid was appointed as Council Apprentice from January 2026.

Members of the University Executive Group 2025/26

Member of the University Executive Group (UEG)	Role
Professor Shearer West	Vice-Chancellor and President (Chair)
Professor Hai Sui Yu	Provost and Deputy Vice-Chancellor
Professor Kenneth McDowell (to 30 June 2026)	Interim Pro-Vice-Chancellor: Student Education
Professor Wendy Robinson (from 1 July 2026)	Pro-Vice-Chancellor: Student Education and Experience
Professor Nick Plant	Pro-Vice-Chancellor: Research and Innovation
Professor Karen Birch	Pro-Vice-Chancellor: Academic Alignment
Jennifer Sewel	University Secretary and Registrar
Jane Madeley	Chief Financial Officer
Rachel Brealey	Chief Operating Officer
Louise Kindon	Chief People and Culture Officer
Professor Andrew Thorpe	Executive Dean, Faculty of Arts, Humanities and Cultures
Professor Julia Bennell	Executive Dean, Faculty of Business
Professor Nora de Leeuw	Executive Dean, Faculty of Engineering and Physical Sciences
Professor Alan Haywood (to 31 December 2025)	Interim Executive Dean, Faculty of Environment
Professor Mark Kearney	Executive Dean, Faculty of Medicine and Health
Professor Paul Johnson (to 31 December 2025)	Executive Dean, Faculty of Social Sciences
Professor Paul Johnson (from 1 January 2026)	Executive Dean, Faculty of Environment and Social Sciences

Public benefit statement

The University is a charity, and its work is, by its nature, directed to the public benefit.

We educate students so they can fulfil their potential and make a better contribution to society. We undertake research not just to improve our understanding of the world, but also to have a positive impact on global society.

Students

In 2025/26, 39,590 students benefited from 963 programmes, and 12,989 students graduated.

The quality of our student education is externally validated by the Quality Assurance Agency for Higher Education.

Like all other universities, the University of Leeds charges tuition fees to students. The Higher Education and Research Act 2017 capped fees for UK home undergraduate students at £9,535 in 2025/26, increasing by inflation to £9,790 in 2026/27.

Alongside government student loans, UK students from disadvantaged backgrounds can access non-repayable financial support, bursaries and scholarships. The University of Leeds Financial Assistance Fund is available to all students facing a specific financial need. Financial support is delivered in tandem with non-financial support through schemes such as the Plus Programme. In 2025/26, the University committed £18m towards financial support, access, disability, and research and evaluation activities.

Our outreach teams, which support the progression to higher education for the brightest and best students, regardless of their background, delivered 933 activities across 598 strategically targeted schools and colleges.

Our contextual admissions schemes mean that students can demonstrate their potential in ways other than exam grades.

This commitment to widening participation has contributed to an increase in students from ethnically minoritised backgrounds coming to Leeds. We also support entrants through the Lifelong Learning Centre and the Plus Programme, with the development of networks to build a sense of belonging and bespoke opportunities to increase employability.

Research

The University of Leeds is one of the largest research-intensive higher education institutions in the UK, with a headcount of over 10,100 staff and almost 2,200 postgraduate research students.

As an anchor institution, our research brings economic, health, environmental and social benefits to our local communities. The University of Leeds operates as a ‘university without walls’, building effective external partnerships to maximise our impact. We place ourselves at the heart of the Leeds City Region, and work with local businesses, communities, public-sector and third-sector bodies to build a sustainable, inclusive and resilient economy.

In 2025/26, the University attracted research grant income worth £191m (2024/25: £186m) from a range of funders, allowing us to support a broad and deep research and innovation base that delivers transformational, curiosity-driven fundamental and applied research, not only nationally but also in partnership with 71 countries around the globe.

Maintaining standards

The University supports and upholds the principles articulated in the Concordat to Support Research Integrity, publishing an annual statement. The Council approved a revised version of our Code of Practice on Whistleblowing in March 2026, renamed Whistleblowing Policy and Procedure, which sets out how we will handle complaints of suspected malpractice or impropriety.

The University operates a Students Complaints Procedure, which provides for both informal and formal resolution of concerns about any aspect of a student’s academic or pastoral experience.



Financial review

Chief Financial Officer's Report

Overview

The University has recorded an underlying operating deficit of £4m, which is significantly favourable relative to its plan for the year and compares to a deficit of £8m for 2024/25. This is before an £18m one-off cost of a voluntary enhanced retirement (VER) scheme, which was open during the year; further information is provided below. This result has been delivered whilst the sector sees further decline in the international student recruitment market and the competitive nature of the market continues to intensify. This result includes continued significant investment in digital programmes and infrastructure such as the Corporate Processes and Systems (CPS) programme, which are critical enablers to delivery of our strategic ambition. On a statutory basis, the total comprehensive income was £20m, compared to £23m in 2024/25, as set out in the consolidated financial summary table in this report.

We are pleased that in a declining market we were able to deliver an improvement in international student recruitment numbers, which are 6% higher than in 2024/25. It is not expected that the downward market trend will reverse, and we anticipate that the international recruitment market will continue to prove challenging, with increasing levels of competition.

In light of the continued challenging market conditions, we ensured that we were able to maintain the £65m cost savings which we delivered in 2024/25 and continued to maintain a tight control of the cost base.

Alongside this approach to control expenditure, we commenced work to 'rightsize' the cost base and as reported last year, we launched and concluded a VER scheme, which will deliver significant further recurrent savings from 2026/27 onwards.

We continue to hold a high cash balance and have maintained a strong balance sheet, boosted by a further actuarial gain in our local pension (PAS) scheme.

Total income has increased to £1,073m, which is 8% higher than 2024/25. Tuition fee income of £576m was 13% higher, due to a partial recovery in international postgraduate taught student numbers together with a high home undergraduate intake.

Overall expenditure (excluding the £18m one-off VER scheme cost) of £1,077m was 7% higher than in 2024/25. This reflects inflationary impacts, and an increased investment in international scholarships in response to the increasingly competitive international recruitment conditions.

The overall level of capital expenditure in 2025/26, including tangible and intangible assets, was £73m (2024/25: £55m). This spend continues to be lower than pre-pandemic levels and reflects our near-term focus on investment supporting critical IT infrastructure and digital transformation programmes. Spend in the last year focused on campus improvement work. We expect to see an increase in capital expenditure levels as we move ahead with developments in support of the emerging campus masterplan.

The One Leeds change programme will be critical in enabling us to continue to deliver our academic ambition in an increasingly challenging economic environment, and the priority programmes will help us determine how we strategically rightsize the organisation and cost base. As we move into implementation across the priority areas, we still aim to protect the critical strategic investment needed to support the successful implementation of the University strategy and to deliver on our ambition for the future.

Consolidated financial summary

	2025/26 £'000	2024/25 £'000	Change %	Change £'000
Summary				
Total income	**1,073,463**	998,550	8%	74,913
Expenditure (excluding voluntary enhanced retirement scheme)	**(1,077,134)**	(1,006,703)	(7%)	(70,431)
Underlying operating deficit	**(3,671)**	(8,153)	55%	4,482
Voluntary enhanced retirement scheme	**(18,228)**	–	(100%)	(18,228)
Operating deficit [1]	**(21,899)**	(8,153)	(169%)	(13,746)
Other items [2]	**(2,087)**	(3,049)	32%	962
Deficit	**(23,986)**	(11,202)	(114%)	(12,784)
Actuarial gain	**44,017**	34,333	28%	9,684
Total underlying comprehensive income	**20,031**	23,131	(13%)	(3,100)
Tuition fee and education contracts				
Home students	**214,163**	192,232	11%	21,931
International students	**323,242**	281,553	15%	41,689
Other fees incl NHS teaching contract	**38,566**	37,574	3%	992
Total	**575,971**	511,359	13%	64,612
Funding body grants				
Recurrent grants	**86,805**	88,930	(2%)	(2,125)
Specific grants	**11,604**	12,214	(5%)	(610)
Total	**98,409**	101,144	(3%)	(2,735)
Research grants and contracts				
Research councils, UK charities and government	**154,903**	149,767	3%	5,136
Industry, overseas and other	**36,405**	35,796	2%	609
Total	**191,308**	185,563	3%	5,745

1. Operating deficit is a non-statutory performance measure based on underlying operating deficit less the voluntary enhanced retirement scheme.

2. Other items include: realised gains on disposal of non-current assets, unrealised losses on investments, share of operating surpluses/(deficits) in jointly controlled entities, share of operating deficits in associates and translation gains/(losses) on foreign currency net investments.

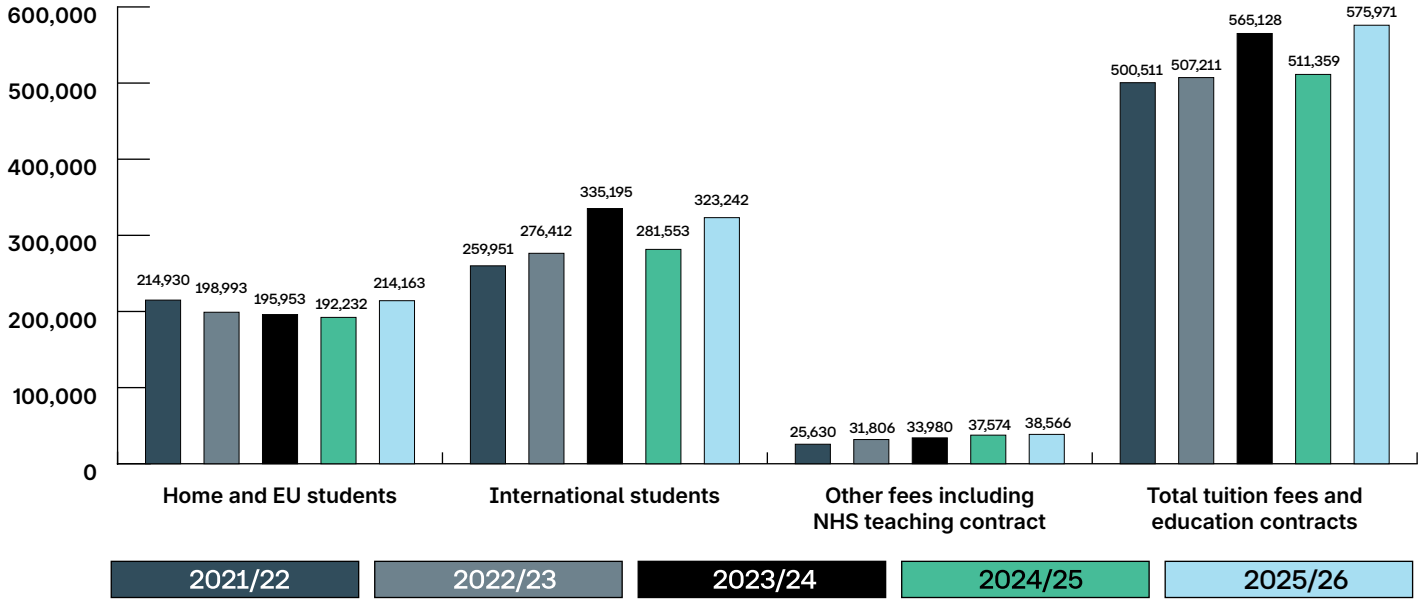
Consolidated financial summary *continued*

	2025/26 £'000	2024/25 £'000	Change %	Change £'000
Capital expenditure				
Externally funded	**(15,045)**	(12,418)	(21%)	(2,627)
University funded	**(58,059)**	(42,246)	(37%)	(15,813)
Total	**(73,104)**	(54,664)	(34%)	(18,440)
Cash and borrowings				
Cash and short-term investments	**445,173**	483,579	(8%)	(38,406)
Borrowings*	**(317,801)**	(319,253)	0%	1,452
Net funds	**127,372**	164,326	(22%)	(36,954)

*Excludes finance lease obligations and service concession arrangement liabilities.

Tuition fees and education contracts

Tuition fees and education contract income over five years (£'000)



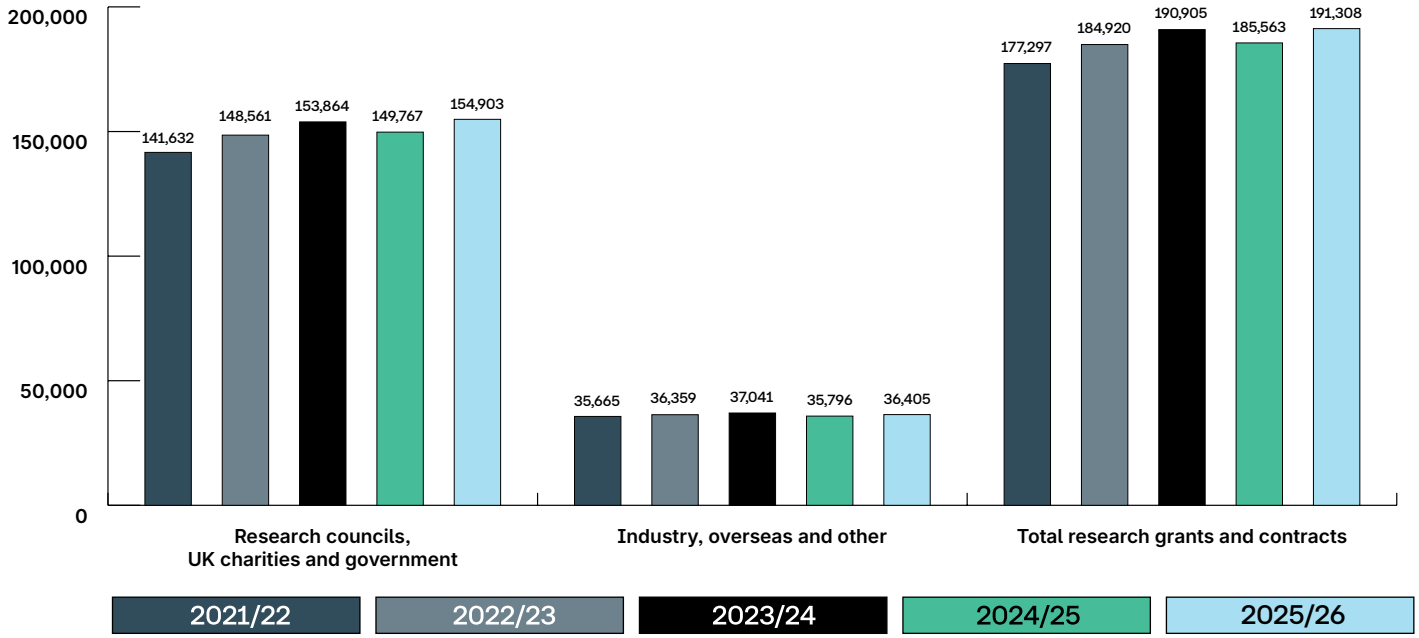
Income from tuition fees and education contracts was £576m, which is a 13% increase on 2024/25.

Fee income from home students increased by 11% to £214m compared to last year. This reflected a higher intake of new undergraduate students together with 3.1% inflation of the home undergraduate fee. Overall, home student numbers increased by 6% to 25,400.

International fee income grew by £42m (15%) to £323m due to a 16% increase in the international postgraduate taught student intake. Total international student numbers (including online and overseas delivery) increased by 6% to almost 14,200.

Research grants and contract income

Research grants and contract income over five years £'000



Research income of £191m was £6m higher than last year. However, new grant awards in 2025/26, which is our measure of the pipeline of future research grants, reduced to £170m (2024/25 £212m) following a particularly strong performance in the prior year. This reduction reflects a more constrained UK Research and Innovation (UKRI) funding environment together with increased competition for new awards which has impacted our success rates.

UKRI continues to be our largest funder of research, with 234 new awards, which will bring in £66m of income over the life of those grants.

The National Institute for Health and Care Research (NIHR) was the next largest funder, with 101 new awards totalling £17.6m. These included a £6.2m project with Leeds Teaching Hospitals NHS Trust, which revolves around a groundbreaking, entirely non-invasive way to destroy liver tumours using sound waves, and £2.87m to evaluate the clinical effectiveness of custom back bracing for patients newly diagnosed with multiple myeloma who also suffer from spinal bone disease.

The Faculty of Environment and the Faculty of Medicine and Health were particularly successful this year, receiving eight of the top 10 largest awards, including:

- £6.82m from Janssen-Cilag for a clinical trial which focuses on personalising treatments for newly diagnosed, transplant-ineligible myeloma patients based on their fitness levels and initial treatment responses
- £5.57m from Schmidt Sciences to study the carbon cycle and massive peatland stores in the Congo Basin to see how the region impacts global climate change
- two awards from Natural Environment Research Council (NERC) of £5.9m and £2.6m continued funding for the National Centre for Atmospheric Science (NCAS)
- £3.34m from TriStar Technology Group to continue the study to evaluate the prevalence of genes and proteins in archives of human tissue samples
- £3m from Engineering and Physical Sciences Research Council (EPSRC) with the mission of accelerating real-world emission reductions by reducing demand, improving resource efficiency and reshaping daily consumption patterns

The Faculty of Biological Sciences was awarded a Wellcome Trust Discovery Award, which utilises cutting-edge, cryo-electron microscopy to map how amyloid protein structures transition from laboratory settings into living tissue, aiming to uncover the structural origins of cellular damage in neurodegenerative and metabolic diseases.

The Faculty of Social Sciences won a prestigious European Research Council Advanced Grant. This £2m project examines the global governance and political dynamics of methane emissions across 16 countries, aiming to address critical gaps in climate policy.

Other income

Other income, including other operating income (which includes residences, catering, conferences, events and income from the NIHR Research Delivery Network (RDN) contract, investment income, donations and endowments), was £208m, 4% higher than last year.

In 2025/26 the University received just over £14m in philanthropic gifts and commitments (which are not all recognised in the 2025/26 SCI) from 2,576 alumni, charitable trusts and other partners to support a broad range of student opportunities, research and strategic initiatives. This represents an increase on the previous year and reflects growing engagement from supporters who share the University's ambition to deliver world-changing research and transformative educational opportunities.

Fundraising growth remains a strategic priority for the University. During the year, planning progressed for a major new philanthropic campaign to coincide with the University's 125th anniversary in 2029, while donor engagement and fundraising project development were strengthened to support delivery of this ambition.

Notable gift commitments this year included:

- £1.7m from a local family trust to continue pioneering ovarian cancer research in memory of a family member
- £1.5m from the Bezos Earth Fund to support the development of an artificial intelligence tool capable of transforming food waste into protein, contributing to environmental sustainability and global food security
- £1.2m from the Huo Family Foundation to support innovative research into the impact of digital technology and social media on young people's brain development
- £0.75m from Douglas and Lizzie Caster to support cultural fellowships, providing emerging poets with the time and support to develop new work and build collaborations across the University and the wider cultural sector

Many gifts, from donors at all levels, continue to transform opportunities for our students. In 2025/26, the University was able to award 118 undergraduate and 70 postgraduate scholarships thanks to the generous support of donors in previous years.

The University remains deeply grateful to its alumni, supporters and partners whose generosity enables pioneering research, supports widening participation activities and enhances our capacity to address major social, health and environmental challenges locally, nationally and globally.

Expenditure

Staff costs (before the one-off VER scheme cost of £18m) of £602m were 5% higher than last year. The growth reflects pay inflation, the final stage of investment by the University in a new pay framework, and the impact of higher employer National Insurance contributions.

Other operating expenditure (including depreciation and impairment) increased by 8% year-on-year to £457m (2024/25: £422m). This includes an £18m increase in international scholarship costs, together with further investment required to support the CPS programme and costs associated with growth in research activity.

Investment priorities

As previously reported, while we recognise the need to rightsize our cost base in light of the sustained downturn in the international student recruitment market, we are also clear that critical investments in digital infrastructure are needed, either as enablers to delivering sustainable improvements in productivity and efficiency or to support our continued delivery of excellence in student education, experience and research. The proximity of the next TEF and REF cycles, and the importance of protecting our position in the top 100 global universities, is at the forefront of our minds as we also determine our priority academic investments. In 2025/26, our total expenditure across these programmes was £55m non-capital spend (2024/25: £52m). Our main focus this year has continued to be on progressing the delivery of our Corporate Processes and Systems, Curriculum Redefined and Research IT (high-performance computing and storage to support researchers) programmes.

From a capital investment perspective, we will develop the Campus Reimagined masterplan over the next year. As described on page 59, Campus Reimagined will shape how we use and experience our spaces, with the masterplan guiding decisions and planning for our campus over the next 15 years. Work in the next year will identify priority projects and sequencing. We will also continue to deliver on strategic priority capital investments including Discovery Science and mobilising the development of the National Poetry Centre. Also, as described on page 61, we are reviewing our delivery pathway and interim milestones towards net zero, reflecting the deepening of our targets for emission reduction and expanded ambition.

Pensions

The Universities Superannuation Scheme (USS) pension remains in a strong financial position. The provisional results from the March 2026 actuarial valuation show a £16.9bn surplus compared to £7.4bn in March 2023. Once the valuation is finalised, any changes to contribution rates or benefits will be implemented in 2027. The scheme's long-term investment strategy is supported by a significant number of employers. With a continued surplus position, there continues to be no deficit recovery provision.

The University of Leeds Pension and Assurance Scheme (PAS) has reported, for accounting purposes, an increase in surplus to £275m (2024/25: £216m). The surplus includes an actuarial gain of £44m for the PAS scheme for 2025/26 (2024/25: £34m). This reflects growth in asset values, particularly bonds and cash, together with reduced liabilities due to a higher discount rate linked to bond yields. The funding valuation as of March 2023 was concluded in June 2024 and showed a surplus of £131m and an ongoing contribution rate of 21.7% (down from 23.5%), including employer contributions of 14.8% (down from 16%). The March 2026 actuarial valuation is currently in progress.

There has been a £2m reduction in the PAS service cost in 2025/26 to £9m. This is calculated on an actuarial basis and is reported within staff costs in the underlying operating result.

Balance sheet

Our balance sheet remains resilient and our liquidity position continues to provide a degree of financial protection whilst we manage through our significant strategic change programmes. These are designed to provide us with the agility to deal with any future headwinds that may arise, in addition to those already faced by the higher education sector. Current challenges include: the adverse impacts and uncertainty of government policies on immigration and, education and skills; continued pressure on the affordability and attractiveness of overseas study; intensity of competition, particularly in the international student recruitment markets; inflationary and pay-related cost pressures; and the continued inadequacy of funding for home undergraduate teaching.

As outlined earlier in my report, despite the challenging environment, we continue to focus resources on initiatives that support student recruitment, enhance the student experience and graduate outcomes, strengthen our research capability and future REF performance, and ensure we are well positioned for the approaching Teaching Excellence Framework (TEF) assessment. We have also continued to deliver operational efficiencies through transformation, process improvement and careful management of our cost base.

Year-on-year net assets increased marginally by £20m to £1.31bn from £1.29bn. This has been driven predominantly by a £44m actuarial gain in the PAS pension scheme, net of the operating deficit of £22m in the year.

The net book value of tangible and intangible assets has decreased by £3m to £891m, offset by depreciation and amortisation of £66m and impairments of £7m.

The Group retained £445m of cash and current investments on 31 July 2026, of which £310m was held in five separate money market funds, £103m was held in a cash plus money market fund, £20m was held in short-term deposits and the remaining £12m was held on call. Further accessible investments of £74m are held with the intention of long-term growth and to repay our bond at maturity.

Cash outflows for self-funded capital expenditure (£58m) and interest and loan payments (£14m) exceeded net cash inflows from operations (£14m), investment income (£23m) and new non-current asset investments (£3m).

Following Moody’s periodic review of ratings of the University of Leeds in May 2026, the existing rating of A1 was maintained, and outlook updated from positive to stable. Despite this moderation, the rating reflects our solid financial performance, strong financial management, and the robust regulatory framework of the English higher education sector; although it also reflects declining cash and investments.

As borrowings have marginally reduced, and with no significant movements in unrestricted reserves this year, the gearing ratio has slightly reduced on 31 July 2026 to 28% (2024/25: 29%).

Despite periods of market volatility during the year arising from geopolitical uncertainty and fluctuations in global economic and trade policy expectations, investment markets delivered positive returns overall. The endowment investment portfolio rose by £2m to £98m (2024/25: £96m); and the value of the bond repayment fund portfolio rose by £2m to £75m (2024/25: £73m). Portfolio values include cash balances held within the investment portfolios.

We continue to pursue a responsible investment strategy for our investment portfolio and, through our investment managers, Sarasin & Partners, invest in purposeful organisations seeking to address social and environmental challenges while delivering sustainable long-term returns. The portfolio is actively managed on the University's behalf and, despite recent market volatility and short-term fluctuations in performance, the University remains focused on achieving its long-term investment objective of CPI +4%. Ongoing projects benefited from a distribution of £2.7m during the year. The University is also undertaking a periodic review of its Responsible Investment approach as part of its normal oversight of the investment portfolio to ensure that it continues to support both the University's values and its long-term financial objectives.

Conclusion

We are pleased to be reporting a close to breakeven operating result for 2025/26 (before one-off VER scheme costs) despite continued challenging financial conditions. This has been supported by better than planned home undergraduate recruitment, modest recovery in our international postgraduate taught recruitment and holding our cost base tight, whilst investing strategically to support our international student recruitment, protect the quality of the student experience and continue with the investment support required to deliver the CPS programme.

It is evident that the international recruitment market continues to be in decline and the level of competition is intensifying; therefore, we are pleased to be currently holding our share in this challenging market. Whilst responding to that, we are also planning how we will mitigate the additional costs of the new international fee levy for UK HEIs which will come into force from 2028/29.

In addition, it is clear the government's focus for investment in post-16 education will be on the skills agenda, and therefore it is imperative that we develop and implement our own plans to tackle the challenges that the sector faces. For us, the One Leeds priority plans that we have developed will be the means by which we are able to continue to improve our academic performance in both research and education, but also, critically, drive our transformation and efficiency agenda. Successful delivery on both these fronts will also equip us to take full advantage of opportunities to accelerate innovation and to ambitiously pursue new income streams.

The One Leeds plan is delivering a strategic response which will enable us to return to a sufficient and sustainable level of operating surplus over the next five years. As noted, strategically rightsizing our cost base is a key component of this, and we have made the first significant step this year through our successful VER scheme. Investment is critical to delivering on those plans, so that we have modern and resilient infrastructure which we can rely on, and we have made good progress this year towards completing the delivery of the CPS programme.

We are committed to executing with ambition and at pace the One Leeds priority plans but are realistic that the benefits will be realised over a three-year period. We therefore remain vigilant of our cash and liquidity position, carefully considering new investment opportunities, prioritising those that are aligned with and critical to enabling us to return to generating a sufficient and sustainable level of operating surplus over the next five years.

Jane Madeley, Chief Financial Officer

Independent auditor's report to the Council of the University of Leeds

Report on the audit of the financial statements

1. Opinion

In our opinion the financial statements of University of Leeds (the 'University') and its subsidiaries (the 'Group'):

- give a true and fair view of the state of the Group's and University's affairs as at 31 July 2026 and of the Group's and the University's income and expenditure, gains and losses and changes in reserves and cash flows for the year then ended; and
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" and the Statement of Recommended Practice: Accounting for Further and Higher Education.

We have audited the financial statements which comprise:

- the Consolidated and University statement of comprehensive income and expenditure;
- the Consolidated and University statement of changes in reserves;
- the Consolidated and University balance sheet;
- the Consolidated statement of cash flows;
- the Statement of accounting policies;
- the related notes 1 to 35; and
- the Financial responsibility supplemental schedule for the US Department of Education (note 36), being required by reference to the University of Leeds accepting students under the US Department of Education student financial assistance programs.

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) and the Statement of Recommended Practice: Accounting for Further and Higher Education (2019).

2. Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of our report.

We are independent of the Group and the University in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the Financial Reporting Council's (the 'FRC's') Ethical Standard as applied to listed public interest entities, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We confirm that we have not provided any non-audit services prohibited by the FRC's Ethical Standard to the Group or the University subject to one exception. An overseas Deloitte network firm entered into an engagement with a consortium of universities, led by a university other than the University of Leeds, to provide advice and support in connection with a project proposal to the European Commission seeking public funding for clinical trials. The University of Leeds was a member of the consortium. The total fees in respect of these services were expected to be around EUR40,000, of which the effective

share for the University of Leeds was around EUR10,000. Immediately upon identification of a potential breach the services were suspended, and they were then terminated before completion, as soon as it was identified that they were prohibited under the FRC's Ethical Standard.

Following investigation, it was concluded in agreement with the Audit & Risk Committee that the extent of the provision of these services did not impact upon our objectivity, integrity and independence as auditor to the University and the Group. This is because the services were provided by a team separate to the audit team, in a different country and the size of the fee was immaterial and inconsequential. The non-audit services provided to the Group and the University for the year are disclosed in note 9 to the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

3. Summary of our audit approach

Key audit matters	The key audit matter that we identified in the current year was (which is consistent with the prior year): • Capitalisation of expenditure on tangible assets
Materiality	The materiality that we used for the Group financial statements was £12.8m (2025: £12.1m) which was determined on the basis of 1.2% (2025: 1.2%) of total income.
Scoping	An audit of the entire financial information was performed on the University covering 99% of the Group's total income (2025: 99%), and 100% of the Group's total net assets (2025: 100%).
Significant changes in our approach	There have been no significant changes to our audit approach in the current year.

4. Conclusions relating to going concern

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

Our evaluation of the Council's assessment of the Group's and University's ability to continue to adopt the going concern basis of accounting included:

- obtaining an understanding of the forecasting process through enquiries with management and inspection of the forecasts;
- evaluating the reasonableness of the detailed assumptions underpinning the Group's forecasts taking into consideration the current economic environment;
- evaluating the University's financial position including the size and liquidity of its investment portfolio;
- assessing forecasting accuracy including the historical accuracy of forecasts against previous performance and comparing post-year end performance to forecast;
- evaluating the forecast loan covenant compliance and the amount of headroom thereon; and
- assessing the appropriateness of the associated disclosures in the financial statements.

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

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

5. Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period and include the most significant assessed risks of material misstatement (whether or not due to fraud) that we identified. These matters included those which had the greatest effect on the overall audit strategy, the allocation of resources in the audit, and directing the efforts of the engagement team.

These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

5.1. Capitalisation of expenditure on tangible assets

Key audit matter description	The Group recognised a total of £72.8m (2025: £54.1m) of additions to property, plant and equipment and assets under construction in the year ended 31 July 2026, as disclosed in note 13 to the financial statements. These additions predominantly relate to new academic facilities and infrastructure improvements. Judgement is applied in determining whether expenditure is capital in nature under the definitions of capital expenditure within FRS 102. This judgement gives rise to the potential for manipulation and bias, which could result in overstatement of capital items on the balance sheet. Therefore, we consider this to be a risk of material misstatement due to fraud. Details of the accounting policies applied are set out in the Statement of accounting policies note 13 as reflected in the annual report on pages 116 and 117.
How the scope of our audit responded to the key audit matter	To address the risk that tangible asset expenditure is inappropriately capitalised, our procedures included: • obtaining an understanding of management's process and the relevant controls over the capitalisation of tangible assets, including those in respect of related classes of transactions in the statement of comprehensive income and expenditure; • assessing the appropriateness of management's accounting policy and the application of that policy; • for a sample of additions to tangible assets (including equipment purchases) and assets under construction, we obtained and evaluated supporting audit evidence and challenged management's assessment as to whether these specific additions represented capital items by assessing the nature of the additions against the criteria set out in FRS 102; and • assessing the appropriateness of the related disclosures in note 13 to the consolidated financial statements.
Key observations	As a result of our procedures, we are satisfied that the capitalisation of tangible assets expenditure is appropriate and meets the relevant capitalisation criteria.

6. Our application of materiality

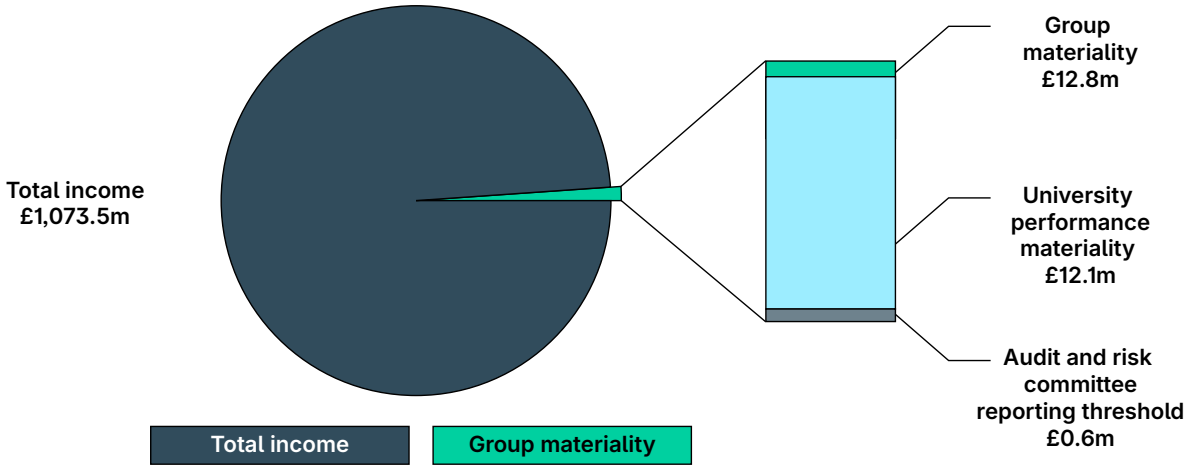
6.1. Materiality

We define materiality as the magnitude of misstatement in the financial statements that makes it probable that the economic decisions of a reasonably knowledgeable person would be changed or influenced. We use materiality both in planning the scope of our audit work and in evaluating the results of our work.

Based on our professional judgement, we determined materiality for the financial statements as a whole as follows:

	Group financial statements	University financial statements
Materiality	£12.8m (2025: £12.0m)	£12.1m (2024: £11.4m)
Basis for determining materiality	1.2% of total income (2025: 1.2% of total income)	University materiality equates to 1.1% of total income (2025: 1.1% of total income), which represents 95.0% of Group materiality (2025: 95.0%)
Rationale for the benchmark applied	We continue to use total income as the benchmark for determining materiality as we deem this reflects the underlying performance of the Group and University and is a key metric for users of the financial statements.	

The amounts disclosed in note 10, expenditure on access and participation activities, has been audited to a lower materiality of £0.9m (2025: £0.9m). This is due to the importance of this information to the regulator, the Office for Students, as a key user of the financial statements. This lower materiality was determined on the basis of 5% (2025: 5%) of the total relevant expenditure of £18.3m disclosed in that note (2024: £17.7m). No other account balances, classes of transactions or disclosures have been audited to a materiality lower than that for the financial statements as a whole.



6.2. Performance materiality

We set performance materiality at a level lower than materiality to reduce the probability that, in aggregate, uncorrected and undetected misstatements exceed the materiality for the financial statements as a whole.

	Group financial statements	University financial statements
Performance materiality	70% (2025: 70%) of Group materiality	70% (2025: 70%) of University materiality
Basis and rationale for determining performance materiality	In determining performance materiality, we considered the following factors: • risk assessment procedures, including our assessment of the quality of the control environment; • management's willingness to investigate and correct misstatements identified in the audit; • the nature, volume and size of uncorrected misstatements identified in the previous audit.	

6.3. Error reporting threshold

We agreed with the Audit and Risk Committee that we would report to the Committee all audit differences in excess of £0.6m (2025: £0.6m), as well as differences below that threshold that, in our view, warranted reporting on qualitative grounds. We also report to the Audit and Risk Committee on disclosure matters that we identified when assessing the overall presentation of the financial statements.

7. An overview of the scope of our audit

7.1. Identification and scoping of components

Our Group audit was scoped by obtaining an understanding of the Group and its environment, including Group-wide controls, and assessing the risk of material misstatement at the Group level. The Group contains eight components with the only component in scope for testing being the University. All audit work for the purposes of the group audit is performed directly by the group engagement team.

At the group level, we tested the consolidation process and performed analytical procedures to assess whether there were any significant risks of material misstatements in the aggregated financial information of the components not selected for further audit procedures. An audit of the entire financial information was performed on the University covering 99% of the Group's total income (2025: 99%), and 100% of the Group's total net assets (2025: 100%) by the Group. There have been no significant changes in our scoping compared to prior year.

7.2. Our consideration of the control environment

We have identified two key IT systems relevant to the audit: SAP, which is the entity's general ledger system and Banner, which is the student administration system. We involved our IT specialists to obtain an understanding of the IT environment and general IT controls within the underlying SAP and Banner systems.

Our controls approach focused on obtaining an understanding of the relevant controls relating to capitalisation of expenditure on tangible assets, financial reporting, the University of Leeds Pension and Assurance Scheme (PAS) and research grant income. We did plan to take a controls reliance approach on the tangible assets business cycle this year however during obtaining an understanding of relevant controls we noted control deficiencies in relation to the manual review controls in place. As a result, we did not apply a control reliance approach on any balance or business cycle and followed a fully substantive approach this year. This is consistent with prior years.

7.3. Our consideration of climate-related risks

In planning our audit, we have considered management's climate change risk assessment and resilience review and the potential impact of future plans on the Group's financial statements. As part of our audit, we have held discussions with management to understand and evaluate their process for assessing the impact of climate change on the Group and its financial statements. Management considers that the medium-term financial reporting risk is primarily physical and is likely to result in reassessment of useful economic lives of fixed assets and potentially impairment in the future once the updated roadmap to net zero is finalised. Management also considers that the impact of climate change does not currently give rise to a material financial statement impact.

We have evaluated the appropriateness of disclosures included in the financial statements within note 23 of the Statement of accounting policies and have read the disclosure made in relation to climate change in the other information within the Annual Report on page 61 to consider whether they are materially consistent with the financial statements and our knowledge obtained in the audit.

8. Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The Council is responsible for the other information contained within the annual report.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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 course of 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 this gives rise to a material misstatement in the financial statements. 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.

9. Responsibilities of the Council

As explained more fully in the statement of primary responsibilities of the Council, the Council is responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Council determines 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 Council is responsible for assessing the Group's 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 Council either intends to liquidate the Group or the University or to cease operations, or has no realistic alternative but to do so.

10. Auditor's responsibilities for the audit of the financial statements

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

A further description of our responsibilities for the audit of the financial statements is located on the FRC's website. This description forms part of our auditor's report.

11. Extent to which the audit was considered 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.

11.1. Identifying and assessing potential risks related to irregularities

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, we considered the following:

- the nature of the industry and sector, control environment and business performance including the design of the Group's remuneration policies, key drivers for the Vice-Chancellor and President's remuneration, bonus levels and performance targets;
- results of our enquiries of management, internal audit, and the Audit and Risk Committee about their own identification and assessment of the risks of irregularities, including those that are specific to the Group's sector;
- any matters we identified having obtained and reviewed the Group's documentation of their policies and procedures relating to:
    - identifying, evaluating and complying with laws and regulations and whether they were aware of any instances of non-compliance;
    - detecting and responding to the risks of fraud and whether they have knowledge of any actual, suspected or alleged fraud;
    - the internal controls established to mitigate risks of fraud or non-compliance with laws and regulations; and
- the matters discussed among the audit engagement team and relevant internal specialists, including pensions and IT specialists, regarding how and where fraud might occur in the financial statements and any potential indicators of fraud.

As a result of these procedures, we considered the opportunities and incentives that may exist within the organisation for fraud and identified the greatest potential for fraud in the following area: capitalisation of expenditure on tangible assets. In common with all audits under ISAs (UK), we are also required to perform specific procedures to respond to the risk of management override.

We also obtained an understanding of the legal and regulatory frameworks that the Group operates in, focusing on provisions of those laws and regulations that had a direct effect on the determination of material amounts and disclosures in the financial statements. The key laws and regulations we considered in this context included the Higher Education Act, Office for Students Regulatory Advice 9: Accounts Direction and the relevant provisions of the code of financial regulations relating to the supplemental schedule.

In addition, we considered provisions of other laws and regulations that do not have a direct effect on the financial statements but compliance with which may be fundamental to the Group's ability to operate or to avoid a material penalty. These included the Group's conditions of registration with the Office for Students.

11.2. Audit response to risks identified

As a result of performing the above, we identified the capitalisation of expenditure on tangible assets as a key audit matter related to the potential risk of fraud. The key audit matters section of our report explains the matter in more detail and also describes the specific procedures we performed in response to that key audit matter.

In addition to the above, our procedures to respond to risks identified included the following:

- reviewing the financial statement disclosures and testing to supporting audit evidence to assess compliance with provisions of relevant laws and regulations described as having a direct effect on the financial statements;
- enquiring of management, the Audit and Risk Committee and in-house and external legal counsel concerning actual and potential litigation and claims;
- performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud;
- reading minutes of meetings of those charged with governance, reviewing internal audit reports and reviewing correspondence with the Office for Students; and
- in addressing the risk of fraud through management override of controls, testing the appropriateness of journal entries and other adjustments; assessing whether the judgements made in making accounting estimates are indicative of a potential bias; and evaluating the business rationale of any significant transactions that are unusual or outside the normal course of business.

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

Report on other legal and regulatory requirements

12. Opinions on other matters prescribed by the Office for Students (OfS) "Regulatory Advice 9: Accounts Direction"

In our opinion, in all material respects:

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

13. Matters on which we are required to report by exception

13.1. Matters required under the OfS Accounts Direction

Under the OfS Regulatory Advice 9: Accounts Direction, we are required to report in respect of the following matters if, in our opinion:

- the provider's grant and fee income, as disclosed in note 3a to the accounts, has been materially misstated; or
- the provider's expenditure on access and participation activities for the financial year, as disclosed in note 10 to the accounts, has been materially misstated.

We have nothing to report in respect of these matters.

14. Other matters which we are required to address

14.1. Auditor tenure

Following the recommendation of the Audit and Risk Committee, we were appointed by the Council in April 2004 to audit the financial statements for the year ending 31 July 2005 and subsequent financial periods. The period of total uninterrupted engagement including previous renewals and reappointments of the firm is 22 years. Our tenure covers the years ending 31 July 2005 to 31 July 2026 which includes the period in which the University issued its first listed debt in the year ended 31 March 2016. This is our final year of appointment.

14.2. Consistency of the audit report with the additional report to the Audit and Risk Committee

Our audit opinion is consistent with the additional report to the Audit and Risk Committee we are required to provide in accordance with ISAs (UK).

15. Use of our report

This report is made solely to the Council in accordance with the Accounts Direction issued by the Office for Students dated 12 March 2026. Our audit work has been undertaken so that we might state to the Council those matters we are required to state to it 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 Council, for our audit work, for this report, or for the opinions we have formed.



Stephen Turner, FCA (Senior statutory auditor)

For and on behalf of Deloitte LLP

Statutory Auditor

London, UK

26 November 2026

Financial statements for the year ended 31 July 2026



Consolidated and University statement of comprehensive income and expenditure
for the year ended 31 July 2026

	Notes	2025/26		2024/25	
		Consolidated	University	Consolidated	University
		£'000	£'000	£'000	£'000
Income					
Tuition fees and education contracts	1	**575,971**	**575,971**	511,359	511,359
Funding body grants	2	**98,409**	**98,409**	101,144	101,144
Research grants and contracts	3	**191,308**	**191,308**	185,563	185,563
Other income	4	**164,771**	**155,919**	157,791	149,861
Investment income	5	**35,515**	**35,623**	37,321	37,474
Donations and endowments	6	**7,489**	**7,489**	5,372	5,372
Total income		**1,073,463**	**1,064,719**	998,550	990,773
Expenditure					
Staff costs (excluding cost of voluntary enhanced retirement scheme)	7	**602,362**	**598,439**	574,369	570,695
Voluntary enhanced retirement scheme	7	**18,228**	**18,228**	–	–
Total staff costs		**620,590**	**616,667**	574,369	570,695
Other operating expenses	9	**390,958**	**387,661**	356,260	353,101
Depreciation and amortisation	12, 13	**66,438**	**65,924**	65,881	65,401
Impairment of tangible assets	13	**7,359**	**7,359**	–	–
Interest and other finance costs	8	**10,017**	**9,984**	10,193	10,149
Total expenditure		**1,095,362**	**1,087,595**	1,006,703	999,346
Operating deficit		**(21,899)**	**(22,876)**	(8,153)	(8,573)
Realised gains on disposal of non-current assets		**2,270**	**2,295**	2,311	2,311
Unrealised losses on investments		**(4,178)**	**(4,178)**	(4,621)	(4,621)
Share of operating surpluses/(deficits) in jointly controlled entities		**171**	**–**	(2)	–
Share of operating deficits in associates		**(129)**	**–**	(546)	–
Deficit before tax		**(23,765)**	**(24,759)**	(11,011)	(10,883)

Consolidated and University statement of comprehensive income and expenditure
for the year ended 31 July 2026 *continued*

	Notes	2025/26		2024/25	
		Consolidated	University	Consolidated	University
		£'000	£'000	£'000	£'000
Taxation charge	11	**(229)**	**(255)**	(184)	(232)
Deficit for the year		**(23,994)**	**(25,014)**	(11,195)	(11,115)
Actuarial gain in respect of pension schemes	33	**44,017**	**44,017**	34,333	34,333
Translation gains/(losses) on foreign currency net investments		**8**	**–**	(7)	–
Total comprehensive income for the year		**20,031**	**19,003**	23,131	23,218
Represented by:					
Endowment comprehensive income for the year		**1,856**	**1,856**	1,096	1,096
Restricted comprehensive expense for the year		**(1,228)**	**(1,228)**	(6,880)	(6,845)
Unrestricted comprehensive income for the year		**19,403**	**18,375**	28,915	28,967
Total comprehensive income for the year		**20,031**	**19,003**	23,131	23,218

All items of income and expenditure relate to continuing activities.

Consolidated and University statement of changes in reserves
for the year ended 31 July 2026

Consolidated	Notes	Income and expenditure account			
		Endowment	Restricted	Unrestricted	Total
		£'000	£'000	£'000	£'000
Balance at 1 August 2024		94,762	26,715	1,141,812	**1,263,289**
Surplus/(deficit) from the statement of comprehensive income and expenditure		1,096	(6,880)	(5,418)	**(11,202)**
Other comprehensive income	33	–	–	34,333	**34,333**
Total comprehensive income/(expense) for the year		1,096	(6,880)	28,915	**23,131**
Balance at 31 July 2025		95,858	19,835	1,170,727	**1,286,420**
Surplus/(deficit) from the statement of comprehensive income and expenditure		1,856	(1,228)	(24,614)	**(23,986)**
Other comprehensive income	33	–	–	44,017	**44,017**
Total comprehensive income/(expense) for the year		1,856	(1,228)	19,403	**20,031**
Balance at 31 July 2026		**97,714**	**18,607**	**1,190,130**	**1,306,451**

University	Notes	Income and expenditure account			
		Endowment	Restricted	Unrestricted	Total
		£'000	£'000	£'000	£'000
Balance at 1 August 2024		94,762	26,680	1,143,205	**1,264,647**
Surplus/(deficit) from the statement of comprehensive income and expenditure		1,096	(6,845)	(5,366)	**(11,115)**
Other comprehensive income	33	–	–	34,333	**34,333**
Total comprehensive income/(expense) for the year		1,096	(6,845)	28,967	**23,218**
Balance at 31 July 2025		95,858	19,835	1,172,172	**1,287,865**
Surplus/(deficit) from the statement of comprehensive income and expenditure		1,856	(1,228)	(25,642)	**(25,014)**
Other comprehensive income	33	–	–	44,017	**44,017**
Total comprehensive income/(expense) for the year		1,856	(1,228)	18,375	**19,003**
Balance at 31 July 2026		**97,714**	**18,607**	**1,190,547**	**1,306,868**

Consolidated and University balance sheet
as at 31 July 2026

	Notes	2025/26		2024/25	
		Consolidated	University	Consolidated	University
		£'000	£'000	£'000	£'000
Non-current assets					
Intangible assets	12	**8,495**	**8,495**	9,710	9,710
Tangible assets	13	**848,688**	**841,928**	851,020	844,130
Heritage assets	14	**33,589**	**33,589**	33,562	33,562
Investments	16	**166,999**	**171,990**	162,910	167,961
Investments in joint ventures	17	**494**	**–**	323	–
Investments in associates	18	**447**	**–**	635	–
Debtors: amounts falling due after more than one year	19	**4,726**	**11,373**	8,114	14,793
Retirement benefit assets	33	**275,102**	**275,102**	216,459	216,459
Total non-current assets		**1,338,540**	**1,342,477**	1,282,733	1,286,615
Current assets					
Stock		**778**	**703**	892	852
Debtors: amounts falling due within one year	19	**122,338**	**122,481**	90,390	90,627
Investments	20	**122,033**	**122,033**	117,094	117,094
Cash and cash equivalents	21	**323,140**	**318,633**	366,485	363,028
Total current assets		**568,289**	**563,850**	574,861	571,601
Less: Creditors: amounts falling due within one year	22	**(256,859)**	**(254,994)**	(223,899)	(222,003)
Net current assets		**311,430**	**308,856**	350,962	349,598
Total assets less current liabilities		**1,649,970**	**1,651,333**	1,633,695	1,636,213
Creditors: amounts falling due after more than one year	23	**(336,929)**	**(337,875)**	(339,821)	(340,894)
Provisions					
Other provisions	24	**(6,590)**	**(6,590)**	(7,454)	(7,454)
Total net assets		**1,306,451**	**1,306,868**	1,286,420	1,287,865

Consolidated and University balance sheet
as at 31 July 2026 *continued*

	Notes	2025/26		2024/25	
		Consolidated	University	Consolidated	University
		£'000	£'000	£'000	£'000
Restricted reserves					
Income and expenditure reserve – endowment reserves	25	**97,714**	**97,714**	95,858	95,858
Income and expenditure reserve – restricted reserves	26	**18,607**	**18,607**	19,835	19,835
Unrestricted reserves					
Income and expenditure reserve – unrestricted reserves		**1,190,130**	**1,190,547**	1,170,727	1,172,172
Total reserves		**1,306,451**	**1,306,868**	1,286,420	1,287,865

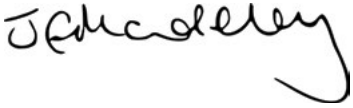
The financial statements were approved by Council on 26 November 2026 and were signed on its behalf by:



Professor Shearer West CBE
Vice-Chancellor and President



Alastair Da Costa
Chair of Council



Jane Madeley
Chief Financial Officer

Consolidated statement of cash flows
for the year ended 31 July 2026

	Notes	2025/26	2024/25
		£'000	£'000
Cash flows from operating activities			
Deficit before tax		**(23,757)**	(11,011)
Adjustment for non-cash items			
Depreciation	13	**64,942**	64,420
Amortisation of intangible assets	12	**1,496**	1,461
Impairment of tangible assets	13	**7,359**	–
Unrealised losses on investments		**4,178**	4,621
Defined benefit pension adjustment		**(1,803)**	602
Decrease in stock		**114**	151
(Increase)/decrease in debtors		**(29,475)**	3,362
Increase/(decrease) in creditors		**35,392**	(5,941)
Decrease in provisions	24	**(864)**	(5,535)
Share of operating (surpluses)/deficits in jointly controlled entities		**(171)**	2
Share of operating deficits in associates		**129**	546
Adjustment for investing or financing activities			
Investment income	5	**(35,515)**	(37,321)
Interest and other finance costs	8	**10,017**	10,193
Endowment income	6	**(10)**	–
Gains on disposal of non-current assets		**(2,270)**	(2,311)
Capital grant income		**(15,045)**	(12,418)
Cash flows from operating activities		**14,717**	10,821
Tax paid		**(274)**	(130)
Net cash inflows from operating activities		**14,443**	10,691

Consolidated statement of cash flows
for the year ended 31 July 2026 *continued*

	Notes	2025/26	2024/25
		£'000	£'000
Cash flows from investing activities			
Proceeds from sales of tangible assets		**4**	91
Capital grant receipts		**15,671**	12,055
Placement of deposits		**(10,000)**	(30,000)
Withdrawal of deposits		**5,000**	30,000
Investment income		**23,213**	27,834
Payments made to acquire tangible assets		**(74,151)**	(53,984)
Payments made to acquire intangible assets	12	**(281)**	–
Payments made to acquire heritage assets	14	**(27)**	–
New non-current asset investments		**(3,140)**	(2,416)
Net cash used in investing activities		**(43,711)**	(16,420)
Cash flows from financing activities			
Interest paid		**(9,596)**	(9,714)
Interest element of finance lease and service concession payments	8	**(854)**	(938)
Endowment cash received		**410**	–
New finance leases		**25**	250
Repayments of amounts borrowed		**(1,000)**	(2,061)
Capital element of finance lease and service concession payments		**(3,062)**	(2,874)
Net cash used in financing activities		**(14,077)**	(15,337)
Decrease in cash and cash equivalents in the year		**(43,345)**	(21,066)
Cash and cash equivalents at beginning of the year	21	**366,485**	387,551
Cash and cash equivalents at end of the year	21	**323,140**	366,485

Statement of accounting policies
for the year ended 31 July 2026

1. University information

The University is an independent corporation established by Royal Charter in 1904 as a teaching and examining body to cultivate and promote arts, science and learning. These objects, and its powers and framework of governance, are set out in the Charter and its supporting Statutes, amendments to which must be approved by the Privy Council. It receives substantial public funding and, by virtue of the educational nature of its objectives, is an exempt charity under Schedule 3 of the Charities Act 2011.

Address:

University of Leeds
Woodhouse Lane
Leeds, England
LS2 9JT

Royal Charter Number: RC000658

2. Basis of preparation

The financial statements have been prepared in accordance with the Statement of Recommended Practice (SORP): Accounting for Further and Higher Education (2019 edition) and in accordance with Financial Reporting Standard 102, the financial reporting standard applicable in the UK (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 as modified by the revaluation of endowment asset investments, listed fixed-asset investments, heritage assets and certain other fixed assets.

These financial statements have also been prepared in accordance with the Office for Students (OfS) Accounts Direction, as published in March 2026.

The financial statements are prepared in pound sterling, which is the University's and consolidated functional presentation currency, and rounded to the nearest £1k unless otherwise stated.

Standards issued but not yet effective

The University has not early adopted the amendments to FRS 102 which became effective for accounting periods commencing on or after 1 January 2026. The University intends to adopt the new requirements in the financial year ending 2027.

Management is currently assessing the impact of adoption. Based on the assessment performed to date, the University expects that the principal effects will relate to leases and revenue recognition and may have a material impact on the transition. The full quantitative impact will be determined during the implementation process.

Going concern

The Council is satisfied that the Group has significant financial resources and a long-term financial plan that underpins the delivery of a broader strategic plan.

This assessment draws upon the strong financial position at July 2026 and financial forecasts to 2031 which show a return to surplus. At 31 July 2026 we had cash and current investments of £445m (2024: £484m) and forecasts to 2031 show significant headroom compared to our target minimum cash level of £133m.

We have derisked our financial forecasts particularly relating to international student recruitment, and scoped other risks and opportunities.

The Council is satisfied therefore that the Group has adequate resources to continue operating for the foreseeable future. Accordingly, it continues to adopt the going concern basis in preparing the financial statements and its Integrated Annual Report.

3. Exemptions under FRS 102

The University has taken the exemption under Section 3.3 of the SORP (1.12(b) of FRS 102) to not produce a cash flow statement for the University in its separate financial statements, and the exemption within FRS 102 Section 33: Related Party Disclosures to not disclose transactions with other wholly owned Group entities.

4. Basis of consolidation

The consolidated financial statements combine the financial statements of the University and its subsidiary undertakings (note 16). The consolidated financial statements do not include the income and expenditure of the Leeds University Union (LUU) as the University does not exert control or dominant influence over policy decisions. Associated companies and jointly controlled entities are accounted for using the equity method.

5. Income recognition

Income from the sale of goods or services is credited to the statement of comprehensive 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 gross of any expenditure and credited to the statement of comprehensive income and expenditure over the period in which students are studying. Bursaries and scholarships are accounted for gross as expenditure and not deducted from income.

Investment income is credited to the statement of comprehensive income and expenditure on a receivable basis.

Funds the University receives and disburses as paying agent on behalf of a funding body are excluded from the income and expenditure of the University where the University is exposed to minimal risk or receives minimal economic benefit related to the transaction.

The University had no significant income or operating surplus from activities other than its principal activity or from activities outside the United Kingdom and, as a result, no segmental reporting is presented.

Grant funding

Grant funding, including block grants from funding councils, research grants from government sources and grants (including research grants) from non-government sources, are recognised as income when the University is entitled to the income. Income received in advance of performance-related conditions being met is recognised as deferred income within creditors on the balance sheet and released to income as the underlying performance conditions are met.

Donations and endowments

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

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

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

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

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

Donations of tangible assets are included within income at the fair value of the fixed asset.

Capital grants

Capital grants are recognised in income when the University is entitled to the funds subject to any performance-related conditions being met. Where grant-funded assets are in the course of construction, we consider on a case-by-case basis whether their construction constitutes a performance-related condition. In the event that it does, income will be recognised as the expenditure to complete the asset is incurred.

6. Total return

The University operates a total return endowment investment management policy for permanent endowments and an associated total return accounting policy. Total return accounting allows the spending of permanent endowment investment gains regardless of whether they are realised/unrealised capital gains or dividend/interest income. Investment gains on permanent endowment assets are recognised in the statement of comprehensive income and expenditure as accrued.

The gains are recorded within the University's permanent endowment reserves as the unapplied return. For permanent endowments, the unapplied return is transferred to unrestricted reserves as expenditure is incurred against the charitable purposes of each endowment.

UK charity law requires the University to maintain the charitable benefit of all permanent endowments in perpetuity. The University has adopted a policy of indexing brought forward permanent endowment capital by the Consumer Price Index (CPI) to maintain the original capital value in real terms. To achieve this, a transfer is made on an annual basis from the unapplied return to an indexation reserve (a subset of permanent endowment capital).

7. Accounting for retirement benefits

The principal pension schemes for the University's staff are the Universities Superannuation Scheme (USS) and, for support staff, there is a choice between the University of Leeds Defined Contribution Plan (DC Plan) and the University of Leeds Pension and Assurance Scheme (PAS). Under auto-enrolment regulations, the DC Plan is the default scheme for support staff.

USS and PAS are hybrid and defined benefit schemes respectively that are externally funded and contracted out of the State Second Pension Scheme. The funds are valued every three years by actuaries using the projected unit method, the rates of contribution payable being determined by the trustees on the advice of the actuaries.

The USS is a multi-employer scheme for which it is not possible to identify the assets and liabilities to institutional members due to the mutual nature of the scheme and this scheme is therefore accounted for as a defined contribution retirement benefit scheme, as required by Section 28 of FRS 102: Employee Benefits. As a result, the amount charged to the income and expenditure account represents the contributions payable to the scheme in respect of the accounting period. Since the USS scheme continues to be in a surplus position, there is no requirement for the University to hold a liability.

For the other defined benefit scheme, PAS, the cost of providing benefits is determined using the projected unit method, with actuarial valuations being carried out at each balance sheet date. Actuarial gains and losses are recognised in full in the period in which they occur. Past service cost is recognised immediately to the extent that the benefits are already vested, and otherwise is amortised on a straight-line basis over the average period until the benefits become vested. The net pension asset, which is recognised in the balance sheet, represents the fair value of scheme assets, adjusted for unrecognised past service cost. The net asset resulting from this calculation is limited to past service cost, plus the present value of available refund and reductions in future contributions to the scheme.

Defined benefit plan

Defined benefit plans are post-employment benefit plans other than defined contribution plans. Under defined benefit plans, the University's obligation is to provide the agreed benefits to current and former employees, and actuarial risk (that benefits will cost more or less than expected) and investment risk (that returns on assets set aside to fund the benefits will differ from expectations) are borne, in substance, by the University. The Group recognises a liability for its obligations under defined benefit plans net of plan assets. This net defined benefit liability is measured as the estimated amount of benefit that employees have earned in return for their service in the current and prior periods, discounted to determine its present value, less the fair value (at bid price) of plan assets. The calculation is performed by a qualified actuary using the projected unit credit method. Where the calculation results in a net asset, recognition of the asset is limited to the extent to which the University is able to recover the surplus either through reduced contributions in the future or through refunds from the plan.

Defined contribution plan

A DC plan is a post-employment benefit plan under which the University pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts. Obligations for contributions to defined contribution pension plans are recognised as an expense in the statement of comprehensive income and expenditure in the periods during which services are rendered by employees. Further detail is provided on the specific pension schemes in note 33 of the accounts.

8. Employment benefits

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

9. Finance leases

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

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

10. Service concession arrangements

Tangible assets held under service concession arrangements are recognised on the balance sheet at the present value of the minimum lease payments when the assets are brought into use with a corresponding financial liability. The service concession asset is depreciated over the life of the arrangement. Payments under the service concession arrangement are allocated between service costs, finance charges and financial liability repayments to reduce the financial liability to nil over the life of the arrangement.

11. Operating leases

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

12. Foreign currency

Transactions in foreign currencies are translated to sterling at the foreign exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are translated to sterling at the foreign exchange rate ruling at that date. Foreign exchange differences arising on translation are recognised in the deficit in the statement of comprehensive income and expenditure.

13. Tangible assets

Tangible assets are stated at cost less accumulated depreciation and accumulated impairment losses. Residential buildings have been revalued to fair value prior to the date of transition to SORP 2019 and FRS 102, and are measured on the basis of deemed cost, being the revalued amount. Costs incurred in relation to land and buildings after initial purchase or construction, and prior to valuation, are capitalised to the extent that they increase the expected future benefits to the University.

Where parts of a fixed asset have different useful lives, they are accounted for as separate items of tangible assets. Land is not depreciated as it is considered to have an indefinite useful life. Buildings under construction are not depreciated until they are completed.

Buildings are depreciated in equal instalments over their expected useful lives as follows:

- **Academic buildings:** 50 years
- **Residences:** 30 years
- **Laboratories, lecture theatres and other major building refurbishment:** 30 years
- **Other building refurbishment:** 10 years
- **Plant, fixtures and fittings:** 6–10 years

Equipment

In the accounts of the University, individual items or groups of functionally dependent items costing less than £25k are written off in the year of acquisition. All other equipment is capitalised. On a similar basis, the University's subsidiaries apply limits of £1k or less, commensurate with the lower asset values in their respective balance sheets.

Equipment is depreciated in equal instalments over its expected useful life as follows:

- **Computing equipment:** 3–5 years
- **Equipment acquired for specific research projects:** Project life
- **Other equipment:** 10 years
- **Motor vehicles:** 4 years
- **Furniture:** 5 years

Impairment

A review for potential indicators of impairment is carried out at each reporting date. If events or changes in circumstances indicate that the carrying amount of the fixed asset may not be recoverable, a calculation of the impact is completed and arising impairment values charged against the asset and to the statement of comprehensive income and expenditure.

Borrowing costs

Borrowing costs are recognised as expenditure in the period in which they are incurred and are not separately identified and capitalised.

14. Heritage assets

Works of art and other valuable artefacts valued at over £25k are capitalised and recognised at their value where reasonably obtainable, or their cost of acquisition. Heritage assets are not depreciated as their value typically increases over time. The assets are subject to a periodic impairment review in accordance with applicable accounting standards.

15. Intangible assets

Where the Group has control over the asset, intangible assets that cost more than £25k are capitalised at cost and are amortised from the point they are ready for use on a straight-line basis over four to 10 years, representing the estimated economic life of the assets.

Intangible assets are subject to an assessment of whether there are any indicators of impairment at each reporting date. If such indicators exist, the institution will perform an impairment review.

Software as a service (SaaS)

The University assesses whether it controls acquired software, including cloud computing and SaaS arrangements, in order to determine the appropriate accounting treatment.

Costs associated with these arrangements (that are not controlled by the University) are expensed to the statement of comprehensive income and expenditure as incurred. Costs incurred relating to customisation and configuration activities for these arrangements controlled by the University are capitalised as an intangible asset providing the University can demonstrate all of the following:

- it is technically feasible to complete the software and make it available for use or sale;
- management intends to complete the software and use or sell it;
- there is an ability to use or sell the software;
- it can be demonstrated how the software will generate probable future economic benefits;
- there are sufficient technical, financial and other resources to complete the development and to use or sell the software; and
- the expenditure attributable to the software during its development can be reliably measured.

The directly attributable costs that are typically capitalised include professional fees, as well as the costs of materials and services that are consumed. Amortisation of capitalised costs begins at the point when the intangible asset becomes available for use.

Intangible assets are amortised over their useful lives.

Costs that qualify as research costs are written off against surplus/deficits in the year in which they are incurred. Customisation and configuration costs associated with SaaS arrangements not controlled by the University are expensed as incurred unless they are directly attributable to identifiable intangible assets developed or acquired during implementation.

Costs related to maintaining intangible assets that are in use are recognised and recorded as incurred.

16. Investments

Non-current asset investments are held on the balance sheet at amortised cost less impairment where the shares are unlisted and hence the fair value cannot be reliably determined. Listed investments are held at fair value, with movements recognised as surplus or deficit. Investments in jointly controlled entities, associates and subsidiaries are carried at cost less impairment in the University's accounts. Current asset investments are held at fair value with movements recognised in the surplus or deficit.

17. Stock

Except for farm livestock, which is valued as biological assets at fair value less selling costs, stock is stated at the lower of cost and net realisable value. Cost is determined on a first-in-first-out basis and includes all direct costs incurred. Net realisable value is based on estimated selling price less any further selling costs.

18. Cash and cash equivalents and short-term investments

Cash and cash equivalents include cash at bank and in hand and deposits, either repayable on demand or with a maturity of up to three months from the balance sheet date. This also includes short-term, highly liquid money market funds that are readily convertible to known amounts of cash with insignificant risk of change in value.

Deposits with a maturity period of greater than three months from the balance sheet date and money market funds which have a greater than insignificant risk of change in value are classified as current investments.

19. Financial assets and liabilities

Financial assets and liabilities are recognised when the University becomes a party to the contractual provision of the instrument.

All financial assets and liabilities are initially measured at transaction price (including transaction costs), except for those financial assets classified as at fair value through the statement of comprehensive income and expenditure, which are initially measured at fair value (which is normally the transaction price excluding transaction costs), unless the arrangement constitutes a financing transaction. If an arrangement constitutes a finance transaction, the financial asset or financial liability is measured at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

Financial assets and liabilities are only offset in the balance sheet when there exists a legally enforceable right to set off the recognised amounts and the University intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Financial assets are derecognised when and only when a) the contractual rights to the cash flows from the financial asset expire or are settled, b) the Group transfers to another party substantially all of the risks and rewards of ownership of the financial asset, or c) the Group, despite having retained some significant risks and rewards of ownership, has transferred control of the asset to another party and the other party has the practical ability to sell the asset in its entirety to an unrelated third party and is able to exercise that ability unilaterally and without needing to impose additional restrictions on the transfer. Financial liabilities are derecognised only when the obligation specified in the contract is discharged, cancelled or expires.

Investments

Investments in non-convertible preference shares and non-puttable ordinary or preference shares (where shares are publicly traded or their fair value is reliably measurable) are measured at fair value through the statement of comprehensive income and expenditure. Where fair value cannot be measured reliably, investments are measured at cost less impairment. In the consolidated and University balance sheets, investments, including University balance sheet investments (which includes investments in associates and subsidiaries), are measured at cost less impairment.

Loans

Loans that are basic financial instruments (as defined in paragraph 11.9 of FRS 102) are initially recorded at the transaction price, net of any transaction costs. Subsequently, they are measured at amortised cost using the effective interest rate method and are subject to an annual impairment review. Other debt instruments not meeting these conditions are measured at fair value through the statement of comprehensive income and expenditure.

Public bonds

Bonds are initially measured at the proceeds of issue less all transaction costs directly attributable to the issue. After initial recognition, the bonds are measured at amortised cost using the effective interest rate method. Under this method, the discount at which the bonds were issued and the transaction costs are accounted for as an additional interest expense over the term of the bonds.

Short-term debtors and creditors

Debtors and creditors with no stated interest rate that are receivable or payable within one year are recorded at transaction price. Any losses arising from impairment are recognised in the statement of comprehensive income and expenditure in other operating expenses.

Commitments to make and receive loans which meet the conditions mentioned above are measured at cost (which may be nil) less impairment.

Fair value measurement

The best evidence of fair value is a quoted price for an identical asset in an active market. When quoted prices are unavailable, the price of a recent transaction for an identical asset provides evidence of fair value as long as there has not been a significant change in economic circumstances or a significant lapse of time since the transaction took place. If the market is not active, and recent transactions of an identical asset on their own are not a good estimate of fair value, the fair value is estimated by using a valuation technique.

20. Provisions

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.

Where material, 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.

21. Taxation

The University is an exempt charity within the meaning of Chapter 1, Section 3 of the Charities Act 2011. It is therefore a charity within the meaning of Part 1 of Section 6 of 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 Sections 478 to 488 of the Corporation Tax Act 2010 (CTA 2010) or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied to exclusively charitable purposes.

The University receives no similar exemption in respect of value added tax (VAT).

The University's principal activities are exempt from VAT but certain ancillary supplies and services are liable to VAT at various rates. Expenditure includes irrecoverable VAT charged by suppliers to the University. The University does not have to pay stamp duty land tax when buying and leasing a property.

Any irrecoverable VAT allocated to tangible assets is included in their cost.

The University's subsidiaries are liable to corporation tax in the same way as other commercial organisations.

Current tax, including UK corporation tax and foreign tax, is provided at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

Deferred tax is provided in full on timing differences that exist at the balance sheet date and that result in an obligation to pay more tax, or a right to pay less tax in the future. The deferred tax is measured at the rate expected to apply in periods in which the timing differences are expected to reverse, based on the tax rates and laws that are enacted or substantively enacted at the balance sheet date. Unrelieved tax losses and other deferred tax assets shall be recognised only to the extent that it is probable that they will be recovered against future taxable surpluses. Deferred tax assets and liabilities are not discounted.

22. Reserves

Reserves are classified as restricted or unrestricted. Restricted endowment reserves include balances which, through endowment to the University, are held as a restricted fund which the University invests to generate a return.

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

23. Significant estimates and judgements

Significant estimates and judgements used in the preparation of the financial statements are as follows:

Critical accounting judgements

Recognition of surplus on defined benefit pension scheme

The University operates its own defined benefit scheme, the University of Leeds Pension and Assurance Scheme (PAS). There is a judgement to be made over whether the University has the right to recognise the surplus that has arisen in the scheme during the year. Since the scheme is within the full control of the University and the surplus will mean a reduction in contributions in future years, the surplus has been recognised on the balance sheet.

Significant estimation uncertainties

Retirement benefits obligations

The Group's operation of PAS gives rise to estimation uncertainties as detailed below. Actuarial valuations are carried out as determined by the trustees of these schemes at intervals of not more than three years.

University of Leeds Pension and Assurance Scheme (PAS)

PAS pension costs under FRS 102 are calculated by the University's actuary based upon the latest actuarial valuation and assumptions agreed by management following actuarial advice. These assumptions are documented in note 33. Changes in actuarial assumptions would have a significant impact on the size of the pension liability; sensitivity analysis is set out in note 33.

Provisions

Significant uncertainty is inherent in the estimation of the provisions that are recognised on the balance sheet. Provisions cover a range of areas including legal disputes and indirect taxation. Whilst no single provision is considered to be individually material, each item requires estimation. The amount recognised represents our current best estimate of the potential future outflow but there is the possibility that these provisions, individual or in aggregate, could materially change in a future period. The movement is set out in note 24.

Climate-related risks

In preparing the financial accounts, the University has considered the impact of climate change and any related risks, which are set out on page 61. The University has also considered the impact of these risks on its financial performance and position, mainly around forecasting for the purpose of going concern, viability and impairment assessments, and also the effect on the useful economic life of critical assets. The expected timing of our roadmap to net zero targets was set at 2030, the University's Climate Plan now includes an interim target to achieve net zero greenhouse gas emissions from its core operations by 2030, supported by significant investment in estate decarbonisation, renewable energy and sustainable travel. The University has also established a longer-term science-aligned ambition to achieve full net zero across all emissions scopes, including supply chain emissions, by or before 2050. We continue to consider our overall climate-related strategy; at present, we have still not identified a material impact on the financial reporting judgement and estimates this brings. The University is aware of the ever-changing risks and is regularly assessing these risks against any judgements and estimates made in the financial statements. There is a risk therefore that a material adjustment may be required in the future to the carrying value of our asset base or the useful economic lives applied to our assets as our climate plan is put into action.

Notes to the accounts

for the year ended 31 July 2026

1 Tuition fees and education contracts

	2025/26		2024/25	
	Consolidated £'000	University £'000	Consolidated £'000	University £'000
Full-time home students	**208,876**	**208,876**	187,225	187,225
Full-time international students	**321,023**	**321,023**	280,026	280,026
Part-time home students	**5,287**	**5,287**	5,007	5,007
Part-time international students	**2,219**	**2,219**	1,527	1,527
Research training support grants	**13,430**	**13,430**	14,587	14,587
Short course fees	**22,740**	**22,740**	20,669	20,669
NHS teaching contract	**2,396**	**2,396**	2,318	2,318
Total tuition fees and education contracts	**575,971**	**575,971**	511,359	511,359

Future adoption of revised revenue recognition requirements

From 1 August 2026, the University has adopted the revised revenue recognition requirements contained within FRS 102 and the Higher Education SORP.

The revised requirements introduce updated guidance on the recognition and presentation of income arising from contracts with customers. The University expects the principal impact of adoption to relate to the presentation of income, including certain scholarship and student support arrangements.

Upon adoption, certain amounts currently recognised within expenditure may be required to be presented as a reduction of tuition fee income. As a result, the revised requirements are expected to affect the classification and presentation of income and expenditure within the statement of income and expenditure. Management expects the changes to have a material impact on the presentation of revenue and related expenditure, but no material impact is expected on the Group's reported surplus or deficit, net assets, cash flows, or overall financial position.

The University is currently performing the detailed assessment of the impact of adopting the revised requirements. A reliable quantitative estimate of the impact had not been finalised at the reporting date.

2 Funding body grants

	2025/26		2024/25	
	Consolidated £'000	University £'000	Consolidated £'000	University £'000
Recurrent grants:				
Office for Students (OfS)	**25,495**	**25,495**	27,370	27,370
UK Research and Innovation (UKRI)	**52,881**	**52,881**	53,500	53,500
OfS capital	**30**	**30**	–	–
UKRI capital	**8,399**	**8,399**	8,060	8,060
Specific grants:				
Higher Education Innovation Fund (HEIF)	**5,639**	**5,639**	5,745	5,745
Widening participation	**1,578**	**1,578**	1,431	1,431
UniConnect programme	**852**	**852**	803	803
Other	**3,535**	**3,535**	4,235	4,235
Total funding body grants	**98,409**	**98,409**	101,144	101,144

3 Research grants and contracts

	2025/26		2024/25	
	Consolidated £'000	University £'000	Consolidated £'000	University £'000
UK research councils	**92,058**	**92,058**	92,590	92,590
UK-based charities	**20,220**	**20,220**	21,100	21,100
UK government	**42,625**	**42,625**	36,077	36,077
UK industry	**8,034**	**8,034**	7,571	7,571
European Commission	**12,038**	**12,038**	12,379	12,379
Other grants and contracts	**16,333**	**16,333**	15,846	15,846
Total research grants and contracts	**191,308**	**191,308**	185,563	185,563

3a The sources of grant and fee income included in notes 1 to 3 are as follows:

	2025/26		2024/25	
	Consolidated £'000	University £'000	Consolidated £'000	University £'000
Grant and fee income				
Grant income from the OfS	**27,955**	**27,955**	29,604	29,604
Grant income from other bodies	**70,454**	**70,454**	71,540	71,540
Fee income for research awards	**191,308**	**191,308**	185,563	185,563
Fee income from non-qualifying courses	**36,170**	**36,170**	35,256	35,256
Fee income for taught awards	**539,801**	**539,801**	476,103	476,103
Total grant and fee income	**865,688**	**865,688**	798,066	798,066

4 Other income

	2025/26		2024/25	
	Consolidated £'000	University £'000	Consolidated £'000	University £'000
Residences, catering and conferences	**75,610**	**71,205**	73,127	68,581
Health authorities	**14,908**	**14,908**	14,442	14,442
Subscriptions	**3,090**	**3,090**	3,117	3,117
Grants	**7,658**	**7,658**	9,598	9,598
Other services rendered	**16,859**	**15,645**	16,292	14,918
National Institute for Health and Care Research (NIHR)	**27,053**	**27,053**	25,625	25,625
Other income	**19,593**	**16,360**	15,590	13,580
Total other income	**164,771**	**155,919**	157,791	149,861

5 Investment income

	2025/26		2024/25	
	Consolidated £'000	University £'000	Consolidated £'000	University £'000
Income from expendable endowments	**96**	**96**	128	128
Income from permanent endowments	**1,562**	**1,562**	1,651	1,651
Income from short-term investments	**20,860**	**20,860**	25,916	25,916
Pension scheme credits	**12,823**	**12,823**	8,687	8,687
Other investment income	**174**	**282**	939	1,092
Total investment income	**35,515**	**35,623**	37,321	37,474

Other income comprises project and miscellaneous income, income from commercial activities and other ancillary income streams.

6 Donations and endowments

	2025/26		2024/25	
	Consolidated £'000	University £'000	Consolidated £'000	University £'000
New endowments	**10**	**10**	2,000	2,000
Donations with restrictions	**5,677**	**5,677**	1,310	1,310
Unrestricted donations	**1,802**	**1,802**	2,062	2,062
Total donations and endowments	**7,489**	**7,489**	5,372	5,372

7 Staff costs

	Consolidated	
	2025/26	2024/25
	Number	Number
Average staff numbers (full-time equivalents) by major category		
Academic/teaching	**2,606**	2,616
Research	**1,053**	1,064
Management/professional	**2,188**	2,148
Support	**3,484**	3,527
Total average staff numbers*	**9,331**	9,355

*The average staff numbers are presented on a Group level. Of the 9,331 disclosed, 135 (2025: 112) relate to subsidiaries of the University. This is split as 119 support (2025: 104) and 16 management/professional (2025: 8).

7 Staff costs *continued*

	2025/26		2024/25	
	Consolidated £'000	University £'000	Consolidated £'000	University £'000
Wages and salaries	**478,322**	**475,011**	462,133	458,976
Social security costs	**59,556**	**59,178**	49,178	48,888
Other pension costs (note 33)	**59,631**	**59,402**	59,070	58,859
Apprenticeship levy	**2,217**	**2,212**	2,164	2,148
Severance payments	**2,636**	**2,636**	1,824	1,824
Staff costs (excluding voluntary enhanced retirement scheme)	**602,362**	**598,439**	574,369	570,695
Payments to employees	**11,973**	**11,973**	–	–
Payments to pension schemes (note 33)	**6,255**	**6,255**	–	–
Voluntary enhanced retirement scheme costs	**18,228**	**18,228**	–	–
Total staff costs	**620,590**	**616,667**	574,369	570,695

Severance payments were payable to 174 individuals (2025: 115).

Voluntary enhanced retirement scheme

During 2025/26 the University implemented a voluntary enhanced retirement scheme as part of its programme to reduce its ongoing cost base. Termination benefits are recognised as an expense and liability when the University is demonstrably committed to the termination and has no realistic possibility of withdrawal. The total cost recognised in the year was £18.2m. Payments under the scheme were payable to 385 employees and comprised £12.0m of salary payments and £6.2m of pension-related payments. At 31 July 2026, £18.1m remained payable and has been recognised within creditors due within one year.

	2025/26	2024/25
	£'000	£'000
Emoluments of the Vice-Chancellor and President, Professor Shearer West		
Salary as Vice-Chancellor and President (1 Aug 2025–31 July 2026, 1 November 2024–31 July 2025)	**330**	248
Employer contributions to defined benefit scheme	–	–
Benefits in kind	–	–
Total	**330**	248

The emoluments of the Vice-Chancellor and President represent in-year earnings. Prior year earnings relate to seven months in post.

7 Staff costs *continued*

	2025/26	2024/25
	£'000	£'000
Emoluments of the Interim Vice-Chancellor and President, Professor Hai Sui Yu		
Salary as Interim Vice-Chancellor and President 1 August 2024–31 October 2024	–	80
Employer contributions to defined benefit scheme	–	9
Benefits in kind	–	–
Total	–	89

The emoluments of the Interim Vice-Chancellor and President represent in-year earnings.

The University of Leeds is a large and complex organisation with more than 9,000 staff and 39,000 students. It has an annual income above £1bn and an ambitious ten-year strategy. The University is a world top 100 University with a global reputation for excellence in teaching and research. Students and staff are drawn from over 170 countries. The remuneration of the Vice-Chancellor and President is reviewed annually by the Remuneration Committee. This includes consideration of the scale, complexity and performance of the University and external benchmarking, such as from the Universities and Colleges Employers Association (UCEA) and Korn Ferry, and the guidance of the Committee of University Chairs (CUC) Higher Education Senior Staff Remuneration Code.

The Vice-Chancellor and President, Professor Shearer West, continued to hold a number of external appointments (see our Council Register of Interests). The Office for Students (OfS) requires the University to publish two key ratios to show the relationship of the remuneration of the Vice-Chancellor and President to that of employees within the University. These ratios are prepared in accordance with paragraph 12d of the OfS Accounts Direction issued in March 2026.

Vice-Chancellor and President – Professor Shearer West

The Vice-Chancellor and President's basic salary (on a full-time equivalent basis) is 9.5 times the median pay of staff (2025: 9.7), where the median pay is calculated on a full-time equivalent basis for the salaries provided by the University to its staff.

The Vice-Chancellor and President's total remuneration (on a full-time equivalent basis) is 8.5 times the median total remuneration of staff (2025: 8.6), where the median total remuneration is calculated on a full-time equivalent basis for the total remuneration of the University's staff.

In the interests of transparency, the University provides two further ratios to show the relationship of the remuneration of the Vice-Chancellor and President to that of employees within the institution (a calculation that excludes those individuals who are engaged on worker contracts).

The Vice-Chancellor and President's basic salary (on a full-time equivalent basis) is 7.6 times the median pay of employees (2025: 7.9), where the median pay is calculated on a full-time equivalent basis for the salaries provided by the University to its employees.

The Vice-Chancellor and President's total remuneration (on a full-time equivalent basis) is 6.6 times the median total remuneration of employees (2025: 6.9), where the median is calculated on a full-time equivalent basis for the total remuneration of the University's employees.

7 Staff costs *continued*

	University	
	2025/26 Number of staff	2024/25 Number of staff
Basic salary of other higher paid staff calculated on a full-time equivalent basis		
£100,000 - £104,999	**56**	73
£105,000 - £109,999	**46**	53
£110,000 - £114,999	**36**	27
£115,000 - £119,999	**59**	42
£120,000 - £124,999	**46**	23
£125,000 - £129,999	**10**	37
£130,000 - £134,999	**7**	9
£135,000 - £139,999	**34**	62
£140,000 - £144,999	**12**	11
£145,000 - £149,999	**7**	6
£150,000 - £154,999	**64**	4
£155,000 - £159,999	**5**	4
£160,000 - £164,999	**2**	9
£165,000 - £169,999	**6**	3
£170,000 - £174,999	**3**	3
£175,000 - £179,999	**2**	3
£180,000 - £184,999	**3**	1
£185,000 - £189,999	**–**	1
£190,000 - £194,999	**2**	2
£195,000 - £199,999	**2**	3
£200,000 - £204,999	**3**	–
£205,000 - £209,999	**1**	2
£230,000 - £234,999	**1**	1
£240,000 - £244,999	**–**	1
£245,000 - £249,999	**1**	1
£250,000 - £254,999	**1**	–
£255,000 - £259,999	**–**	1
£260,000 - £264,999	**1**	–
£330,000 - £334,999	**1**	–
Total number of staff	**411**	382

Prepared in accordance with paragraph 12a of the OfS Accounts Direction issued in March 2026; consequently, any staff who joined or left part way through the year have been excluded.

7 Staff costs *continued*

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's Executive Group (UEG). During the period, membership of UEG consisted of: Vice-Chancellor and President, Pro Vice-Chancellors, Interim Pro-Vice-Chancellor, Provost and Deputy Vice-Chancellor, Executive Deans, Chief Operating Officer, Chief Financial Officer, Chief People and Culture Officer, and University Secretary and Registrar. The cost below includes compensation paid to these key management personnel, including any employer's pension contributions, relating to the period they were a member of UEG during the year.

	Consolidated and University	
	2025/26 £'000	2024/25 £'000
Key management personnel compensation	**3,427**	3,384

8 Interest and other finance costs

	2025/26		2024/25	
	Consolidated £'000	University £'000	Consolidated £'000	University £'000
Interest payable on bank loans	**211**	**211**	322	322
Interest payable on public bond	**8,952**	**8,952**	8,932	8,932
Finance lease interest (including service concession finance charge)	**854**	**821**	938	895
Other interest	–	–	1	–
Total interest and other finance costs	**10,017**	**9,984**	10,193	10,149

9 Analysis of total expenditure by activity

	Staff costs	Other operating expenses	Depreciation and amortisation	Interest and other finance costs	2025/26 Total	2024/25 Total
	£'000	£'000	£'000	£'000	£'000	£'000
Consolidated						
Academic departments	**283,300**	**72,812**	**18,667**	**1**	**374,780**	375,827
Research grants and contracts	**94,783**	**89,349**	**1,945**	**–**	**186,077**	179,197
Total teaching and research	**378,083**	**162,161**	**20,612**	**1**	**560,857**	555,024
Administration and corporate services	**187,679**	**109,534**	**6,886**	**820**	**304,919**	255,541
Premises	**21,187**	**59,402**	**33,211**	**1,028**	**114,828**	107,893
Residences, catering and conferences	**15,970**	**52,419**	**13,006**	**1,449**	**82,844**	75,335
Other expenses	**17,671**	**7,442**	**82**	**6,719**	**31,914**	12,910
Total	**620,590**	**390,958**	**73,797**	**10,017**	**1,095,362**	1,006,703
Included within other operating expenses are the following costs:						
Fees payable for the audit of the annual accounts of the University and its subsidiaries including VAT					**692**	633
Other fees payable to auditors					**14**	34
					706	667

9 Analysis of total expenditure by activity *continued*

	Staff costs	Other operating expenses	Depreciation and amortisation	Interest and other finance costs	2025/26 Total	2024/25 Total
	£'000	£'000	£'000	£'000	£'000	£'000
University						
Academic departments	**283,300**	**72,812**	**18,667**	**1**	**374,780**	375,827
Research grants and contracts	**94,783**	**89,349**	**1,945**	**–**	**186,077**	179,197
Total teaching and research	**378,083**	**162,161**	**20,612**	**1**	**560,857**	555,024
Administration and corporate services	**186,065**	**107,973**	**6,810**	**820**	**301,668**	252,901
Premises	**21,187**	**59,402**	**33,211**	**1,028**	**114,828**	107,893
Residences, catering and conferences	**14,002**	**50,245**	**12,650**	**1,416**	**78,313**	70,549
Other expenses	**17,330**	**7,880**	**–**	**6,719**	**31,929**	12,979
Total	**616,667**	**387,661**	**73,283**	**9,984**	**1,087,595**	999,346
Included within operating expenses are the following costs:						
Fees payable for the audit of the annual accounts of the University and its subsidiaries including VAT					**615**	564
Other fees payable to auditors					**5**	33
					620	597

Trustees

During the current and prior years, no trustee received or waived any remuneration for serving as a trustee.

Expenses of £14.5k (2025: £5.2k) were paid to seven (2025: six) trustees in respect of travel and subsistence expenses incurred in attending Council meetings, conferences and events in their official capacity as Council members.

10 Access and participation

	2025/26		2024/25	
	Consolidated £'000	University £'000	Consolidated £'000	University £'000
Analysis of total expenditure by activity:				
Access investment	**4,389**	**4,389**	4,084	4,084
Financial support	**10,909**	**10,909**	10,796	10,796
Disability support	**2,574**	**2,574**	2,353	2,353
Research and evaluation	**436**	**436**	489	489
Total	**18,308**	**18,308**	17,722	17,722
Included in the table above are costs already included in the overall staff costs figures shown in note 7 as follows:				
Access investment	**3,297**	**3,297**	2,969	2,969
Financial support	**61**	**61**	25	25
Disability support (excluding expenditure included in the two categories above)	**2,078**	**2,078**	1,893	1,893
Research and evaluation	**418**	**418**	468	468
Total	**5,854**	**5,854**	5,355	5,355

See our **access and participation plans**.

Financial support is higher in 2025/26 compared to 2024/25 as a result of a higher number of Leeds Financial Support (LFS) eligible students. The overall undergraduate population has increased in 2025/26 compared to 2024/25.

Financial support spend only includes home undergraduate financial support within the Access and Participation Plan (APP). In addition, the Financial Assistance Fund paid a further £0.2m (2025: £0.2m) for hardship (non-APP related).

11 Taxation

	2025/26		2024/25	
	Consolidated £'000	University £'000	Consolidated £'000	University £'000
Recognised in the statement of comprehensive income and expenditure				
Current tax				
Overseas corporation tax on profits for the period	**281**	**272**	221	232
Adjustment in respect of previous years	**(17)**	**(17)**	–	–
	264	**255**	221	232
Deferred tax				
Origination and reversal of timing differences	**(73)**	–	–	–
Adjustment in respect of prior period	**38**	–	(37)	–
	(35)	–	(37)	–
Total tax charge in the year	**229**	**255**	184	232

Where profits are generated in the UK-based subsidiary entities, these are gifted to the University on agreement by the Board and are therefore not liable to corporation tax. There is an unrecognised deferred tax asset of £0.5m (2025: £1.2m) due to losses in one of the subsidiary entities.

12 Intangible assets

	2025/26		2024/25	
	Consolidated £'000	University £'000	Consolidated £'000	University £'000
Software				
Opening balance	**9,710**	**9,710**	11,171	11,171
Additions in the year	**281**	**281**	–	–
Amortisation charge for the year	**(1,496)**	**(1,496)**	(1,461)	(1,461)
Closing balance	**8,495**	**8,495**	9,710	9,710

Additions during the year to 31 July 2026 comprised the purchase and external development of software assets.

13 Tangible assets

	Freehold land and buildings £'000	Equipment £'000	Assets under construction £'000	Service concession arrangement: Land and buildings (note 15) £'000	Total £'000
Consolidated					
Cost or valuation					
At 1 August 2025	1,325,337	250,633	46,014	43,572	**1,665,556**
Additions	11,177	25,373	35,385	888	**72,823**
Transfers	3,490	1,780	(5,270)	–	**–**
Disposals	(7,137)	(16,474)	–	–	**(23,611)**
At 31 July 2026	**1,332,867**	**261,312**	**76,129**	**44,460**	**1,714,768**
Depreciation and impairment					
At 1 August 2025	602,074	176,805	12,060	23,597	**814,536**
Charge for the year	42,190	19,888	–	2,864	**64,942**
Impairment	–	451	6,908	–	**7,359**
Disposals	(4,372)	(16,385)	–	–	**(20,757)**
At 31 July 2026	**639,892**	**180,759**	**18,968**	**26,461**	**866,080**
Net book value					
At 31 July 2026	**692,975**	**80,553**	**57,161**	**17,999**	**848,688**
At 1 August 2025	723,263	73,828	33,954	19,975	851,020

Included in consolidated freehold land and buildings is land valued at £39.6m (2025: £39.6m) which is not depreciated. Consolidated equipment includes assets held under finance leases with a net book value of £0.2m (2025: £0.2m). The related depreciation charge for the year was £0.1m (2025: £0.1m).

Impairment charges in the University and Group predominantly relate to net zero and EC Stoner ways of working projects following changes to the scope, planned use or expected future benefits of these projects.

13 Tangible assets *continued*

	Freehold land and buildings £'000	Equipment £'000	Assets under construction £'000	Service concession arrangement: Land and buildings (note 15) £'000	Total £'000
University					
Cost or valuation					
At 1 August 2025	1,312,697	244,669	46,014	43,572	**1,646,952**
Additions	11,130	25,010	35,385	888	**72,413**
Transfers	3,490	1,780	(5,270)	–	**–**
Disposals	(7,116)	(16,177)	–	–	**(23,293)**
At 31 July 2026	**1,320,201**	**255,282**	**76,129**	**44,460**	**1,696,072**
Depreciation and impairment					
At 1 August 2025	595,536	171,629	12,060	23,597	**802,822**
Charge for the year	41,929	19,635	–	2,864	**64,428**
Impairment	–	451	6,908	–	**7,359**
Disposals	(4,354)	(16,111)	–	–	**(20,465)**
At 31 July 2026	**633,111**	**175,604**	**18,968**	**26,461**	**854,144**
Net book value					
At 31 July 2026	**687,090**	**79,678**	**57,161**	**17,999**	**841,928**
At 1 August 2025	717,161	73,040	33,954	19,975	844,130

Included in University freehold land and buildings is land valued at £38.3m (2025: £38.3m) which is not depreciated.

14 Heritage assets

The University has been fortunate to receive donations of a variety of cultural items and collections for over 100 years. Many items have also been purchased to augment existing collections and/or add to the variety of items within a special area of interest. Most of these purchases have been funded by benefaction.

Where cost is not readily available, heritage assets are recognised at market value, established by specialist University personnel. Heritage assets include many unique items (and collections) such as handwritten manuscripts and original artworks, the current value of which can only be estimated, as they cannot be matched to identical items available on the market. Many other items are extremely rare, though not unique, and identical items may not appear on the market for decades.

Heritage assets are classified into three main categories: special collections, art collections, and the University of Leeds International Textile Archive (ULITA).

Special collections

Special collections contain individual items and constituent collections consisting primarily of books and manuscripts. Constituent collections are characterised as such when their contents are acquired together from a single source or when they are generally used in association with each other, for example, the 'archive' of an organisation or person.

Art collections

Art collections consist of individual paintings and drawings, collections of drawings, and sculptures.

ULITA

This category consists of tapestries, pattern books, stencils and fibre collections.

Preservation and management

The custodianship of these items has been given to specific areas and persons for their care and maintenance.

All the collections are valued for insurance purposes at £99m (2025: £83m). In addition, collections are held for other organisations for custodial purposes, notably Ripon Cathedral's heraldry collection, and these are insured separately.

14 Heritage assets *continued*

	Consolidated and University				
	Special collections £'000	Art collections £'000	ULITA £'000	2025/26 Total £'000	2024/25 Total £'000
At 1 August	25,648	7,389	525	**33,562**	33,562
Additions	27	–	–	**27**	–
At 31 July	**25,675**	**7,389**	**525**	**33,589**	**33,562**

	2025/26 £'000	2024/25 £'000	2023/24 £'000	2022/23 £'000	2021/22 £'000
Purchases					
Special collections	27	–	25	404	60
Art collections	–	–	–	37	–
Donations					
Special collections	–	–	–	271	2,320
Art collections	–	–	–	400	–
Total additions	**27**	–	25	1,112	2,380

There was one addition in the year, which comprised a first edition.

15 Service concession arrangements

Movement in service concession arrangement assets

The asset value of the service concession included in the balance sheet at 31 July 2026 was £18m (2025: £20m).

The reduction of £2m is as a result of depreciation of £2.9m, less additions of £0.9m.

Movement in service concession arrangement liabilities

The total liability relating to the service concession included in the balance sheet at 31 July 2026 was £21.4m (2025: £23.4m).

£3.8m was repaid during the year (2025: £3.7m).

	Notes	Consolidated and University	
		2025/26 £'000	2024/25 £'000
At 1 August		**23,439**	25,483
Additions in the year		**888**	733
Finance charge for the year		**820**	892
Repayments made during the year		**(3,794)**	(3,669)
At 31 July	22,23	**21,353**	23,439

Future commitments

The following table analyses the University's and the Group's future commitments in relation to service concession arrangements.

	Liability repayments £'000	Finance charge £'000	Total £'000
Payable not later than one year	3,183	748	**3,931**
Payable later than one year and not later than five years	11,238	1,982	**13,220**
Payable later than five years	6,932	382	**7,314**
	21,353	**3,112**	**24,465**

On 8 July 2002, the University entered into a 30-year contract with a third-party provider for the provision and maintenance of James Baillie Park, providing accommodation for 563 students. The assets and liabilities relating to this scheme are recognised on the University's balance sheet. Service commenced on 20 September 2003 and the contract will finish on 19 September 2033. The University has an annual occupancy guarantee amounting to committed occupancy of 80% (100% occupancy has been agreed for 2026/27) recorded within other operating expenses.

16 Non-current investments

	2025/26			2024/25		
	Subsidiary companies £'000	Other non-current asset investments £'000	Total £'000	Subsidiary companies £'000	Other non-current asset investments £'000	Total £'000
Consolidated						
Cost or valuation at 1 August	–	162,910	**162,910**	–	161,586	161,586
Additions	–	410	**410**	–	–	–
Disposals	–	–	**–**	–	(1)	(1)
Write-down of unlisted investments	–	(1,992)	**(1,992)**	–	–	–
Dilution of investments in associates	–	60	**60**	–	–	–
Revaluation of listed investments	–	5,611	**5,611**	–	1,325	1,325
Cost or valuation at 31 July	**–**	**166,999**	**166,999**	–	162,910	162,910
University						
Cost or valuation at 1 August	4,825	163,136	**167,961**	4,825	161,812	166,637
Additions	–	410	**410**	–	–	–
Disposals	–	–	**–**	–	(1)	(1)
Write-down of unlisted investments	–	(1,992)	**(1,992)**	–	–	–
Revaluation of listed investments	–	5,611	**5,611**	–	1,325	1,325
Cost or valuation at 31 July	**4,825**	**167,165**	**171,990**	4,825	163,136	167,961

Other non-current asset investments include two managed portfolios of listed investments; one of £90.6m (2025: 87.0m) to support the University's endowment funds and one of £73.9m (2025: £71.6m) designated to support repayment of the University's £300m public bond in 2050.

16 Non-current investments *continued*

Listed investments

Name of company	Nature of business
Avacta Group plc	Provides analytical and diagnostic technology, consumables and reagents to the drug development and healthcare sectors
Cizzle Biotechnology Holdings PLC	Research and experimental development in biotechnology
Getech Group plc	Providers of geoscience and geospatial products and services to de-risk exploration programmes and improve management of natural resources
Gunsynd PLC	Invests in the natural resources sector
Tracsis plc	Technology provider to the rail industry
Xeros Technology Group plc	Laundering systems and cleaning technologies
The University's directly held shareholdings in the above listed companies are < 5%. Tissue Regenix PLC delisted from the Alternative Investment Market in January 2026; consequently, the University's holding is no longer classed as a listed investment.	

Subsidiary companies

Details of the trading companies in which the University held directly or indirectly more than 50% of the voting rights are as follows:

Name of company	Percentage voting rights	Country of registration	Nature of business
Bright Beginnings Childcare Centre Leeds	100%	England	Childcare facilities and services
Leeds Management Consulting (Beijing) Co., Ltd	100%	China	Advisory services for the University's customers in China
Leeds University Press Ltd	100%	England	Dormant
Leeds Ventures Ltd	100%	England	Advisory services for the University's customers in China
Leeds Ventures Malaysia Sdn Bhd	100%	Malaysia	Advisory services for the University's customers in Malaysia
Nexus Leeds Ltd	100%	England	Business accommodation and facilities management
University of Leeds IP Ltd	100%	England	Intellectual property management
Weetwood Hall Ltd	100%	England	Hotel and conference centre
Leeds Management Consulting (Beijing) Co Ltd and Leeds Ventures Malaysia Sdn Bhd are wholly owned subsidiaries of Leeds Ventures Ltd. All other subsidiaries are directly owned by the University.			

17 Investments in joint ventures

The University holds shares in joint ventures as follows:

Name of company	Percentage voting rights	Nature of business
Leeds Boat House Ltd	25%	Rowing club partnership
STEM Learning Ltd	25%	Continuous professional development for science teachers and technicians
N8 Limited	13%	Enabling UK northern businesses to access world-class knowledge to gain a significant competitive advantage
Worldwide Universities Network	4%	Collaboration of universities to achieve international objectives in research and graduate education

Jointly controlled entities' financial summary – University share

	2025/26 £'000	2024/25 £'000
Income and expenditure account		
Income	**4,215**	5,677
Surplus before tax	**175**	6
Balance sheet		
Non-current assets	**307**	260
Current assets	**1,394**	1,491
Total assets	**1,701**	1,751
Creditors: amounts falling due within one year	**(1,152)**	(1,426)
Creditors: amounts falling due after more than one year	**(55)**	(2)
Total creditors	**(1,207)**	(1,428)
Share of net assets	**494**	323

18 Investments in associates

Details of the other trading companies in which the University holds, directly or indirectly, 20% or more of the voting rights are listed below. All are registered in England except for CalTIC GmbH, which is registered in Germany.

Name of company	Percentage voting rights	Nature of business
4-Xtra Technologies Ltd	25.6%	Risk management technology
Acoro Medical Ltd	49.0%	Data processing, hosting and related activities
Acuity Robotics Ltd	25.7%	Software developer for the robotics industry
Apoptogenth Ltd	21.4%	Development of metastatic cancer treatments using haematopoietic stem cell gene therapy
Aronnax Ultrasound Ltd	30.0%	Non-invasive blood glucose sensing
Assemblify Ltd	49.0%	Modular platform technology for improved brain organoid production
Auxetec Ltd	27.8%	Synthetic auxetic materials enabling resistance to high-impact applications
CalTIC GmbH	25.3%	Development, production, commercialisation and marketing of therapeutics and companion diagnostics
ClotProtect Therapeutics Ltd	23.1%	Development of a first-in-class small-molecule direct plasmin inhibitor for intravenous administration
HyFaCol Ltd	20.7%	Development of immuno-oncology therapeutic vaccines targeting multiple tumour indications
Keracol Ltd	21.8%	Functional, natural and sustainable cosmetics
Mimetrik Solutions Ltd	30.2%	Robotics, data analytics and asset inspections
Petriva Ltd	49.9%	Software to analyse and visualise petrophysical data for the oil and gas industry
Silex World Ltd	25.0%	Development and commercialisation of patented work for the extraction and concentration of rare earth oxides and other strategic metals

All holdings in the associated companies are less than 50% and the University has assessed that it does not have joint control.

18 Investments in associates *continued*

	Consolidated	
	2025/26 £'000	2024/25 £'000
Movement in share of net assets in the year		
Balance at 1 August	**635**	1,181
Derecognition of associates	**–**	(27)
Dilution of shareholding	**(17)**	(93)
Share of loss in year	**(171)**	(426)
Balance at 31 July	**447**	635

19 Trade and other receivables

	2025/26		2024/25	
	Consolidated £'000	University £'000	Consolidated £'000	University £'000
Amounts falling due within one year				
Research grant receivables	**43,454**	**43,454**	36,724	36,724
Other trade receivables	**41,612**	**40,909**	27,392	26,937
Prepayments and accrued income	**37,036**	**36,493**	26,076	25,469
Amounts owed by subsidiary undertakings	**–**	**1,625**	–	1,497
Deferred tax asset	**233**	**–**	198	–
Corporation tax	**3**	**–**	–	–
Total	**122,338**	**122,481**	90,390	90,627
Amounts falling due after one year				
Accrued income	**4,726**	**4,726**	8,114	8,114
Amounts owed by subsidiary undertakings	**–**	**6,647**	–	6,679
Total	**4,726**	**11,373**	8,114	14,793

Amounts owed by subsidiary undertakings include trading balances that are non-interest bearing, unsecured and repayable on demand, a concessionary loan repayable in 16 years, and a further loan receivable with a variable market interest rate of 1.9% over SONIA, which is repayable over a period of four years. £6.6m (2025: £6.7m) of the amounts owed is due after more than one year.

Endowment income of £0.4m (2025: £0.4m) is included in accrued income due within one year and a further £1.2m (2025: £1.6m) is included in accrued income due after one year (see note 25).

20 Current investments

	2025/26		2024/25	
	Consolidated £'000	University £'000	Consolidated £'000	University £'000
Short-term treasury deposits	**20,000**	**20,000**	15,000	15,000
Money market funds	**102,033**	**102,033**	102,094	102,094
Total	**122,033**	**122,033**	117,094	117,094

The fair value of these investments was not materially different from the book value.

Treasury deposits are held with banks and building societies operating in the London market and licensed by the Financial Conduct Authority (FCA). These short-term deposits do not meet the definition of cash equivalent because the maturity date is more than three months after the balance sheet date. The interest rates for these deposits are fixed for the duration of the deposit at time of placement.

21 Cash and cash equivalents

	2025/26		2024/25	
	Consolidated £'000	University £'000	Consolidated £'000	University £'000
Cash at bank and in hand	**12,240**	**8,633**	11,485	8,028
Money market funds	**310,000**	**310,000**	355,000	355,000
Short-term treasury deposits	**900**	**–**	–	–
Total	**323,140**	**318,633**	366,485	363,028

Cash and cash equivalents comprise cash at bank and in hand, money market funds which meet the cash equivalent criteria, and treasury deposits with banks with a maturity of three months or less at the balance sheet date.

22 Creditors: amounts falling due within one year

	2025/26		2024/25	
	Consolidated £'000	University £'000	Consolidated £'000	University £'000
Trade payables	**31,222**	**30,409**	26,541	25,883
Social security and other taxation payable	**15,856**	**15,611**	15,016	14,724
Amounts owed to subsidiary undertakings	**–**	**439**	–	693
Accruals and deferred income	**177,526**	**176,337**	168,260	166,671
Tuition fees received in advance	**9,428**	**9,428**	9,367	9,367
Corporation tax liability	**43**	**45**	206	211
Obligations under finance leases	**59**	**–**	83	28
Voluntary enhanced retirement scheme	**18,084**	**18,084**	–	–
Service concession arrangement liabilities (note 15)	**3,183**	**3,183**	2,974	2,974
Unsecured loans (note 23)	**1,000**	**1,000**	1,000	1,000
Unsecured fixed-rate public bond (note 23)	**458**	**458**	452	452
Total	**256,859**	**254,994**	223,899	222,003

Amounts owed to subsidiary undertakings include trading balances, which are non-interest bearing and repayable on demand.

The financial impact of the voluntary enhanced retirement scheme has been recognised in the year ended 31 July 2026. All associated costs have either been paid during the year or provided for at 31 July 2026 where payment remained outstanding.

Tuition fees received in advance of the start of the academic year are shown as a separate line item, reflecting the fact that these are funds received from students in advance of the University providing tuition, and in some cases may be refundable if a student does not enrol, subject to defined criteria.

Deferred income

Included within accruals and deferred income are the following items of income which have been deferred until specific performance-related conditions have been met.

Research grants received on account	**72,849**	**72,849**	71,341	71,341
Grant income and donations	**16,684**	**16,684**	16,543	16,543
Total	**89,533**	**89,533**	87,884	87,884

23 Creditors: amounts falling due after more than one year

	2025/26		2024/25	
	Consolidated £'000	University £'000	Consolidated £'000	University £'000
Amounts owed to subsidiary undertakings	–	1,084	–	1,250
Accruals and deferred income	2,278	2,278	1,378	1,378
Obligations under finance leases	138	–	177	–
Service concession arrangement liabilities (note 15)	18,170	18,170	20,465	20,465
Unsecured loans	2,750	2,750	3,750	3,750
Unsecured fixed-rate public bond	313,593	313,593	314,051	314,051
Total	336,929	337,875	339,821	340,894
Analysis of unsecured borrowings:				
Due between one and two years	1,464	1,464	1,458	1,458
Due between three and five years	3,177	3,177	2,409	2,409
Due after more than five years	311,702	311,702	313,934	313,934
Due after more than one year	316,343	316,343	317,801	317,801
Due within one year (note 22)	1,458	1,458	1,452	1,452
Total unsecured borrowings	317,801	317,801	319,253	319,253

In February 2016 an unsecured fixed-rate public bond was issued for the sum of £250m over a 34-year term with a coupon rate of 3.126%. It is listed on the London Stock Exchange. There are no capital repayments to be made over the term, with the bond maturing in 2050. The bond transaction costs of £3.4m are being amortised over the life of the bond and charged to interest and other finance costs.

The University has utilised the bond to fund the capital investment programme since inception. All funds from the initial bond issue of £250m were utilised by 31 July 2020.

In July 2020 a tap issue of the unsecured fixed-rate public bond was made for the sum of £50m, with a coupon rate of 1.533%. There are no capital repayments over the term, with maturity in 2050. The value of the differential coupon rate of £19.5m was received on issue, to be repaid over the remaining life of the bond of 28 years and seven months. The transaction costs of £0.7m are being amortised over the remaining life of the bond and charged to interest and other finance costs.

23 Creditors: amounts falling due after more than one year *continued*

Unsecured bank loans at commercial rates are repayable by instalments falling due between 1 August 2026 and 10 February 2030 and are subject to a negative pledge over the University's assets.

Lender	Amount £'000	Term	Interest rate	Borrower
Barclays	3,750	20 years to 2030	4.76%	University of Leeds

24 Provisions for liabilities

	Overseas Tax	Other	Consolidated and University 2025/26 £'000	Consolidated and University 2024/25 £'000
At 1 August	4,615	2,839	**7,454**	**12,989**
Utilised in year	–	(2,603)	**(2,603)**	**(651)**
Released as no longer required	(372)	(25)	**(397)**	**(6,800)**
Additions	884	1,252	**2,136**	**1,916**
At 31 July	**5,127**	**1,463**	**6,590**	**7,454**

Other provisions comprise overseas taxation and a number of smaller legal disputes, and are expected to be utilised within the next five years.

USS pension
In line with USS guidance, there is still no requirement to consider a deficit recovery plan or provision following the issue of the 2023 valuation (note 33).

25 Endowment reserves

	Consolidated and University						
	Restricted permanent endowments			Unrestricted permanent endowments			
	Capital £'000	Unapplied return £'000	Total £'000	Capital £'000	Unapplied return £'000	Total £'000	Total £'000
Original capital	43,183	–	**43,183**	21,065	–	**21,065**	**64,248**
Indexation reserve	11,324	–	**11,324**	4,997	–	**4,997**	**16,321**
Unapplied return	–	3,444	**3,444**	–	3,583	**3,583**	**7,027**
Balance as at 1 August 2025	54,507	3,444	**57,951**	26,062	3,583	**29,645**	**87,596**
Investment income	–	1,023	**1,023**	–	539	**539**	**1,562**
Indexation	1,212	(1,212)	**–**	591	(591)	**–**	**–**
Market value gains	–	1,020	**1,020**	–	537	**537**	**1,557**
Released to unrestricted reserves	–	(1,233)	**(1,233)**	–	(594)	**(594)**	**(1,827)**
Balance as at 31 July 2026	**55,719**	**3,042**	**58,761**	**26,653**	**3,474**	**30,127**	**88,888**
Represented by:							
Original capital	43,183	–	**43,183**	21,065	–	**21,065**	**64,248**
Indexation reserve	12,536	–	**12,536**	5,588	–	**5,588**	**18,124**
Unapplied return	–	3,042	**3,042**	–	3,474	**3,474**	**6,516**
	55,719	**3,042**	**58,761**	**26,653**	**3,474**	**30,127**	**88,888**

Restricted expendable endowments	£'000
Balance as at 1 August 2025	**8,262**
Additions	**10**
Investment income	**443**
Market value gains	**157**
Expenditure	**(46)**
Balance as at 31 July 2026	**8,826**

25 Endowment reserves *continued*

	Consolidated and University				
	Restricted permanent £'000	Unrestricted permanent £'000	Restricted expendable £'000	2025/26 Total £'000	2024/25 Total £'000
Endowment analysis by purpose:					
Chairs	9,992	–	31	**10,023**	9,879
Lectureships	4,110	–	508	**4,618**	4,345
Fellowships	10,168	205	2,416	**12,789**	12,424
Scholarships	19,359	2,179	477	**22,015**	22,157
Prizes	6,151	501	119	**6,771**	6,663
Specific funds	12	–	3,957	**3,969**	4,236
General funds	8,969	27,242	1,318	**37,529**	36,154
Total	**58,761**	**30,127**	**8,826**	**97,714**	95,858
Analysis by asset:					
Non-current investments				**90,587**	86,981
Cash and cash equivalents				**5,527**	6,877
Accrued income falling due within one year				**400**	400
Accrued income falling due after more than one year				**1,200**	1,600
Total				**97,714**	95,858

26 Restricted reserves

	2025/26		2024/25	
	Consolidated £'000	University £'000	Consolidated £'000	University £'000
Balance at 1 August	**19,835**	**19,835**	26,715	26,680
New restricted grants and donations	**3,399**	**3,381**	3,444	3,415
Expenditure	**(4,627)**	**(4,609)**	(10,324)	(10,260)
Balance at 31 July	**18,607**	**18,607**	19,835	19,835

27 Capital commitments

	2025/26		2024/25	
	Consolidated £'000	University £'000	Consolidated £'000	University £'000
Provision has not been made for the following capital commitments at 31 July:				
Commitments contracted for	**57,143**	**57,143**	32,937	32,937

Capital commitments at 31 July 2026 comprise contracted works as follows: campus infrastructure £33m (2025: £18.8m), educational facilities £16.8m (2025: £6.6m) and residences £5.5m (2025: £4.8m), along with £1.8m (2025: £2.7m) for research and teaching equipment.

28 Lease obligations

	Consolidated			
			2025/26	2024/25
	Buildings £'000	Equipment £'000	Total £'000	Total £'000
Expenditure during the year	19,962	325	**20,287**	21,624
Future minimum lease payments due:				
Not later than one year	25,544	337	**25,881**	22,242
Later than one year and not later than five years	46,675	332	**47,007**	64,545
Later than five years	22,682	–	**22,682**	32,223
Total lease payments due	**94,901**	**669**	**95,570**	119,010

	University			
			2025/26	2024/25
	Buildings £'000	Equipment £'000	Total £'000	Total £'000
Expenditure during the year	20,155	325	**20,480**	21,824
Future minimum lease payments due:				
Not later than one year	25,750	337	**26,087**	22,471
Later than one year and not later than five years	46,676	332	**47,008**	64,718
Later than five years	22,682	–	**22,682**	32,522
Total lease payments due	**95,108**	**669**	**95,777**	119,711

28 Lease obligations *continued*

	2025/26		2024/25	
	Consolidated £'000	University £'000	Consolidated £'000	University £'000
Amounts due under finance leases **Future minimum lease payments due:**				
Not later than one year	**85**	**–**	116	29
Later than one year and not later than five years	**159**	**–**	215	–
Total lease payments due	**244**	**–**	331	29
Less: finance charges allocated to future periods	**(47)**	**–**	(71)	(1)
Total	**197**	**–**	260	28

All finance leases relate to equipment.

Future adoption of revised lease accounting requirements

From 1 August 2026, the University has adopted the revised lease accounting requirements contained within FRS 102 and the Higher Education SORP.

Under the revised requirements, leases currently classified as operating leases will generally be recognised on the balance sheet as right-of-use assets together with corresponding lease liabilities. The University expects to apply the available exemptions for short-term leases and leases of low-value assets.

At 31 July 2026, the Group had operating lease commitments of approximately £96m (2025: £119m), substantially all of which relate to property leases. Upon adoption of the revised requirements, management expects a significant proportion of these leases to give rise to recognised right-of-use assets and lease liabilities.

Adoption of the revised requirements is expected to increase total assets and total liabilities reported in the statement of financial position. Operating lease expenses currently recognised within expenditure will be replaced by depreciation charges and finance costs. No significant impact on the Group's cash flows is expected.

The University is currently performing the detailed assessment of the impact of adopting the revised requirements. Management expects adoption to result in a material increase in recognised right-of-use assets and lease liabilities, a reliable quantitative estimate of the transition impact is not yet available and had not been finalised at the reporting date.

29 Connected charitable institutions

Bright Beginnings Childcare Centre Leeds is a connected charitable company of the University. Its charitable objects are the advancement of education, nursery education and childcare facilities for the staff and students of the University of Leeds.

	2025/26	2024/25
	Total £'000	Total £'000
Bright Beginnings Childcare Centre Leeds:		
Member funds at 1 August	**1,047**	705
Income	**2,272**	2,042
Expenditure	**(1,785)**	(1,700)
Member funds at 31 July	**1,534**	1,047

30 Contingent liabilities

Student class action claim

In 2025 the University received a draft set of particulars of a claim from solicitors acting on behalf of a group of students. The claim relates to alleged breaches of contract concerning the delivery of educational services and access to University facilities during the academic years affected by Covid-19: 2019/20, 2020/21 and 2021/22. Based on correspondence received from the claimants' legal representatives to date, the University intends to defend the claim (if issued) and does not accept liability. The proposed claim for 2019/20 would now likely, in our view, be time-barred, leaving two academic years.

Given the current understanding of the proposed claim, an economic outflow of resources is considered to be possible but uncertain and it is currently impracticable to make a reliable estimate of the potential financial effect for disclosure purposes under FRS 102. As the University has only received draft particulars at this stage, the timeline for any further developments remains uncertain.

The University is not currently aware of any material reimbursement or recovery that would arise in respect of this matter.

As such, no provision has been made in these financial statements.

The University continues to monitor the situation and will update its assessment as further information becomes available.

31 Reconciliation of net funds

	2025/26		2024/25	
	Consolidated £'000	University £'000	Consolidated £'000	University £'000
Net funds at 1 August	**140,627**	**137,402**	157,332	154,905
Decrease in cash and cash equivalents	**(43,345)**	**(44,395)**	(21,066)	(22,043)
Increase/(decrease) in current investments	**4,939**	**4,939**	(36)	(36)
Decrease in borrowings	**3,601**	**3,566**	4,397	4,576
Net funds at 31 July	**105,822**	**101,512**	140,627	137,402
Decrease in net funds	**(34,805)**	**(35,890)**	(16,705)	(17,503)
Analysis of net funds				
Cash and cash equivalents (note 21)	**323,140**	**318,633**	366,485	363,028
Current investments (note 20)	**122,033**	**122,033**	117,094	117,094
Total net funds	**445,173**	**440,666**	483,579	480,122
Borrowings: amounts falling due within one year (note 22)				
Obligations under finance leases	**(59)**	**–**	(83)	(28)
Service concession arrangement liabilities	**(3,183)**	**(3,183)**	(2,974)	(2,974)
Unsecured loans	**(1,000)**	**(1,000)**	(1,000)	(1,000)
Unsecured fixed-rate public bond	**(458)**	**(458)**	(452)	(452)
	(4,700)	**(4,641)**	(4,509)	(4,454)
Borrowings: amounts falling due after more than one year (note 23)				
Obligations under finance leases	**(138)**	**–**	(177)	–
Service concession arrangement liabilities	**(18,170)**	**(18,170)**	(20,465)	(20,465)
Unsecured loans	**(2,750)**	**(2,750)**	(3,750)	(3,750)
Unsecured fixed-rate public bond	**(313,593)**	**(313,593)**	(314,051)	(314,051)
	(334,651)	**(334,513)**	(338,443)	(338,266)
Net funds	**105,822**	**101,512**	140,627	137,402

32 Financial instruments

	2025/26		2024/25	
	Consolidated £'000	University £'000	Consolidated £'000	University £'000
Financial assets				
Financial assets at fair value through statement of comprehensive income and expenditure				
Listed investments	**165,303**	**165,303**	159,306	159,306
Financial assets that are equity instruments measured at cost less impairment				
Other investments	**1,696**	**1,862**	3,604	3,830
Financial assets that are debt instruments measured at amortised cost				
Cash and cash equivalents	**323,140**	**318,633**	366,485	363,028
Other investments	**122,033**	**122,033**	117,094	117,094
Other receivables	**104,596**	**111,861**	82,380	89,866
Total financial assets	**549,769**	**552,527**	565,959	569,988
Financial liabilities				
Financial liabilities measured at amortised cost				
Unsecured loans	**317,801**	**317,801**	319,253	319,253
Service concessions	**21,353**	**21,353**	23,439	23,439
Tuition fees received in advance	**9,428**	**9,428**	9,367	9,367
Trade payables	**31,222**	**30,409**	26,541	25,883
Other payables	**112,819**	**113,073**	86,729	87,615
Total financial liabilities	**492,623**	**492,064**	465,329	465,557

Financial assets held at fair value through the statement of comprehensive income and expenditure comprise listed investments which are measured at their quoted market price.

32 Financial instruments *continued*

The income, expenses, gains and losses in respect of financial instruments are summarised below:

		2025/26		2024/25	
		Consolidated £'000	University £'000	Consolidated £'000	University £'000
Interest income					
Total income for financial assets at amortised cost	5	**22,692**	**22,800**	28,634	28,787
Total interest expense for financial liabilities at amortised cost	8	**(10,017)**	**(9,984)**	(10,193)	(10,149)
Total		**12,675**	**12,816**	18,441	18,638
Fair value losses					
On financial assets measured at fair value through the statement of comprehensive income and expenditure		**(4,178)**	**(4,178)**	(4,621)	(4,621)

33 Pension schemes

The principal pension schemes for the University's staff are the Universities Superannuation Scheme (USS) and, for support staff, there is a choice between the University of Leeds DC Plan or the University of Leeds Pension and Assurance Scheme (PAS). The assets of the schemes are held in separate trustee-administered funds. USS is a hybrid scheme, comprised of a mixture of defined benefit and defined contribution benefits. PAS is a defined benefit scheme. Both are externally funded and are valued every three years by actuaries, the rates of contribution payable being determined by the trustees on the advice of the actuaries.

The DC Plan, which was introduced from 1 March 2013, is the main auto-enrolment vehicle for University support staff. The investment of scheme contributions for the DC Plan is managed by The People's Pension.

The University also contributes to the Teachers' Pension Scheme (TPS), which has five members, and the National Health Service (NHS) Pension Scheme, which has 207 members; both are multi-employer schemes.

Total pension costs for the University and its subsidiary undertakings

	2025/26 £'000	2024/25 £'000
USS	**50,240**	42,767
PAS	**8,745**	9,875
DC Plan	**3,997**	3,721
Other pension schemes	**2,904**	2,707
Total pension cost	**65,886**	59,070

The total pension cost is included within note 7.

33 Pension schemes *continued*

The Universities Superannuation Scheme (USS)

Pension scheme funding position

A deficit recovery plan was put in place as part of the 2020 valuation. It required payment of 6.2% of salaries over the period 1 April 2022 until 31 March 2024, at which point the rate would increase to 6.3%. No deficit recovery plan was required under the 2023 valuation because the scheme was in surplus on a technical provisions basis. The institution was no longer required to make deficit recovery contributions from 1 January 2024 and accordingly released the outstanding provision to the statement of income and expenses in 2023/24.

The latest available complete actuarial valuation of the Retirement Income Builder, the defined benefit part of the scheme, is as at 31 March 2023 (the valuation date), which was carried out using the projected unit method.

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

The 2023 valuation was the seventh 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 (the statutory funding objective). At the valuation date, the value of the assets of the scheme was £73.1bn and the value of the scheme's technical provisions was £65.7bn, indicating a surplus of £7.4bn and a funding ratio of 111%.

The key financial assumptions used in the 2023 valuation are described below. More detail is set out in the **Statement of Funding Principles**.

Price inflation – Consumer Price Index (CPI)

- 3% pa (based on a long-term average expected level of CPI, broadly consistent with long-term market expectations)

RPI/CPI gap

- 1% pa to 2030, reducing linearly by 0.1% pa from 2030

Pension increases (subject to a floor of 0%)

- Benefits with no cap: CPI assumption plus 3bps
- Benefits subject to a soft cap of 5% (providing inflationary increases up to 5% and half of any excess inflation over 5%, up to a maximum of 10%): CPI assumption minus 3bps

Discount rate (forward rates)

- Fixed-interest gilt yield curve plus: pre-retirement: 2.5% pa; post-retirement: 0.9% pa

The main demographic assumptions used relate to mortality assumptions. These assumptions are based on analysis of the scheme's experience carried out as part of the 2023 actuarial valuation. The mortality assumptions used in these figures are as follows:

33 Pension schemes *continued*

2023 valuation

Mortality base table	101% of S2PMA 'light' for males and 95% of S3PFA for females
Future improvements to mortality	CMI_2021 with a smoothing parameter of 7.5, an initial addition of 0.40% pa, 10% w2020 and w2021 parameters, and a long-term improvement rate of 1.80% pa for males and 1.60% pa for females

The current life expectancies on retirement at age 65 are:

	2026	2025
Males currently aged 65 (years)	**23.8**	23.8
Females currently aged 65 (years)	**25.6**	25.5
Males currently aged 45 (years)	**25.8**	25.7
Females currently aged 45 (years)	**27.3**	27.2

University of Leeds Pension and Assurance Scheme (PAS)

PAS is a defined benefit scheme for support and technical staff within the University. Triennial valuations are carried out by professionally qualified independent actuaries. The last valuation took place as at 31 March 2023. The results of the PAS valuation showed a funding level of 133% and a surplus of £131.4m. There is a judgement to be made over whether the University has the right to recognise the surplus that has arisen in the scheme during the year. Since the scheme is within the full control of the University and the surplus will mean a reduction in contributions in future years, the surplus has been recognised on the balance sheet.

PAS contributions	Final salary		Career revalued benefit	
	Employee	Employer	Employee	Employer
Post 1 August 2025	6.9%	14.8%	5.9%	14.8%

A contribution rate of 0.5% applies to provide death in service cover within PAS for members of the DC Plan. The University will continue to pay the Pension Protection Fund (PPF) levy, the cost of benefit augmentations and 50% of the cost of any ill health early retirements.

PAS final salary members who are promoted to a USS eligible grade are now permitted, under USS rules and with the agreement of the University, to remain in PAS. Members are made aware of this choice.

33 Pension schemes *continued*

Assumptions

The financial assumptions used to calculate scheme liabilities under FRS 102 are:

	At 31 July 2026 %pa	At 31 July 2025 %pa
Price inflation (RPI)	**3.1**	3.0
Price inflation (CPI)	**2.8**	2.7
Rate of increase in salaries	**3.8**	3.7
Rate of increase of pensions in payment	**2.8**	2.7
Discount rate	**6.4**	5.9
Mortality assumption	**109% S3PMA_All (males) 101% S3PFA_Mid (females) CMI 2025 with a long-term rate of 1.5% pa and default extended parameters for both males and females**	109% S3PMA_All (males) 101% S3PFA_Mid (females) CMI 2024 with a long-term rate of 1.5% pa and default extended parameters for both males and females

The most significant non-financial assumption is the assumed level of longevity. The table below shows the life expectancy assumptions used in the accounting assessments based on the life expectancy of male and female members at age 60.

	2026	2025
Male pensioner	**26.0**	25.7
Male non-pensioner (currently aged 40 in 2026)	**27.9**	27.6
Female pensioner	**28.6**	28.4
Female non-pensioner (currently aged 40 in 2026)	**30.5**	30.3

Virgin Media vs NTL Pension Trustees II Limited

The Virgin Media Ltd vs NTL Pension Trustees II decision, handed down by the High Court on 16 June 2023, considered the implications of Section 37 of the Pension Schemes Act 1993. In a judgment delivered on 25 July 2024, the Court of Appeal unanimously upheld the decision of the High Court, and the case has the potential to cause significant issues in the pensions industry.

The government announced on 5 June 2025 that it will introduce legislation to give affected pension schemes the ability to retrospectively obtain written actuarial confirmation that historic benefit changes met the necessary standards. The trustees will investigate the possible implications of this with its advisers in due course, but it is not possible at present to estimate the potential impact, if any, on the fund.

33 Pension schemes *continued*

Sensitivity analysis

As set out in the accounting policies, there are some significant estimates used to calculate the actuarial valuation of the PAS asset. The sensitivities of the principal assumptions used to calculate the provision are set out below:

Change in assumptions at 31 July 2026	Approximate increase/(decrease) to the net defined benefit asset
	£m
0.5% pa increase in discount rate	**24.3**
0.5% pa increase in salary inflation	**(6.2)**
0.5% pa increase in inflation	**(26.7)**

Scheme assets

The assets in the scheme were:

	Fair value as at	
	31 July 2026 £'000	31 July 2025 £'000
Equities and other growth assets	**292,874**	287,168
Property	**42,775**	47,858
Bonds and cash	**276,318**	234,848
Total	**611,967**	569,874
Analysis of the amount shown in the balance sheet for PAS		
Scheme assets	**611,967**	569,874
Scheme liabilities	**(336,865)**	(353,415)
Surplus in the scheme – net pension asset recorded in non-current assets	**275,102**	216,459

33 Pension schemes *continued*

	Fair value as at	
	31 July 2026 £'000	**31 July 2025 £'000**
Current service cost	**9,248**	11,242
Non-investment expenses	**1,759**	1,710
Total operating charge	**11,007**	12,952
Analysis of the amount credited to investment income		
Interest income	**(12,823)**	(8,687)
Net amount credited to investment income	**(12,823)**	(8,687)
Total (credit)/charge before deduction for tax	**(1,816)**	4,265
Analysis of other comprehensive income		
Actuarial gain on defined benefit obligation	**28,817**	52,382
Actuarial gain/(loss) on assets	**15,200**	(18,049)
Amount recognised in other comprehensive income	**44,017**	34,333
Analysis of movement in surplus		
Surplus at beginning of year	**216,459**	174,041
Contributions or benefits paid by the University	**12,810**	12,350
Current service cost	**(9,248)**	(11,242)
Non-investment expenses	**(1,759)**	(1,710)
Net interest income	**12,823**	8,687
Gain recognised in other comprehensive income	**44,017**	34,333
Surplus at end of year	**275,102**	216,459
Analysis of movement in the present value of liabilities		
Present value of liabilities at the start of the year	**353,415**	389,933
Current service cost (net of member contributions)	**9,248**	11,242
Actual member contributions	**342**	329
Interest cost	**20,609**	19,409
Actuarial gain	**(28,817)**	(52,382)
Actual benefit payments	**(17,932)**	(15,116)
Present value of liabilities at the end of the year	**336,865**	353,415

33 Pension schemes *continued*

	Fair value as at	
	31 July 2026 £'000	**31 July 2025 £'000**
Analysis of movement in the fair value of scheme assets		
Fair value of assets at the start of the year	**569,874**	563,974
Interest income on assets	**33,432**	28,096
Non-investment expenses	**(1,759)**	(1,710)
Actuarial gain/(loss) on assets	**15,200**	(18,049)
Actual contributions paid by University	**12,810**	12,350
Actual member contributions	**342**	329
Actual benefit payments	**(17,932)**	(15,116)
Fair value of scheme assets at the end of the year	**611,967**	569,874

PAS assets do not include any of the University's own financial instruments, or any property occupied by the University.

Actual return on scheme assets		
Interest income on assets	**33,432**	28,096
Actuarial gain/(loss) on assets	**15,200**	(18,049)
Change to actuarial gain on assets	**48,632**	10,047

University of Leeds Defined Contribution Pension Plan (DC Plan)

To comply with pensions automatic enrolment legislation, from 1 March 2013 the University introduced a new defined contribution plan, the University of Leeds Defined Contribution Plan (DC Plan). This is the default scheme for all new eligible support staff employees, although they can still opt to join PAS within 12 months of joining the University.

The DC Plan had 2,176 contributing members at 31 July 2026 (2025: 2,220). The default contribution rate is 3% member and 6% employer. There are members who contribute more and the maximum rate the University contributes is 10% for members who contribute 5% or higher.

34 Related parties

Due to the nature of the institution's operations and the composition of its Council (being drawn from local public and private sector organisations) and senior leadership team, it is expected that transactions will take place with organisations in which a member of Council or the senior leadership team could be deemed to have influence or control. All such transactions are conducted at arm's length and in accordance with the institution's financial regulations and normal procurement procedures.

The University has taken advantage of the exemption within FRS 102, Section 33: Related Party Disclosures, and has not disclosed transactions with other wholly owned Group entities.

Transactions with related parties, and parties where members of Council and the senior leadership team have significant influence or control, during the year and outstanding balances at the year end are detailed below:

	Income		Expenditure		Balance receivable by the University		Balance payable by the University	
Related party	2025/26 £'000	2024/25 £'000	2025/26 £'000	2024/25 £'000	2025/26 £'000	2024/25 £'000	2025/26 £'000	2024/25 £'000
Ahead Partnership Limited[1]	–	–	–	37	–	–	–	–
Association of Commonwealth Universities[2]	1	–	–	8	–	–	–	–
Association of Heads of University Administration[3]	–	–	–	12	–	–	2	2
British Computer Society[4]	–	–	–	1	–	–	–	–
Cancer Research UK[5]	–	2	–	1	–	–	–	–
CBI[6]	–	–	–	32	–	–	–	–
Chartered Association of Business Schools[7]	–	212	–	22	–	–	–	12
Global Health Education Group[6]	–	–	–	4	–	–	–	–
GORSE Academies Trust[8]	–	–	–	4	–	–	–	–
JBA Trust Limited[9]	–	–	–	9	–	–	–	–
Leeds Hospitals Charity[10]	–	721	–	1	–	80	–	–
Leeds International Piano Competition[2]	77	1	–	201	3	76	–	–
Leeds Trinity University[15]	100	–	49	–	10	–	–	–
Leeds University Union[11]	1,001	1,288	5,706	6,425	251	46	112	89
Lift Schools[16]	9	–	–	–	9	–	–	–
N8 Limited[2,12]	–	1	–	102	–	–	–	–
National Poetry Centre[6]	–	–	–	60	–	–	–	–
National Portrait Gallery[2]	2	4	–	–	–	–	–	–

34 Related parties *continued*

Related party	Income		Expenditure		Balance receivable by the University		Balance payable by the University	
	2025/26 £'000	2024/25 £'000	2025/26 £'000	2024/25 £'000	2025/26 £'000	2024/25 £'000	2025/26 £'000	2024/25 £'000
Northern Gritstone Limited[6]	**3**	9	**–**	–	**–**	1	**–**	–
Red Kite Learning Trust[13]	**368**	171	**–**	–	**–**	–	**–**	–
Royal College of Paediatrics and Child Health[5]	**–**	1	**–**	–	**–**	–	**–**	–
Russell Group of Universities[2]	**–**	–	**–**	96	**–**	–	**–**	–
The University of Leeds Pension and Assurance Scheme[14]	**53**	268	**–**	7,545	**12**	29	**–**	1,080
West Yorkshire Integrated Care Board[6]	**473**	–	**–**	–	**–**	–	**–**	–
White Rose University Consortium[2,12]	**12**	–	**–**	–	**(1)**	6	**–**	–
Worldwide Universities Network[2,12]	**83**	79	**–**	55	**37**	48	**–**	–
Yorkshire Cancer Research[10,15]	**1,919**	3,256	**–**	–	**220**	316	**–**	–
Yorkshire Universities[2,12]	**4**	2,673	**48**	195	**2**	–	**48**	–

34 Related parties *continued*

[1] Stephanie Burras and Janet Sheriff, members of Council, are on the Board of Ahead Partnership Limited, an enterprise established to tackle social disadvantage and connect young people to opportunity.

[2] Professor Shearer West, Vice-Chancellor and President from 1 November 2024, serves on the councils or boards of the following organisations: Association of Commonwealth Universities, N8 Limited, Russell Group of Universities, White Rose University Consortium, Yorkshire Universities and Worldwide Universities Network. Shearer is also a trustee of Leeds International Piano Competition and National Portrait Gallery.

[3] Rachel Brealey, Chief Operating Officer, was elected to the Executive Committee of the Association of Heads of University Administration on 1 September 2024.

[4] Tom Clark, a member of Council, served as a Council member of the British Computer Society until 31 March 2025.

[5] The spouse of Peter Goldsbrough, a member of Council, is a trustee and the Audit Committee Chair of Cancer Research UK, and a trustee and Chair of Royal College of Paediatrics and Child Health.

[6] Jane Madeley, Chief Financial Officer, is Vice-Chair of the Regional CBI Council. Jane is also a member of the Board of Global Health Education Group, a director of Northern Gritstone Limited, a trustee of the National Poetry Centre, and an Independent Non-Executive Member and Chair of the Audit Committee of the West Yorkshire Integrated Care Board.

[7] Professor Julia Bennell, Executive Dean: Faculty of Business, is a Council member of Chartered Association of Business Schools.

[8] Jennifer Sewel, University Secretary and Registrar, is a member of the Board of GORSE Academies Trust.

[9] Professor Peter Jimack, a member of Council, is a director and trustee of JBA Trust Limited.

[10] Dr Yvette Oade, a member of Council, is Chair of the Board of Trustees for Leeds Hospitals Charity, and was a trustee of Yorkshire Cancer Research until 31 March 2025.

[11] Lucy Hart, a member of Council until 30 June 2025, was an officer of Leeds University Union. Shivani Gug and, from 1 July 2025, Amara Relf and Sylvie Waterhouse-Reed, members of Council, are officers of Leeds University Union.

[12] Professor Hai-Sui Yu, Interim Vice-Chancellor and President until 31 October 2024 and Provost and Deputy Vice-Chancellor from 1 November 2024, was a Board member of N8 Limited, White Rose University Consortium and Yorkshire Universities until 31 October 2024. He was a director of Worldwide Universities Network until 27 February 2025.

[13] The spouse of Janet Sheriff, a member of Council, is the Chief Executive Officer of Red Kite Learning Trust, a multi-academy trust comprising sixteen schools in North and West Yorkshire, until February 2026.

[14] Helen Grantham, a member of Council, is a director of PAS Trustees Limited and a corporate trustee of the University of Leeds Pension and Assurance Scheme.

[15] Elizabeth Richards, a member of Council, is a trustee of Yorkshire Cancer Research and a member of the Board of Governors of Leeds Trinity University.

[16] Alastair Da Costa, Chair of Council, was appointed Chair and Statutory Director of Lift Schools on 1 September 2025.

35 Post balance sheet events

Donations

Subsequent to the year end, the University entered into two significant gift agreements. Under the terms of the agreements, payments of up to £45m may be received over a five-year period subject to the achievement of specified milestones. As the agreements were entered into after the reporting date, no asset has been recognised in these financial statements.

36 Financial responsibility supplemental schedule for the US Department of Education

This schedule has been compiled from Section 2, Example Financial Statements, included in the Federal Register / Vol 84, No 184 / Monday, September 23, 2019 / Rules and Regulations.

The numbers presented in the tables below are taken from the consolidated financial statements and therefore have been prepared in accordance with UK GAAP and presented in pound sterling.

The following abbreviation has been used in note references: CSCI – consolidated statement of comprehensive income and expenditure.

Description: supplemental schedule	Description: UK GAAP accounts	Notes	2025/26 £'000	2024/25 £'000
Primary reserve ratio:				
Expendable net assets				
Net assets without donor restrictions	Income and expenditure reserve – unrestricted*	Balance sheet	**1,190,130**	1,170,727
Net assets without donor restrictions	Endowment reserves – unrestricted permanent endowments*	25	**30,127**	29,645
Net assets with donor restrictions	Endowment reserves – restricted expendable endowments**	25	**8,826**	8,262
Net assets with donor restrictions	Endowment reserves – restricted permanent endowments**	25	**58,761**	57,951
Net assets with donor restrictions	Income and expenditure reserve – restricted reserve**	Balance sheet	**18,607**	19,835
Pre-implementation property, plant and equipment	Fixed assets consolidated net book value at 1 August 2019, less depreciation and disposals, excluding service concessions	13	**(401,402)**	(437,904)
Post-implementation property, plant and equipment with outstanding debt	Additions purchased with debt since 1 August 2019, excluding service concessions	13	**(44,926)**	(44,926)
Construction in progress	Assets under construction	13	**(57,161)**	(33,954)
Post-implementation property, plant and equipment with no outstanding debt	Freehold land and buildings and equipment additions and transfers since 1 August 2019, excluding service concessions	13	**(359,625)**	(346,686)

36 Financial responsibility supplemental schedule for the US Department of Education *continued*

Description: supplemental schedule	Description: UK GAAP accounts	Notes	2025/26 £'000	2024/25 £'000
Lease right-of-use assets – pre-implementation	Service concession arrangements at 1 August 2019, less subsequent depreciation and disposals	13	**(11,914)**	(14,778)
Lease right-of-use assets – post-implementation	Service concession arrangements – additions since 1 August 2019	13	**(6,085)**	(5,197)
Intangible assets	Software	12	**(8,495)**	(9,710)
Note payable for long-term purposes – pre-implementation	Borrowings used to purchase fixed assets at 1 August 2019	23	**205,074**	205,074
Note payable for long-term purposes – post-implementation	Borrowings used to purchase fixed assets since 1 August 2019	23	**44,926**	44,926
Lease right-of-use liability – pre-implementation	Service concession liabilities at 1 August 2019, less movements since 1 August 2019	15	**15,268**	18,242
Lease right-of-use liability – post-implementation	Service concession liabilities movement since 1 August 2019	15	**6,085**	5,197
Annuities	Endowment reserves: restricted expendable endowments	25	**(8,826)**	(8,262)
Restricted in perpetuity	Endowment reserves: restricted permanent endowments	25	**(58,761)**	(57,951)
Total expendable net assets			**620,609**	600,491
Expenses and losses without donor restrictions				
Total operating expenses and other deductions	Total expenditure	CSCI	**1,095,362**	1,006,703
Total operating expenses and other deductions	Restricted expendable endowments – expenditure	25	**(46)**	(706)
Total operating expenses and other deductions	Restricted reserves – expenditure	26	**(4,627)**	(10,324)
Other losses	Share of operating deficits in jointly controlled entities	CSCI	**–**	(2)
Other losses	Share of operating deficits in associates	CSCI	**(129)**	(546)
Other losses	Taxation charge	CSCI	**(229)**	(184)
Total expenses and losses without donor restrictions			**1,090,331**	994,941

36 Financial responsibility supplemental schedule for the US Department of Education *continued*

Description: supplemental schedule	Description: UK GAAP accounts	Notes	2025/26 £'000	2024/25 £'000
Equity ratio:				
Modified net assets				
Net assets without donor restrictions	Items in expendable net assets above marked*		**1,220,257**	1,200,372
Net assets with donor restrictions	Items in expendable net assets above marked**		**86,194**	86,048
Intangible assets	Software	12	**(8,495)**	(9,710)
Total modified net assets			**1,297,956**	1,276,710

Description: supplemental schedule	Description: UK GAAP accounts	Notes	2025/26 £'000	2024/25 £'000
Modified assets				
Total assets	Non-current assets	Balance sheet	**1,338,540**	1,282,733
Total assets	Current assets	Balance sheet	**568,289**	574,861
Lease right-of-use asset – pre-implementation	Service concession liabilities at 1 August 2019, less movements since 1 August 2019	13	**(11,914)**	(14,778)
Lease right-of-use liability – pre-implementation	Service concession liabilities at 1 August 2019, less movements since 1 August 2019	13	**15,268**	18,242
Intangible assets	Software	12	**(8,495)**	(9,710)
Total modified assets			**1,901,688**	1,851,348
Net income ratio				
Changes in net assets without donor restrictions	Unrestricted comprehensive income for the year	CSCI	**19,403**	28,915
Changes in net assets without donor restrictions	Movement in unrestricted permanent endowments	25	**482**	(122)
Changes in net assets without donor restrictions			**19,885**	28,793

36 Financial responsibility supplemental schedule for the US Department of Education *continued*

Description: supplemental schedule	Description: UK GAAP accounts	Notes	2025/26 £'000	2024/25 £'000
Revenues and gains without donor restrictions				
Total revenue	Total income	CSCI	**1,073,463**	998,550
Revenue with donor restrictions	New restricted grants and donations	26	**(3,399)**	(3,444)
Revenue with donor restrictions	Restricted endowment investment income	25	**(1,466)**	(1,196)
Sale of fixed assets, gains	Realised gains on disposal of non-current assets	CSCI	**2,270**	2,311
Other gains	Share of operating surpluses in jointly controlled entities	CSCI	**171**	–
Net assets released from restriction	Released to unrestricted reserves from permanent endowments (restricted)	25	**1,233**	566
Total revenue and gains without donor restrictions			**1,072,272**	996,787

* Items total to net assets without donor restrictions
** Items total to net assets with donor restrictions

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